REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. IX
Cabatangan Hills, Zamboanga City

June 22, 2026

OFFICE OF THE PRESIDENT
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TIME: 3:18
WESTERN MINDANAO STATE UNIVERSITY

MA. CARLA A. OCHOTORENA, RN, Ph.D.
University President
Western Mindanao State University
Baliwasan, Zamboanga City

Dr. Ochotorena:

We are pleased to transmit the Annual Audit Report on the accounts and operations of the Western Mindanao State University (WMSU), Zamboanga City, for the calendar year 2025 pursuant to Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was made to ascertain the propriety of financial transactions, compliance of the Agency to the prescribed laws and regulations, and the fairness of presentation of the financial statements (FS), recommend agency opportunities, and determine the extent of implementation of prior years' audit recommendations. Furthermore, the audit was conducted in accordance with International Standards of Supreme Audit Institutions. We believe that the audit provides a reasonable basis for our opinion.

We rendered a qualified opinion on the fairness of presentation of the FS for the year then ended.

The details of the Audit Observations are discussed in Part II and the Status of Implementation of Prior Years' Audit Recommendations is discussed in Part III of this Report.

We request that the recommended remedial measures be immediately implemented and we would appreciate being informed of the action(s) taken thereon by submitting the duly accomplished Agency Action Plan and Status of Implementation form within sixty (60) days upon receipt hereof.

We express our appreciation for the valuable support and cooperation extended by the officials and staff of the WMSU.

Very truly yours,

MATHEW REY M. MAGNO
Director IV
Regional Director

Copy Furnished:

1. President of the Philippines
   Malacañang Palace, Manila

2. Vice President of the Republic of the Philippines
   11F, Robinsons Cybergate Plaza, EDSA cor. Pioneer St.,
   Mandaluyong, 1550, Metro Manila

3. President of the Senate
   GSIS Building, Financial Center, PICC Complex, Pasay City

4. Speaker of the House of Representative
   Batasang Pambansa Building, Quezon City

5. Chairperson-Senate Finance Committee
   GSIS Building, Financial Center, PICC Complex, Pasay City

6. Chairperson – Appropriations Committee
   Batasang Pambansa Building, Quezon City

7. Secretary, Department of Budget and Management
   General Solano St., San Miguel, Manila

8. Presidential Management Staff
   Office of the President
   Malacañang Palace, Manila

9. Commission on Higher Education
   Higher Education Development Center Building,
   C.P. Garcia Ave., Diliman, Quezon City, Philippines

WESTERN MINDANAO STATE UNIVERSITY
BALIWASAN, ZAMBOANGA CITY

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2025
As of _____

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/ Office Responsible	Target Implementation Date				
					From	To			

Agency Sign-off: Date:

_____ _____
Name, Position and Signature of Agency Head

Status of Implementation may be either (a) Implemented; or (b) Not Implemented

EXECUTIVE SUMMARY

Introduction

The Western Mindanao State University (WMSU) was created under Presidential Decree (PD) No. 1427 on June 10, 1978. Its status has been greatly strengthened with the approval of Republic Act (RA) No. 8292 on June 6, 1997, which provides for the uniform composition and powers of the governing board of State Universities and Colleges and places them under the supervision of the Commission on Higher Education.

For 2025, WMSU has a total manpower complement of 1,394, consisting of 800 regular faculty and administration personnel, 39 temporary faculty members, 240 visiting lecturers, nine casual employees, 284 personnel under Contract of Service, six contractual personnel, and 16 personnel under Job Order status, signifying a decrease of 147 personnel compared with the previous year's total of 1,541.

Audit Objective

The objective of the audit is to: (a) ascertain the fairness of presentation of the financial statements (FS); (b) ascertain the propriety of financial transactions and compliance with prescribed rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

Audit Methodology

The Commission has been implementing a risk-based audit in the conduct of its audit services. However, to meet the evolving developments in public governance and fund management, a results-based approach in audit was incorporated.

Scope of Audit

An audit was conducted on the accounts and operations of WMSU for 2025. The audit consisted of a review of operating procedures, evaluation of the University's programs and projects, interviews with concerned University's officials and employees, verification, reconciliation, confirmation, inspection, and analysis of accounts, and such other procedures considered necessary. On a test basis, the audit also included a review of the propriety of disbursements and other financial transactions.

Financial Highlights

The financial position and results of operations of WMSU as of December 31, 2025, with comparative figures for the calendar year (CY) 2024, are summarized in the following table.

Particulars	CY 2025 (₱)	CY 2024 (₱)	Increase/ (Decrease) (₱)	Percentage
FINANCIAL POSITION				
Assets	1,025,898,397.48	960,697,483.02	65,200,914.46	6.79
Liabilities	351,483,551.32	333,151,431.95	18,332,119.37	5.50
Equity	674,414,846.16	627,546,051.07	46,868,795.09	7.47
RESULTS OF OPERATIONS				
Revenue and Subsidy				
Revenue	216,539,708.57	227,142,153.92	(10,602,445.35)	(4.67)
Non-Operating Income	145,904.85	577,798.43	(431,893.58)	(74.75)
Net Financial Assistance/Subsidy	967,560,121.79	918,884,878.10	48,675,243.69	5.30
Sub-total	**1,184,245,735.21**	**1,146,604,830.45**	**37,640,904.76**	**3.28**
Expenses				
Personnel Services	848,928,494.00	768,150,082.46	80,778,411.54	10.52
Maintenance and Other Operating Expenses	242,392,834.30	243,734,760.47	(1,341,926.17)	(0.55)
Direct Cost	4,946,117.88	7,431,556.73	(2,485,438.85)	(33.44)
Non-Cash Expenses	42,287,011.67	36,089,774.68	6,197,236.99	17.17
Sub-total	**1,138,554,457.85**	**1,055,406,174.34**	**83,148,283.51**	**7.88**
Net Surplus/(Deficit)	**45,691,277.36**	**91,198,656.11**	**(45,507,378.75)**	**(49.90)**

Independent Auditor's Report on the FS

We rendered a qualified opinion on the fairness of the presentation of the FS of WMSU for the year then ended, taking exception to the effects of the following:

1. The reported Cash in Bank-Local Currency Current Account as of December 31, 2025, was understated by a net amount of ₱80.274 million due to: a) inclusion of unidentified items totaling ₱64,313.93; b) non-adjustment of stale checks totaling ₱0.821 million; c) non-recording of Debit Memoranda totaling ₱2.887 million; and d) non-recording of deposits or Credit Memoranda amounting to ₱82.404 million, with corresponding misstatements in other affected accounts, particularly the Due to National Government Agencies (NGAs) account for the unrecorded fund transfers from other NGAs;

2. The accuracy of the Other Payables account amounting to ₱100.138 million cannot be ascertained due to erroneous charges against the account and the existence of unsubstantiated balances amounting to ₱93.019 million, as well as negative balances totaling ₱1.806 million;

3. The accuracy of the Construction in Progress (CIP) accounts totaling ₱107.060 million cannot be ascertained due to: a) unsubstantiated balances amounting to ₱1.271 million under CIP-Infrastructure Assets and ₱37.967 million under CIP-Buildings and Other Structures (BOS); b) errors in accounting for the progress billings, resulting in the net overstatement of both the CIP-BOS account and the Accounts Payable accounts by ₱1.212 million; and c) construction costs of projects already completed during CY 2023 to 2025 totaling ₱39.065 million, which remain in the CIP-BOS account;

4. The accuracy and existence of the Property, Plant and Equipment (PPE) accounts, with a total carrying amount of ₱579.539 million, cannot be ascertained due to the recording of acquisitions upon processing of payments rather than upon acceptance based on Inspection and Acceptance Reports (IARs) and the non-conduct of physical count;

5. The accuracy and existence of the Inventory accounts, with a total carrying amount of ₱20.023 million, cannot be ascertained due to: a) non-recording of inventory issuances for CYs 2024 and 2025; b) recording of acquisitions upon processing of payments instead of upon acceptance based on IARs; and c) non-conduct of the physical counts;

6. The accuracy of the Due to GSIS [Government Service Insurance System] account balance amounting to ₱8.061 million cannot be fully ascertained due to unresolved discrepancies between payroll deductions, GSIS billings and remittances, as well as the existence of a negative balance amounting to ₱7.124 million, and an unsubstantiated balance amounting to ₱0.545 million;

7. The accuracy of the Receivables accounts with a total carrying amount of ₱141.058 million cannot be ascertained due to: a) non-recognition of allowance for impairment loss on long outstanding receivables under the Loans Receivable-Others account amounting to ₱2.154 million, Due from NGAs account amounting to ₱0.669 million, and Due from Local Government Units amounting to ₱14,582.50; and b) non-derecognition of receivables already collected amounting to ₱3.990 million and unsubstantiated balance amounting to ₱5.533 million under the Due from NGAs account;

8. The overstatement in the reported Accounts Payable due to the non-elimination of inter-fund accounts and transactions during the consolidation resulting from the non-recognition of inter-fund receivables under the Income Generating Projects Fund and Special Trust Fund, wherein the corresponding payables were recognized under the General Fund, and the non-utilization of the prescribed intra-agency transaction accounts; and

9. The understatement of the Rental Receivable account by ₱1.036 million, with a corresponding understatement in Rent Income by a net amount of ₱0.700 million and an understatement in the Accumulated Surplus/(Deficit) account by ₱336,231.00 due to the non-accrual of earned rent income amounting to ₱1.036 million and the delayed recognition of rental income for November and December 2024 totaling ₱336,231.00.

Significant Audit Observations and Recommendations

In addition to the above-noted deficiencies, below are the significant audit observations and recommendations noted during the course of the audit:

1. The University has not maintained General Ledgers (GL) and Subsidiary Ledgers (SL) for various accounts, contrary to the provisions of the Government Accounting Manual for NGAs.

We recommended that Management: a) designate representatives from each major office/department to identify and define the University's responsibility centers and come up with a finalized list; b) assign appropriate responsibility codes to each center; and c) document and approve the finalized list and furnish a copy to the Accounting Unit.

We also recommended that Management ensures that the Human Resource Management Office (HRMO) – a) in coordination with the Management Information Systems and Technology Unit, resolves all duplicate employee identification numbers and establishes controls to ensure uniqueness; and b) provides the Accounting Unit with a validated list of employees with unique ID numbers for the electronic-New Government Accounting System (e-NGAS) setup. We further recommended that Management ensure that the Accounting Unit: a) conduct a re-echo training on e-NGAs for all the accounting staff; b) encode the responsibility centers, responsibility codes, and employee identification numbers in the e-NGAS upon receipt; and c) set a clear timeline for the full utilization of the e-NGAs to generate complete and reliable GLs, SLs, and Supplies Ledger Cards using the weighted average method in the valuation of inventories.

2. The University's non-compliance with various provisions of COA Circular No. 2020-006 dated January 31, 2020, relative to the One-Time Cleansing of PPE account balances, resulted in delays in the implementation of the prescribed procedures, thereby affecting the reliability of the PPE account balances presented in the FS due to the non-verification of their existence, condition, and accountability.

   We recommended that Management ensure that: a) the Chairperson of the Inventory Committee prepares the final schedule of activities in CY 2026 for the preliminary and inventory-taking activities for the one-time cleansing of PPE account balances, and furnishes the Audit Team with a copy thereof at least 10 calendar days prior to the scheduled commencement of the inventory activities; b) Members of the Inventory Committee complete the physical inventory within three months or less from the rescheduled preliminary and inventory-taking dates, in accordance with paragraphs 5.2 and 5.3 of the Circular, with members temporarily relieved of their regular duties to devote full time until completion, and without further delay or postponement; c) The Head of the Supply and Property Management Unit (SPMU), after the inventory-taking activities, to: i) properly prepare the Inventory Count Form by accomplishing the columns for quantity per physical count and remarks for items found at station and non-existing/missing PPEs; ii) adhere to the guidelines in Paragraphs 6.2.10 and 6.2.13, of the Circular on the preparation and submission of the Report on the Physical Count of PPE (RPCPPE), and submit the same to the Accounting Unit for recording in the books of accounts; iii) prepare the list of PPEs Found at Station and Non-Existing/ Missing PPEs using the formats prescribed under Annexes B and C of the Circular, respectively, and submit the same to the Accounting Unit for recording in the books of accounts; and d) the Head of the SPMU and the Accounting Unit, after the inventory-taking activities, to reconcile the balances between the RPCPPE and the PPE Ledger Card.

We also recommended that Management ensure that the Inventory Committee: a) adopts and implements the uniform property identification system for all PPE items, including those acquired in prior years, and completes the assignment of updated property numbers before the conduct of the rescheduled one-time cleansing activities; and b) furnishes the Audit Team with a copy of the updated list of PPE items reflecting the revised property numbers.

3. The University has yet to formulate and implement an Opt-Out Mechanism that would enable students with the financial capacity to pay for their education to voluntarily opt out of the subsidy for tuition and other school fees, in compliance with Section 4 of RA No. 10931 and its Implementing Rules and Regulations.

   We recommended that Management strictly monitor and adhere to the established timeline for the completion of the guidelines, stakeholder consultations, finalization of the report by the Committee, presentation to the Academic and Administrative Councils, and submission to the Board of Regents for approval, and thereafter ensure the immediate implementation of the approved Opt-Out Mechanism.

Summary of Total Suspensions, Disallowances and Charges as of Year-End

The reported audit suspensions, disallowances, and charges of WMSU as of December 31, 2025 were as follows:

Report	Beginning Balance (As of 1/1/2025)	This period January 1 to December 31, 2025		Ending Balance (As of 12/31/2025)
		NS/ND/NC	NSSDC	
	(₱)	(₱)	(₱)	(₱)
Notice of Suspension	2,400,585.48	(33,282.82)	(1,865,195.68)	502,107.98
Notice of Disallowance	2,324,808.09	30,258.04	(26,215.11)	2,328,851.02
Notice of Charge	1,057,073.01	0.00	0.00	1,057,073.01

Status of Implementation of Prior Years' Audit Recommendations

Of the total 156 audit recommendations in prior years' Annual Audit Reports, 94 (60 per cent) were implemented, and 62 (40 per cent) were not implemented.

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PART I – AUDITED FINANCIAL STATEMENTS

REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. IX
Cabatangan Hills, Zamboanga City

INDEPENDENT AUDITOR'S REPORT

Dr. MYRNA Q. MALLARI
Chair-Designate, Board of Regents
Western Mindanao State University
Baliwasan, Zamboanga City

Dr. MA. CARLA A. OCHOTORENA, RN
University President
Western Mindanao State University
Baliwasan, Zamboanga City

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements (FS) of the Western Mindanao State University (WMSU), which comprise the Statement of Financial Position as of December 31, 2025, and the Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts for the year then ended, and Notes to the FS, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Bases for Qualified Opinion* section of our report, the accompanying FS present fairly in all material respects, the financial position of WMSU as of December 31, 2025, and its financial performance, its cash flows, and its statement of comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards.

Bases for Qualified Opinion

The reported balances as of December 31, 2025 of Assets, Liabilities and Net Assets/Equity amounting to ₱1.026 billion, ₱351.484 million and ₱674.415 million, respectively, contain various accounting errors/omissions, and accounting deficiencies in the keeping of accounts. In view of the material impact of such misstatements and deficiencies on the reported account balances, the accuracy, completeness and existence of the said accounts could not be relied upon, thus affecting the fair presentation of the FS. These are discussed in detail in Part II of this report and are summarized as follows:

1. The reported Cash in Bank-Local Currency Current Account as of December 31, 2025, was understated by a net amount of ₱80.274 million due to: a) inclusion of unidentified items totaling ₱64,313.93; b) non-adjustment of stale checks totaling ₱0.821 million; c) non-recording of Debit Memoranda totaling ₱2.887 million; and d) non-recording of deposits or Credit Memoranda amounting to ₱82.404 million, with corresponding misstatements in other affected accounts, particularly the Due

to National Government Agencies (NGAs) account for the unrecorded fund transfers from other NGAs;

2. The accuracy of the Other Payables account amounting to ₱100.138 million cannot be ascertained due to erroneous charges against the account and the existence of unsubstantiated balances amounting to ₱93.019 million, as well as negative balances totaling ₱1.806 million;

3. The accuracy of the Construction in Progress (CIP) accounts totaling ₱107.060 million cannot be ascertained due to: a) unsubstantiated balances amounting to ₱1.271 million under CIP-Infrastructure Assets and ₱37.967 million under CIP-Buildings and Other Structures (BOS); b) errors in accounting for the progress billings, resulting in the net overstatement of both the CIP-BOS account and the Accounts Payable accounts by ₱1.212 million; and c) construction costs of projects already completed during Calendar Years (CY) 2023 to 2025 totaling ₱39.065 million which remain in the CIP-BOS account;

4. The accuracy and existence of the Property, Plant and Equipment accounts, with a total carrying amount of ₱579.539 million, cannot be ascertained due to the recording of acquisitions upon processing of payments rather than upon acceptance based on Inspection and Acceptance Reports (IARs) and the non-conduct of physical count;

5. The accuracy and existence of the Inventory accounts, with a total carrying amount of ₱20.023 million, cannot be ascertained due to: a) non-recording of inventory issuances for CYs 2024 and 2025; b) recording of acquisitions upon processing of payments instead of upon acceptance based on IARs; and c) non-conduct of the physical counts;

6. The accuracy of the Due to GSIS [Government Service Insurance System] account balance amounting to ₱8.061 million cannot be fully ascertained due to unresolved discrepancies between payroll deductions, GSIS billings and remittances, as well as the existence of a negative balance amounting to ₱7.124 million, and an unsubstantiated balance amounting to ₱0.545 million;

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8. The overstatement in the reported Accounts Payable due to the non-elimination of inter-fund accounts and transactions during the consolidation resulting from the non-recognition of inter-fund receivables under the Income Generating Projects Fund and Special Trust Fund, wherein the corresponding payables were recognized under the General Fund, and the non-utilization of the prescribed intra-agency transaction accounts; and

9. The understatement of the Rental Receivable account by ₱1.036 million, with a corresponding understatement in Rent Income by a net amount of ₱0.700 million

and an understatement in the Accumulated Surplus/(Deficit) account by ₱336,231.00 due to the non-accrual of earned rent income amounting to ₱1.036 million and the delayed recognition of rental income for November and December 2024 totaling ₱336,231.00.

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the FS* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the FS, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Except for the matter described in the Bases for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the FS

Management is responsible for the preparation and fair presentation of the FS in accordance with the IPSAS, and for such internal control as Management determines is necessary to enable the preparation of FS that are free from material misstatements, whether due to fraud or error.

Those charged with governance are responsible for overseeing the agency's financial reporting process.

Auditor's Responsibilities for the Audit of the FS

Our objectives are to obtain reasonable assurance about whether the FS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these FS.

COMMISSION ON AUDIT



ARMAN H. ASNAWI
State Auditor V
Supervising Auditor

COA Regional Office No. IX, Cabatangan, Zamboanga City

May 19, 2026

Republic of the Philippines
WESTERN MINDANAO STATE UNIVERSITY
Normal Road, Baliwasan, Zamboanga City 7000
Tel. No. 992 – 4238 • Fax No. (062) 991 – 3065

Annex G

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Western Mindanao State University (WMSU)** is responsible for all information and representations contained in the accompanying Statement of Financial Position as at **December 31, 2025** and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the International Public Sector Accounting Standards and generally accepted state accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

ROSALIE T. ARCILLAS, CPA, MBA
Director for Finance
Date Signed: February 27, 2026

MA. CARLA A. OHOTORENA, RN., Ph.D.
President
Date Signed: February 27, 2026

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF FINANCIAL POSITION
As of December 31, 2025
ALL FUNDS
With Comparative Figures for CY 2024

	Note	2025	2024 (As Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	₱ 232,977,504.25	₱ 242,584,859.27
Receivables	5	141,058,406.76	89,749,534.38
Inventories	6	20,023,488.52	13,813,481.73
Other Current Assets	7	28,477,996.83	9,449,392.60
Total Current Assets		₱ 422,537,388.36	₱ 355,597,268.18
Non - Current Assets			
Property, Plant and Equipment	8	579,538,945.90	581,276,151.62
Biological Assets	9	726,000.00	726,000.00
Intangible Assets	10	5,292,000.00	5,292,000.00
Other Assets	11	17,804,063.22	17,804,063.22
Total Non-Current Assets		₱ 603,361,009.12	₱ 605,100,214.84
Total Assets		₱ 1,025,898,397.48	₱ 960,697,483.02
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	42,546,371.69	64,440,478.49
Inter-Agency Payables	13	192,484,064.74	169,384,323.24
Trust Liabilities	14	16,315,611.06	16,796,550.76
Other Payables	15	100,137,503.83	82,530,079.46
Total Current Liabilities		₱ 351,483,551.32	₱ 333,151,431.95
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)	16	₱ 674,414,846.16	₱ 627,546,051.07
Total Liabilities and Net Assets/Equity		₱ 1,025,898,397.48	₱ 960,697,483.02

See accompanying Notes to Financial Statements

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended December 31, 2025
ALL FUNDS
With Comparative Figures for CY 2024

	Note		2025		2024 (As Restated)
Revenue					
Service and Business Income	17	₱	216,409,808.57	₱	225,642,153.92
Shares, Grants and Donations	17		129,900.00		1,500,000.00
Total Revenue		₱	216,539,708.57	₱	227,142,153.92
Less: Current Operating Expenses					
Personnel Services	19	₱	848,926,494.00	₱	768,150,082.46
Maintenance and Other Operating Expenses	20		242,392,834.30		243,734,760.47
Direct Costs	21		4,946,117.88		7,431,556.73
Non-Cash Expenses	22		42,287,011.67		36,089,774.68
Total Current Operating Expenses		₱	1,138,554,457.85	₱	1,055,406,174.34
Surplus/(Deficit) from Current Operations		₱	(922,014,749.28)	₱	(828,264,020.42)
Net Financial Assistance/Subsidy	23	₱	967,560,121.79	₱	918,884,878.10
Miscellaneous Income	18		145,904.85		577,798.43
Surplus/(Deficit) for the period		₱	45,691,277.36	₱	91,198,656.11

See accompanying Notes to Financial Statements

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the Year Ended December 31, 2025
ALL FUNDS
With Comparative Figures for CY 2024

	Note	2025	2024 (As Restated)
Balance at January 1		₱ 628,170,252.02	₱ 566,803,033.05
Add\(Deduct):			
Prior period errors	40	(624,200.95)	(29,523,214.18)
Restated balance		₱ 627,546,051.07	₱ 537,279,818.87
Add(Deduct):			
Changes in Net Assets / Equity for the Calendar Year			
Surplus/(Deficit) for the period		₱ 45,691,277.36	₱ 91,159,656.11
Adjustment of net revenue recognized directly in net assets/equity		1,177,517.73	(732,423.91)
Balance at December 31		₱ 674,414,846.16	₱ 627,546,051.07

See accompanying Notes to Financial Statements

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025
All Funds
With Comparative Figures for CY 2024

	Note	2025	2024 (As Restated)
Cash Flows From Operating Activities	24		
Cash Inflows			
Receipt of Notice of Cash Allocation	24	₱ 959,262,649.00	₱ 937,615,814.00
Collection of Income/Revenues	24	95,684,146.62	95,080,246.72
Collection of Receivables	24	25,061.14	74,343,759.24
Receipt of Inter-Agency Fund Transfers	24	179,258,139.67	72,623,678.00
Trust Receipts	24	126,407.20	72,220.00
Other Receipts	24	70,037,813.22	44,901,763.63
Adjustments	24	19,128,167.25	4,948,424.45
Total Cash Inflows	24	**₱ 1,323,522,384.30**	**₱ 1,229,585,926.04**
Cash Outflows			
Remittance to National Treasury	25	₱ 653,840.95	₱ 978,347.82
Payment of Expenses	26	690,763,179.54	722,063,527.40
Purchase of Inventories	27	9,303,649.13	7,002,165.22
Grant of Cash Advances	28	62,780,939.00	45,336,983.57
Prepayments	29	259,669.59	4,025,146.84
Refund of Deposits	30	4,540,271.15	4,974,979.89
Payment of Accounts Payable	31	90,041,226.70	128,162,973.19
Remittance of Personnel Benefit Contributions and Mandatory Deductions	32	327,649,272.43	300,096,391.78
Release of Inter-Agency Fund Transfers	33	59,585,300.85	67,081,448.25
Other Disbursements	34	61,795,487.59	158,893.68
Reversal of Unutilized NCA	35	2,004.73	629.26
Adjustments	36	200,665.00	4,050.00
Total Cash Outflows		**₱ 1,307,605,506.76**	**₱ 1,279,885,536.90**
Net Cash Provided by (Used in) Operating Activities	37	**₱ 15,916,877.54**	**₱ (50,299,610.86)**
Cash Flows from Investing Activities			
Cash Inflows		₱ 0	₱ 0
Total Cash Inflows		₱ 0	₱ 0
Cash Outflows			
Purchase/Construction of Property, Plant and Equipment	38	₱ 25,524,232.56	₱ 22,432,288.09
Total Cash Outflows		₱ 25,524,232.56	₱ 22,432,288.09
Net Cash Provided by (Used in) Investing Activities		**₱ (25,524,232.56)**	**₱ (22,432,288.09)**

	Note	2025	2024 (As Restated)
Cash Flows From Financing Activities			
Cash Inflows		₱ 0	₱ 0
Total Cash Inflows		₱ 0	₱ 0
Cash Outflows		₱ 0	₱ 0
Total Cash Outflows		₱ 0	₱ 0
Net Cash Provided by (Used in) Financing Activities		₱ 0	₱ 0
Increase (Decrease) in Cash and Cash Equivalents		₱ (9,607,355.02)	₱ (72,731,898.95)
Cash and Cash Equivalents, Beginning Balance		₱ 242,584,859.27	₱ 315,316,758.22
Cash and Cash Equivalents, Ending Balance		₱ 232,977,504.25	₱ 242,584,859.27

See accompanying Notes to Financial Statements

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
ALL FUNDS
For the Year Ended December 31, 2025

Particulars	Note	Budgeted Amount		Actual Amount on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
	39				
RECEIPTS					
Tax Revenue		₱ 0	₱ 0	₱ 0	₱ 0
Services and Business Income		295,107,761.00	296,003,761.00	171,241,257.49	124,762,503.51
Assistance and Subsidy		0	0	0	0
Shares, Grants and Donations		0	0	0	0
Gains		0	0	0	0
Other Non-operating Income		0	0	0	0
Other Non-operating Receipts		0	0	0	0
Loan Proceeds		0	0	0	0
Refund of Petty Cash and Advances		0	0	0	0
Others		0	0	0	0
Total Receipts		**₱ 295,107,761.00**	**₱ 296,003,761.00**	**₱ 171,241,257.49**	**₱ 124,762,503.51**
PAYMENTS					
Personnel Services		₱ 833,560,648.00	₱ 851,589,033.00	₱ 848,555,412.40	₱ 3,033,620.60
Maintenance and Other Operating Expenses		469,142,868.28	446,549,868.28	387,157,039.80	59,392,828.48
Capital Outlay		1,141,898,903.11	142,794,903.11	130,017,779.52	12,777,123.59
Financial Expenses		0	0	0	0
Other Disbursements		0	0	0	0
Loan Repayment		0	0	0	0
Remittance to National Treasury		0	0	0	0
Others		0	0	0	0
Total Payments		**₱ 2,444,602,419.39**	**₱ 1,440,933,804.39**	**₱ 1,365,730,231.72**	**₱ 75,203,572.67**
NET RECEIPTS/PAYMENTS		**₱ (2,149,494,658.39)**	**₱ (1,144,930,043.39)**	**₱ (1,194,488,974.23)**	**₱ 49,558,930.84**

NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2025

1. GENERAL INFORMATION/AGENCY PROFILE

The Financial Statements (FS) of Western Mindanao State University (WMSU) were authorized for issue on February 27, 2026 as shown in the Statement of Management Responsibility for Financial Statements signed by Dr. Ma. Carla A. Ochotorena, President.

The WMSU was established as a secondary school in 1904 and eventually evolved as the Zamboanga Normal School in 1918. It was converted to Zamboanga State College under Republic Act (RA) 5492 in 1969 and in June 1978 under Presidential Decree (PD) 1427, it was elevated to the WMSU.

The mandate of WMSU is to serve as a flagship educational institution and increase the access to quality education to a wider number of people in a more pluralistic social, economic and cultural setting. It further advances the philosophy that education remains to be the most potent tool for change in the process of socio-economic development and shall serve as a lead institution in the promotion of the same.

In the fulfilment of its educational mandate, the WMSU is tasked to perform a four-pronged function in evolving a genuine educational framework relevant to social needs and standards: instruction, research, extension, and production or resource generation.

Instruction. The University offers curricular programs that suit the needs of the diverse sectors of society with focus on the development potentials of industries. Currently, there are 15 Colleges with two Integrated Laboratory Schools and 14 External Campuses.

Research. The University's research function is anchored on Commission on Higher Education's (CHED's) long term development plan which provides that "Research in priority areas shall be pursued not only for improving educational programs but also for advancing inventions and technologies." Research continues to set the base for knowledge acquisition and application in rational decision-making and problem solving.

Extension. The primary goal of extension is to reach out to peoples and communities who normally cannot avail of the services of the formal educational system. It largely involves the formulation and administration of diversified

technical, educational and community development services that are mostly concentrated in depressed areas.

Production/ Resource Generation. The performance of the University's production function complements the concern of developing and utilizing the maximum potentials of both its human and capital resources. It basically rests on the enhancement of the output potentials of units to provide a sustainable source of income to finance its many educational and social concerns. This is to aid in unburdening the government of the bloating costs of subsidy in the operations of state-run Colleges and Universities.

WMSU's registered office is located at Normal Road, Baliwasan, Zamboanga City.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The FS of the University have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) issued by the Commission on Audit (COA) per COA Resolution No. 2014-003 dated January 24, 2014.

The FS have been prepared on the basis of historical cost, unless stated otherwise. Moreover, the Statement of Cash flows is prepared using the direct method. These financial statements and notes are presented in Philippine Pesos and all values are presented in absolute amounts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The FS are prepared on accrual basis in accordance with the IPSAS. These are presented by fund, categorized as General Fund (GF), Special Trust fund (STF) and Income Generating Projects (IGP).

3.2 Financial Instruments

a. Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of IPSAS 29, Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the University commits to purchase or sell the asset.

The Agency's financial assets include cash and receivables.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Derecognition

The University derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived; and
- The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either: a) the University has transferred substantially all risks and rewards of the asset; or b) the University has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

The University assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss" event) and that loss event has an impact on the estimated future cash flows of the financial assets can be reliably estimated.

Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization; and
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

Financial Assets Carried at Amortized Cost

For financial assets carried at amortized cost, the University first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the University determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

Impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows, excluding future expected credit losses that have not yet been incurred. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. The allowance account is adjusted for any increase or decrease in the estimated impairment loss in the subsequent year after the impairment is recognized. If a write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

b. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The University determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value. The University's financial liabilities include accounts payable, inter-agency payables, intra-agency payables, deferred credits and other payables.

Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and cash in bank. For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, net of outstanding bank overdrafts.

3.4 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, the cost of the inventory is its fair value at the date of acquisition. The cost of ending inventory of office supplies and materials, and other inventory items are computed using the weighted average cost method.

After initial recognition, inventory is measured at the lower of cost of net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less estimated costs of completion and estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operation of the University.

3.5 Property, Plant and Equipment

Recognition

An item is recognized as Property, Plant and Equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- Tangible items;
- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost or fair value of the item can be measured reliably.

Measurement at Recognition

An item recognized as PPE is measured at cost.

A PPE acquired through a non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transactions, its costs are its fair value at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- Expenditure that is directly attributable to the acquisition of the items; and
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement After Recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/ replacement is done, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repairs and maintenance costs are recognized as expenses in surplus or deficit as incurred.

Depreciation

Each part of an item of the PPE with cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as an expense unless it is included in the cost of another asset.

Initial Recognition of Depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

Estimated Useful Life

The University uses the Schedule of Estimated Useful Life of PPE by classification prepared by COA.

The University uses a residual value equivalent to at least five per cent of the cost of the PPE.

Impairment

An asset's carrying amount is written down to its recoverable amount or to its recoverable service amount if the asset's carrying amount is greater than its estimated recoverable service amount.

Derecognition

The University derecognizes items of the PPE and/ or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Gains or losses arising from derecognition, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the surplus or deficit when the asset is derecognized.

3.6 Leases

WMSU as a Lessor

Operating Lease

Leases in which the University does not transfer substantially all the risk and benefits of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policy for PPE is applied to similar assets leased by the entity.

WMSU as a Lessee

Operating Lease

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

3.7 Intangible Assets

Recognition and Measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost. If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in IPSAS 5, Borrowing Costs.

Subsequent Expenditure on an Acquired In-process Research and Development Project

Subsequent expenditure on an in-process research or development project acquired separately and recognized as an intangible asset is:

- Recognized as an expense when incurred if it is research expenditure;
- Recognized as an expense when incurred if it is development expenditure that does not satisfy the criteria for recognition as an intangible asset; and
- Added to the carrying amount of the acquired in-process research or development project if it is development expenditure that satisfies the recognition criteria for intangible assets.

Intangible Assets Acquired through Non-Exchange Transactions

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date these were acquired.

Internally Generated Intangible Assets

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Recognition of an Expense

Expenditure on an intangible item were recognized as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

Subsequent Measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over its useful life. The straight-line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful lives is not to be amortized.

Intangible assets with an indefinite useful life or an intangible asset not yet available for use are assessed for impairment whenever there is an indication that the asset may be impaired.

Research and Development costs

The University expenses research costs as incurred. Development costs on an individual project were recognized as intangible assets when the University can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits or service potential;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

3.8 Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions were reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions were reversed.

Contingent Liabilities

The University does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent Assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial statements.

Contingent assets were assessed continually to ensure that developments were appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.9 Changes in Accounting Policies and Estimates

The effects of changes in accounting policy are recognized retrospectively. However, if retrospective applications are not practicable, these are recognized prospectively.

The effects of changes in accounting estimates are recognized prospectively by including in surplus or deficit.

Material prior period errors are corrected retrospectively in the first set of FS authorized for issue after discovery by:

- Restating the comparative amounts for prior periods presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented.

3.10 Revenue from Non-Exchange Transactions

Recognition and Measurement of Assets from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction, other than services in kind that meets the definition of an asset are recognized if the following criteria are met:

- It is probable that the future economic benefit or service potential associated with the asset will flow to the University; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value at the date of acquisition.

Recognition Revenue from Non-Exchange Transactions

Inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the University satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

Measurement of Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

Measurement of Liabilities on Initial Recognition from Non-Exchange Transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

Gifts and Donations

The University recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the University and the fair value can be measured reliably.

Goods in-kind were recognized as assets when the goods were received, or there is a binding arrangement to receive the goods. If goods in-kind were received without conditions attached, revenue is recognized immediately. If conditions were attached, a liability is recognized, which is reduced and revenue recognized as the conditions were satisfied.

On initial recognition, gifts and donations including goods in-kind were measured at their fair value as at the date of acquisition, which were ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair value was ascertained by reference to quoted prices in an active and liquid market.

Transfers

The University recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

Transfers from Other Government Agencies

Revenues from non-exchange transactions with other government entities and the related assets were measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably.

3.11 Revenue from Exchange Transactions

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

Rendering of Services

The University recognizes revenue from tuition and other school fees of students on a semestral basis as authorized by the Board of Regents (BOR). Revenue from tuition fees is recorded on an accrual basis while all other school fees are recorded on cash basis.

Sale of goods

Revenue from the sale of goods from Garment Shoppe, University Press and Food Service, are recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the University.

Rental Income

Rental income arising from operating lease on properties is accounted for on a straight-line basis over the lease terms and included in revenue.

3.12 Budget Information

The budget for the GF was approved by legislative action on December 30, 2024, through the General Appropriations Act (GAA) RA No. 12116. The budget for the STF and IGP was approved by the WMSU BOR on December 16, 2024 per BOR Resolution No. 135, s. 2024, and subsequently revised on March 21, 2025 per BOR Resolution No. 31, s. 2025.

The annual budget of the University, as reflected in the Program of Receipts and Expenditures (PRE), is prepared on the accrual basis. All projected income and expenditures for the calendar year are presented based on the determined needs of the colleges and administrative units relative to priority programs and projects set by oversight Government Agencies and the BOR.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) was prepared since the budget and the financial statements were not prepared on a comparable basis. The SCBAA was presented showing the original and final

budget and the actual amounts on a comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

3.13 Impairment of Non-Financial Assets

Impairment of cash-generating assets

At each reporting date, the University assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the University estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that were largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the University estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Impairment of non-cash-generating assets

The University assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the University estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The University classifies assets as cash-generating assets when those assets were held with the primary objective generating a commercial return.

Therefore, non-cash generating assets would be those assets from which the University does not intend (as its primary objective) to realize a commercial return.

3.14 Employee Benefits

The employees of WMSU are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The University recognizes the undiscounted amount or short-term employee benefits when these benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as liability after deducting the amount paid.

Expenses are also recognized for accumulating compensated absences when these were paid, commuted and paid as terminal leave benefits. Unused entitlements that have accumulated at the reporting date were not recognized as expenses. Non-accumulating compensated absences, like special leave privileges, were not recognized.

3.15 Measurement Uncertainty

The preparation of the University's FS in conformity with the IPSAS requires Management to make adjustments, estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the FS and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, and impairment of assets.

Estimates were based on the best information available at the time of preparation of the FS and were reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these FS. Actual results could differ from these estimates.

3.16 Events after Reporting Date

Events occurring after the reporting date that are material to the FS are disclosed.

4. CASH AND CASH EQUIVALENTS

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Cash on Hand	**181,608.27**	**178,213.27**
Cash - Collecting Officer	4,595.00	1,200.00
Petty Cash	177,013.27	177,013.27
Cash in Bank, Local Currency, Current Account	**232,795,895.98**	**242,406,646.00**
Cash in Bank, Local Currency, Current Account - Land Bank of the Philippines (LBP)	232,795,895.98	242,406,646.00
Total Cash and Cash Equivalents	**232,977,504.25**	**242,584,859.27**

Petty cash fund balances are maintained for the continued operation of the Western Mindanao Agriculture and Aquatic Resources Research and

Development Consortium (WESMAARRDEC) and Philippine Council for Agriculture, Aquatic, and Natural Resources Research Development (PCAARRD) funded research projects, as well the GF, Auxiliary Services, Garment, Review funds, Various Agency Transfer Funds (VATF) and the STF.

The Petty Cash balance at year-end 2025 is attributable to the Petty Cash custodian of WESMAARRDEC and the Petty Cash custodian of the GF, STF, Auxiliary Revolving Fund, Garment, Review and Various VATF. Of the amount of ₱177,013.27, ₱50,000.00 is used as revolving fund for the operations of WESMAARRDEC and ₱127,013.27 as revolving fund for operations of the other funds.

Balances under said custodians remain open at year-end, however the balances include those from a previous custodian which is under investigation in connection with legal matters being undertaken by the University.

Cash in Bank-Local Currency, Current Account consists of collections of tuition and miscellaneous income as authorized under RA No. 8292. The total balance under STF and IGP in the amount of ₱242,406,646.00 includes payable to various creditors, officers and employees, Due to Bureau of Internal Revenue (BIR), Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (HDMF). The balance represents Cash for reprogramming to fund unpaid honoraria to faculty members and wages of part-time lecturers and capital outlay projects for Financial Year (FY) 2026.

Other major accounts included in Cash in Bank-Local Currency Current Account are funds under the following:

FUND	AMOUNT (₱)	PARTICULARS
STF	86,736,135.62	Balance of the University's Special Trust Fund.
SHS VP - WMSU Main	4,080,698.36	Consists of billings to Department of Education (DepEd) for the Senior High School (SHS) Voucher Program (VP).
Provident fund	1,571,601.17	Represents deposit under Other Payables for Government and Personal Share of WMSU Personnel.
Garment Shoppe	16,487,564.60	Balance intended for purchase of materials for uniforms and toga, as well as supplies and materials for operation.
Computer Laboratory	541,596.59	Balance is intended for the purchase of computers and upgrading of laboratory equipment and software.
CHED-Higher Education Development Fund (HEDF)	22,184,215.43	Fund transfer for the implementation of various CHED projects including the Tertiary Education Subsidy (TES) for the Students Grants-in-Aid Program for Poverty Alleviation (SGP-PA) grantees.
CHED-Fin Assistance	336,940.92	Fund transfer for the implementation of CHED Student Assistance Fund for Education (SAFE) Loan and Scholarship Program.
PCAARRD	7,193,421.05	Fund transfers intended for the implementation of PCAARRD-funded projects.

FUND	AMOUNT (₱)	PARTICULARS
University Press (UPRESS)	12,345,999.80	Balance intended for the production cost of the UPRESS.
University Dormitory and Food Service (UDFS) (Auxiliary Revolving Fund)	1,759,465.44	Balance intended for the production cost of the University Food Service Center.
Various Agency Transfer Fund	53,617,495.46	Fund transfers for the project implementation of various government agencies such as Information and Communications Technology Office (ICTO), Department of Agriculture, Department of Education, Department of Science and Technology (DOST)-PCAARRD
0180 Trust Liability	10,929,641.19	Balances recorded as Other Payables representing payments made by students for payment of undergraduate thesis, graduate school comprehensive examination and suppliers' bidder's bond.
Agri-Rev Fund	1,440,122.11	Balance intended for the expenses of the Agri-Revolving Fund of the College of Agriculture, an income generating project of the University.
BTR	626.25	Dormant account, for verification.
Old-New	62,766.72	Dormant account, for verification.
Project Rise/DOST Proj. Must	10,894,621.43	Fund transfers intended for the implementation of DOST-funded projects under Project Rise.
Review Class	1,969,235.04	Balance intended for the expenses of the Center for Continuing Education (CCE), the training arm of the University.
RLE	909.26	Dormant account, for verification.
WESMAARRDEC	641,827.84	Fund transfers intended for the implementation of DOST-funded projects of the WESMAARRDEC.
670	11.70	Dormant account, for verification.
TOTAL	**232,795,895.98**	

5. RECEIVABLES

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Loans and Receivable Accounts	**17,724,581.02**	**12,662,282.56**
Accounts Receivable	34,543,373.40	29,481,074.94
Allowance for Impairment - Accounts Receivable	(18,972,860.88)	(18,972,860.88)
Net Value-Accounts Receivable	**15,570,512.52**	**10,508,214.06**
Loans Receivable – Others	2,154,068.50	2,154,068.50
Allowance for Impairment – Loans Receivable – Others	0	0
Net Value-Loan Receivable	**2,154,068.50**	**2,154,068.50**
Inter-Agency Receivable	**121,960,870.32**	**75,757,909.01**
Due from National Government Agencies (NGAs)	121,946,287.82	75,743,326.51
Due from Local Government Units (LGUs)	14,582.50	14,582.50
Other Receivable	**1,372,957.42**	**1,329,342.81**
Receivable - Disallowance/Charges	1,201,808.95	1,218,250.09
Other Receivable	1,189,043.98	1,128,988.23

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Allowance for Impairment - Other Receivable	(1,017,895.51)	(1,017,895.51)
Net Value	**171,148.47**	**111,092.72**
Total Receivable	**141,058,408.76**	**89,749,534.38**

Accounts Receivable represent the: (a) unpaid tuition and other school fees of students in the Graduate Programs and College of Law not covered by RA No. 10931 of the Universal Access to Quality Tertiary Education Act.

Loans Receivable represent outstanding loans granted to students under the CHED Student Financial Assistance Program (STUFAP).

Due from LGUs represent old accounts which were being carried forward. Most of these are receivables from National and Local Government Agencies which are no longer in existence - like Philippine Coconut Producers Federation, Inc. (CocoFed) and Philippine Veterans Affairs Office (PVAO). Management will look into the possibility of requesting for the write-off of these receivables since the validity of these accounts is doubtful.

Due from NGAs represents the amount: (a) Beginning balance of ₱245,887.36; (b) Billed to DepEd SHS representing tuition and other school fees for the School Year 2021-2022 of SHS students covered by Free Higher Education amounting to ₱4,040,000.00; (c) the unpaid amount of the billing covering the free higher education amounting to ₱5,482,676.90;

The account Receivable-Disallowances/Charges represents amount due from Officers and Employees representing teacher's underload per Certificate of Settlements and Balances (CSB) No. 99-001-101(96), which are still under appeal with COA, Regional Office.

Aging of Receivables – All Funds As of December 31, 2025								
Account Title	Total (₱)	Current Year Balance (₱)	Current (₱)		Prior year Balance (₱)	Past Due (₱)		
			Less than 91 Days	91-365 Days		Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years
Total	**141,058,408.76**	**84,384,406.86**	**57,887,462.77**	**26,496,944.09**	**56,674,001.90**	**51,575,887.09**	**508,753.44**	**4,589,361.37**
Loans and Receivable	**17,724,581.02**	**13,113,907.00**	**5,062,298.46**	**8,051,608.54**	**4,610,674.02**	**1,085,660.74**	**508,753.44**	**3,016,259.84**
Accounts Receivable	15,570,512.52	13,113,907.00	5,062,298.46	8,051,608.54	**2,456,605.52**	1,085,660.74	508,753.44	862,191.34
Loans Receivable-Others	2,154,068.50	0	0	0	**2,154,068.50**	0	0	2,154,068.50
Inter-Agency Receivable	**121,960,870.32**	**71,210,174.11**	**52,764,838.56**	**18,445,335.55**	**50,750,696.21**	**50,490,226.35**	**0**	**260,469.86**
Due from National Government Agencies (NGAs)	121,946,287.82	71,210,174.11	52,764,838.56	18,445,335.55	**50,736,113.71**	50,490,226.35	0	245,887.36
Due from Local Government Units (LGUs)	14,582.50	0	0	0	**14,582.50**	0	0	14,582.50
Other Receivable	**1,372,957.42**	**60,325.75**	**60,325.75**	**0**	**1,312,631.67**	0	0	**1,312,631.67**
Receivable-Disallowance/ Charges	1,201,808.95	0	0	0	**1,201,808.95**	0	0	1,201,808.95
Other Receivable	171,148.47	60,325.75	60,325.75	0	**110,822.72**	0	0	110,822.72

6. INVENTORIES

ACCOUNTS	2025 (P)	2024 (P) As Restated
Inventory Held for Sale	**4,789,620.05**	**4,446,800.00**
Merchandise Inventory	4,789,620.05	4,446,800.00
Inventory Held for Manufacturing	**5,455,984.23**	**4,592,277.73**
Raw Materials Inventory	5,455,984.23	4,592,277.73
Inventory Held for Consumption	**9,777,884.24**	**4,774,404.00**
Office Supplies Inventory	3,664,503.07	1,605,571.20
Accountable Forms, Plates and Stickers Inventory	1,972,928.00	958,528.00
Drugs and Medicine Inventory	697,187.00	685,252.00
Medical, Dental and Laboratory Supplies Inventory	381,431.46	300,961.46
Other Supplies and Materials Inventory	3,071,834.71	1,224,091.34
TOTAL	**20,023,488.52**	**13,813,481.73**

Merchandise Inventory and Raw Materials Inventory accounts consist of inventories of the Garment Shoppe in the production of school uniforms and other products. The cost of direct labor was not yet recognized as part of the cost of the inventory, as the determination of the basis for allocation of cost to each unit of items produced is still being evaluated by the Office of the Auxiliary Services.

Office Supplies Inventory are stocks available at the Supply Office Stockroom for distribution to the different colleges and administrative units upon request. Accountable Forms, Plates and Stickers Inventory are used by the Cashier's office while Drugs and Medicine Inventory consist of inventories for use and consumption of the University Health Service Center. Medical, Dental and Laboratory Supplies Inventory are inventories consumed by the laboratories of the different colleges of the University. Other Supplies and Materials Inventory consist of inventories that do not fall under the afore-mentioned categories, such as cleaning materials and supplies for repair.

The physical count on the Inventory Accounts of the University for the year ended December 31, 2025 has not been finalized as of the date of issuance of the financial statements due to updating of inventory records and transfer of inventory personnel. As such, necessary adjustments, if any, from the results thereof have not yet been reflected in the December 31, 2025 Financial Statements.

7. OTHER CURRENT ASSETS

ACCOUNTS	2025 (P)	2024 (P) As Restated
Advances	**5,646,660.72**	**2,543,095.02**
Advances for Payroll	2,700.00	445,214.00
Advances to Special Disbursing Officer	3,576,412.15	372,666.61
Advances to Officers and Employees	2,067,548.57	1,725,224.41
Prepayments	**22,831,326.11**	**6,906,297.78**
Advances to Contractors	17,687,064.82	2,913,288.55
Prepaid Insurance	4,736,457.79	3,585,205.73
Other prepayments	407,803.50	407,803.50
Total Other Current Assets	**28,477,986.83**	**9,449,392.80**

Advances for Payroll includes unliquidated cash advances of two Special Disbursing Officers (SDOs) at the end of the month of December 2025 as shown in the following table:

FUND	AMOUNT (₱)		REMARKS
	SDO A	SDO B	
PCAARRD	0	2,700.00	Honoraria
TOTAL	**0**	**2,700.00**	

Advances to SDOs represent cash advances granted to employees to cover up expenses of official activities. Details of which are as follows:

PAYEE	FUND	PARTICULARS	AMOUNT (₱)
A	VATF	For food materials for the Tabang Migasa Project	52,725.40
B	VATF	For the conduct of successive information education communication campaign activities of the AREC	16,172.00
C	VATF	For the implementation of the approved project	190,000.00
D	STF	For Nutrition Month & Board Meeting for the month of June 2025.	250,000.00
E	VATF	To cover expenses for the conduct of the project "Feasibility Study on Coconut Flour."	284.00
F	STF	For various items for the Board Meeting, ISMP Seminar and Hostel Operational expenses for the month of October 2025	100,000.00
G	ARF/UDFS	For UFSC Operation and Various Catering	348,963.43
H	WESMAARRDEC	For the various expenses for the project "Improvement of the ICT Infrastructure of WESMAARRDEC Selected Consortium Member Institutions".	250,000.00
I	WESMAARRDEC	For various expenses for the 2025 Regional Symposium on Research and Development Highlights (RSRDH), General Assembly and 38th Anniversary of WESMAARRDEC	331,100.00
J	ARF/UDFS	To defray expenses for UFSC operation and various caterings.	500,000.00
K	PROJECT RISE	Cash advance for the supplies and materials	25,000.00
L	ARF/UDFS	To defray expenses for UFSC operation and various caterings.	500,000.00
M	F101	To defray expenses to be incurred during the 4th Quarter Regular Board Meeting (CY 2025) on December 11,2025 at CHED Central Office, UP Campus, Diliman QC	500,000.00
N	STF	For the production of Christmas goodies and galletas de mantequillas	100,000.00
O	VATF	To attend and serve in the OneDancePh series of activities to be held on Dec.14-15,2025.	1,786.02
P	PCAARRD	For RAISE Project activity.	81,850.00
Q	PCAARRD	For the activities of the DOST-PCAARRD funded project titled "Establishment of the Regional Knowledge Management (KM) Hub in Western Mindanao through RAISE Program".	39,000.00
R	PCAARRD	To cover tokens, IP drafting services, supplies and other contingency expenses.	76,308.10
S	F101	For additional production of cookies and tokens for Christmas giveaways.	75,000.00
Q	WESMAARRDEC	Defray expenses for the activities of the DOST-PCAARRD funded project titled "SciComustahan:	105,223.20

PAYEE	FUND	PARTICULARS	AMOUNT (P)
		Kwentong TectTrans sa SciComunidad ng Mindanao".	
T	PCAARRD	For RAISE Project activity.	33,000.00
TOTAL			3,576,412.15

Claims from SDO amounting to ₱332,986.36 are currently being verified as these items have remained non-moving for a significant period of time. Past records related to such are being acquired and studied for determination of future applicable action plan to be undertaken for possible reconciliation and/or write-off.

Advances to Officers and Employees represent cash advances granted to employees for travel. Details of which are as follows:

FUND	AMOUNT (P)	REMARKS
GF101	285,773.67	Payment of travel allowances of the employees
STF	919,036.34	Payment of travel allowances of the employees.
Various	862,738.36	Payment of travel allowances of the employees.
TOTAL	2,067,548.57	

Advances to Contractors represent payment of 15 per cent mobilization to contractors of various infrastructure projects of the University, details of which are as follows:

PARTICULARS	AMOUNT (P)
Construction of School Building Component for the Infrastructure and Smart Campus Development, Operationalization on Face-to-Face Classes and Upgrading Procurement of Equipment	34,123.85
Construction of the Technopreneurship Development Center Building	1,659,759.28
Upgrading of Primary Feederline and Secondary Distribution Line from Single Phase to Three Phase Line	179,496.37
Construction of College of Science and Mathematics Academic Infrastructure/Edifice	2,013,313.74
Improvement of WMSU College of Medicine	11,992,706.47
Repair of Perimeter Fence at WMSU Campus A and B	66,240.90
Renovation of the University Health Services Center	1,035,961.31
Renovation of the CHE Laboratory, Function Room	1,016,307.09
Construction of Al Fresco for the University	4,868.21
For verification	(315,712.40)
TOTAL	17,687,064.82

The Prepaid Insurance account consists of prepayments for insurance of university vehicles, building, firearms and hand-held radios.

8. PROPERTY, PLANT AND EQUIPMENT

PPE	LAND (P)	OTHER LAND IMPROVEMENTS (P)	INFRASTRUCTURE ASSETS (P)	BUILDING AND OTHER STRUCTURES (P)	MACHINERY AND EQUIPMENT (P)	TRANSPORTATION EQUIPMENT (P)	FURNITURES, FIXTURES AND BOOKS (P)	OTHER PROPERTY, PLANT AND EQUIPMENT (P)	CIP-INFRASTRUCTURE ASSETS (P)	CIP-BLDG. AND OTHER STRUCTURES (P)	TOTAL (P)
Carrying Amount-January 1, 2025	7,926,900.00	2,109,163.96	65,818,669.76	316,857,375.45	71,631,307.74	16,021,976.85	524,862.36	202,707.56	1,271,431.60	97,368,462.54	579,842,847.84
Addition	0	0	2,381,500.00	15,944,511.49	12,709,241.55	1,985,194.00	919,205.04	0	0	24,603,186.46	58,442,848.37
Total	7,926,900.00	2,109,163.96	68,200,169.76	332,811,886.94	84,340,549.29	18,007,170.85	1,444,067.40	202,707.56	1,271,431.60	121,971,649.00	638,285,696.21
Disposals	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	(89,713.92)	(11,758,071.42)	(15,353,791.61)	(12,258,598.03)	(2,670,826.87)	(137,259.78)	(19,760.04)	0	0	(42,287,011.67)
Adjustments	0	0	(11,675.00)	0	(284,485.22)	0	0	0	0	(16,183,378.42)	(16,459,738.64)
Carrying Amount-December 31, 2025	7,926,900.00	2,019,450.06	56,429,223.34	317,458,105.33	71,819,465.84	15,336,344.01	1,306,807.62	182,947.52	1,271,431.60	105,788,270.58	579,539,945.90
Gross Cost (Asset Account Balance Per Statement of Financial Position)	7,926,900.00	7,564,242.29	156,969,356.62	531,322,683.74	149,581,892.85	34,449,089.45	3,657,161.04	1,944,324.00	1,271,431.60	105,788,270.58	1,000,005,352.08
Accumulated Depreciation	0	(5,564,792.23)	(99,640,033.18)	(213,864,778.41)	(77,762,337.02)	(19,112,755.44)	(2,360,343.42)	(1,761,376.48)	0	0	(420,466,416.18)
Carrying Amount-December 31, 2025	7,926,900.00	2,019,450.06	56,429,223.34	317,458,105.33	71,819,465.84	15,336,344.01	1,306,807.62	182,947.52	1,271,431.60	105,788,270.58	579,539,945.90

2024 (As Restated)

PPE	LAND (P)	OTHER LAND IMPROVEMENTS (P)	INFRASTRUCTURE ASSETS (P)	BUILDING AND OTHER STRUCTURES (P)	MACHINERY AND EQUIPMENT (P)	TRANSPORTATION EQUIPMENT (P)	FURNITURES, FIXTURES AND BOOKS (P)	OTHER PROPERTY, PLANT AND EQUIPMENT (P)	CIP-INFRASTRUCTURE ASSETS (P)	CIP-BLDG. AND OTHER STRUCTURES (P)	TOTAL (P)
Carrying Amount-January 1, 2024	7,926,900.00	2,243,729.62	80,203,666.14	277,969,102.04	40,307,292.39	5,673,492.78	553,283.45	442,132.40	1,271,431.60	114,019,272.39	530,710,403.21
Addition	0	0	2,814,000.00	56,764,281.01	43,115,285.10	12,361,098.00	112,800.00	0	0	45,011,039.12	160,978,493.233
Total	7,926,900.00	2,243,729.62	83,017,666.14	334,733,383.05	83,422,577.99	18,034,590.78	766,083.45	442,132.40	1,271,431.60	P 159,830,301.51	691,688,896.44
Disposals	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	(89,713.92)	(11,646,435.66)	(14,152,159.07)	(8,508,190.13)	(1,603,788.56)	(69,727.08)	(19,760.04)	0	0	(36,089,774.68)
Adjustments	0	(44,851.62)	(4,064,435.52)	(5,713,648.53)	(3,336,091.34)	(406,825.35)	(71,494.01)	(219,564.80)	0	(62,461,848.97)	(76,320,970.14)
Carrying Amount-December 31, 2024	7,926,900.00	2,109,163.98	67,306,794.76	316,867,376.45	71,578,496.52	16,021,976.85	624,862.36	202,797.56	1,271,431.60	97,368,452.54	581,278,151.62
Gross Cost (Asset Account Balance Per Statement of Financial Position)	7,926,900.00	7,984,242.29	155,187,766.52	P615,378,372.25	137,084,225.01	32,463,966.42	2,847,946.00	1,944,324.00	1,271,431.60	97,368,452.54	959,457,556.13
Accumulated Depreciation	0	(5,875,078.31)	(87,880,961.75)	(198,510,936.80)	(65,505,738.98)	(16,441,928.57)	(2,223,083.64)	(1,741,516.44)	0	0	(378,179,404.51)
Carrying Amount-December 31, 2024	7,926,900.00	2,109,163.98	67,306,794.76	316,867,376.45	71,578,496.52	16,021,976.85	624,862.36	202,797.56	1,271,431.60	97,368,452.54	581,278,151.62

WMSU Main Campus consists of Lot 1 and 2 with 5.71 and 2.21 hectares (has.), respectively, located at Baliwasan, Zamboanga City.

Other campuses outside main campus are as follows:

TOTAL AREA (has.)	CURRENT UTILIZATION	LOCATION
20.11	WMSU College Agriculture San Ramon, Zamboanga City	San Ramon, Zamboanga City
1.227	Experimental Forest by WMSU College of Forestry	Barangay La-Paz, Zamboanga City
50	Experimental Forest by WMSU College of Forestry	Barangay Cayamcam, Municipality of Tungawan, Sibugay Province, Zamboanga del Sur
Approximately 3660 sq m.	External Academic Campus	WMSU-Malangas External Studies Unit (ESU) Malangas, Sibugay Province, Zamboanga del Sur

The buildings account consists of the main building and various structures located in the campuses of Baliwasan and San Ramon, Zamboanga City.

Construction in Progress Account represents infrastructure projects of the University under different stages of completion. Among the major ongoing projects are as follows:

No.	PROJECTS	FUND	AMOUNT (P)	REMARKS
1	Construction of School Building Component for the Infrastructure and Smart Campus Development, Operationalization on Face-to-Face Classes and Upgrading Procurement of Equipment	101	4,276,855.54	Ongoing
2	Construction of the Technopreneurship Development Center Building	101	19,967,406.96	On-going
3	Upgrading of Primary Feederliner and Secondary Distribution Line from Single Phase to Three Phase Line	101	14,778,535.52	On-going
4	Repair of Perimeter Fence at WMSU Campus A and B	STF	2,531,441.73	On-going
5	Renovation of the Nursing Simulation Laboratory and Support Facility	STF	7,514,666.26	On-going
6	Upgrading of the R and D of the Facilities of the DOST-PCAARRD WMSU Agri-Aqua Technology Business Incubator	PCAARRD	4,745,148.10	On-going
7	Enhancement of Native Chicken Processing Facility	VATF	906,289.13	On-going
8	Enhancement of Artificial Insemination for ZamPen Native Chicken Research and Development Center	VATF	1,727,341.91	On-going
9	Enhancement and Upgrading of WMSU-CA Breeding Facilities for	VATF	2,992,007.86	On-going

No.	PROJECTS	FUND	AMOUNT (P)	REMARKS
	the Conservation and Sustainable Production of Quality ZAMPEN Native Chicken			
10	Upgrading of Hatchery, Brooding and Growing Units of ZamPen Native Chicken Breeding Station in the College of Agriculture (Brooding & Hatchery)	VATF	1,668,566.56	On-going
11	Upgrading of Hatchery, Brooding and Growing Units of ZamPen Native Chicken Breeding Station in the College of Agriculture (Growing & Hardening)	VATF	1,470,348.35	On-going
12	Upgrading of Plant Tissue Culture Laboratory at WMSU College of Agriculture (Tissue Culture Laboratory)	VATF	1,690,438.23	On-going
13	Upgrading of Plant Tissue Culture Laboratory at WMSU College of Agriculture (Nursery Area and Water System)	VATF	1,296,124.36	On-going
14	Construction of AL FRESCO for UFSC	UDFS	1,076,956.65	On-going
15	WMSU Water Refilling Station	Garment	903,434.16	On-going

8.1 Donation of Land

The University has various donated properties in its External Studies Unit (ESU) Campus. The details are as follows:

LOCATION	TOTAL AREA (sqm)	APPLICABLE DOCUMENTS
Pangi, Ipil, Zamboanga Sibugay	2,173	Deed of Donation (Lot No. 173-GSS-837)
Taway, Ipil, Zamboanga Sibugay	10,000	Deed of Donation (Title No. 130-2020001341)
Ipil Public Subdivision, Ipil, Zamboanga Sibugay	5,225	Deed of Donation (Lot H-0908-002067)
Bulatok, Pagadian City	64,014	Lot 213, PLS-119
Balintawak, Pagadian City	11,227	Resolution No. 2021-1227 (Lot No.5239-K)
Malangas, Zamboanga Sibugay	235,396	Documents for verification with Legal Office
Malangas, Zamboanga Sibugay	3,600	Board Resolution No. 97-559; Tax Declaration No. 3116 (Lot No. T-30, 936)
Poblacion Malangas, Zamboanga Sibugay	23,695	Deed of Sale (Title Nos. T-30, 948; T-30, 943; T-30, 944; T-30, 945; T-30, 947)
Mabuhay, Zamboanga Sibugay	4,000	Deed of Donation, Tax Declaration, SB Resolution No. 94-2014 (Lot No. 1Z Blk 13, PCS 097314-001263)
Siay, Zamboanga Sibugay	10,000	Deed of Donation; Resolution No. 2021-1227 (Lot No. 73-C, GSS-837)

9. LIVESTOCKS HELD FOR CONSUMPTION/SALE/DISTRIBUTION

Particular	Quantity	Cost per Head (₱)	Total (₱)	Breeding stocks (₱)	Livestock	Livestock head for Consumption Sale/Distribution (₱)	
Carabao							
Carabull	1	35,000.00	35,000.00	35,000.00	0	1	35,000.00
Carabull	4	30,000.00	120,000.00	120,000.00	0	4	120,000.00
Caracow	6	25,000.00	150,000.00	25,000.00	125,000.00	6	150,000.00
Heifer	3	20,000.00	60,000.00	60,000.00	0	3	60,000.00
Suckling (M)	1	10,000.00	10,000.00	10,000.00	0	1	10,000.00
Suckling (M)	1	20,000.00	20,000.00	20,000.00	0	1	20,000.00
Cattle							
Cow	5	25,000.00	125,000.00	50,000.00	75,000.00	5	125,000.00
JR. BULL	1	20,000.00	20,000.00	20,000.00	0	1	20,000.00
Heifer	2	32,000.00	64,000.00	64,000.00	0	2	64,000.00
Yearling (F)	1	10,000.00	10,000.00	10,000.00	0	1	10,000.00
Yearling (F)	2	15,000.00	30,000.00	30,000.00	0	2	30,000.00
Yearling (M)	1	10,000.00	10,000.00	10,000.00	0	1	10,000.00
Suckling (M)	1	5,000.00	5,000.00	5,000.00	0	1	5,000.00
Suckling (M)	2	8,000.00	16,000.00	16,000.00	0	2	16,000.00
Suckling (F)	1	8,000.00	8,000.00	8,000.00	0	1	8,000.00
Goat							
Buck	1	3,000.00	3,000.00	3,000.00	0	1	3,000.00
Buck	1	3,000.00	3,000.00	3,000.00	0	1	3,000.00
Doe	1	2,500.00	2,500.00	2,500.00	0	1	2,500.00
Doe	7	3,500.00	24,500.00	24,500.00	0	7	24,500.00
Doeling(F)	3	2,000.00	6,000.00	6,000.00	0	3	6,000.00
Buckling(M)	1	2,000.00	2,000.00	2,000.00	0	1	2,000.00
Kid (F)	1	1,000.00	1,000.00	1,000.00	0	1	1,000.00
Kid (M)	1	1,000.00	1,000.00	1,000.00	0	1	1,000.00
Total	**48**		**726,000.00**	**526,000.00**	**200,000.00**	**48**	**726,000.00**

10. INTANGIBLE ASSETS

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Intangible Assets		
Computer Software	0	307,800.00
Development in Progress – Computer Software	5,292,000.00	4,984,200.00
Total Intangible Assets	**5,292,000.00**	**5,292,000.00**

Development in Progress - Computer Software pertains to the Human Resource Information System (HRIS) that is currently in development with percentage of completion as of report date at 98 per cent.

11. OTHER ASSETS

Other assets amounting to ₱17,804,063.22 consist of Property, Plant and Equipment which are fully depreciated and subject or waiting for disposal.

12. FINANCIAL LIABILITIES

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Payables		
Accounts Payable	29,195,252.73	53,110,375.81
Due to Officers and Employees	13,351,118.96	11,330,102.68
Total Payables	**42,546,371.69**	**64,440,478.49**

Accounts Payable consists of amounts payable to external creditors including payables to supplier of equipment and contractors for implementation of infrastructure projects in the University that are still in various stages of completion. Details are as follows:

PAYEE	GENERAL FUND (₱)	TRUST FUND (₱)	TOTAL (₱)
Various Payee	14,776,007.27	14,419,245.46	**29,195,252.73**

Due to Officers and Employees consists of amounts payable to internal creditors including the payment of salaries, Proportional Vacation Pay, wages to part-time lecturers, and stipend of scholars. Details are as follows:

PARTICULARS	GF (₱)	VARIOUS FUNDS (₱)
Cash Advance of SDO A	10,550.00	50,378.19
Cash Advance of SDO B	0	4,351,032.67
Various Advances	3,105,588.38	5,833,569.72
Total Due to Officers and Employees	**3,116,138.38**	**10,234,980.58**

13. INTER-AGENCY PAYABLES

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Due to BIR	8,313,129.41	7,928,186.87
Due to GSIS	8,061,306.15	7,757,634.54
Due to PAG-IBIG	1,471,310.49	1,635,806.38
Due to PhilHealth	1,165,024.90	934,981.94
Due to NGAs	173,473,293.79	151,127,711.51
Total Inter-Agency Payables	**192,484,064.74**	**169,384,323.24**

Due to BIR, GSIS, PhilHealth, and PAG-IBIG are outstanding contributions and loan amortization as of year-end which are to be remitted in the succeeding month.

Due to NGAs are fund transfers from other agencies deposited to WMSU for the implementation of various special projects. The balances as of December 31, 2025 include beginning balances from previous years for on-going projects, as well as current year's receipts for implementation of new projects.

14. TRUST LIABILITIES

ACCOUNT	2025 (₱)	2024 (₱) As Restated
Trust Liabilities		
Guaranty / Security Deposits Payable	16,315,611.06	16,796,550.76
Total Trust Liabilities	**16,315,611.06**	**16,796,550.76**

Trust Liabilities represents bid securities and performance bonds of suppliers participating in the procurement activities of the University.

15. OTHER PAYABLES

This account consists of retention fees withheld from suppliers and contractors as required by RA No. 9184, as well as contributions to the WMSU Faculty Union and

Administrative Personnel Association (APA) which were deducted from the monthly salary of employees that are still to be remitted.

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
City Savings Bank Loan	11,614.74	0
PVB	65,059.06	65,059.06
PPSTA	139,258.64	141,180.64
COOP	1,138,550.41	1,381,340.64
Cottage rental/Electric Bills/ Agri-business	2,700.00	0
Provident Fund	1,497,660.94	1,506,902.96
Comprehensive exam/Thesis/ Clinical Paper	7,077,235.32	6,471,119.32
CSC-LSP	79,821.38	79,821.38
Various/ Others	57,098,135.88	36,319,972.53
Withholding tax-Old account	1,855,512.00	1,855,512.00
Payables-miscellaneous	258,437.52	258,437.52
PASUC	(0.09)	(0.09)
Suspension and Disallowances	116,018.96	116,018.96
Tuition	19,793.98	2,094.98
Closed Accounts	139,563.96	0
Unallocated Difference	98,799.49	98,799.49
Other Payables - SSS	292,026.79	319,531.79
Other Payables - CHED/stipend	31,907,130.79	35,547,150.79
Other Payables - to be deposited to BTR [Bureau of the Treasury]	114,533.66	114,533.66
Other Payables - APA Union Dues	(1,317,474.99)	(1,311,177.46)
Other Payables - Faculty Union Dues	(480,258.38)	(359,558.38)
Other Payables - Tax remittance	23,383.75	(76,660.33)
Balance	**100,137,503.83**	**82,530,079.46**

16. ACCUMULATED SURPLUS/(DEFICIT)

ACCOUNT	2025 (₱)	2024 (₱) As Restated
Accumulated Surplus/(Deficit)	674,414,846.15	627,546,051.07
TOTAL	**674,414,846.15**	**627,546,051.07**

The Accumulated Surplus/(Deficit) account reflects the changes in net assets/equity for the calendar year. It is composed of the beginning balance for the year in the amount of ₱628,170,252.02, a deduction of Prior Period Errors amounting to ₱624,200.95, a Surplus for the period in the amount of ₱45,691,277.36, adjustments to Net Revenue recognized directly in Net Assets/Equity amounting to ₱1,177,517.73 and a deduction representing Cash-Treasury/Agency Deposit, Regular closed to equity amounting to ₱653,840.95.

17. SERVICE AND BUSINESS INCOME

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Service Income	**93,606,395.65**	**93,299,221.06**
Registration Fees	364,956.25	454,668.00
Clearance and Certification Fees	3,461,555.00	3,596,702.00
Other Service Income	89,779,884.40	89,247,851.06
Business Income	**122,803,412.92**	**132,342,932.86**
School Fees	96,840,656.12	97,230,566.70

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Affiliation Fees	6,266,825.00	6,970,105.00
Rent / Lease Income	2,804,687.14	3,971,756.15
Dividend Income	216.00	1,660.83
Interest Income	155,032.53	165,071.21
Other Business Income	16,735,996.13	24,003,772.97
Donations	**129,900.00**	**1,500,000.00**
Donations in Kind	129,900.00	1,500,000.00
TOTAL REVENUE	**216,539,708.57**	**227,142,153.92**

Income from Tuition Fees is recognized on an accrual basis every semester, while all other income accounts are recognized based on cash basis.

18. MISCELLANEOUS INCOME

ACCOUNT	2025 (₱)	2024 (₱) As Restated
Miscellaneous Income	145,904.85	577,798.43
TOTAL	**145,904.85**	**577,798.43**

Miscellaneous Income includes penalties incurred by the supplier/s for goods and services delivered to the University after the delivery period has lapsed. Additionally, this account also includes liquidated damages charged to contractors of infrastructure projects as well as utilities expense incurred during the construction period.

19. PERSONNEL SERVICES

ACCOUNTS	REFERENCE	2025 (₱)	2024 (₱) As Restated
Salaries and Wages	19.1	562,601,010.92	495,712,322.12
Other Compensation	19.2	199,599,332.84	150,900,634.94
Personnel Benefit Contributions	19.4	83,157,884.00	74,139,292.91
Other Personnel Benefits	19.5	3,570,266.24	47,397,832.49
Total Personnel Services		**848,928,494.00**	**768,150,082.46**

19.1 Salaries and Wages

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Salaries and Wages		
Salaries and Wages – Regular	558,068,326.42	492,674,289.58
Salaries and Wages - Casual/Contractual	4,532,684.50	3,038,032.54
Total Salaries and Wages	**562,601,010.92**	**495,712,322.12**

19.2 Other Compensation

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Other Compensation		
Personnel Economic Relief Allowance (PERA)	20,246,837.60	19,868,721.80
Representation Allowance (RA)	2,064,125.00	2,015,500.00

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Transportation Allowance (TA)	2,064,125.00	1,993,936.00
Clothing/ Uniform Allowance	5,677,000.00	5,543,000.00
Subsistence Allowance	35,920.98	33,119.31
Laundry Allowance	5,625.00	5,125.00
Honoraria	22,740,604.15	25,884,585.44
Hazard Pay	364,036.76	318,671.25
Longevity Pay	54,456.46	3,635.27
Overtime and Night Pay	1,495,694.29	2,134,226.85
Year End Bonus	87,543,891.60	43,860,918.30
Cash Gift	4,180,500.00	4,134,250.00
Mid-Year Bonus	5,463,016.00	40,685,945.72
Other Bonuses and Allowances	47,643,500.00	4,419,000.00
Total Other Compensation	**199,599,332.84**	**150,900,634.94**

Other Bonuses and Allowances include payments of the Performance Enhancement Incentive (PEI), Service Recognition Incentive (SRI) and Collective Negotiation Agreement (CNA) bonuses of unionized employees and faculty.

19.3 Employee Future Benefits

WMSU and its employees contribute to the GSIS in accordance with RA No. 8291. The GSIS administers the plan, including payment of pension benefits to employees to whom the act applies.

19.4 Personnel Benefit Contributions

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	67,201,444.16	59,433,744.41
PAG-IBIG Contributions	2,035,488.08	2,013,703.64
PhilHealth Contributions	12,898,753.78	11,686,713.85
Employees' Compensation Insurance Premiums	1,022,197.98	1,005,131.00
Total Personnel Benefit Contribution	**83,157,884.00**	**74,139,292.91**

19.5 Other Personnel Benefits

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Other Personnel Benefits		
Terminal Leave Benefits	2,680,818.19	10,810,332.49
Other Personnel Benefits	889,448.05	36,587,500.00
Total Other Personnel Benefits	**3,570,266.24**	**47,397,832.49**

Other Personnel Benefits pertain to the amount of loyalty awards to employees for their years of service in the University.

20. MAINTENANCE AND OTHER OPERATING EXPENSES

ACCOUNTS	REFERENCE	2025 (₱)	2024 (₱) As Restated
Traveling Expenses	20.1	8,126,269.38	12,594,553.74
Training and Scholarship Expenses	20.2	7,286,812.03	6,953,886.28
Supplies and Materials Expenses	20.3	25,689,024.02	22,789,411.13
Utility Expenses	20.4	27,151,521.39	24,202,412.09
Communication Expenses	20.5	10,010,397.02	10,080,626.35
Awards/Rewards and Prizes	20.6	857,200.00	2,204,820.00
Confidential, Intelligence and Extraordinary Expenses	20.7	203,625.00	150,000.00
Professional Services	20.8	52,299,775.25	55,873,357.10
General Services	20.9	75,359,234.48	71,105,696.99
Repairs and Maintenance	20.10	1,239,555.74	2,701,104.65
Taxes, Insurance Premiums and Other Fees	20.11	6,182,089.08	1,640,023.92
Labor and Wages	20.12	6,874,816.44	7,735,969.98
Other Maintenance and Other Operating Expenses	20.13	21,112,514.47	25,702,898.24
Total Maintenance and Other Operating Expenses		**242,392,834.30**	**243,734,760.47**

20.1 Traveling Expenses

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Traveling Expenses		
Traveling Expenses-Local	7,224,314.01	11,799,031.26
Traveling Expenses-Foreign	901,955.37	795,522.48
Total Traveling Expenses	**8,126,269.38**	**12,594,553.74**

20.2 Training and Scholarship Expenses

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Training and Scholarship Expenses		
Training Expenses	3,625,859.18	4,565,324.72
Scholarship Grants / Expenses	3,660,952.85	2,388,561.56
Total Training and Scholarship Expenses	**7,286,812.03**	**6,953,886.28**

20.3 Supplies and Materials Expenses

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Supplies and Material Expenses		
Office Supplies Expenses	145,232.50	643,998.38
Accountable Forms Expenses	0	3,000.00
Food Supplies Expenses	571,627.10	1,445,694.20
Drugs and Medicines Expenses	17,102.75	189,772.30
Medical, Dental and Laboratory Supplies Expenses	0	525,644.00
Fuel, Oil and Lubricants Expenses	1,104,015.73	1,734,891.96
Agricultural and Marine Supplies Expenses	232,790.00	0

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Textbooks and Instructional Materials Expenses	0	58,800.00
Semi-Expendable Machinery and Equipment Expenses	11,922,397.35	10,512,788.50
Semi-Expendable Furniture, Fixtures and Books Expense	6,520,584.30	1,782,620.50
Other Supplies and Materials Expenses	5,175,074.29	5,892,001.29
Total Supplies and Material Expenses	**25,689,024.02**	**22,789,411.13**

20.4 Utility Expenses

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Utility Expenses		
Water Expenses	220,852.95	451,659.79
Electricity Expenses	26,930,668.44	23,750,752.30
Total Utility Expenses	**27,151,521.39**	**24,202,412.09**

20.5 Communication Expenses

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Communication Expenses		
Postage and Courier Expenses	27,721.59	90,204.67
Telephone Expenses	2,115,196.55	1,929,454.35
Internet Subscription Expenses	7,867,478.88	8,060,967.33
Total Communication Expenses	**10,010,397.02**	**10,080,626.35**

20.6 Awards/ Rewards, Prizes and Indemnities

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Awards/Rewards and Prizes		
Awards/Rewards Expenses	287,200.00	1,905,820.00
Prizes	570,000.00	299,000.00
Total Awards/Rewards, Prizes and Indemnities	**857,200.00**	**2,204,820.00**

20.7 Confidential, Intelligence and Extraordinary Expenses

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	203,625.00	150,000.00
Total Confidential, Intelligence and Extraordinary Expenses	**203,625.00**	**150,000.00**

20.8 Professional Services

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Professional Services		
Consultancy Services	3,681,883.26	599,200.00
Other Professional Services	48,617,891.99	55,274,157.10
Total Professional Services	**52,299,775.25**	**55,873,357.10**

This account consists of payment of wages to part-time lecturers of the colleges.

20.9 General Services

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
General Services		
Janitorial Services	11,554,855.49	10,933,806.46
Security Services	16,958,452.90	15,958,695.61
Other General Services	44,845,926.09	44,213,194.92
Total General Services	**75,359,234.48**	**71,105,696.99**

20.10 Repairs and Maintenance

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Repairs and Maintenance		
Repairs and Maintenance-Infrastructure Assets	15,600.00	0
Repairs and Maintenance-Buildings and Other Structure	279,570.65	1,509,988.00
Repairs and Maintenance-Machinery and Equipment	318,799.00	401,038.29
Repairs and Maintenance-Transportation Equipment	560,250.09	580,967.70
Repairs and Maintenance-Furniture and Fixtures	34,306.00	0
Repairs and Maintenance-Other Property, Plant and Equipment	31,030.00	209,110.66
Total Repairs and Maintenance Expenses	**1,239,555.74**	**2,701,104.65**

20.11 Taxes, Insurance Premiums and Other Fees

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Taxes, Insurance Premiums and Other fees		
Taxes, Duties and Licenses	881,157.34	533,769.33
Fidelity Bond Premiums	617,525.97	619,286.25
Insurance Expenses	4,683,305.77	486,968.34
Total Taxes, Insurance Premiums and Other Fees	**6,182,089.08**	**1,640,023.92**

20.12 Labor and Wages

ACCOUNTS	2025 (₱)	2024 (₱) As Restated
Labor and Wages		
Labor and Wages	6,874,816.44	7,735,969.98
Total Labor and Wages	**6,874,816.44**	**7,735,969.98**

This account includes payment of wages to student assistants, laborers hired in the conduct of research projects, and encoders during enrollment period, among others.

20.13 Other Maintenance and Operating Expenses

ACCOUNTS	2025 (P)	2024 (P) As Restated
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	0	70,000.00
Printing and Binding Expenses	3,120,976.01	6,230,562.26
Representation Expenses	6,007,697.62	7,749,905.62
Transportation and Delivery Expenses	116,608.50	198,327.95
Rent / Lease Expenses	2,772,600.00	2,681,637.15
Membership Dues and Contributions to Organizations	560,341.30	384,070.35
Subscription Expenses	4,785,677.32	2,215,586.81
Other Maintenance and Operating Expenses	3,748,613.72	6,172,808.10
Total Other Maintenance and Operating Expenses	**21,112,514.47**	**25,702,898.24**

21. DIRECT COSTS

ACCOUNT	2025 (P)	2024 (P) As Restated
Cost of Sales	4,946,117.88	7,431,556.73
TOTAL	**4,946,117.88**	**7,431,556.73**

22. NON-CASH EXPENSES

ACCOUNTS	2025 (P)	2024 (P) As Restated
Non-Cash Expenses		
Depreciation-Land Improvements	89,713.92	89,713.92
Depreciation-Infrastructure Asset	11,759,071.42	11,646,435.86
Depreciation-Buildings and Other Structures	15,353,781.61	14,152,159.07
Depreciation-Machinery and Equipment	12,256,598.03	8,508,190.13
Depreciation-Transportation Equipment	2,670,826.87	1,603,788.58
Depreciation-Furniture, Fixture and Books	137,259.78	69,727.08
Depreciation-Other Property, Plant and Equipment	19,760.04	19,760.04
Total Non-Cash Expenses	**42,287,011.67**	**36,089,774.68**

23. NET FINANCIAL ASSISTANCE/SUBSIDY

NET FINANCIAL ASSISTANCE/SUBSIDY	2025 (P)	2024 (P) As Restated
NCA Received	959,262,647.00	937,615,814.00
Less:		
Reversal of lapsed NCA	(2,004.73)	(629.26)
Cancelled Checks	(3,010.00)	(1,686,117.79)
Transfer of Funds	(58,551,000.00)	(106,020,415.00)
Add:		
Adjustments in Journal Entries	230,124.72	37,012,478.60
Total NCA	900,936,756.99	866,921,130.55
Add:		
BIR Tax Remittance Advice (TRA)	70,580,249.32	58,193,452.59
Total Subsidy from National Government	971,517,006.31	925,114,583.14
Less:		

NET FINANCIAL ASSISTANCE/SUBSIDY	2025 (₱)	2024 (₱) As Restated
Subsidies-Others	(3,956,884.52)	(6,229,705.04)
Net Financial Assistance/Subsidy	**967,560,121.79**	**918,884,878.10**

This account represents Subsidy from the National Government pursuant to the General Appropriations Act, RA No. 11975. Transfer of Funds pertains to transfers from the General Fund to STF for funds received in the implementation of the Free Higher Education (FHE) Program (RA No. 10931).

The Notice of Cash Allocation (NCA) received for the year 2025 are shown in the following table.

DATE	PARTICULARS	OTHER RELEASES				TOTAL (₱)
		COMPREHENSIVE RELEASE (₱)	MONETIZATION (₱)	ACCOUNTS PAYABLE (₱)	PS/MEDICAL ALLOWANCE (₱)	
010/2/2025	NCA-ROIX-25-0000476	154,534,000.00	0	0	0	154,534,000.00
03/04/2025	NCA-ROIX-25-0002800	11,873,000.00	0	0	0	11,873,000.00
03/19/2025	NCA-ROIX-25-0003994	380,616,000.00	0	0	0	380,616,000.00
04/30/2025	NCA-ROIX-25-0005949	0	0	40,464,000.00	0	40,464,000.00
05/26/2025	NCA-ROIX-25-0006916	0	0	53,001,000.00	0	53,001,000.00
09/09/2025	NCA-ROIX-25-0011108	0	0	3,288,000.00	0	3,288,000.00
09/18/2025	NCA-ROIX-25-0011917	0	0	0	5,873,000.00	5,873,000.00
09/18/2025	NCA-ROIX-25-0011975	0	84,791.00	0	0	84,791.00
09/18/2025	NCA-ROIX-25-0011957	212,320,000.00	0	0	0	212,320,000.00
10/19/2025	NCA-ROIX-25-0013419	0	195,856.00	0	0	195,856.00
10/17/2025	NCA-ROIX-25-0013870	1,837,000.00	0	0	0	1,837,000.00
12/02/2025	NCA-ROIX-25-0016229	0	0	0	2,498,000.00	2,498,000.00
12/02/2025	NCA-ROIX-25-0016203	65,464,000.00	0	0	0	65,464,000.00
12/02/2025	NCA-ROIX-25-0016204	6,904,000.00	0	0	0	6,904,000.00
12/18/2025	NCA-ROIX-25-0016971	20,410,000.00	0	0	0	20,410,000.00
TOTAL NCA Received		**853,858,000.00**	**280,647.00**	**96,753,000.00**	**8,371,000.00**	**959,262,647.00**

24. CASH INFLOWS

CASH FLOWS FROM OPERATING ACTIVITIES	2025 (₱)	2024 (₱)
Receipt of Notice of Cash Allocation		
Receipt of Notice of Cash Allocation	959,262,649.00	937,615,814.00
Collection of Income/Revenues		
Collection of service and business income	95,684,146.82	95,080,246.72
Collection of Receivable		
Collection of loans and receivable	0	74,336,845.00
Collection of receivables from audit disallowances	16,441.14	6,914.24
Collection of other receivable	8,620.00	0
Receipt of Inter-Agency Fund Transfers		
Receipt of funds for the implementation of	179,258,139.67	72,623,678.00

CASH FLOWS FROM OPERATING ACTIVITIES	2025 (₱)	2024 (₱)
projects from NGAs/LGUs/GOCCs		
Trust Receipts		
Receipt of guaranty/ security deposits	126,407.20	72,220.00
Other Receipts		
Unused Petty Cash Fund	689,966.75	430,898.44
Refund of overpayment of Personnel Services	15,652.50	26,312.41
Refund of overpayment of Maintenance and Other Operating Expenses	413,282.64	110,178.15
Receipt of refund of cash advances	2,191,396.94	2,479,246.38
Other miscellaneous receipts	66,727,514.39	41,855,148.25
Adjustments		
Restoration of cash for cancelled/lost/ stale checks/ADA	19,128,167.25	4,948,424.45
TOTAL CASH INFLOWS	**1,323,522,384.30**	**1,229,585,926.04**

Receipts of Inter-Agency Fund Transfers include funds received from the CHED for the implementation of the TES.

25. REMITTANCE TO NATIONAL TREASURY

REMITTANCE TO NATIONAL TREASURY	2025 (₱)	2024 (₱)
Remittance to National Treasury	653,840.95	978,347.82
Total Remittance to National Treasury	**653,840.95**	**978,347.82**

26. PAYMENT OF EXPENSES

PAYMENT OF EXPENSES	2025 (₱)	2024 (₱)
Payment of personnel services	500,307,433.61	450,253,999.53
Payment of maintenance and other operating expenses	190,445,251.03	271,809,527.87
Payment of financial expenses	10,495.00	0
Total Payment of Expenses	**690,763,179.64**	**722,063,527.40**

27. PURCHASE OF INVENTORIES

PURCHASE OF INVENTORIES	2025 (₱)	2024 (₱)
Purchase of inventories for distribution	4,956,915.24	0
Purchase of inventory held for consumption	3,536,840.38	6,227,525.92
Purchase of raw materials inventory	809,893.51	774,639.30
Total Purchase of Inventories	**9,303,649.13**	**7,002,165.22**

28. GRANT OF CASH ADVANCES

GRANT OF CASH ADVANCES	2025 (₱)	2024 (₱)
Advances for operating expenses	697,477.47	430,898.44
Advances for payroll	34,836,511.86	18,903,465.71
Advances for special purpose/time-bound undertakings	12,741,876.78	12,044,622.00
Advances to officers and employees	14,505,072.89	13,958,097.42
Total Grant of Cash Advances	**62,780,939.00**	**45,336,983.57**

29. PREPAYMENTS

PREPAYMENTS	2025 (₱)	2024 (₱)
Prepaid Insurance	289,669.59	4,025,146.84
Total Prepayments	**289,669.59**	**4,025,146.84**

30. REFUND OF DEPOSITS

REFUND OF DEPOSITS	2025 (₱)	2024 (₱)
Payment of guaranty deposits	4,540,271.15	4,974,979.89
Total Refund of Deposits	**4,540,271.15**	**4,974,979.89**

31. PAYMENT OF ACCOUNTS PAYABLE

PAYMENT OF ACCOUNTS PAYABLE	2025 (₱)	2024 (₱)
Payment of Accounts Payable	90,041,226.70	128,162,973.19
Total Payment of Accounts Payable	**90,041,226.70**	**128,162,973.19**

32. REMITTANCE OF PERSONNEL BENEFIT CONTRIBUTIONS AND MANDATORY DEDUCTIONS

PERSONNEL BENEFIT CONTRIBUTIONS AND MANDATORY DEDUCTIONS	2025 (₱)	2024 (₱)
Remittance to GSIS/Pag-IBIG/Phil-Health	232,275,969.01	216,990,501.97
Remittance of Other Payables	95,373,303.42	83,105,889.81
Total Remittance of Personnel Benefit Contributions and Mandatory Deductions	**327,649,272.43**	**300,096,391.78**

33. RELEASE OF INTER-AGENCY FUND TRANSFERS

RELEASE OF INTER-AGENCY FUND TRANSFERS	2025 (₱)	2024 (₱)
Release of funds to NGAs, GOCCs, LGUs for the implementation of projects	59,585,300.85	67,081,448.25
Total Release of Inter-Agency Fund Transfers	**59,585,300.85**	**67,081,448.25**

34. OTHER DISBURSEMENTS

OTHER DISBURSEMENTS	2025 (₱)	2024 (₱)
Refund of Cash Advances	170,033.25	0
Other Disbursements	61,625,454.34	158,893.68
Total Other Disbursements	**61,795,487.59**	**158,893.68**

35. REVERSAL OF UNUTILIZED NCA

PARTICULARS	2025 (₱)	2024 (₱)
Reversal of Unutilized NCA	2,004.73	629.26
Total Reversal of Unutilized NCA	**2,004.73**	**629.26**

Reversion of unused NCA represents amounts of NCA lapsed during the quarter due to delay in progress billings of ongoing infrastructure projects.

36. ADJUSTMENTS

ADJUSTMENTS	2025 (₱)	2024 (₱)
Other Adjustments - Outflow	200,665.00	4,050.00
Total Adjustments	**200,665.00**	**4,050.00**

This amount is attributable to refunds of students of their stipend in March 2024 that otherwise do not fall under the other classifications of cash outflows.

37. NET CASH FROM OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES	2025 (₱)	2024 (₱)
Cash Inflows	1,323,522,384.30	1,229,585,926.04
Cash Outflows	1,307,605,506.76	1,279,885,536.90
Net Cash Provided by (Used in) Operating Activities	**15,916,877.54**	**(50,299,610.86)**

38. PURCHASE/ CONSTRUCTION OF PROPERTY, PLANT AND EQUIPMENT

PURCHASE OF PPE	2025 (₱)	2024 (₱)
Purchase of machinery and equipment	1,210,970.54	4,543,907.14
Purchase of transportation equipment	1,676,207.15	9,251,914.28
Construction in Progress	6,326,492.53	7,559,386.78
Purchase of other property, plant and equipment	90,000.00	0
Advances to contractors	16,220,562.34	1,077,079.89
Total Purchase of PPE	**25,524,232.56**	**22,432,288.09**

39. COMPARISON OF BUDGET AND ACTUAL AMOUNT

The University adopts the same basis of accounting for the preparation of budget proposals and financial statements. The approved budget also reflects the same period from January to December 31, 2025 to that reported in the other FS.

39.1 General Fund 101

The original budget was approved on the basis of FY 2025 GAA (RA No. 12116) on December 30, 2024. The difference between the Original and Final Budgeted amount is attributable to the unreleased allotment and other releases by the Department of Budget and Management (DBM) through Special Allotment Release Order (SARO), the details of which are shown in the following table:

SUMMARY OF ALLOTMENT RECEIVED FY 2025		
Authorized Appropriation	**AMOUNT (₱)**	
GAA RA 12116		2,060,132,000.00
Add:		
Automatic Appropriation (RLIP)	54,229,000.00	
GAA Continuing RA 11975	15,133,658.39	69,362,658.39
Total Appropriations		2,149,494,658.39
Less:		
For Later Release		
Unreleased Appropriation (NBC 595)	1,280,430,000.00	

SUMMARY OF ALLOTMENT RECEIVED FY 2025		
Less:		
Lump-sum for filling-up	(92,976,220.00)	
FHE	(111,318,000.00)	(1,076,135,780.00)
Total Comprehensive release		**1,073,358,878.39**
Add:		
SAROs		71,571,165.00
Total Allotment Received		**1,144,930,043.39**

Summary of Other Releases through SARO			
DATE	**SARO No.**	**PARTICULARS**	**AMOUNT (₱)**
03/04/ 2025	SARO-ROIX-25-0007498	To cover additional FY 2025 personnel services requirements.	53,152,924.00
03/04/ 2025	SARO-ROIX-25-0007499	To cover the RLIP requirements for deficiency in authorized personnel benefits for FY 2025	5,360,312.00
05/26/ 2025	SARO-ROIX-25-0010485	To cover the release of allotments chargeable against the FY 2025 Current Appropriations under Maintenance and Other Operating Expenses	53,001,100.00
09/18/ 2025	SARO-ROIX-25-0014765	To cover the funding requirements for deficiency in authorized personnel benefits for FY 2025	5,873,000.00
09/18/ 2025	SARO-ROIX-25-0014786	To cover the monetization of leave credits of one personnel	84,791.00
10/09/ 2025	SARO-ROIX-25-0015586	To cover the monetization of leave credits of one personnel	195,866.00
12/02/ 2025	SARO-ROIX-25-0017667	To cover the funding requirements for deficiency in authorized personnel benefits for FY 2025	70,067,559.00
12/02/ 2025	SARO-ROIX-25-0017668	To cover the RLIP requirements for deficiency in authorized personnel benefits for FY 2025	6,904,282.00
12/02/ 2025	SARO-ROIX-25-0017671	To cover the funding requirements for deficiency in authorized personnel benefits for FY 2025	2,498,048.00
12/18/ 2025	SARO-ROIX-25-0018793	To cover the funding requirements for deficiency in authorized personnel benefits for FY 2025	20,410,613.00
12/23/ 2025	SARO-ROIX-25-0019419	To cover the release of allotment for FY2025 Locally-funded projects classified as FISARO under Maintenance and Other Operating Expenses	58,316,900.00
TOTAL			**275,865,385.00**

The total SAROs released in FY 2025 include the amounts of ₱92,976,220.00 and ₱111,318,000.00, for lump-sum of filling up positions and FHE, respectively, and the additional releases through SAROs in the amount of ₱71,571,165.00 (as shown in the table of the Summary of Allotment Received for FY 2025).

39.2 Special Trust Fund and Income Generating Projects

The budget for the STF and IGP was approved by the WMSU BOR on December 16, 2024 per BOR Resolution No. 135, s. 2024, and subsequently revised on March 21, 2025 per BOR Resolution No. 31, s. 2025

40. NATURE AND EXTENT OF PRIOR PERIOD ERRORS

These amounts represent entries made affecting the beginning balance of the Accumulated Surplus/(Deficit) account, details of which are as follows:

PARTICULARS	AMOUNT (₱)	EFFECT ON CURRENT YEAR ACCUMULATED SUPRLUS/DEFICIT (₱)	EFFECT ON PRIOR YEAR SUPRLUS/DEFICIT (₱)
To take up liquidation of Cash Advance of various SDO for the month.			
Transportation and Delivery Expenses	26,835.00		
Food Supplies Expenses	149,525.35		
Advances to Special Disbursing Officer	(176,360.35)	176,360.35	(176,360.35)
To take up liquidation of Cash Advance for travel of various employees for the month.			
Traveling Expenses-Local	36,500.00		
Advances to Officers and Employees	(36,500.00)	36,500.00	(36,500.00)
To set up additional Accounts Payable for the year 2024 - GF101.			
Consultancy Services	403,200.00		
Other Supplies and Materials Expenses	6,790.89		
Representation Expenses	37,716.00		
Repairs and Maintenance-Other Property, Plant and Equipment	29,640.00		
Other Supplies and Materials Expenses	38,800.00		
Repairs and Maintenance-Other Property, Plant and Equipment	7,410.00		
Printing and Publication Expenses	100,858.00		
Office Supplies Expenses	7,158.00		
Labor and Wages	43,636.35		
Accounts Payable	(675,209.24)	675,209.24	(675,209.24)
To set up additional Accounts Payable for the year 2024 - STF.			
Other Supplies and Materials Expenses	456,489.12		
Office Supplies Expenses	80,840.00		
Rent / Lease Expense	49,900.00		
Repairs and Maintenance-Buildings and Other Structure	27,000.00		
Drugs and Medicines Expenses	5,880.00		
Representation Expenses	16,500.00		
Medical, Dental and Laboratory Supplies Expenses	223,452.00		

PARTICULARS	AMOUNT (P)	EFFECT ON CURRENT YEAR ACCUMULATED SUPRLUS/DEFICIT (P)	EFFECT ON PRIOR YEAR SUPRLUS/DEFICIT (P)
Other General Services	7,585.40		
Honoraria	10,500.00		
Accounts Payable	(878,146.52)	878,146.52	(878,146.52)
To recognize the donation of Bantayog-Wika Monument made by Komisyon sa Wikang Filipino.			
Donations in Kind	1,500,000.00		
Parks, Plazas and Monuments	1,500,000.00	(1,500,000.00)	1,500,000.00
To set up additional Accounts Payable for the year 2024 - IGP.			
Other Supplies and Materials Expenses	9,503.00		
Other Maintenance and Operating Expenses	17,628.00		
	74,056.00		
Accounts Payable	(101,187.00)	101,187.00	(101,187.00)
To take up adjustment of Accounts Payable.			
Labor and Wages	(270.00)		
Accounts Payable	270.00	(270.00)	270.00
To take up refund of Cash Advance by Regular Disbursing Officer.			
Honoraria	(7,032.00)		
Subsidies-Others	(7,500.00)		
Due to Officers and Employees	14,532.00	(14,532.00)	14,532.00
To adjust amount of Accounts Payable.			
Representation Expenses	(500.00)		
Accounts Payable	500.00	(500.00)	500.00
To recognize December 2024 depreciation of Parks, Plazas and Monuments.			
Depreciation-Infrastructure Asset	11,875.00		
Accumulated Depreciation-Parks, Plazas and Monuments	(11,875.00)	11,875.00	(11,875.00)
To adjust Prepaid Insurance.			
Insurance Expense	(508.42)		
Prepaid Insurance	508.42	(508.42)	508.42
To record billing of SHS Voucher Program.			
School Fees	1,880,000.00		
Due from National Government Agencies	1,880,000.00	(1,880,000.00)	1,880,000.00
To reclassify collection of payment for Summer Class Program in 2024.			
Other Service Income	(304,500.00)		
Other Payables	(304,500.00)	304,500.00	(304,500.00)
To adjust prior period depreciation of Technical and Scientific Equipment.			
Depreciation-Machinery and Equipment	23,429.38		
Accumulated Depreciation-Technical and Scientific Equipment	(23,429.38)	23,429.38	(23,429.38)
To reclassify Semi-Expendable - Technical and Scientific Equipment that was erroneously recorded as PPE.			

PARTICULARS	AMOUNT (P)	EFFECT ON CURRENT YEAR ACCUMULATED SUPRLUS/DEFICIT (P)	EFFECT ON PRIOR YEAR SUPRLUS/DEFICIT (P)
Semi-Expendable Machinery and Equipment Expenses	49,500.00		
Technical and Scientific Equipment	(49,500.00)	49,500.00	(49,500.00)
To set up additional Accounts Payable - GF101.			
Other Supplies and Materials Expenses	197,178.75		
Printing and Publication Expenses	97,000.00		
Other Maintenance and Operating Expenses	1,289,100.75		
Office Supplies Expenses	16,149.50		
Accounts Payable	(1,599,429.00)	1,599,429.00	(1,599,429.00)
To set up additional Accounts Payable - STF.			
Other Supplies and Materials Expenses	190,274.60		
Representation Expenses	101,542.95		
Other Supplies and Materials Expenses	154,853.00		
Printing and Publication Expenses	25,750.00		
Accounts Payable	(472,420.55)	472,420.55	(472,420.55)
To take up liquidation of Cash Advance for travel of various employees.			
Traveling Expenses-Local	56,750.00		
Other Professional Services	(1,423.07)		
Advances to Officers and Employees	(56,750.00)	56,750.00	(56,750.00)
Due to Officers and Employees	1,423.07	(1,423.07)	1,423.07
To take up adjustment of Accounts Payable.			
Clothing/ Uniform Allowance	2,000.00		
Due to Officers and Employees	(2,000.00)	2,000.00	(2,000.00)
To take up liquidation of Cash Advance of various SDO for the month.			
Representation Expenses	5,013.17		
Other Supplies and Materials Expenses	103,995.40		
Advances to Special Disbursing Officer	(109,008.57)	109,008.57	(109,008.57)
To take up liquidation of Cash Advance for travel of various employees for the month.			
Traveling Expenses-Local	61,649.00		
Training Expenses	12,507.00		
Advances to Officers and Employees	(74,156.00)	74,156.00	(74,156.00)
To set up additional Accounts Payable for the year 2024 - GF101.			
Medical, Dental and Laboratory Supplies Expenses	112,657.00		
Other Supplies and Materials Expenses	19,135.00		
Accounts Payable	(131,792.00)	131,792.00	(131,792.00)
To set up additional Accounts Payable for the year 2024 - STF.			

PARTICULARS	AMOUNT (₱)	EFFECT ON CURRENT YEAR ACCUMULATED SUPRLUS/DEFICIT (₱)	EFFECT ON PRIOR YEAR SUPRLUS/DEFICIT (₱)
Other Supplies and Materials Expenses	406,358.95		
Representation Expenses	192,500.00		
Accounts Payable	(598,858.95)	598,858.95	(598,858.95)
To set up additional Accounts Payable for the year 2024 - IGP.			
Training Expenses	45,700.00		
Other Supplies and Materials Expenses	90,970.00		
Accounts Payable	(136,670.00)	136,670.00	(136,670.00)
To take up liquidation of Cash Advance of various SDO for the month.			
Traveling Expenses-Local	141,180.00		
Accounts Payable	(141,180.00)	141,180.00	(141,180.00)
To take up additional Accounts Payable for the year 2024 - GF101.			
Other Supplies and Materials Expenses	24,708.00		
Accounts Payable	(24,708.00)	24,708.00	(24,708.00)
To take up additional Accounts Payable for the year 2024 - REVIEW.			
Other Supplies and Materials Expenses	1,050.00		
Accounts Payable	(1,050.00)	1,050.00	(1,050.00)
To take up reversal of set up of Accounts Payable			
Other Supplies and Materials Expenses	(89,440.00)		
Accounts Payable	89,440.00	(89,440.00)	89,440.00
To reverse the depreciation of PPE items in relation to JEV#04-88.			
Depreciation-Machinery and Equipment	(20,108.16)		
Accumulated Depreciation-Technical and Scientific Equipment	20,108.16	(20,108.16)	20,108.16
To take up liquidation of Cash Advance for travel of various employees for the month.			
Traveling Expenses-Local	9,750.00		
Training Expenses	3,100.00		
Advances to Officers and Employees	(12,850.00)	12,850.00	(12,850.00)
To set up additional Accounts Payable for the year 2024 - GF101.			
Other Maintenance and Operating Expenses	167,270.00		
Accounts Payable	(167,270.00)	167,270.00	(167,270.00)
To set up additional Accounts Payable for the year 2024 - STF.			
Repairs and Maintenance-Transportation Equipment	90,000.00		
Representation Expenses	98,956.00		
Accounts Payable	(188,956.00)	188,956.00	(188,956.00)
To adjust accounts payable.			
Traveling Expenses-Local	(0.48)		
Accounts Payable	0.48	(0.48)	0.48

PARTICULARS	AMOUNT (₱)	EFFECT ON CURRENT YEAR ACCUMULATED SUPRLUS/DEFICIT (₱)	EFFECT ON PRIOR YEAR SUPRLUS/DEFICIT (₱)
To take up liquidation of Cash Advance for travel of various employees for the month.			
Traveling Expenses-Local	17,389.12		
Training Expenses	9,916.40		
Advances to Officers and Employees	(27,305.52)	27,305.52	(27,305.52)
To set up additional Accounts Payable for the year 2024.			
Other Supplies and Materials Expenses	334,615.00		
Accounts Payable	(334,615.00)	334,615.00	(334,615.00)
To take up adjustment of Accounts Payable.			
Representation Expenses	(2.95)		
Accounts Payable	2.95	(2.95)	2.95
To set up additional Accounts Payable for the year 2024.			
Drugs and Medicines Expenses	80,550.00		
Accounts Payable	(80,550.00)	80,550.00	(80,550.00)
To take up adjustment of Accounts Payable.			
Labor and Wages	(45,000.00)		
Accounts Payable	45,000.00	(45,000.00)	45,000.00
To take up liquidation of cash advances for travel of various employees for the month.			
Traveling Expenses-Local	4,694.16		
Advances to Officers and Employees	(4,694.16)	4,694.16	(4,694.16)
To set up additional Accounts Payable for the year 2024.			
Other Supplies and Materials Expenses	1,240.00		
Accounts Payable	(1,240.00)	1,240.00	(1,240.00)
To set up additional Accounts Payable for the year 2024.			
Office Supplies Expenses	10,884.50		
Consultancy Services	196,000.00		
Accounts Payable	(206,884.50)	206,884.50	(206,884.50)
To close payables aged 2 years and above.			
Salaries and Wages-Regular	(2,250,571.86)		
Accounts Payable	2,250,571.86	(2,250,571.86)	2,250,571.86
To set up additional Accounts Payable for the year 2022.			
Salaries and Wages-Regular	42,386.06		
Other Business Income	1,000.00		
Accounts Payable	(43,386.06)	43,386.06	(43,386.06)
To close accounts payables aged 2 years and above			
Various Expense Accounts	(245,923.91)		
Accounts Payable	245,923.91	(245,923.91)	245,923.91
Total		**624,200.95**	**(624,200.95)**

41. RELATED PARTIES

The University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa.

Members of key management were regarded as related parties and comprise the members of the Board of Regents of the University composed of the Chairman, the Vice-Chair, Representatives for the Committee on Higher, Technical and Vocational Education and the Private Sector, Directors of the National Economic Development Authority IX, the DOST IX and the CHED IX, and Presidents of the University Faculty Union, the Alumni Association and the University Student Council.

PART II – AUDIT OBSERVATIONS AND RECOMMENDATIONS

PART II – AUDIT OBSERVATIONS AND RECOMMENDATIONS

FAVORABLE OBSERVATIONS

Western Mindanao State University (WMSU) demonstrated its commitment to strengthening financial reporting and internal controls by implementing the necessary corrections to the Subsidy from National Government and Accounts Receivable accounts, among others. As a result, the 2024 Financial Statements (FS) were restated to reflect the effects of prior period errors and enhance the accuracy and reliability of financial information. Furthermore, the University also formulated and updated various Work Instructions and Procedures Manuals to address identified process gaps in the recording and processing of transactions affecting FS balances and other operational areas, thereby promoting improved governance, consistency, and accountability.

In addition, WMSU garnered several notable recognitions and achievements in 2025, which include being ranked among the Top Performing Agencies in the Gender and Development (GAD) Budget for Fiscal Year 2024, placing 8th among State Colleges and Universities (SUCs) with the highest total GAD budget allocation for attributed programs and 7th among SUCs with the highest attributed expenditures for GAD programs.

FINANCIAL AUDIT

Inaccurate Cash in Bank-Local Currency, Current Account-Landbank of the Philippines (CIB-LCCA-LBP) balance - ₱79.453 million.

1. **The accuracy of the reported balance of the CIB-LCCA-LBP account of the University as of December 31, 2025 cannot be ascertained due to the: a) discrepancy amounting to ₱64,313.93 between the balance in the Statement of Financial Position (SFPos) per fund and supporting schedules; b) non-recording of Debit Memoranda totaling ₱2.887 million and the unresolved reconciling items on bank errors amounting ₱365,724.88; and c) non-recording of deposits or Credit Memoranda amounting to ₱82.405 million.**

    1.1 Section 111 (2), Chapter 2, Title III of Presidential Decree (PD) No. 1445 on keeping of accounts provides that the highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information. Further, Section 6, Chapter 21, Volume I of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) requires the Chief Accountant/Designated Staff to prepare a Journal Entry Voucher (JEV) to recognize all reconciling items that require adjustment and correction in the books of accounts.

    1.2 We have reviewed the schedules of the bank accounts reported under the CIB-LCCA-LBP account and compared the balances therein with the balances in the SFPos per fund to determine the accuracy and

consistency of the amounts between the said records. We also examined the Bank Reconciliation Statements (BRS) of all funds of the University to determine the accuracy, completeness, and nature of the reconciling items, as well as the timely preparation and resolution of discrepancies noted in the BRS.

1.3 As of December 31, 2025, the University has 17 active bank accounts with the LBP-WMSU Branch, categorized into three different funds: the General Fund (GF) [one account], the Special Trust Fund (STF) [11 accounts], and Income Generating Projects (IGP) Fund [five accounts], with each account having its own Subsidiary Ledger (SL). The bank account under GF is recorded under the Cash-Modified Disbursement System (MDS), Regular account, while those under STF and IGP are recorded under the CIB-LCCA-LBP account. The breakdown of the CIB-LCCA-LBP account per fund, with a total balance of ₱232.796 million in the SFPos as of December 31, 2025, is presented in the immediately succeeding table, along with the comparative balances from the prior year.

Table 1. Comparative Balances of CIB-LCCA-LBP Account as of December 31, 2024, and 2025

Fund	Account Balances (₱)	
	December 31, 2025	December 31, 2024, as Restated
STF	198,792,508.99	207,370,095.40
222222IGP	34,003,386.99	35,036,550.60
Total	**232,795,895.98**	**242,406,646.00**

1.4 Based on our review of the schedules and SLs of the CIB-LCCA-LBP account, we noted a net discrepancy of ₱64,313.93 between the balance in the SFPos for the STF and IGP funds and the corresponding SLs and schedules. Additionally, review of the BRS disclosed a substantial amount of reconciling items that were yet to be recorded in the books of the University, affecting the accuracy, reliability and fairness of presentation of the CIB-LCCA-LBP account in the FS, specifically the SFPos and Notes to FS. These observations are discussed in detail in the succeeding paragraphs.

A. *Unreconciled balances between the FS, corresponding SLs and schedules for a net amount of ₱64,313.93.*

1.5 Based on our review of the balances in the FS against the corresponding SL and schedules, we noted a net discrepancy of ₱64,313.93 under the STF and IGP funds, as shown in the following table.

Table 2. Comparison of CIB-LCCA-LBP Balances per FS and SL as of December 31, 2025

Fund	Balances as of December 31, 2025 (₱)		Variance (₱)
	Schedule and FS	SL	
(a)	(b)	(c)	(d = b - c)
STF	198,792,508.99	196,756,025.18	2,036,483.81
IGP	34,003,386.99	35,975,556.87	(1,972,169.88)
Total, All Funds	**232,795,895.98**	**232,731,582.05**	**64,313.93**

1.6 As presented in the preceding table, the total balance per FS and per SL amounted to ₱232.796 million and ₱232.732 million, respectively, resulting in a variance of ₱64,313.93. The discrepancy is attributed to differences noted between the FS and SL per fund, with the STF reflecting a total variance of ₱2.036 million and the IGP showing a variance of ₱1.972 million. These variances, for a net total of ₱64,313.93, are further itemized as follows: i) incorrect presentation of the balance of Account No. 3232-1005-82 WMSU-Review Class under STF for ₱1.972 million instead of IGP, resulting in a negative balance of the same amount under IGP; and ii) inclusion of unidentified items for a total of ₱64,313.93. These discrepancies are further explained below.

I. Incorrect presentation of Account No. 3232-1005-82 WMSU-Review Class for ₱1.972 million in the FS of the STF.

1.7 The variance under STF and IGP for ₱1.972 million has been recurring since the prior year's audit. In Calendar Year (CY) 2024, the Audit Team observed that the total balances per FS and its supporting schedule for the CIB-LCCA-LBP accounts were consistent in total. However, when analyzed individually per fund, a variance amounting to ₱1.972 million was noted between the STF and IGP funds, as follows.

Table 3. Comparison of CIB-LCCA-LBP Balances per FS and SL as of December 31, 2024

Fund	Balances as of December 31, 2024 (₱)		Variance (₱)
	SFPos	SL	
(a)	(c)	(b)	(d = b - c)
STF	207,370,095.40	205,397,925.52	(1,972,169.88)
IGP	35,036,550.60	37,008,720.48	1,972,169.88
Total, All Funds	**242,406,646.00**	**242,406,646.00**	**0**

1.8 Based on the explanations of the Accountant during the previous audit, the reason for the discrepancy amounting to ₱1.972 million was the misclassification of the balance of LBP Account No. 3232-1005-82 for the WMSU-Review Class under the STF instead of the IGP, which started in CY 2022. Accordingly, in CY 2021 and prior years, the FS of the University were presented in three sets: the FS for consolidated funds, FS for GF, and FS for Trust Fund. In 2022, the Management started preparing four sets to further segregate the FS under the Trust Fund into STF and IGP. However, the beginning balance for the CIB-LCCA-LBP for CY 2022, particularly that for Account No. 3232-1005-82 WMSU-Review Class, was erroneously presented or carried over to the FS of the STF, instead of to the FS of the IGP. Thus, the Audit Team recommended for the Accounting Unit to identify the nature of the discrepancy amounting to ₱1.972 million between the FS balances in the STF and IGP with those in the supporting schedules and properly classify the amount under the correct fund. In response to the Audit Team's recommendation, the Accounting Unit prepared a working paper identifying the discrepancy between the SL and the amounts presented in the Trial Balance and FS for CY 2022.

Subsequently, a journal entry was prepared in December 2025 to correct the misclassification, as follows:

Table 4. Adjusting Journal Entries for the Discrepancy Amounting to ₱1.972 Million

JEV No.	Fund / Bank Account	Account Code	Account Name	Debit (₱)	Credit (₱)
25-12-349	STF / 3232-1000-43 WMSU-Special Trust Fund	30101010	Accumulated Surplus/ (Deficit)	1,972,169.88	
		1010202024	CIB-LCCA-LBP		1,972,169.88
		To recognize cash in its proper fund (STF to Review).			
25-12-350	IGP / 3232-1005-82 WMSU-Review Class	1010202024	CIB-LCCA-LBP	1,972,169.88	
		30101010	Accumulated Surplus/ (Deficit)		1,972,169.88
		To recognize cash in its proper fund from STF to Review.			

1.9 To correct the balances presented in the FS, the Accounting Unit credited ₱1.972 million to the STF under account 3232-1000-43 WMSU–STF and debited the same amount in the IGP fund under account 3232-1005-82 WMSU-Review Class. However, while these entries supposedly correct the balances per fund in the FS, the corresponding balances per fund in the SL remain inconsistent. The inconsistency persists despite the total balances being the same, as shown in the succeeding table.

Table 5. Effect of the Adjusting Entries Under JEV Nos. 25-12-349 and 25-12-350

Fund/Bank Account	Balances as of December 31, 2025 (₱)		Variance (₱)
	Schedule and SFPos	SL	
(a)	(b)	(c)	(d = b - c)
STF/WMSU-STF	86,736,135.62	84,763,965.74	1,972,169.88
IGP/WMSU-Review Class	1,969,235.04	3,941,404.92	(1,972,169.88)
Total, All Funds	**88,705,370.66**	**88,705,370.66**	**0.00**

1.10 We acknowledge the efforts of the Accounting Unit in preparing the working paper to identify the discrepancy between the amounts recorded in the SL and those presented in the Trial Balance and FS in CY 2022. However, we noted that the entry made by the Accounting Unit was inappropriate. As explained in the prior year, the inconsistency between the STF and IGP funds, when analyzed individually, arose from the misclassification of Account No. 3232-1005-82 WMSU-Review Class under the FS of the STF when the University started to present its FS in four sets in CY 2021. Instead of presenting the CIB-LCCA-LBP of account No. 3232-1005-82 WMSU-Review Class in the FS under the IGP fund, it was erroneously presented and carried over in the FS under the STF, resulting in discrepancies between the FS and the SL when presented per fund. Thus, only the FS presentation is incorrect, while the SL and its corresponding schedules in prior years remain accurate. However, due to

the adjusting entry made in December 2025, as shown in Table 4, the FS per fund now reflects the correct balances, but these are no longer consistent with the corresponding SL and schedules. Hence, we deem it proper for the Accounting Unit to reverse the said adjusting entry and implement the appropriate corrections in the FS presentation. Otherwise, the variance per fund will persist, and the unreconciled balances between the FS and their supporting schedules will affect the reliability of the CIB-LCCA-LBP account balances, as these involve inaccurate or misleading information.

II. Inclusion of unidentified items totaling ₱64,313.93

1.11 Our examination of the FS and its supporting schedules for the CIB-LCCA-LBP account for CY 2025 disclosed that the year-end balance amounting to ₱232.796 million includes unidentified items under the STF totaling ₱64,313.93, as shown in the succeeding table.

Table 6. Unidentified Items under STF

Particulars/Description	Balances (₱)
Old-New	62,766.72
BTR	626.25
RLE	909.26
670	11.70
Total	**64,313.93**

1.12 The Audit Team conducted a bank confirmation inquiry with the LBP consistently for CYs 2022 to 2025. Based on the bank's responses, it was verified that the amount of ₱64,313.93 does not exist. These unidentified items were previously noted in the prior year's audit and communicated with the Management through Audit Observation Memorandum (AOM) for the past two consecutive years. In response, Management mentioned that these items originated from the previous administration and were the result of adjusting entries made during the transition from the old to the new chart of accounts. However, no supporting documents were turned over to the incumbent administration relative to the amount.

1.13 As a result, Management does not have any supporting documents to prepare the required adjusting entries to close the account, nor can they determine the corresponding account to offset against the CIB-LCCA-LBP account. Nevertheless, the Audit Team recommended that the Accounting Unit secure and collate the necessary documentation regarding the efforts made on the verification, analysis, and validation of the existence of unidentified items amounting to ₱64,313.93 and submit to the Audit Team for evaluation. Accordingly, the Accounting Unit is currently identifying and reconciling accounts for adjustments.

1.14 Notwithstanding the absence of sufficient supporting documents for the preparation of the required adjusting entries and the ongoing reconciliation effort, the inclusion of the unidentified items in the CIB-LCCA-LBP account further affected the accuracy of the FS balance under the STF, as it does not fairly represent the actual cash position of the University compared to

the balances confirmed by the LBP. Although the Audit Team has verified that the amount of ₱64,313.93 does not exist based on the balances confirmed by LBP-WMSU Branch, we maintain our recommendation that the Accounting Unit prepare and submit the necessary documentation on the verification, analysis, and validation of the existence of these unidentified items and submit the same to the Audit Team for evaluation.

Recommendations

1.15 We recommended, and Management agreed, to ensure that the balance of the CIB-LCCA-LBP account of the University is adjusted through the following actions by the Accounting Unit:

a. Prepare the journal entries to reverse JEV Nos. 25-12-349 and 25-12-350 that were prepared in December 2025, as shown in Table 4, and properly present Account No. 3232-1005-82 WMSU-Review Class in the FS under the IGP; and

b. Secure and collate the necessary documentation regarding the efforts made on the verification, analysis, and validation of the existence of the unidentified items amounting to ₱64,313.93, and submit to the Audit Team for evaluation.

Management Comments

1.16 Management stated that, in order to facilitate the reversal of the adjusting entry made in December 2025, the documentation on the error of linking amounts from the working paper to the FS will also be used as a supporting document to facilitate the correction of the presentation of the CIB account in the FS per fund.

B. Unrecorded Debit Memoranda amounting to ₱2.887 million and unresolved reconciling items on Bank Errors amounting to ₱365,724.88.

1.17 We have reviewed the BRSs submitted on the bank accounts reported under the CIB-LCCA–LBP account as of December 31, 2025 and noted that a total of ₱2.887 million of Debit Memoranda (DM) and ₱365,724.88 of bank errors remained unrecorded and unresolved in the books of the University, as presented in the succeeding table.

Table 7. DM and Bank Errors as of December 31, 2025

Reconciling Items	Fund (₱)		Total (₱)
	STF	IGP	
A. Book Reconciling Items on DM			
Prior Years	2,881,684.19	5,685.00	**2,887,369.19**
CY 2025	100.00	0	**100.00**
Subtotal, Debit Memoranda	**2,881,784.19**	**5,685.00**	**2,887,469.19**
B. Bank Reconciling Items on Bank Errors			
Prior Years	305,151.65	30,573.73	335,724.88
CY 2025	30,000.00	0	30,000.00
Subtotal, Bank Errors	**335,151.65**	**30,573.73**	**365,724.88**

1.18 Based on the data in the preceding table, the reconciling items per books pertaining to DM amounting to ₱2.882 million for STF, and ₱5,685.00 for IGP, or a total of ₱2.887 million, remained unrecorded in the books of the University as of December 31, 2025. Compared with last year's unrecorded DM of ₱2.965 million, the current year's balance is lower by ₱82,835.00. However, the decline of three per cent can be considered minimal. Moreover, an evaluation of the DM in CY 2025 disclosed that the WMSU-CHED-HEDF[1] bank account has the highest amount of unrecorded DM, totaling ₱2.803 million. Notably, this was also the bank account with the highest unrecorded DM in CY 2024 for the same amount, indicating that no adjustments or changes have been made as of December 31, 2025.

1.19 On the other hand, total bank errors amounting to ₱365,724.88 are largely attributable to prior years, comprising ₱335,724.88 or 92 per cent. The remaining eight per cent, or ₱30,000.00, pertains to errors in the bank's recording of three checks issued in May 2025, which remained unresolved as of year-end.

1.20 Based on our inquiry during the prior year's audit, the DM remained unrecorded due to the difficulty in identifying the nature of the transactions. Consequently, the Audit Team recommended that the University coordinate and communicate with the LBP-WMSU Branch to clarify the nature of the DMs and ensure that all actions are properly documented. However, as can be inferred from the preceding table, the continued existence of unrecorded DMs involving material amounts and the unadjusted errors by the bank indicates that the recommended actions have not been implemented. According to the Accountant, the preparation of written communications to the bank, including requests for clarification and adjustments pertaining to prior years, is still in progress as these items are being consolidated. Nevertheless, the Accounting Unit conveyed that, in CY 2025, they have already initiated prompt communication with the bank for any clarifications regarding DMs identified during the year. The Audit Team acknowledges this improvement, as DMs pertaining to CY 2025 significantly decreased compared to those in CY 2024. Specifically, DMs incurred in CY 2024 totaling ₱48,363.69 for all funds remained unrecorded as of December 31, 2024, whereas only ₱100.00 remained unrecorded for CY 2025.

1.21 Uncorrected bank errors and unresolved DMs affected the fair presentation of the CIB-LCCA-LBP account in the FS, considering that these resulted in inaccurate financial reporting. Hence, we find it appropriate for the Accounting Unit to initiate the communication with the bank to clarify and verify all identified errors and DMs, including those pertaining to prior years. This will allow for the timely correction and recording of necessary entries in the University's books, if warranted, supported by proper documentation. Moreover, prompt and consistent communication with the bank upon the occurrence of an error or issuance

[1] Commission on Higher Education-Higher Education Development Fund

of a DM will aid in the prevention of the accumulation of long-outstanding reconciling items in the BRS.

Recommendation

1.22 We recommended, and Management agreed, through the Accounting Unit, to ensure that the balance of the CIB-LCCA-LBP account of the University is properly adjusted by coordinating with the LBP-WMSU Branch to clarify and/or correct the bank errors amounting to ₱365,724.88, and the DM totaling ₱2.887 million as of December 31, 2025, with all actions duly documented.

C. Unrecorded Deposits or Credit Memoranda totaling ₱82.405 million

1.23 Our review of the BRSs as of December 31, 2025, also disclosed that the unrecorded deposits and Credit Memoranda (CM) totaling ₱82.405 million remained unrecorded in the books of the University, as presented in the succeeding table.

Table 8. Unrecorded Deposits and Credit Memoranda as of December 31, 2025

Fund	Unrecorded Deposits/CM (₱)		Total (₱)
	Prior Year	Current Year	
STF	16,969,700.53	62,207,767.31	79,177,467.84
IGP	2,507,940.15	719,434.20	3,227,374.35
Total	19,477,640.68	62,927,201.51	82,404,842.19

1.24 Among the 11 bank accounts under the STF and the five bank accounts under the IGP fund, a total of eight STF accounts and four IGP accounts had deposits or CM, which remained unrecorded in the University's books, totaling ₱82.405 million, as presented in the preceding table. The corresponding bank accounts of these unrecorded deposits and CM are highlighted in Table 9.

Table 9. Significant Unrecorded Deposits and CM as of December 31, 2025

Fund	Bank Accounts	Unrecorded Deposits/CM (₱)		Total (₱)
		Prior Year	Current Year	
STF	WMSU-STF	9,119,014.52	11,479,562.81	20,598,577.33
STF	WMSU-Various Agency Transfer Fund (VATF)	151,911.60	685,000.00	836,911.60
STF	WMSU-CHED-HEDF	5,142,375.00	48,540,837.50	53,683,212.50
STF	WMSU-Trust Liabilities (0180)	32,625.55	0	32,625.55
STF	WMSU-WESMARRDEC[2]	340,719.55	0	340,719.55
STF	WMSU-FSB-PCAARRD[3]	2,163,871.00	1,502,367.00	3,666,238.00
STF	WMSU-Project Director, ISMTTP Project RISE[4] Batch 4	12,300.00	0	12,300.00
STF	WMSU-Provident Fund	6,883.31	0	6,883.31

[2] Western Mindanao Agriculture, Aquatic and Natural Resources Research and Development Consortium
[3] Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development
[4] Reading Initiatives with Stakeholders Engagement

Fund	Bank Accounts	Unrecorded Deposits/CM (₱)		Total (₱)
		Prior Year	Current Year	
IGP	WMSU-Auxiliary Revolving Fund	891,087.50	559,950.00	1,451,037.50
IGP	WMSU-Garment Shoppe	299,680.00	0	299,680.00
IGP	WMSU-UPress[5]	123,115.00	159,484.20	282,599.20
IGP	WMSU-Review Class	1,194,057.65	0	1,194,057.65
Total		19,477,640.68	62,927,201.51	82,404,842.19

1.25 Based on inquiries with the Management during the prior year's audit, it was noted that unrecorded collections and CM are primarily due to fund transfers from other government agencies for projects and programs implemented by the University. Most of these fund transfers originate from agencies such as the CHED, Department of Science and Technology (DOST), and the Department of Agriculture, among others, which fund various programs and projects to be implemented by the University. These source agencies (SAs) transfer funds to various bank accounts of the University, including but not limited to WMSU-STF, WMSU-VATF, WMSU-CHED-HEDF, WMSU-WESMARRDEC, and WMSU-FSB-PCAARRD. To enable proper recording of these fund transfers in the University's books, supporting details are provided to the Accounting Unit and the Cash Unit, such as the validated List of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA), validated deposit slips, or transmittal letters from the SA, usually facilitated by the Project Leaders of the University, being the focal persons directly coordinating with the SAs, or through direct communication by the SA to the University. These documents are necessary to identify the SA as payor and to determine the nature of the transaction for the issuance of Official Receipts (OR) and the proper recording of the corresponding entries in the CIB-LCCA-LBP, Due to NGAs and other related accounts.

1.26 It was noted that delays in recording collections and CMs, despite the funds were already deposited in the University's bank accounts, occur when supporting documents are not promptly submitted to the Finance Division. Consequently, this resulted in delays in identifying and properly recording transactions affecting the CIB-LCCA-LBP, Due to NGAs, and other related accounts. To address the issue in the delayed identification of collections and CMs, the Audit Team recommended in the prior year that the Accounting Unit collaborate with the Office of the Vice President for Research, Extension Services, and External Linkages (VP-RESEL), now Vice President for Research and Extension (VP-RE), under the revised organizational chart, to facilitate the prompt identification of unrecorded collections and ensure that all actions are properly documented. Likewise, the VP-RESEL was recommended to coordinate with Project Leaders to identify the relevant projects or programs, communicate with SAs to determine and confirm that funds were already transferred to the University, as necessary, and ensure that all actions taken are properly documented. Furthermore, the Work Instructions of Project Leaders should require proactive coordination and timely follow-

[5] University Press

up with the agencies concerned, as well as the prompt submission of necessary documents to the Cash Unit (e.g., validated LDDAP-ADA, validated deposit slips, transmittal letters, among others) to facilitate the issuance of ORs and recording of collections.

1.27 Accordingly, these audit recommendations are being implemented such that continuous coordination between the Finance Division, VP-RE, and Project Leaders is ongoing to facilitate the identification of unrecorded collections and fund transfers. However, in view of the unrecorded deposits and CMs amounting to ₱62.927 million in CY 2025 and the persisting unrecorded deposits and CMs of ₱19.478 million from prior years, as shown in Table 9, it is evident that the audit recommendations have not yet been fully complied with. The non-recognition and non-recording of collections from SAs related to project implementation resulted in the understatement of the CIB-LCCA-LBP account by ₱82.405 million. Since a significant portion of the amount represents collections from other government agencies, the non-recording also resulted in the understatement of the Due to NGAs account, which should have been credited to recognize the fund transfers intended for specific projects, subject to liquidation. Such understatement materially affects the fair presentation of the CIB-LCCA-LBP, Due to NGAs and other related accounts in the FS. Moreover, delays in recording fund transfers may hinder the timely implementation or completion of programs intended for the benefit of the University and its stakeholders.

1.28 On a related note, we have reviewed the Memoranda of Agreement (MOA) of the University with the SA for projects contracted in CY 2025. For instance, the MOA on the project "Cluster Farms and Industry Encounters through the S&T Agenda (FIESTA) on Coconut" with DOST-PCAARRD, sets among others, the purpose, objectives, expected outputs, duration of the projects, rights and obligations of the parties, and ownership and utilization of information, technologies, inventions and improvements. We have noticed that the obligations of the SA indicate the provision of financial support, administrative support and management system, monitoring and evaluation of the implementation of the project, review of financial reports and appraisal of technical reports. Moreover, the MOA also indicates the obligations of the Project Leaders of the University to coordinate with their Project Staff to ensure that the goals of the projects are being attained and facilitate and monitor the implementation of the project activities, accomplishments and financial reports.

1.29 To address the issues in identifying fund transfers from the SA to the University's bank accounts, we deem it necessary that MOAs include a provision requiring the SA to provide the University with supporting documents evidencing the transfer of funds. These documents may include, but are not limited to, validated LDDAP-ADA, validated deposit slips, or transmittal letters, to be furnished promptly upon transfer of funds to the University's account. Likewise, the MOA is to stipulate the responsibility of the Project Leaders to regularly follow up with the SA regarding the timely submission of these documents. This measure will

help facilitate the prompt identification, verification, and reconciliation of fund transfers while the issue with the LBP remains unresolved.

Recommendations

1.30 We recommended that Management ensure that the Office of the VP-RE, Project Leaders, and the Finance Division jointly undertake a comprehensive review and reconciliation of records to identify the nature of unrecorded collections amounting to ₱82.405 million, within a reasonable timeframe to be determined by Management, and to ensure that all actions taken are properly documented.

1.31 Moving forward, we further recommended that Management enhance the provisions of future MOAs with SAs by requiring:

i. the SAs to timely submit supporting documents evidencing fund transfers, such as copies of validated LDDAP-ADA, validated deposit slips, transmittal letters, and other relevant documentation, immediately upon transfer of funds to the University; and

ii. the Project Leaders to conduct regular follow-ups with SAs to ensure the prompt submission of these documents, thereby facilitating the timely identification, verification, and recording of fund transfer.

Management Comments

1.32 The Accounting Unit committed to comply with the audit recommendations and disclosed that the bank possesses information regarding the names of the payees. In this regard, the matter will be raised with the bank to determine whether it can regularly provide such data to the University in order to prevent the accumulation of unrecorded CM. Once the payees are identified, the Cash Unit or the Project Leaders may initiate follow-ups with the concerned payees for the submission of the documentary requirements necessary for the issuance of the corresponding ORs. Consequently, this will reduce the period between the deposit of funds into the University's bank accounts, the issuance of OR and the recording of the collection in the University's books.

Understatement in the CIB-LCCA-LBP account - ₱0.821 million

2. The balance of the CIB-LCCA-LBP account and related payable accounts are understated by ₱0.821 million due to the non-adjustment of stale checks.

2.1 Section 44, Chapter 6, Volume I of the GAM for NGAs states that checks may be cancelled when they become stale, voided or spoiled. The depository bank considers a check stale, if it has been outstanding for over six months from date of issue or as prescribed. Further, Section 45(c) of the same Manual prescribes the illustrative accounting entries to recognize the cancellation of stale, voided, or spoiled commercial checks.

Voided, spoiled or unclaimed stale checks with the Cashier are reported as cancelled in the List of Unreleased Checks that will be attached to the Report of Checks Issued (RCI).

2.2 Our audit of the CIB-LCCA-LBP account was aimed to ascertain the accuracy of the balance reported in the SFPos, particularly whether issued checks, either claimed or unclaimed by payees but not yet presented to the bank for encashment and subsequently became stale, were properly recorded by the University at the end of the year pursuant to relevant rules and regulations.

2.3 We have examined the list of outstanding checks, unreleased checks, cancelled checks, bank statements and BRS as of December 31, 2025. In addition, we reviewed the existing procedures of the University in the recording of long-outstanding stale checks and the improvements made, if any, in relation to the recommendations of the prior year's audit.

2.4 Based on our review of the BRS of the current accounts maintained by the University with the LBP-WMSU Branch, a total of 117 outstanding checks amounting to ₱5.317 million were recorded as reconciling items per bank. Further examination disclosed that 63 of these checks, totaling ₱0.821 million, were long-outstanding and already stale, yet continued to be reported as reconciling items per bank as of December 31, 2025. These checks have remained outstanding for periods ranging from six months to six years, covering checks dated from 2019 to 2025. Compared with last year's long-outstanding checks for a total of 51 checks amounting to ₱6.865 million, a significant decrease of ₱6.043 million, or 88 per cent, was noted, indicating efforts of the Management to reduce the stale checks. For instance, we noted communication letters between the University Cashier and Branch Manager of the LBP-WMSU Branch for the clarification, verification and reconciliation of outstanding checks, as well as correspondence with payees regarding the status of long-outstanding checks.

2.5 Nevertheless, a total of ₱0.821 million remained outstanding and unresolved as of December 31, 2025, and continue to be reflected as reconciling items in the BRS despite the significant lapse of time since their issuance and their subsequent classification as stale, as presented in the following table.

Table 10. Age of Long-Outstanding Stale Checks from Date of Issuance

Age	No. of Checks	Amount (₱)
More than six months but less than one year – Issued in January to June 2025	11	59,510.96
More than one year but less than two years – Issued in CY 2024	11	220,387.50
Two years to six years – Issued in CYs 2023-2019	41	541,398.44
Total Long-Outstanding Stale Checks	**63**	**821,296.90**

2.6 Further review of these long-outstanding stale checks disclosed that 99.05 per cent of these pertain to the STF, as presented in the succeeding table.

Table 11. Details of Long-Outstanding Stale Checks per Fund

Fund	Bank Account	Period (Range)	No. of Checks	Total Amount (₱)
STF	WMSU-STF	July 2019 to March 2025	18	271,784.66
	WMSU-CHED-HEDF	July 2020 to April 2025	31	481,802.59
	WMSU-FSB-PCARRD	May 2021 to February 2025	4	32,830.00
	WMSU-Trust Liabilities (0180)	August 2021 to February 2025	2	2,950.00
	WMSU-Project Director, ISMTTP Project RISE Batch 4	March 2022	1	810.00
	WMSU-VATF	July 2022 to August 2024	4	13,950.00
	WMSU-WESMARRDEC	February 2024	1	9,369.55
	Subtotal, STF		**61**	**813,496.90**
	Percentage, STF			**99.05%**
IGP	Review Class	July 2022	1	7,600.00
	WMSU-Garment Shoppe	May 2024	1	200.00
	Subtotal, IGP		**2**	**7,800.00**
	Percentage, IGP			**0.95%**
Grand Total			**63**	**821,296.90**

2.7 Based on the data provided in the preceding table, we noted that the 63 long-outstanding stale checks were issued for the following purposes:

a. Four checks issued for payment to various faculty members and administrative personnel of the University related to wages, salaries and honoraria, totaling ₱18,433.03;

b. Four checks pertaining to various procurement of supplies, materials and equipment, for a total of ₱229,586.62;

c. Thirty long-outstanding checks, aging from one year to five years, issued to students of the University for payment of stipend allowance granted by the CHED and the DOST - Science Education Institute Graduate Scholarship Program, for a total of ₱470,110.00;

d. Ten long-outstanding checks in relation to travel expenses, for a total of ₱29,300.00;

e. Eleven long-outstanding checks paid to various payees for refund of tuition and miscellaneous fees, toga rental, examination fees; refund of balance of Tulong-Dunong Program; and refund of bidder's bond and bidding documents due to deferred procurement, for a total of ₱48,883.70; and

f. Four long-outstanding checks for payment of electricity, transfer of funds from CHED-HEDF to STF, and cash advance, for a total of ₱24,983.55.

2.8 This audit observation has been recurring since the previous year and was communicated to the Management through the issuance of an AOM. During the previous audit, we noted that the accumulation of long-outstanding checks presented as a bank reconciling item in the BRS was attributed to the absence of internal guidelines in the monitoring and adjustment of long-outstanding checks. According to the Management, once the checks are released to the payees, the involvement of the Cash Unit and the Accounting Unit is considered complete. Hence, the Cash Unit no longer follows up with the payees once the checks have been issued to the latter, consequently contributing to the existence of the long-outstanding stale checks. When the need arises to contact the payee concerning the status of the check, it would be more difficult for the University to follow-up with the payees due to several factors, such as change in the contact information of the latter, and the fact that due to the passage of time, they may not be able to verify the details of the transaction promptly.

2.9 Subsequently, the Audit Team recommended for the University to institute measures to minimize, if not prevent, the occurrence of long-outstanding checks which span more than a year, such as establishing internal policies or guidelines incorporating specific Management's actions or initiatives. These actions or initiatives may include, but are not limited to, the following: determining the timing and frequency of monitoring outstanding checks by the Cash Unit, including establishing a specific period for initiating call-outs or other communications to payees, particularly those nearing staleness; the preparation and submission of related monitoring reports by the Cash Unit, which may include results of efforts exerted to communicate with the payees; and determining the timing and frequency in preparing adjusting entries for long-outstanding stale checks, as well as monitoring cancelled checks by the Accounting Unit for possible replacement. The guidelines may further include certain conditions to initiate the preparation of adjusting entries by the Accounting Unit such as, but not limited to: a) instances when payees did not respond despite multiple attempts, b) the establishment of elapsed period after which long-outstanding stale checks can be reverted with reference to the provisions in the GAM, and c) procedures to be undertaken in case requests for check replacement are received from payees after the checks have been reverted and cancelled.

2.10 The Audit Team further recommended the inclusion in the Work Instruction of the designated Cashier personnel the performance, timing and frequency of the confirmation of the status of the long-outstanding checks on a regular basis; coordination with other offices of the University to contact the payees with long-outstanding checks; and preparation of a monitoring report on the results of confirmation from payees regarding

outstanding checks and any related actions undertaken for submission to the Accounting Unit periodically.

2.11 The recommendation to adopt such internal guidelines, or their equivalent, is intended to enable Management to ensure the timely resolution of the status of outstanding checks. Likewise, it will allow Management to identify common circumstances or challenges faced among the payees which may require collective efforts and prompt resolutions. On the other hand, the internal guidelines on long-outstanding checks will serve as a basis for the Accounting Unit to prepare adjusting entries to cancel the stale checks, regardless of whether the payee has requested a replacement check, by reverting it to the appropriate cash and cash equivalents account and its related payable accounts. As a result, this would help reduce the number of stale checks still outstanding and presented as bank reconciling items in the BRS as of year-end. Otherwise, the absence of such guidelines will result in the continued reporting of long-outstanding checks as reconciling items in the BRS, with little to no movement in the balance.

2.12 Moreover, aside from the non-establishment of internal guidelines or policies, it was observed from previous year's audit that it has been the practice of the Accounting Unit that necessary adjusting entries on long-outstanding stale checks are prepared only when the actual checks are returned to them for the issuance of new checks. Hence, all the outstanding stale checks presented in the BRS as bank reconciling items for a total of ₱0.821 million pertain to issued checks without requests for reissuance of replacement checks. Subsequently, the Audit Team recommended that the Work Instructions of the designated Accounting personnel be updated to incorporate the following: a) the procedures, timing and frequency of submission of BRS to the Cash Unit for monitoring purposes of the latter; b) the cancellation or reversion of long-outstanding stale checks pursuant to internal guidelines or policies of the University and Sections 44 and 45, Chapter 6 of the GAM for NGAs, to ensure the correct presentation of the balances of the CIB-LCCA-LBP account and related liability accounts; and c) the monitoring of cancelled stale checks for possible replacement, in compliance with the same provisions, which states that checks may be cancelled when they become stale (outstanding for over six months from date of issue or as prescribed), voided or spoiled.

2.13 In the current year's audit, the Audit Team reviewed the implementation of the above-mentioned recommendations by the Management. It was noted that the internal guidelines or policies on long-outstanding checks had already been established and a copy thereof was furnished to the Audit Team on May 20, 2026, thereby ensuring adequate controls over the University's long-outstanding checks. Likewise, the Work Instructions of the designated Cashier and Accounting personnel were updated in accordance with the recommendations of the Audit Team. These measures were implemented in CY 2026.

2.14 Nevertheless, according to the University Cashier, prior to the establishment of the guidelines or policy as recommended by the Audit

Team, a memorandum dated April 14, 2026 has been prepared for the approval by the University President, requiring suppliers to provide their active accounts with the LBP. The memorandum requests for suppliers to process their payments exclusively through the LBP. This measure aims to minimize the preparation and issuance of checks and, consequently, reduce the occurrence of unclaimed, outstanding or stale checks. Accordingly, this will be implemented in coordination with the Procurement Unit in the processing of the procurements and communication with the suppliers and contractors.

2.15 However, despite compliance of the prior year's recommendations and the establishment of preventive measures of the Management, outstanding and stale checks totaling ₱0.821 million still existed as of December 31, 2025. Accordingly, since the Work Instruction and the internal guidelines were prepared only in CY 2026, the Accounting Unit is yet to prepare the adjusting entries to revert the long-outstanding checks that have become stale.

2.16 In view of the foregoing, we acknowledge the memorandum prepared by the Cash Unit, which can be considered relevant in preventing the accumulation of outstanding and stale checks. However, the request for suppliers or contractors to maintain an active account with the LBP is beyond the full control of the University. Imposing such request on third parties may affect participation and competitive bidding. Likewise, we acknowledge the implementation of the guidelines or policy incorporating adequate controls over long-outstanding checks, as well as the implementation of the Work Instructions for the Cashier and Accounting personnel involved.

2.17 Notwithstanding the foregoing, the cancellation or reversion of long-outstanding stale checks by the Accounting Unit, in compliance with Sections 44 and 45 of the GAM for NGAs, remains necessary. Consequently, the reverted stale checks are to be monitored for possible replacement. Considering that these checks are no longer eligible for negotiation with the bank and were not presented for clearing based on the review of bank statements, the corresponding amounts are to be reverted to the CIB–LCCA–LBP account, with the related liabilities reinstated, to ensure a more accurate and fair presentation of the accounts in the FS. Otherwise, the long-outstanding checks will continue to form part of the regular monitoring and follow up by the Cash Unit despite the substantial amount of time that has already elapsed from the date of issuance, and the efforts already exerted to facilitate replacement.

Recommendation

2.18 We recommended, and Management agreed, to ensure that the Accounting Unit prepare the adjusting entries to revert the long-outstanding stale checks of the University in compliance with the provisions under the University's Guidelines and Sections 44 and 45, Chapter 6 of the GAM for NGAs.

Errors in Classification, Unsubstantiated Amounts, and Negative Balances in the Other Payables account – ₱91.213 million

3. The accuracy of the balance of the Other Payables account amounting to ₱100.138 million as of December 31, 2025 cannot be ascertained due to a) amounts erroneously recorded against the account and unsubstantiated balances totaling ₱33.521 million and ₱59.499 million, respectively; and b) negative balances totaling ₱1.806 million.

3.1 We have reviewed the SFPos, Schedule of Other Payables, JEVs and SLs under the Other Payables account. The breakdown of the account, with a balance of ₱100.138 million as of December 31, 2025, and the comparative balances as of December 31, 2024 is presented in Table 12.

Table 12. Comparative Balances of the Other Payables Account for 2025 and 2024

Account Name	(₱)			Percentage
	Balance December 31, 2025	Balance December 31, 2024 (Restated)	Increase (Decrease)	
UCPB [United Coconut Planters Bank] Loan	11,614.74	0.00	11,614.74	Not Applicable (N/A)
PVB [Philippine Veteran's Bank]	65,059.06	65,059.06	0	0
PPSTA [Philippine Public-School Teachers Association]	139,258.64	141,180.64	(1,922.00)	(1.4)
Coop	1,138,550.41	1,381,340.64	(242,790.23)	(17.6)
Cottage rental/Electric Bills/ Agri-business	2,700.00	0	2,700.00	N/A
Provident Fund	1,497,660.94	1,506,902.96	(9,242.02)	(0.6)
Comprehensive exam/ Thesis/ Clinical Paper	7,077,235.32	6,471,119.32	606,116.00	9.4
CSC-LSP [Civil Service Commission – Local Scholarship Program]	79,821.38	79,821.38	0	0
Various/ Others	57,106,273.26	36,023,609.91	21,082,663.35	58.5
Withholding tax - Old account	1,855,512.00	1,855,512.00	0	0
Payables-miscellaneous	258,437.52	258,437.52	0	0
PASUC [Philippine Association of State Universities and Colleges]	(0.09)	(0.09)	0	0

Account Name	(₱)			Percentage
	Balance December 31, 2025	Balance December 31, 2024 (Restated)	Increase (Decrease)	
Suspension and Disallowances	116,018.96	116,018.96	0	0
Tuition	19,793.98	2,094.98	17,699.00	844.8
Closed accounts	139,563.98	0.00	139,563.98	N/A
Unallocated Difference	98,799.49	98,799.49	0	0
Other Payables - Social Security System	292,026.79	319,531.79	(27,505.00)	(8.6)
Other Payables –CHED/stipend	31,907,130.79	35,547,150.79	(3,640,020.00)	(10.2)
Other Payables - to be deposited to Bureau of the Treasury (BTr)	114,533.66	114,533.66	0	0
Other Payables - Administrative Personnel Association (APA) Union Dues	(1,325,712.37)	(1,319,414.84)	(6,297.53)	0.5
Other Payables - Faculty Union Dues	(480,158.38)	(359,458.38)	(120,700.00)	33.6
Other Payables - Tax remittance	23,383.75	(76,660.33)	100,044.08	(130.5)
TOTAL	100,137,503.83	82,225,579.46	17,911,924.37	

3.2 Our audit disclosed that the balance of the Other Payables account as of December 31, 2025 included amounts erroneously recorded against the account and unsubstantiated balances amounting to ₱93.019 million, and negative balances totaling ₱1.806 million, which renders the balance of the account inaccurate, as discussed in the succeeding paragraphs.

A. Amounts erroneously recorded against the Other Payables and unsubstantiated balances totaling ₱33.521 million and ₱59.499 million, respectively.

3.3 During the prior years' audits, we noted that there were amounts erroneously recorded under the Other Payables account as well as unsubstantiated amounts. These amounts totaled ₱22.861 million as of December 31, 2024 and the Audit Team recommended and Management agreed to ensure that the Accounting Unit: a) exert effort to review the composition of these accounts; b) prepare the necessary accounting entries to reclassify these items to their appropriate accounts based on the results of the investigation and reconciliation under recommendation a; c) reclassify the balance of the amounts deducted for the settlement of suspensions and disallowances totaling ₱116,018.96 from the Other Payables account to the Trust Liabilities-Disallowance/Charge account; and d) prepare SL for every creditor/contractor/grantor for the items

classified as "Various/Others" to distinctly classify the items and ensure proper tracking, accountability and reporting of payables under the said account.

3.4 Our review of the Schedules and SLs of the Other Payables account as of December 31, 2025 disclosed that amounts totaling ₱93.019 million, consist of erroneously recorded items and unsubstantiated balances, as shown in Table 13.

Table 13. Accounts with Amounts Erroneously Recorded Against the Other Payables Account and Unsubstantiated Balances as of December 31, 2025

SL Accounts	Amount (₱)	Status
1. Amounts erroneously recorded against the Other Payables		
i. Provident Fund	1,497,660.94	Moving; with SL Government and Personal share of Provident Fund
ii. Suspensions and Disallowances	116,018.96	Non-moving; with SL
iii. Other Payables – CHED/Stipend	31,907,130.79	Moving; with SL
Sub-total	**33,520,810.69**	
2. Unsubstantiated balances		
iv. PVB	65,059.06	Non-moving; no SL
v. Various/Others	57,106,273.25	Moving; with SL Pertains to refund of bidding documents, Bids and Awards Committee (BAC) honorarium and other payables not falling in any other payable accounts. Breakdown of amounts is not available.
vi. Withholding tax - Old account	1,855,512.00	Non-moving; no SL
vii. Payables-miscellaneous	258,437.52	Non-moving; no SL
viii. Unallocated Difference	98,799.49	Non-moving; no SL
ix. Other Payables – to be deposited to BTR	114,533.66	Non-moving; no SL
Sub-total	**59,498,614.99**	
TOTAL	**93,019,425.68**	

A.1. Amounts erroneously recorded under the Other Payables account – ₱33.521 million

i. Provident Fund

3.5 Section 14, Chapter 7, Volume I of the GAM for NGAs provides that an entity shall recognize a financial liability in its SFPos when it becomes a party to the contractual provisions of the instrument.

3.6 The balance of the Provident Fund amounting to ₱1.498 million pertains to government and employee contributions of University personnel

deposited in a bank account maintained with the LBP and recorded under the CIB-LCCA-LBP account. The Provident Fund was created pursuant to Republic Act (RA) No. 7180 and Administrative Order (AO) No. 279, dated January 15, 1992 and May 5, 1992, respectively.

3.7 At present, the Accounting Unit handles the remittances for the said fund, which are recorded under the Other Payables account of the University. Considering that the fund is of a private nature and does not constitute public funds, it should not form part of the University's accounts. Thus, it was previously recommended that the University remit the balance of the Provident Fund to the duly authorized employees' association, however, this remains unimplemented.

3.8 With regard to remittances representing the employees' share, an interview with the Accountant during the previous year's audit disclosed that there was an initial plan for the Faculty Union and Administrative Union to coordinate in organizing a separate body to manage the Provident Fund, since the Fund is composed of both Faculty and Administrative personnel. However, the plan did not materialize because the presidents of both unions are not members of the Provident Fund. Meanwhile, according to the Director for Finance, the University President had previously instructed the creation of a committee to study the restoration of the Provident Fund to be managed by the employee union. Accordingly, a Memorandum Order was issued to create a Committee tasked to evaluate appropriate actions regarding the remaining employees' share in the Provident Fund. The purpose of the initiative is to provide existing members with the option to either withdraw their contributions or continue their participation. However, the plan was not carried out due to the absence of clear direction as to who would spearhead the undertaking, given that the other members of the current faculty and administrative personnel are not contributors to the said Fund.

3.9 On the other hand, relative to the government share of the remittances, the previous Audit Team issued a Notice of Disallowance (ND) amounting to ₱0.687 million on September 27, 2007, due to the absence of a valid, proper and legal basis for the withdrawals of contributions. It was likewise noted that the establishment and administration of WMSU's Provident Fund was not in accordance with AO No. 279. It was learned that the University has initiated the remittance of the said amount to the BTr. However, according to the Director for Finance, the BTr will only accept remittances of the employer's share when the ND is final and executory. The Audit Team has yet to determine the status of the Notice of Finality of Decision and the related COA Order of Execution on the said ND, if any.

3.10 Relative to these matters, the Audit Team recommended during the prior year's audit, and Management agreed to initiate the conduct of an assembly/consultative meeting involving the members of the Provident Fund who are still active in service to discuss, among others, the following matters – a. whether the Provident Fund is to be restored; b. assignment of an individual or a group to manage the Provident Fund; and c. how the

funds currently held by the University will be transferred to the employee union or other body assigned to manage the Provident Fund. To date, the recommendation has remained unimplemented.

Recommendation

3.11 In view of the foregoing, we reiterated our recommendation, and Management agreed, to conduct an assembly/consultative meeting involving the members of the Provident Fund who are still active in service to discuss, among others, the following matters:

a. whether the Provident Fund is to be restored;
b. assignment of an individual or a group to manage the Provident Fund; and
c. how the funds currently held by the University will be transferred to the employee union or other body assigned to manage the Provident Fund.

Management Comment

3.12 Management disclosed that this was introduced during the announcement segment of the recent flag ceremony, where members were updated on the remaining fund balance. A general assembly is scheduled, wherein the manner how the funds will be managed will be determined and how to address the audit recommendations. Additionally, since the BTr will not accept the return of the funds, Management decided to retain control over these. However, administration will be turned over to an appropriate committee rather than the Faculty Union, as the Union already manages its own independent funds.

ii. Suspensions and Disallowances

3.13 COA Circular No. 2020-001 prescribes the Revised Chart of Accounts (RCA) for NGAs. Under the said RCA, the account Trust Liabilities - Disallowances/Charges with account code 20401080 is credited upon receipt of settlement for disallowances/charges in audit due from public/private individuals/entities pending finality of decision. This account is debited depending on the final and executory decision of disallowances/charges

3.14 The account Suspensions and Disallowances amounting ₱116,018.96 pertains to amounts collected from members of the faculty and administrative personnel for the settlement of suspensions and disallowances, which should have been recorded under the Trust Liabilities-Disallowance/Charges account. Thus, we previously recommended for Management to ensure that the Accounting Unit reclassifies the balance of the amounts deducted for the settlement of suspensions and disallowances totaling ₱116,018.96 from the Other Payables account to the Trust Liabilities-Disallowance/ Charges account. However, the said recommendation remained unimplemented. According

to the University Accountant, they were not able to prepare the entry to reclassify the said balance as of December 31, 2025, but will implement such in the FS for March 2026.

Recommendation

3.15 We reiterated our recommendation, and Management agreed, through the Accounting Unit, to reclassify the balance of the amounts for the settlement of suspensions and disallowances totaling ₱116,018.96 from the Other Payables account to the Trust Liabilities-Disallowance/Charges account.

iii. CHED/Stipend

3.16 Item j.2., Section 38, Chapter 5, Volume I of the GAM for NGAs, prescribes the accounts to be used for inter-agency fund transfers involving cash received from another entity for the purpose of implementing specific projects. This involves a debit to the Cash-Collecting Officers account and credit to the Due to NGAs, Due to Local Government Units (LGUs), or Due to Government-Owned and/or Controlled Corporations (GOCCs) account to recognize the receipt of the inter-entity fund transfer.

3.17 Appendix 6, Volume II of the GAM for NGAs also provides that the SL shows the details for each account in the General Ledger (GL), which is maintained per account and fund cluster by the Accounting Division/Unit.

3.18 Further, under COA Circular No. 2020-001, the Due to NGAs account with account code 20201050 is credited to recognize the receipt of funds for delivery of goods/services as authorized by law, fund transfers from NGAs, other than the Bureau of Internal Revenue (BIR), for implementation of specific programs or projects subject to liquidation. This account is debited for the delivery of services of goods/services, liquidation of funds received and settlement of liabilities, and/or adjustments. Meanwhile, the Other Payables account is credited to recognize other liabilities not falling under any of the specific payable accounts. This account is debited for payment or settlement of liabilities, and/or adjustments.

3.19 The balance of ₱31.907 million under the Other Payables-CHED/Stipend account includes fund transfers from CHED IX, Philippine Long Distance Telephone Company, and the Philippine National Police (PNP), among others, intended for student stipend allowances. We deem that funds received from CHED and the PNP for the stipend of students should have been recorded under the Due to NGAs account rather than the Other Payables account.

3.20 We have inquired the matter with the University Accountant and learned that the collections from CHED were accounted for under the Other Payables account since these were credited to the University's bank account for the STF, instead of the CHED- HEDF bank account. Presently, the University only recognizes fund transfers from CHED under the Due

to NGAs account if these were credited to the CHED-HEDF account, which is being accounted for under the Various Agency Trust Fund. The Accountant added that the University has previously communicated with CHED IX through email by the University Cashier to credit the fund transfers in the CHED-HEDF account, but there are still instances when the CHED deposits the funds in the STF bank account. Meanwhile, the fund transfers from PNP are accounted for under the said account since these are directly credited to the STF bank account.

3.21 Total collections from CHED IX during the year amounted to ₱45.873 million. However, due to the absence of SLs per source agency/grantor, the specific balances attributable to each fund source cannot be readily determined. Thus, there is a need to further segregate the balance of ₱31.907 million per fund source to identify the amount that should be reclassified from the Other Payables account to the Due to NGAs account.

3.22 Due to the misclassification of the stipend allowance from CHED IX under the Other Payables account instead of the Due to NGAs account, as well as the absence of SLs per source agency/grantor of the stipend allowances, the balances of the Other Payables and Due to NGAs accounts are misstated, which affected the reliability of the accounts presentation in the SFPos of the University.

Recommendations

3.23 We recommended that Management send a formal communication to CHED IX, instructing them to credit/deposit all fund transfers for the implementation of programs by the University, including the payment of stipend allowance of students, to the University's CHED-HEDF bank account rather than to the STF bank account, to facilitate proper recording in the books of accounts.

3.24 In the event that funds are still credited to the STF account instead of the CHED-HEDF bank account, we further recommended, and Management agreed, to ensure that the Cash Unit facilitates the transfer of funds from the STF account to the CHED-HEDF account and issues the corresponding OR so that the funds received are properly accounted for under the correct account and recognized in the books of accounts under the Due to NGAs account.

3.25 We further recommended, and Management agreed, through the Accounting Unit, to:

a. Identify the outstanding balance of the fund transfers from CHED IX and PNP for stipend allowances recorded under the Other Payables account as of December 31, 2025;

b. Prepare the necessary entries to reclassify the balances of said fund transfers from the Other Payables account to the Due to NGAs account; and

c. Prepare and maintain SLs for the stipend allowances received from various sources to properly monitor movements and balances per source.

Management Comments

3.26 The Management informed that the Accounting Unit will comply with the audit recommendations. Currently, the Accounting Unit is preparing the SLs of the accounts. This also facilitates tracing of transactions to determine the errors, unsubstantiated, and negative balances. Moreover, close coordination is also conducted by the Accounting and Cash Units to determine the transactions deposited in the CHED-HEDF account.

3.27 Management also added that they will issue a formal letter addressed to the Chairperson of CHED. This matter has been brought to the attention of CHED multiple times, with Management reiterating that deposits are to be credited to the University's CHED bank account instead of the STF.

3.28 Management agreed that in the event that funds are still credited to the STF account instead of the CHED-HEDF bank account, Management shall ensure that the Cash Unit facilitates the transfer of funds from the STF account to the CHED-HEDF account and issues the corresponding OR for the funds received. Nevertheless, Management also informed the Audit Team regarding the repeated occurrence of funds being downloaded to the CHED and STF bank accounts, where the corresponding notices or documentation are only received by the Cash Unit within an average of two to three months from the transfer of funds.

A.2 Unsubstantiated balances - ₱59.499 million

3.29 Section 4 of the General Provisions of PD No. 1445, requires that financial transactions and operations of any government shall be governed by the fundamental provisions, among which is that claims against government funds shall be supported with complete documentation.

3.30 Appendix 6, Volume II of the GAM for NGAs also provides that the SL shows the details for each account in the GL, which is maintained per account and fund cluster by the Accounting Division/Unit.

3.31 Our audit of the Other Payables account disclosed the inclusion of accounts that are either dormant or have recorded movements but lack sufficient supporting documentation, as follows:

iv. Dormant PVB Account

3.32 Per prior years' audit observations, the bank account with the PVB, which was used for salary deductions for employees' loans from the previous administration with a balance of ₱65,059.06 as of December 31, 2025, has been dormant since CY 2002. Accordingly, as stated by the

predecessor Accountant in his reply to the prior year audit observation, the University no longer has any loans payable to the bank, and they were tracing their records to determine the nature of this amount. However, to date, the same has not been identified.

v. Various/Others

3.33 The balances under Various/Others amounting to ₱57.106 million cannot be substantiated due to the absence of supporting details for the underlying transactions. The Accounting Staff explained that this account includes refunds of bidding documents, Bids and Awards Committee (BAC) honoraria, and other payables not falling under any other payable account. Although an SL is maintained, it contains only the current year's transactions and does not provide a complete breakdown of the outstanding balance.

3.34 Review of the SL and the schedules attached to the JEVs disclosed that the increase of ₱21.083 million in this sub-account is largely attributable to a) collections from CHED IX amounting ₱16.343 million received in December 2025 and b) unreleased checks totaling ₱4.816 million that were reverted at year-end in compliance with the GAM. We inquired from the University Accountant why the collections from CHED IX in December were recorded under the "Various/Others" sub-account and learned that they are yet to identify the nature of the said collection, otherwise, it would have been recorded under the CHED/Stipend sub-account. However, per our review of the supporting documents to the OR, we noted that the collections pertain to the tuition fee and stipend allowance of medical students under the Medical Scholarship and Return Service Program for the first semester of School Year (SY) 2025-2026. Thus, this amount should also be reclassified under the Due to NGAs account.

3.35 The absence of a detailed breakdown and an SL reflecting only the current year's transactions without information from prior periods, renders verification of the accuracy of these balances difficult. Moreover, according to the Accounting Staff, no formal review or reconciliation has been conducted to identify the sources of this balance. Further, based on our review of the SL, transactions recorded during the prior years and the current year are not classified by creditor, contractor or grantor. In view of this, we deem that the Accounting Unit needs to maintain individual SLs for each creditor to properly segregate and identify the items recorded under "Various/Others" to ensure proper tracking, accountability, and accurate reporting of payables.

vi. Withholding tax-Old, Payables-miscellaneous, Unallocated Difference and Other Payables - to be Deposited to the BTR

3.36 The said accounts, with outstanding balances of ₱1.856 million, ₱258,437.52, ₱98,799.49, and ₱114,533.66, respectively, have had no recorded movements since the prior year. Based on an inquiry with the Accounting Staff during the previous year's audit, it was disclosed that she

has no knowledge of the transactions comprising these amounts and is unable to trace the original entries.

3.37 Given these unsubstantiated balances, which form part of the total amount of ₱59.499 million, the accuracy and reliability of the Other Payables account cannot be ascertained.

Recommendations

3.38 We recommended, and Management agreed, to ensure that the Accounting Unit:

a. Reviews and reconciles the composition of the unsubstantiated Other Payables account, particularly the balances under PVB, Withholding Tax-Old, Payables-Miscellaneous, Unallocated Difference, and Other Payables - to be deposited to the BTr, and determines the validity and propriety of each item; and

b. Prepares and maintains SLs for each creditor, contractor, or grantor for items classified as "Various/Others" within the Other Payables account, to ensure proper classification, facilitate effective monitoring, and promote accountability, and accurate reporting of payables account.

B. Negative balances totaling ₱1.806 million

3.39 Paragraph 27 of International Public Sector Accounting Standards (IPSAS) 1 provides that the FS shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with definition and recognition criteria for assets, liabilities, revenue and expenses set out in IPSAS.

3.40 Review of the Schedule of Other Payables and related SLs revealed three items with negative balances totaling ₱1.806 million, as summarized in Table 14.

Table 14. Negative Balances in the Other Payables Account

Name of Creditor	Amount (₱)	Description of Accounts	Remarks
APA Union Dues	(1,325,712.37)	Union dues deducted from salaries for remittance to APA Union	With SL
Faculty Union Dues	(480,158.38)	Union dues deducted from salaries for remittance to Faculty Union	With SL
PASUC	(0.09)	For verification by the Accounting Unit	No SL
Total	**(1,805,870.84)**		

3.41 The observation regarding these negative balances has been recurring since the prior years' audits. During the 2024 audit, the Audit Team noted four items with negative balances totaling ₱1.747 million (before

restatement) and ₱1.756 million after restatement of balances. Accordingly, the negative balances on the APA Union Dues and Faculty Union Dues have been outstanding since CY 2017 or earlier and have been carried forward each year. Per prior year audit observation, the negative balances occurred due to errors in the account code used and posted when remittances were made. We noted that no corrective action was undertaken to investigate or resolve the cause of these negative balances, and that there was no documentation indicating that a review or reconciliation process had been performed. Thus, we previously recommended for Management to ensure that the Accounting Unit a) investigate the cause of the items pertaining to the negative balances classified as APA Union Dues, Faculty Union Dues, Tax Remittance and PASUC and b) prepare the necessary accounting entries to reclassify the items to their appropriate accounts based on the results of the investigation and reconciliation. We noted that during the current year, the balance of the Tax Remittance account under Other Payables already had a positive balance. However, the remaining accounts still had negative balances, and the audit recommendations are not yet fully implemented.

3.42 Per discussion with the University Accountant, we learned that the Accounting Staff assigned to handle the recording of the Other Payables account has already started to back-track documents available and so far, has reached the year 2014, but the cause of the negative balances has yet to be identified.

3.43 The total negative balance increased by ₱50,337.20, from ₱1.756 million in 2024 to ₱1.806 million in 2025, indicating that the current year's transactions continue to contribute to the accumulation of unreconciled negative balances, specifically the APA Union Dues and Faculty Union Dues.

3.44 Per discussion with the University Accountant, monitoring is being prepared for the current year's transactions, however, negative items are not promptly identified, investigated, and corrected. Consequently, the negative items from prior years and current year's transactions affected the accuracy of the Other Payables account.

Recommendations

3.45 We recommended, and Management agreed, through the Accounting Unit, to:

a. Investigate the cause of the items pertaining to the negative balances under the APA Union Dues, Faculty Union Dues, and PASUC;

b. Ensures that, for 2025 and subsequent transactions, negative balances are promptly identified, investigated, and corrected through regular monitoring and reconciliation; and

c. Prepares the necessary accounting entries to reclassify the items to their appropriate accounts based on the results of the investigation and reconciliation.

Unsubstantiated and Erroneous Balances in the Construction in Progress (CIP) accounts - ₱1.040 million

4. The accuracy and validity of the University's CIP accounts totaling ₱107.0560 million as of December 31, 2025, cannot be ascertained due to: a) unsubstantiated balances amounting to ₱1.271 million under the CIP-Infrastructure Assets account and ₱37.967 million under the CIP-Buildings and Other Structures (CIP-BOS) account; b) errors in accounting for the progress billings resulting in the net overstatement of the CIP-BOS account and the Accounts Payable account by ₱1.212 million; and c) construction costs of projects already completed during CY 2023 to 2025 totaling ₱39.065 million, which remain in the CIP-BOS account.

4.1 Our review of the SFPos disclosed that the balance of the University's CIP accounts amounted to ₱107.060 million as of December 31, 2025. Per examination of the SLs for the CIP accounts, we learned that the said balance consists of the CIP-Infrastructure Assets account amounting to ₱1.271 million and the CIP-BOS account amounting to ₱105.788 million.

4.2 Our audit of the CIP accounts was aimed at determining the accuracy of the balances reported under the various funds maintained by the University through review of the SLs, General Journal (GJ), Check Disbursement Journals (CDJ), Disbursement Vouchers (DV), and JEVs. We also compared the data related to the percentage of completion of the underlying projects as indicated in the SLs with those in the Quarterly Status Report on Programs, Projects and Activities (PPAs), Certified List of Projects Completed (Certified List) as provided by the Physical Plant and Engineering Services (PPES) Unit of the University, and Certificates of Completion (COC), to evaluate whether the construction costs of completed projects have been transferred from the CIP accounts to the appropriate asset accounts

4.3 Based on the audits performed, we noted that the accuracy of the balance of the CIP accounts of the University cannot be ascertained due to a) unsubstantiated balances amounting to ₱1.271 million under the CIP-Infrastructure Assets account and ₱37.967 million under the CIP-BOS account; b) error in accounting for the construction costs resulting in the net overstatement of the CIP-BOS account and the Accounts Payable account by ₱1.212 million; and c) construction costs of projects already completed during the years 2023 to 2025 totaling ₱62.500 million, which remain in the CIP-BOS account.

4.4 The observations noted are discussed in detail in the succeeding paragraphs.

A. *Unsubstantiated balances under the CIP-Infrastructure Assets account and the CIP-BOS account amounting to ₱1.271 million and ₱37.967 million, respectively.*

4.5 Paragraph 27 of IPSAS 1 requires that FS shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in the IPSAS.

4.6 Appendix 77, Volume II of the GAM for NGAs prescribes the maintenance of a Construction-in-Progress Ledger Card (CIPLC) for each project. The assigned Accounting Staff in charge of maintaining the CIPLC shall promptly record the construction costs and other information about the asset construction and shall be maintained by fund cluster. At the end of each month, the subsidiary ledger balance shall be reconciled with the corresponding controlling account

4.7 Further, Appendices 5 and 6 of the same volume of the GAM for NGAs prescribe the use of the GL and SL. The GL Form summarizes all transactions recorded in the GJ and Special Journal maintained in the Accounting Unit. On the other hand, the SL Form shows details for each control account in the GL, which is maintained per account and fund cluster by the Accounting Division/ Unit. At the end of each month, after all transactions in the journals have been posted, the debit and credit columns of each account shall be footed in pencil and the balance indicated in ink. The totals of the SL balances shall be reconciled with the corresponding GL controlling account.

4.8 The balance of the University's CIP-Infrastructure Assets account remained unchanged at ₱1.271 million from CY 2024 to 2025. Further review disclosed that the same balance was reported in CY 2023, indicating that no movement has been reported on the said account for three consecutive years. Moreover, no SL detailing the projects comprising this balance was available.

4.9 We inquired into the matter with the Accountant I responsible for recording transactions involving CIP accounts starting CY 2024 and learned that the details of the said balance have yet to be determined. Meanwhile, based on our review of the Quarterly Status Report on PPAs of the University for the quarter ended December 31, 2025, no projects pending completion with progress billings corresponding to the unidentified balance were noted. Consequently, the validity of the reported amount of ₱1.271 million under the CIP-Infrastructure Assets account could not be established.

4.10 On the other hand, we noted that while the University does not maintain CIPLCs for projects recorded under the CIP-BOS account, SLs per fund are maintained and reconciled with the FS balance for the said account. In addition, the SLs per project are being maintained, containing details

such as project title, contractor, contract cost, progress billings, and percentage of completion per billing.

4.11 However, our review of the SLs per project under the CIP–BOS account disclosed that a net amount of ₱37.967 million could not be substantiated due to the absence of identified project details. A comparison between the SL balances per fund and the SLs per project revealed significant discrepancies, particularly under the GF and STF (see Table 15). The project details pertaining to these amounts are presented in Appendix L.

Table 15. Discrepancies Between the Balances in the SLs for the CIP-BOS Account per Fund Versus SLs per Project

Particulars	GF	STF	IGP	Total
		(₱)		
Total of SLs per project	39,022,798.02	26,632,372.49	1,980,390.81	67,635,561.33
Add: Balance of 1 project whose SL was not submitted	0	186,004.00	0	186,004.00
Adjusted Total of SL per project	39,022,798.02	26,818,376.49	1,980,390.81	67,821,565.32
Total per SL per fund	78,006,699.70	25,801,180.07	1,980,390.81	105,788,270.58
Difference	**(38,983,901.68)**	**1,017,196.42**	**0**	**37,966,705.26**

4.12 As presented in Table 15, the aggregate balances of the SLs per project, when compared with the total balances per FS, resulted in a discrepancy of negative ₱38.984 million under the GF and ₱1.017 million under the STF, or a net difference of ₱37.967 million. This amount includes a discrepancy attributable to the non-submission of the SL for the project *"Renovation of Zamboanga Normal School Building Azotea - Extra Work"*, with total recorded progress billings of ₱186,004.00 as of December 31, 2025 under the STF. The noted variances between the SLs per project and those maintained per fund indicate that the SLs per project under the GF may be incomplete, while those under the STF may be inaccurate and/or not updated.

4.13 Meanwhile, our review of the Quarterly Status Report on PPAs for the quarter ended December 31, 2025 disclosed the project *"Reconstruction of the I.L.S. and Senior High School Building (Phase III),"* with contract cost of ₱45 million, which had a reported accomplishment of 97 percent as of May 31, 2022, and total progress payments amounting to ₱38.503 million. The project was subsequently terminated by Management through a Notice of Decision to Terminate Contract dated July 9, 2024, pursuant to Board Resolution No. 75, s. 2024 dated June 24, 2024. We learned that it has been taken over by the administration and remains pending completion due to the need for testing and commissioning of the fire sprinkler system, a prerequisite for the processing of the Application for Building Permit. Considering that the project remains incomplete, the

related progress payments are expected to be reflected as part of the CIP-BOS account balance as of December 31, 2025. However, due to inadequate and incomplete records, we were unable to ascertain whether these progress billings were duly included in the reported CIP-BOS balance.

4.14 Based on our discussion with the University Accountant and the Accountant I, the SLs per project were only prepared and maintained starting January 2025. As such, prior years' records still need to be retrieved to determine the details of transactions related to the unaccounted balances under the CIP accounts.

4.15 It was also observed that no reconciliation is performed between the SLs per project and the SL balances per fund. Consequently, discrepancies are not promptly detected, investigated, and corrected.

4.16 Due to the unsubstantiated balances arising from incomplete SLs with project details, the accuracy and validity of the balances under the CIP-Infrastructure Assets account and the CIP-BOS account as of December 31, 2025, as reported in the Statement of Financial Position, cannot be ascertained.

Recommendations

4.17 We recommended, and Management agreed, to ensure that the Accounting Unit:

a. Expedites the retrieval of prior years' records relating to CIP accounts;

b. Investigates and reconciles the discrepancies between the SLs per project and the SL balances per funds, particularly for the CIP–BOS account;

c. Prepares complete SLs per project and ensures that all projects are supported by corresponding SLs;

d. Performs monthly reconciliation between SLs per project and SL balances per fund, with prompt investigation of variances; and

e. Identifies and substantiates the balance of ₱1.271 million under the CIP–Infrastructure Assets account by determining the corresponding project details and supporting documentation.

B. Error in the accounting for the construction costs of four projects resulting in the overstatement of the CIP-BOS account and the Accounts Payable account by ₱1.212 million.

4.18 Item g, Section 8, Chapter 10 of Volume I of the GAM for NGAs prescribes that in the case of constructed Property, Plant and Equipment (PPE), during the construction period, all expenses incurred in relation to the

construction of the PPE shall be taken up in the books as CIP with the appropriate asset classification. As soon as the construction is completed, the "Construction in Progress" account shall be reclassified to the proper asset account.

4.19 The same section of the GAM also provides illustrative accounting entries related to the construction of PPE, such as buildings, as well as the corresponding payments. The prescribed entries are presented in Table 16.

Table 16. Prescribed Accounting Entries Under the GAM for the Accrual and Payment of Progress Billings for Construction Projects

Accounts and Description	Debit	Credit
Construction in Progress-Buildings and Other Structures	XXX	
Accounts Payable		XXX
Advances to Contractors		XXX
To recognize payable based on the first progress billing on the construction of building.		
Accounts Payable	XXX	
Cash- MDS, Regular		XXX
Guaranty/Security Deposits Payable		XXX
Due to BIR		XXX
To recognize payment of payable based on the first progress billing on the construction of building.		

4.20 To verify the accuracy of SLs per project, we examined the JEVs and DVs for the progress billings, as well as entries recorded in the GJs. Our review disclosed errors in the recording of construction costs for four projects, as the CIP-BOS balances did not correspond to the cost equivalent of the reported percentage of accomplishment. The resulting discrepancies totaled ₱1.212 million, as shown in Table 17.

Table 17. Discrepancies Between CIP-BOS Account Balances per Audit and per Books

Project Title and Fund	Contract Cost	% Accomp -lished	Expected CIP balance (₱)	Balance per books (₱)	Variance (₱)
GF					
1. Construction of School Building Component for the Infrastructure and Smart Campus Development, Operationalization on Face-to-Face Classes and Upgrading Procurement of Equipment	4,549,846.32	95	4,322,354.00	4,276,855.54	45,498.46
2. Construction of the Technopreneurship Development Center Building	20,118,294.17	95	19,112,379.46	19,967,406.96	(855,027.50)
Sub-total for GF			**23,434,733.46**	**24,244,262.50**	**(809,529.04)**
STF					

Project Title and Fund	Contract Cost	% Accomp -lished	Expected CIP balance (₱)	Balance per books (₱)	Variance (₱)
3. Repair of Perimeter Fence at WMSU Campus A & B	2,597,682.63	83	2,156,076.58	2,531,441.73	(375,365.15)
IGP					
4. Construction of AL FRESCO for University Food Service Center	1,081,824.86	97	1,049,370.11	1,076,956.65	(27,586.54)
TOTAL			28,640,180.15	27,852,660.88	(1,212,480.73)

4.21 Based on the data presented in Table 17, the CIP-BOS account is overstated by a net amount of ₱1.212 million, due to errors in recognizing construction costs of four projects.

4.22 Review of JEVs and DVs showed that the University recorded initial entries debiting the CIP-BOS account and crediting the Accounts Payable account at 85 per cent of the contract price (net of the 15 per cent mobilization fee), regardless of actual accomplishment. Upon payment, the Accounts Payable account was debited based on accomplishment, while the CIP-BOS account was further debited for mobilization fee recoupment, with corresponding credits to the Advances to Contractors, Guaranty/Security Deposits Payable, Due to BIR, and Cash-MDS or Cash-LCCA accounts. A sample entry is shown in Table 18.

Table 18. Accounting Entries Prepared to Recognize Payable and CIP, and Payment of the Progress Billing for a Construction Project.

Accounts and Description	Debit (₱)	Credit (₱)
Construction in Progress-Buildings and Other Structures	2,208,030.24	
Accounts Payable		2,208,030.24
To set up payable for the construction contract. (Contract price of ₱2,597,682.63 less 15 percent mobilization fee of ₱389,652.39)		
Accounts Payable	1,324,818.14	
Construction in Progress – Buildings and Other Structures	233,791.44	
Advances to Contractors		233,791.44
Guaranty/Security Deposits Payable		155,860.96
Due to BIR		97,413.09
Cash in Bank, LCCA		1,071,544.09
To recognize payment of 60 per cent accomplishment for the project Repair of Perimeter Fence at WMSU Campus A and B		

4.23 Accordingly, the initial entry debiting the CIP-BOS account and crediting the Accounts Payable account was intended to recognize a liability for amounts obligated or budgeted in the previous year when payment of the first progress billing is made in the subsequent year. However, this treatment is erroneous as it results in the premature recognition of a liability in the absence of actual project accomplishment. In accordance

with the illustrative accounting entries prescribed in the GAM, the CIP account should be debited, with corresponding credits to the Accounts Payable and Advances to Contractors accounts, only upon recognition of actual work accomplished, as supported by approved progress billings.

4.24 For Project No. 1 in Table 17, the CIP-BOS balance is understated by ₱45,498.46. Although an entry was recorded at contract cost (net of mobilization fee), a subsequent adjustment (JEV No. 25-04-85 dated April 30, 2025) reclassified part of the first progress billing without supporting documentation. Based on 95 per cent accomplishment, the CIP balance should be ₱4.322 million, but only ₱4.277 million was recorded.

4.25 Although the effects of this practice will be offset upon completion of the projects, they result in the misstatement of the CIP-BOS and the Accounts Payable accounts prior to completion. Consequently, as of December 31, 2025, both accounts are overstated by ₱1.212 million.

Recommendations

4.26 We recommended, and Management agreed, to ensure that the Accounting Unit:

a. Refrains from recording construction costs by debiting the CIP-BOS account and crediting the Accounts Payable account based on amounts obligated or budgeted, net of the mobilization fee, in the absence of actual project accomplishment;

b. Recognizes construction costs in accordance with the GAM by recording entries in the CIP-BOS and Accounts Payable accounts based on actual accomplishments, as supported by approved progress billings;

c. Prepares the adjusting entries to correct the identified errors in the Statement of Financial Position as of December 31, 2025, by debiting the Accounts Payable account and crediting the CIP-BOS account by ₱1.212 million;

d. Reflects the effect of the adjustments in item c in the restated FS for CY 2025; and

e. Establishes and implements a periodic reconciliation and review mechanism to ensure that CIP-BOS balances align with the percentage of accomplishment based on approved progress billings, with appropriate review of JEVs and supporting documents prior to recording.

C. *Construction costs totaling ₱39.065 million for projects completed in CY 2025 and prior years remained in the CIP-BOS account as of December 31, 2025.*

4.27 Item g, Section 8, Chapter 10 of Volume I of the GAM for NGAs prescribes that in the case of constructed PPE, during the construction period, all expenses incurred in relation to the construction of the PPE shall be taken up in the books as CIP with the appropriate asset classification. As soon as the construction is completed, the "Construction in Progress" account shall be reclassified to the proper asset account.

4.28 Section 63, Chapter 6 of Volume I of the GAM for NGAs provides that in the disbursement of Inter-Agency Transferred Funds (IATF), a MOA shall be entered into by the SA and the Implementing Agency for the undertaking by the latter of the project of the former. The MOA shall provide for the requirements for project implementation and reporting.

4.29 We examined the SLs of projects under the CIP-BOS account, including contract prices and reported percentages of completion. These were compared with the Quarterly Status Report on PPAs as of December 31, 2025. GJs and JEVs were also reviewed to verify whether project costs were properly transferred to the appropriate asset accounts. In addition, completed projects for CY 2025 listed in the Certified List provided by the PPES Unit, together with corresponding COCs, were compared with projects recorded in the CIP-BOS account.

4.30 Based on our review, we noted the following:

I. Delayed reclassification of cost of completed projects with CIP-balance of ₱22.579 million to appropriate asset accounts

a. Upgrading of the Primary Feeder Line and Secondary Distribution Line from Single Phase to Three Phase Line - ₱14.779 million

4.31 The project had a total contract cost of ₱14.958 million, with a reported CIP-BOS balance of ₱14.779 million as of December 31, 2025. Based on our examination of the Certified List, we gathered that the project was completed on December 11, 2025 per COC dated December 12, 2025. However, a review of the SLs under the CIP-BOS account disclosed that construction costs amounting to ₱14.779 million, representing approximately 95 per cent of the total project cost, remained recorded under the CIP account as of year-end.

4.32 We noted that this balance was overstated by ₱0.568 million due to an accounting error discussed in Letter B (paragraphs 4.18-4.25) of this Report. Nonetheless, since the project had already been certified as complete, the unbilled portion amounting to ₱179,496.37 (i.e., contract cost of ₱14.958 million less CIP balance of ₱14.779 million) should have been recognized by debiting the CIP-BOS account and crediting the Accounts Payable and Advances to Contractors accounts as of December 31, 2025.

4.33 Per our inquiry with the Accountant I regarding why the costs of the project had not yet been transferred to the appropriate asset account as of

December 31, 2025, we learned that the transfer of construction costs was only done in January 2026, upon receipt of the COC and other documents required for the final billing.

4.34 Review of the DV for the project's final payment showed that the accounting entry prepared was to debit the Accounts Payable account for 85 per cent of the final billed amount and the CIP-BOS account for the portion recouped from the mobilization fee, and to credit the Advances to Contractors, Guaranty Deposits Payable, Due to BIR, and Cash-MDS accounts. Subsequently, JEV No. 26-01-18 dated January 31, 2026, was prepared to transfer the total project cost from the CIP-BOS account to the Power Supply Systems account.

4.35 The delay in reclassification was attributed to the late submission of the COC to the Accounting Unit, which was only received by the latter during the processing of the final payment.

4.36 As a result of the delay, the Power Supply Systems account was understated by ₱14.958 million, while the CIP-BOS account was overstated by ₱14.779 million, and the Accounts Payable account was understated by ₱179,496.37 as of December 31, 2025. In addition, the Depreciation Expense - Power Supply Systems and the Accumulated Depreciation - Power Supply Systems accounts for December 2025 are understated by ₱118,417.75.

4.37 We noted that JEV No. 26-01-19 dated January 31, 2026 was prepared to recognize depreciation for December 2025 by debiting the Government Equity account and crediting the Accumulated Depreciation - Power Supply Systems account for ₱118,417.75. However, as of December 31, 2025, both accounts were misstated by ₱118,417.75. Moreover, since the asset was only recognized in January 2026, there is a timing mismatch between the recognition of depreciation expense for December 2025 and the related asset, which was recorded in the books only in January 2026.

Recommendations

4.38 We recommended, and Management agreed, to:

a. Issue a Memorandum Order requiring the PPES and the Technical Inspection Committee (TIC) to furnish a copy of the COCs for completed projects to the Accounting Unit within the same month the COC is issued, regardless of whether requests for final payments have been submitted;

b. Requires the Accounting Unit, upon receipt of the COC from the PPES and TIC, to:

   i. record the remaining unbilled portion of the contract cost by debiting the CIP account and crediting the Accounts Payable account; and

ii. record the transfer of construction costs from the CIP account to the appropriate asset account during the same month when the project is certified complete per COC;

c. Requires the Accounting Unit to prepare adjusting entries and reflect these in the restated FS for CY 2025;

i. record the unbilled portion of the project amounting ₱179,496.37 by debiting the CIP-BOS account and crediting the Accounts Payable account by the said amount as of December 31, 2025;

ii. thereafter, reclassify the total construction costs for the project totaling ₱14.958 million to the Power Supply Systems account from the CIP-BOS account as of December 31, 2025;

iii. recognize the depreciation expense for the project for December 2025 by debiting the Depreciation Expense - Power Supply Systems account and crediting the Accumulated Depreciation- Power Supply Systems account for ₱118,417.75 in the FS for CY 2025;

iv. prepare the necessary adjusting entries to correct or reverse the entries previously recorded in January 2026 involving the reclassification to the appropriate asset account and recognition of depreciation expense.

b. Renovation of the Nursing Simulation Laboratory and Support Facility and Renovation of Zamboanga Normal School Building Azotea-Extra Work. – ₱7.801 million

4.39 Our review of the SL for the project "Renovation of the Nursing Simulation Laboratory and Support Facility" disclosed that the balance of construction costs recorded in the CIP-BOS account as of December 31, 2025, amounted to ₱7.615 million, which equals the contract cost. Review of the COC revealed that the project was completed on February 14, 2024. The latest entry in the SL was on March 31, 2024, to record the 100 per cent accomplishment, with a debit to the CIP-BOS account and a credit to the Accounts Payable account. However, the project costs were transferred from the CIP-BOS account to the School Buildings account only in January 2026 under JEV No. 26-01-21.

4.40 Furthermore, the University recognized depreciation expense for this project for the period February 2024 to December 2025, totaling ₱0.555 million. This was recorded in January 2026 by debiting the Government Equity account and crediting the Accumulated Depreciation–School Buildings account.

4.41 Similarly, the project "Renovation of Zamboanga Normal School Building Azotea-Extra Work" with a contract cost of ₱186,004.00 was completed on November 2, 2023 per COC dated April 29, 2024. Although the SL for this project was not submitted during the year, its construction costs

amounting ₱186,004.00 were included in the CIP-BOS account balance as of December 31, 2025. These costs were also transferred to the School Buildings account only in January 2026. Depreciation expense and accumulated depreciation for the period November 2023 to December 2025, totaling ₱15,314.32, were similarly recognized in the same month.

4.42 Upon inquiry with the Accountant I regarding the delay in transferring the construction costs to the appropriate asset accounts, it was explained that in the previous years, recording of progress billings and the transfer of costs from CIP accounts to the proper asset accounts were handled by different staff members. As a result, items related to completed projects were not timely identified.

4.43 Due to the delay in the reclassification of the construction costs of these two projects, the CIP-BOS balance as of December 31, 2025, is overstated by ₱7.801 million while the School Buildings account was understated by the same amount. Additionally, the Accumulated Surplus/(Deficit) account is understated by ₱273,490.38, Depreciation Expense-School Buildings account by ₱296,425.47, and the Accumulated Depreciation-School Buildings account by ₱0.570 million.

Recommendations

4.44 We recommended, and Management agreed, to ensure that the Accounting Unit:

a. Monitors the completion status of projects to facilitate the timely transfer of construction costs from CIP accounts to the appropriate asset accounts;

b. Prepares the necessary adjusting entries and reflect in the restated FS for CY 2025 pertaining to the following;

i. correct the understatement in the School Buildings account amounting to ₱7.801 million and the corresponding overstatement in the CIP-BOS account by the same amount as of December 31, 2025;

ii. record the appropriate depreciation expense for the two completed projects by recognizing: (i) a debit to Depreciation Expense - School Buildings amounting to ₱296,425.47; (ii) a credit to Accumulated Depreciation - School Buildings amounting to ₱0.570 million; and (iii) the corresponding adjustment to Accumulated Surplus/(Deficit) amounting to ₱273,490.38, in the financial statements as of and for the year ended December 31, 2025;

iii. Prepares the necessary adjusting or reversing entries in 2026 to correct the effects of prior entries related to the reclassification of assets and recognition of depreciation expense.

II. *Four projects funded through IATFs that were completed in 2023 and 2024, with total CIP balance of ₱10.371 million and another four completed in December 2025 with total CIP balance of ₱6.115 million remained in the CIP-BOS account as of December 31, 2025, due to insufficient provisions in the MOA regarding the transfer or turnover of the constructed assets from the SA to the IA.*

4.45 Our review of the SLs for projects under the STF revealed that four completed projects (see Table 19), with total contract costs of ₱10.380 million, were still recorded in the CIP-BOS account with a balance of ₱10.371 million as of December 31, 2025. Completion of these projects in CYs 2023 and 2024 was confirmed through the corresponding COCs. The recorded balances approximate the respective contract costs, except for Projects 2 and 3, where liquidated damages were deducted from the construction costs. These deductions were treated as adjustments to the project costs since these are deducted from the budget utilized for the projects and refunded to the SAs.

Table 19. Balances in the CIP-BOS Account Under STF-VATF Account Pertaining to Projects Already Completed in CY 2023 and CY 2024

Project title	Contract Amount (₱)	CIP-BOS Balance, 12/31/2025 (₱)	Date Completed	Remarks
1. Upgrading of the R and D Facilities of the DOST-PCAARRD WMSU Agri-Aqua Technology Business Incubator	4,745,148.10	4,745,148.10	November 16, 2024	Not yet transferred to asset account. Sourced from IATFs from DOST-PCAARRD.
2. Enhancement of Native Chicken Processing Facility	911,280.36	906,289.13	July 29, 2024	Not yet transferred to asset account. SA yet to be determined.
3. Enhancement of Artificial Insemination for ZamPen Native Chicken Research and Development Center	1,731,942.83	1,727,341.91	July 9, 2024	Not yet transferred to asset account. SA yet to be determined.
4. Enhancement and Upgrading of WMSU-CA Breeding Facilities for the Conservation and Sustainable Production of Quality ZAMPEN Native Chicken	2,992,007.86	2,992,007.86	November 23, 2023	Not yet transferred to asset account. SA yet to be determined.

Project title	Contract Amount (₱)	CIP-BOS Balance, 12/31/2025 (₱)	Date Completed	Remarks
TOTAL	10,380,379.15	10,370,787.00		

4.46 Upon inquiry, the Accountant explained that the costs were not transferred to the appropriate asset accounts due to uncertainty on the proper accounting treatment, considering that the projects were funded through inter-agency transfers and recognized under the Due to NGAs account.

4.47 We requested the MOAs for the projects; however, only the MOA for Project 1 was provided. Review of the MOA showed that there was no provision regarding the transfer or turnover of the constructed asset to the University, only conditions for the purchased equipment. Although the project involved the renovation of an existing University structure, recognition of the asset as University property lacks sufficient legal basis in the absence of explicit contractual provisions. For Projects 2 to 4, no MOAs were submitted despite requests, thus the Audit Team cannot ascertain whether similar conditions apply.

4.48 Further review of the SLs disclosed that four additional projects funded through IATFs (see Table 20), with total contract costs of ₱7.529 million and a CIP-BOS balance of ₱6.115 million, likewise remained recorded in the books as of year-end. These projects were completed on December 15, 2025, but the corresponding COCs were issued only on January 14, 2026. Per the TIC Memorandum, final inspections were only conducted on January 13, 2026, as the Committee could not perform them in December due to the holiday season.

Table 20. Projects Sourced from IATFs that were Completed in December 2025 but COCs were Issued Only on January 14, 2026

Project	Contract Cost (₱)	Balance under the CIP-BOS account (₱)	Remarks
5. Upgrading of Hatchery, Brooding and Growing Units of Zampen Native Chicken Breeding Station in the College of Agriculture (Brooding and Hatchery)	1,951,254.78	1,658,566.56	Completed in December 15, 2025 but the COC was issued only in January 2026.
6. Upgrading of Hatchery, Brooding and Growing Units of Zampen Native Chicken Breeding Station in the College of Agriculture (Growing and Hardening)	1,837,935.44	1,470,348.35	Completed in December 15, 2025 but the COC was issued only in January 2026.
7. Upgrading of Plant Tissue Culture Laboratory at Western Mindanao State University College of	1,600,153.53	1,296,124.36	Completed in December 15, 2025 but the COC was issued only in January 2026.

Project	Contract Cost (₱)	Balance under the CIP-BOS account (₱)	Remarks
Agriculture (Nursery Area & Water System)			
8. Upgrading of Plant Tissue Culture Laboratory at Western Mindanao State University College of Agriculture (Tissue Culture Laboratory)	2,139,795.23	1,690,438.23	Completed in December 15, 2025 but the COC was issued only in January 2026.
TOTAL	**7,529,138.98**	**6,115,477.50**	

4.49 In December 2025, an entry debiting the Due to NGAs account and crediting the Accounts Payable account was prepared to record the unbilled portion of these projects totaling ₱1.402 million. Since the entry was erroneous, in February 2026, the CIP-BOS account was debited and the Due to NGAs account was credited. However, at the time, the construction costs had yet to be reclassified from the CIP-BOS to the appropriate asset account. Thus, despite the issuance of COCs in January 2026, the costs remain in the CIP-BOS account.

4.50 The MOAs for these projects are also pending submission, preventing the determination of transfer or turnover provisions. These projects are managed by Project Leaders under the VP-RE.

4.51 We further noted that the Finance Division, particularly the Accounting Unit, is not involved in the drafting or review of MOAs covering IATF-funded projects. This lack of coordination contributes to the absence of clear provisions on asset recognition, transfer, and accountability, thereby delaying the proper recording and reclassification of project costs in the University's books.

4.52 In view of the foregoing, construction costs totaling ₱16.486 million remained in the CIP-BOS account as of December 31, 2025, despite the completion and utilization of the related assets, primarily due to the absence of clear MOA provisions on asset transfer or turnover from the SA to the IA.

Recommendations

4.53 We recommended, and Management agreed, to ensure that the VP-RE:

a. Retrieves copies of the MOAs for projects 2 to 8 as indicated in Tables 19 and 20 and evaluates whether provisions on asset transfer/turnover are specified;

b. Submits the MOAs for projects 2 to 8 to the Accounting Unit, copy furnished to the COA Audit Team;

c. For projects lacking MOA provisions on asset transfer/turnover, communicates with the SAs to clarify whether the construction assets will be transferred to the University and identifies the required supporting documents for transfer;

d. Forwards the results of the correspondence to the Accounting Unit within five days from receipt of the reply from the SAs for proper accounting treatment; and

e. Coordinates with the Finance Division, particularly the Accounting Unit during the drafting of MOAs to ensure inclusion of provisions on accountability and turnover of assets, including the constructed assets.

4.54 We also recommended, and Management agreed, to ensure that the Accounting Unit prepares the appropriate accounting entries to reclassify the CIP-BOS balances for these eight projects to the appropriate accounts based on the result of the University's correspondence with the SAs.

Inaccurate and Unverifiable Inventory and PPE Balances - ₱20.023 million and ₱579.539 million, respectively.

5. The accuracy and existence of the balances of the University's Inventory and PPE accounts with carrying amounts of ₱20.023 million and ₱579.539 million, respectively, as of December 31, 2025, cannot be ascertained due to: a) recording of acquisitions upon processing of payments rather than when items were accepted based on the Inspection and Acceptance Reports (IAR); and b) non-conduct of the required periodic physical count.

5.1 Our audit of the University's accounts was aimed to ascertain the accuracy of acquisitions of PPE and Inventory items recorded during the year, as well as the existence of these items at year-end. Our audit disclosed the following observations:

A. Recording of acquisitions upon processing of payments rather than upon acceptance based on the IAR, contrary to Section 15, Chapter 8 and Section 44, Chapter 10 of the GAM for NGAs.

5.2 The GAM for NGAs, Volume I, prescribes the procedures for the receipt, inspection, acceptance, and recording of inventory items and PPE, as follows:

a. For Inventory Items (Section 15, Chapter 8) –

i. Sequence No. 7. Based on Copy 3 of the IAR and photocopy of Purchase Order (PO) and Delivery Receipt (DR), the Accounting Staff prepares JEV to recognize the receipt of inventory items in the books of account (GL) and signs the "Prepared by" portion of the JEV and forwards the JEV and supporting documents to the Chief Accountant/Head of the Accounting Division/Unit for approval.

ii. Sequence No. 10. The Accounting Division/ Unit Supplies Ledger Card (SLC) Keeper shall record the receipt of delivered/accepted goods and posts necessary information to the SLC based on the Copy 3 of IAR, copy of PO and DR.

b. For PPE (Section 44, Chapter 10) –

i. Sequence No. 6. Supply and/or Property Custodian signs on the "Acceptance" column of the IAR, acknowledging receipt of the items delivered. Checks the appropriate box whether complete or partial (indicate quantity received) delivery, and indicate the date of receipt and remarks, if any. Forwards the IAR to the Accounting Division/Unit.

ii. Sequence No. 8 Accounting Division, based on the IAR and supporting documents, prepare JEV and recognize the receipt of PPE in the books of accounts (GJ and GL).

iii. Sequence No. 9 Accounting Staff records promptly the receipt/acquisition of PPE in the PPE Ledger Card (PPELC) maintained for each class of PPE.

5.3 During both prior year and current year audits, it was noted that the University records acquisitions of inventories and PPE accounts upon processing of payments rather than upon acceptance based on the IAR, contrary to the provisions under Section 15, Chapter 8 and Section 44, Chapter 10 of the GAM for NGAs.

5.4 A summary of the additions recorded during CY 2025 is presented below:

Table 21. Additions to the Inventory Accounts and PPE Accounts (Except CIP Account) in CY 2025

Accounts	Account Code	Check Disbursements Journal (₱)	GJ (₱)	Total (₱)
Inventories				
Merchandise Inventory	10401010	159,000.00	183,820.05	**342,820.05**
Raw Materials Inventory	10403010	863,706.50	0	**863,706.50**
Office Supplies Inventory	10404010	1,957,316.92	116,070.10	**2,073,387.02**
Accountable Forms, Plates and Stickers Inventory	10404020	880,000.00	131,400.00	**1,011,400.00**
Medical, Dental and Laboratory Supplies Inventory	10404070	80,470.00	0	**80,470.00**
Other Supplies and Materials Inventory	10404990	610,260.17	1,231,534.20	**1,841,794.37**
Total additions to Inventory accounts		**4,550,753.59**	**1,662,824.35**	**6,213,577.94**
Unreconciled difference				(3,571.15)

Accounts	Account Code	Check Disbursements Journal (P)	GJ (P)	Total (P)
Total additions to Inventory accounts				**6,210,006.79**
PPE accounts				
Water Supply Systems	10603040	0	360,000.00	360,000.00
Power Supply System	10603050	0	521,500.00	521,500.00
Parks, Plazas and Monuments	10603090	0	1,500,000.00	1,500,000.00
Office Buildings	10604010	0	15,944,511.49	15,944,511.49
Office Equipment	10605020	1,404,304.35	442,580.00	1,846,884.35
Information and Communications Technology Equipment	10605030	0	7,273,210.00	7,273,210.00
Medical Equipment	10605110	0	338,000.00	338,000.00
Technical and Scientific Equipment	10605140	0	2,539,000.00	2,539,000.00
Other Machinery and Equipment	10605990	179,700.00	532,447.00	712,147.00
Motor Vehicles	10606010	1,790,000.00	195,194.03	1,985,194.03
Furniture and Fixtures	10607010	0	819,205.00	819,205.00
Total additions to PPE accounts		**3,374,004.35**	**30,465,647.52**	**33,839,651.87**

5.5 In the prior year, it was noted that the University recorded the receipt of inventories and PPE items only upon receipt of DVs and supporting documents for payment of the said goods, rather than upon acceptance of goods based on the IAR, as required under the GAM for NGAs. Specifically, the University recognized these transactions in the GJ by debiting the appropriate Inventory or PPE accounts and crediting Accounts Payable during the month when the DVs and supporting documents were submitted by the Supply and Property Management Unit (SPMU) to the Accounting Unit. These entries were treated as accounts payable since they related to obligations charged against the prior year's budget but delivered and paid in the current year. On the other hand, receipts of inventories and PPE recorded through the Check Disbursements Journal (ChkDJ) pertained to transactions that were obligated, delivered, and paid within the current year.

5.6 The delayed recording of the acquisitions was primarily due to the SPMU's non-submission of the IAR to the Accounting Unit upon acceptance of goods. It was further noted that, although the procedures on the receipt of newly acquired items were incorporated in the Procedures Manual of the then Property Management Office (PMO) and the Supply Office (now SPMU), the transmittal of the IAR and supporting documents to the Accounting Unit upon the issuance and acceptance of the items was not included in the Procedures Manual. Thus, the Audit Team recommended and Management agreed to a) incorporate in the Procedures Manual of the SO and PMO the submission of the IAR and supporting documents pertaining to goods delivered, inspected and accepted during the month

to the Accounting Unit every last working day of the month; and b) ensure that the Accounting Unit records the acquisitions of Inventory and PPE items during the period when the goods are accepted based on the IARs rather than based on the DVs.

5.7 Our review of the current year's transactions revealed that the submission of a copy of the IAR to the Accounting Unit has been incorporated in Work Instruction No. WMSU-SO-WI-002 issued in April 2026 covering the inspection and acceptance of supplies, materials, and equipment. Under the said Work Instruction, the Administrative Assistant III of the SPMU, upon receipt of the duly signed IAR, forwards a copy thereof to the Accounting Unit together with the PO, Sales Invoice, and DR on the second to the last working day of the week. However, since the said Work Instruction was approved and became effective only in 2026, the Accounting Unit still recorded acquisitions of inventory and PPE items in CY 2025 based on DVs rather than on the IAR, contrary to the prescribed procedures under the GAM.

5.8 On the other hand, during the prior year, we examined selected DVs covering payments for Inventory and PPE items on a test basis and noted that timing differences ranged from four to 491 days from the date of acceptance to the date of processing of payment, and from 10 to 401 days from the date of acceptance to the date of recording in the books (see Appendix M). We also noted that there were items recorded in the books prior to their inspection and acceptance, which is not in accordance with the provisions of the GAM. Thus, we recommended, and Management agreed to ensure that the Accounting Unit provides explanations on the existence of several items that were recorded in the books prior to their inspection and acceptance. However, to date, no explanations have been submitted relative to these observations.

5.9 As a result, the non-adherence to the provisions of the GAM resulted in the delay in recognition of the goods acquired, as these were only recorded in the books upon payment rather than based on acceptance. Consequently, the accuracy and reliability of the balances of the Inventory accounts cannot be ascertained since the goods recorded as acquisitions during the year may have already been issued to the end-users before they were recorded in the books, considering the timing difference between the acceptance of the goods and the period when the payments for these were processed. Further, in the case of the PPE items, there is also a delay in recording the related depreciation expense and accumulated depreciation, as these items should have been recorded from when accepted and issued to the end users.

Recommendations

5.10 We recommended, and Management agreed, to ensure that the:

a. SPMU submits the IARs and supporting documents to the Accounting Unit on the second to the last working day of the week in accordance with Work Instruction No. WMSU-SO-WI-002; and

b. Accounting Unit records the acquisitions of Inventory and PPE items upon acceptance based on IARs rather than based on the DVs.

5.11 We also reiterated our recommendation, and Management agreed, to ensure that the Accounting Unit provides explanations on the existence of several items, as presented in Appendix M, that were recorded in the books prior to their inspection and acceptance in CY 2024.

B. Non-conduct of the periodic physical count, which is not in conformity with the provisions of Section 13, Chapter 8, and Section 38, Chapter 10 of the GAM for NGAs.

5.12 The GAM for NGAs, Volume I, prescribes the Inventory Accounting System, Physical Count and the Accounting Records, Forms and Reports to be maintained for Inventory and PPE.

5.13 Section 13, Chapter 8 of the GAM for NGAs provides that physical count/inventory, which is required semi-annually, is an indispensable procedure for checking the integrity of property custodianship. Section 17 of the same Chapter and Volume of the GAM prescribes the use of the Report on the Physical Count of Inventories (RPCI) to report the physical count of supplies by type of inventory as at a given date and show the balance of inventory items per card and per count and shortage/overage, if any.

5.14 Section 38, Chapter 10 of the same Manual requires the periodic physical count of PPE, which shall be done annually and presented on the Report on the Physical Count of PPE (RPCPPE) as at December 31 of each year. The same shall be submitted to the Auditor concerned not later than January 31 of the following year. Equipment found at station and losses discovered during the physical count shall be reported to the Accounting Division/Unit for proper accounting/recording.

5.15 In its Notes to Financial Statements (NFS) for the year ended December 31, 2025, the University disclosed that the physical count of inventories had not yet been finalized as of the date of issuance of the FS on February 27, 2026, due to ongoing updates of inventory records and turnover of personnel. Consequently, any necessary adjustments arising from the count were not reflected in the 2025 FS. Further inquiry disclosed that no physical count of inventories and PPE was conducted during the year. According to the Head of the SPMU, the conduct of physical count was deferred pending reconciliation and updating of records in line with the activities undertaken for the one-time cleansing of PPE. However, this effort was hindered by the high volume of transactions and incomplete or inadequate property records from prior years.

5.16 During the prior year, it was noted that, although a physical count was conducted during the second semester of 2024, only 12 out of 104 offices were subjected to the physical count. Moreover, the corresponding RPCI and RPCPPE were not prepared nor submitted to the COA and the Accounting Unit. The incomplete conduct of the physical count was attributed to the following: 1) outdated composition of the Inventory Committee; 2) absence of clear guidelines on duties and responsibilities on the conduct of physical count and the preparation and submission of reports; 3) inadequate manpower in the SPMU, 4) lack of turnover of documents from the predecessor Supply Officer to the incumbent Supply Officer; and 5) insufficient training of personnel of the SPMU.

5.17 Thus, the Audit Team recommended and Management agreed to: a) update the composition or members of the Inventory Committee to reflect the recent movements/changes in personnel; b) Include in the Office Order designating the members of the Inventory Committee and their duties and responsibilities, such as the frequency and timing of the conduct of the physical count on all inventory and PPE items in a year, the preparation of the RPCI and RPCPPE, the deadline for submission of the RPCI and RPCPPE to the Accounting Section, and the COA Office, as required under the GAM for NGAs; c) expedite the filling of the vacant positions, specifically one Supply Officer III, two Property Custodians, and two Clerk III, as provided in the Revised Organizational Structure and Staffing Standards, to facilitate the efficient distribution of responsibilities among the PMO Staff; and e) capacitate the personnel of the PMO and SO by sending them to attend seminars and training related to property and supply management.

5.18 In 2025, Management partially implemented these measures. The Supply Officer II attended a training on the One-Time Cleansing of PPE account balances conducted by the COA Region IX. In addition, Memorandum Order No. 001082 dated May 9, 2025 was issued, reconstituting the Inventory Committee for the physical count of PPE. However, the Memorandum Order did not clearly specify the duties and responsibilities of the committee members, nor did it establish the frequency, timing, and reporting deadlines for the conduct of physical counts and submission of RPCI and RPCPPE.

5.19 On another note, the position of Supply Officer III was filled through the internal promotion of the former Supply Officer II. However, this movement did not result in an increase in overall staffing, as the vacated Supply Officer II position was subsequently filled by the former Administrative Officer III. These changes constitute scalar movements within the organization while the remaining positions continue to be unfilled. Although a personnel was transferred from the Budget Unit to the SPMU during the year, the inadequacy of the manpower in SPMU remains one of the reasons for the non-conduct of physical count during the year. Moreover, there has been no formal turnover of documents from the predecessor Supply Officer to the incumbent, which further contributed to challenges in the operations of the SPMU.

5.20 Due to these factors, the University was unable to conduct the required periodic inventory taking of Inventories and PPE and consequently was unable to prepare and submit the RPCI and RPCPPE. Moreover, it was noted that no issuances of Inventories have been recorded in the books during the years 2024 and 2025. As a result, the existence and accuracy of the items reported under the Inventories and PPE accounts as of December 31, 2025 cannot be ascertained.

Recommendations

5.21 We recommended, and Management agreed, to ensure that the formulation and implementation of the Work Instructions for the Inventory Committee include the following:

a. Duties and responsibilities of the Inventory Committee members, such as the:

i. The frequency and timing of the conduct of the physical count on all inventory and PPE items in a year;

ii. The preparation of the RPCI and RPCPPE; and

iii. The deadline for submission of the RPCI and RPCPPE to the Accounting Unit and the COA Office, as required under the GAM for NGAs.

b. Expedite the filling of the vacant positions, specifically the two Property Custodians, and two Clerk III, to facilitate the efficient distribution of responsibilities among the SPMU Staff; and

c. Ensure that the predecessor Supply Officer properly turns over all necessary documents and reports to the incumbent Supply Officer.

Inaccurate Inventory Balances - ₱20.023 million

6. The University did not record issuances of inventory items for the CYs 2024 and 2025 due to the non-preparation and non-submission of Report of Supplies and Materials Issued (RSMI) by the various supply custodians contrary to Sections 7 and 16, Chapter 8, Volume I of the GAM for NGAs and Sections 101 (1), 102 (2) and 104 of Chapter 5 of PD No. 1445, resulting in the inaccurate balance of the Inventory accounts of the University, with a total carrying amount of ₱20.023 million as of December 31, 2025.

6.1 Section 7, Chapter 8 of Volume I of the GAM for NGAs provides for the recognition of expenses when inventories are sold, exchanged, or distributed. Their carrying amount shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed or the related service is rendered.

6.2 Likewise, Section 16, Chapter 8 of the same Manual prescribes the procedures on the requisition and issuance of inventory items. Sequence numbers 8 to 13 provide that the Property and/or Supply Custodian prepare the RSMI in two copies and submit Copy 2 of the RSMI to the Accounting Unit along with the original Requisition and Issuance Slip (RIS). Upon receipt of the RSMI by the latter, the Accounting Staff checks and verifies the completeness of information in the RSMI, retrieves the SLC, and fills up the "To be filled up in the Accounting Division/Unit" portion of the RSMI. The Accounting Staff thereafter records the RSMI in the SLC and signs in the "Posted by/date" portion. Finally, the Accounting Staff prepares the JEV based on the RSMI to record the issuance of stock. Appendix 64 of the GAM for NGAs, Volume II, prescribes the format and instructions in accomplishing the RSMI.

6.3 Sections 101(1), 102(2), and 104, Chapter 5 of PD No. 1445 provide for the accountability and responsibility of officers in custody of government property and its compensating records and reports required by primary responsible officers. Section 101(1) states that every officer of any government agency whose duties permit or require the possession or custody of government funds or property shall be accountable therefore and for the safekeeping thereof in conformity with law. On the other hand, Section 102(2) provides that persons entrusted with the possession or custody of such funds or property shall be immediately responsible to the head of the agency, without prejudice to the liability of either party to the government. Similarly, Section 104 states that the head of any agency or instrumentality of the national government shall exercise the diligence of a good father of a family in supervising accountable officers under his control to prevent the incurrence of loss of government funds or property, otherwise he shall be jointly and solidarily liable with the person primarily accountable therefor.

6.4 Our review of the SFPos as of December 31, 2025 disclosed that the inventory accounts are composed of the following:

Table 22. Reported Balances of the Inventory Accounts as of December 31, 2025.

Account Title	RCA Code	Account Balance (₱)
Merchandise Inventory	10401010	4,789,620.05
Raw Materials Inventory	10403010	5,455,984.23
Office Supplies Inventory	10404010	3,654,503.07
Accountable Forms, Plates and Stickers Inventory	10404020	1,972,928.00
Drugs and Medicines Inventory	10404060	697,187.00
Medical, Dental and Laboratory Supplies Inventory	10404070	381,431.46
Other Supplies and Materials Inventory	10404990	3,071,834.71
Total		**20,023,488.52**

6.5 Our audit of inventories was aimed to ascertain the completeness of transactions affecting the inventory accounts as reported in the SFPos, particularly whether consumed items or those issued to end-users were properly recorded and reported in the books of the University in accordance with relevant regulations. We examined movements in the

inventory balances through inspection of the ChkDJ, GJ, Requisition, and RIS, stock cards (SC), RSMI and SLC. In addition, we reviewed the existing procedures in the requisition and issuance of inventory items of the University.

6.6 Our review of the ChkDJ and GJ in relation to the inventory accounts disclosed that no issuances of stocks were recorded in 2025, as shown in Table 23.

Table 23. Transaction and Balance Summary of Inventory Accounts

Account Title	Balances as of December 31, 2024 (₱)	Purchases/ (Issuances) for the year 2025 (₱)	Balances as of December 31, 2025 (₱)
Merchandise Inventory	4,446,800.00	342,820.05	4,789,620.05
Raw Materials Inventory	4,592,277.73	863,706.50	5,455,984.23
Office Supplies Inventory	1,605,571.20	2,048,931.87	3,654,503.07
Accountable Forms, Plates and Stickers Inventory	958,528.00	1,014,400.00	1,972,928.00
Drugs and Medicines Inventory	685,252.00	11,935.00	697,187.00
Medical, Dental and Laboratory Supplies Inventory	300,961.46	80,470.00	381,431.46
Other Supplies and Materials Inventory	1,224,091.34	1,847,743.37	3,071,834.71
Total	13,813,481.73	6,210,006.79	20,023,488.52

6.7 As presented in Table 23, transactions recorded in CY 2025 amounting to ₱6.210 million pertain solely to purchases or additional inventory items, while no entries were made to recognize issuances or distributions of inventory items to end-users.

6.8 The same audit observation was noted in the CY 2024 audit, wherein issuances and distributions of inventory items to end-users were not recorded in the books, resulting in an inaccurate balance of the inventory accounts as of December 31, 2024, which condition persisted in CY 2025. The succeeding table presents the purchases made during CYs 2024 and 2025.

Table 24. Purchases of Inventory for CYs 2024 and 2025

Account Title	Balances as of December 31, 2023 (₱)	Purchases (₱)			Balances as of December 31, 2025 (₱)
		CY 2024	CY 2025	Total	
Merchandise Inventory	4,266,800.00	180,000.00	342,820.05	522,820.05	4,789,620.05
Raw Materials Inventory	2,525,667.73	2,066,610.00	863,706.50	2,930,316.50	5,455,984.23
Office Supplies Inventory	257,538.30	1,348,032.90	2,048,931.87	3,396,964.77	3,654,503.07
Accountable Forms, Plates and Stickers Inventory	304,028.00	654,500.00	1,014,400.00	1,668,900.00	1,972,928.00
Drugs and Medicines Inventory	550,697.00	134,555.00	11,935.00	146,490.00	697,187.00
Medical, Dental and Laboratory Supplies Inventory	300,961.46	0	80,470.00	80,470.00	381,431.46
Other Supplies and Materials Inventory	141,134.13	1,082,957.21	1,847,743.37	2,930,700.58	3,071,834.71
Total	**8,346,826.62**	**5,466,655.11**	**6,210,006.79**	**11,675,661.90**	**20,023,488.52**

6.9 As shown in the preceding table, total purchases of inventories for CYs 2024 and 2025 amounted to ₱11.677 million. No issuances were recorded for two consecutive years, which is considered material and resulted in an inaccurate balance of the inventory accounts.

6.10 During the prior year's audit, it was noted that the University's policy and practice that once the RIS is duly accomplished by the end-user and inventory items are issued, the Head of the Supply Office (now the SPMU effective June 20, 2025) prepares the RSMI based on the RIS and submits the same to the Accounting Unit through a Universal Serial Bus (USB) drive. However, in CY 2024, only the RSMIs for the period January to September 2024 were submitted by the Supply Office to the Accounting Unit as of December 31, 2024.

6.11 The delay in the preparation of RSMIs was attributed to the retirement of the predecessor Head of the Supply Office on November 29, 2024. Subsequently, the Head of the PMO was designated as the Officer-In-Charge (OIC)-Head of the Supply Office on December 2, 2024, in a concurrent capacity. Consequently, the RSMIs for the months of October to December 2024 were submitted to the Accounting Unit only on March 14, 2025.

6.12 In consideration thereof and upon review of the duties and responsibilities of the Supply Office personnel, it was determined that the primary cause of delay in the preparation of RSMIs in CY 2024 was the lack of manpower. In early 2025, following the retirement of the former Head, the Supply Office was composed only of an Administrative Officer I, an Administrative Aide III, and the OIC-Head. Considering the volume of transactions being handled, managed and recorded by the Supply Office, the Audit Team recommended enhancements to existing office procedures to facilitate accurate inventory reporting. The recommendation was the inclusion in the Work Instructions of the Administrative Officer I of the Supply Office the (i) preparation of the RSMI for the Supply Office; (ii) consolidation of the RSMIs of the University Clinic, Cashier Section, University Press, Garment Shoppe, Laboratory Stock Room of the College of Science and Mathematics (CSM) and the Supply Office; (iii) submission of the consolidated RSMI to the OIC-Head of the Supply Office by the third day of the following month for review; (iv) incorporation of the necessary corrections in the consolidated RSMI; (v) transmittal of the consolidated RSMI, after review by the OIC-Head of the Supply Office, both in printed (duly signed) and soft copy, to the Accounting Unit by the fifth day of the ensuing month; and (iv) maintenance of a logbook or any equivalent document, which includes at a minimum the name of the report submitted, complete name and signature of the recipient, and the date

6.13 These measures are intended to reduce the workload of the OIC-Head of the Supply Office, who was concurrently serving as Head of the PMO. Moreover, the maintenance of a logbook or equivalent document is intended to establish proper accountability, as well as ensure monitoring of timely submission of reports. The Audit Team further recommended for Management to include in the Work Instructions of the OIC-Head of the Supply Office the review of consolidated RSMIs before submission of the same to the Accounting Unit. Assigning the preparation of the RSMIs to the Administrative Officer I will allow for check and balances, whereby the OIC-Head performs an independent review of the RSMIs prepared to ensure the correctness and completeness of the same.

6.14 In response to the audit observations and recommendations of the Team, Management augmented its manpower by transferring an Administrative Aide VI from the Budget Office to the Supply Office, effective June 18, 2025. The duties of the Administrative Aide VI include updating the SCs and the preparation and consolidation of the RSMIs.

6.15 Moreover, the University President issued Memorandum Order No. 001095, series of 2025, dated May 9, 2025, authorizing the conduct of an orientation on inventory management on May 16, 2025. The activity was intended for the offices and units responsible for maintaining SCs for items held in stock within their respective office premises. The orientation was attended by the Unit Heads and Property/Stock Custodians of the Cash Unit, CSM Stockroom, Garment Shoppe, Health Services, University Press, Office of the University Registrar, and Agri-Business of the College of Agriculture. Accordingly, the University Accountant and the Head of the

SPMU emphasized during the activity that the SCs shall be maintained, and RSMIs shall be prepared and submitted by each office to the SPMU. The prescribed forms and relevant procedures for their accomplishment were also discussed. However, the recommended Work Instructions of the Administrative Officer I and Head of SPMU have yet to be prepared, but the latter has committed to its preparation and submission in 2026.

6.16 Nevertheless, despite the augmentation of manpower in the SPMU and the conduct of an orientation for the Unit Heads and their respective Property/Stock Custodians, the expenses related to the consumption and distribution of supplies and materials to end-users were not recognized in the books. Our audit disclosed that the non-recognition of inventory-related expenses was attributed to the following:

A. Non-preparation and non-submission of RSMI by the Cash Unit, CSM Stockroom, Garment Shoppe, Health Services, University Press, Office of the University Registrar, and Agri-Business of the College of Agriculture.

6.17 Our inquiry with the Unit Heads or Property/Stock Custodian of the Cash Unit, CSM Stockroom, Garment Shoppe, Health Services, University Press, Office of the University Registrar, and Agri-Business of the College of Agriculture disclosed that not all of these offices maintained SCs for the inventoriable items held in their respective offices. These offices are considered as supply units, and thus it has been the practice of the University that they prepare the RSMIs for their respective offices rather than merely submitting the RIS. Despite the orientation conducted on May 16, 2025, during which the preparation of SCs and RSMIs within the agreed timelines was emphasized, the Audit Team noted that these directives were not fully complied with nor effectively implemented by the concerned offices. Only the CSM Stockroom, Health Services, and the University Press maintained SCs. However, the SPMU had not received any RSMIs from these offices for CY 2025 following the said orientation. Further inquiry indicated that the non-maintenance of SCs and the non-preparation of RSMIs may be attributed to gaps in the consistent application of established procedures, as some personnel appeared to be reminded of these requirements only during the audit. These conditions indicate non-compliance with Sections 101(1), 102(2), and 104, Chapter 5 of PD No. 1445, thereby compromising the responsibility and accountability of officers over government properties. This suggests the need to strengthen compliance mechanisms and enhance awareness of inventory management controls

6.18 It is noteworthy that in the previous year's audit, the Audit Team recommended and Management agreed to enhance the existing office procedures to facilitate accurate inventory reporting by including in the Work Instructions of the personnel concerned in the University Clinic, Cash Unit, University Press, Garment Shoppe and Laboratory Stock Room of the CSM i) the preparation of SCs for the inventoriable items received from the SPMU as prescribed in Appendix 58, Volume II of the GAM for NGAs; ii) the preparation of RSMIs in two copies as prescribed

in Appendix 64, Volume II of the GAM; iii) the submission of Copy 2 of RSMI, both in printed (duly signed) and soft copy, on a staggered or regular basis, provided that their due date of submission to the SPMU shall be on or before the latter's due date of submission to the Accounting Unit; and iv) maintenance of a logbook or any equivalent document, which includes at a minimum the name of the report submitted, complete name and signature of the recipient, and the date. However, based on the current year observations, these recommendations have not yet been implemented, thereby hindering the University from achieving accurate, timely, and reliable inventory reporting and effectively enforcing the accountability and responsibility of Unit Heads and Property/Stock Custodians.

6.19 The Audit Team deems it necessary to strictly enforce and require the concerned offices to maintain SCs and prepare and submit the RSMIs to the SPMU in the formats prescribed under Appendices 58 and 64, Volume II of the GAM. This is intended to ensure that the ending inventory balances reflect the actual quantities of unused and unconsumed items held by the offices concerned. This is significant, as these offices account for a substantial portion of the University's procurement and utilization of inventoriable and valuable items. For instance, the Cash Unit is responsible for the custody and issuances of checks; the University Clinic for medicines and other supplies; the University Press, reporting, among other items, the issuances and balances of bond papers, Identification Cards (I.D.) colored ribbon, I.D. retransfer film, Ultra High Frequency card, Starlin Red and laminating film; the Garment Shoppe, reporting, among other items, the issuances and balances of cloth and tassel; the Laboratory Stock Room of the CSM, reporting, among other items, the issuances and balances of various chemicals; the Office of the University Registrar for the diploma jacket, parchment papers and bond papers, among others; and the Agri-Business of the College of Agriculture for the feeds. The remaining stocks of these offices are consolidated with those of the SPMU and reported as part of the University's inventory balances in the FS.

6.20 In addition, the Head of the SPMU is to closely monitor the timely submission of RSMIs by the concerned offices and conduct periodic follow-ups with them prior to the agreed deadlines. These measures are essential to ensure the proper recording of inventory issuances and the accuracy and reliability of inventory balances reported in the FS.

Recommendations

6.21 We recommended, and Management agreed, to strictly enforce the previously agreed enhancements to office procedures on inventory reporting by including in the Work Instructions of the Property/Stock Custodian in the University Clinic, Cashier Section, University Press, Garment Shoppe, Laboratory Stock Room of CSM, Office of the University Registrar and Agri-Business of the College of Agriculture:

a. the maintenance of SCs for the inventoriable items received from the SPMU as prescribed in Appendix 58, Volume II of the GAM for NGAs;

b. the preparation of RSMI in two copies as prescribed in Appendix 64, Volume II of the GAM;

c. the submission of Copy 2 of RSMI, both in printed (duly signed) and soft copy, on a staggered or regular basis, provided that their due date of submission to the SPMU shall be on or before the latter's due date of submission to the Accounting Unit; and

d. Maintenance of a logbook or any equivalent document, which includes at a minimum the name of the report submitted, complete name and signature of the recipient, and the date;

6.22 In addition, we recommended, and Management agreed, to enhance the existing office procedures to facilitate accurate inventory reporting by including in the Work Instructions of:

a. the Unit Heads of Cash Unit, CSM Stockroom, Garment Shoppe, Health Services, University Press, Office of the University Registrar, and College of Agriculture to ensure that the:

i. SCs are being maintained and updated on a regular basis by their respective Property/Stock Custodian;

ii. RSMIs are prepared and submitted to the SPMU by their respective Property/Stock Custodian on a staggered or regular basis as agreed;

iii. SCs and RSMIs accurately reflect the actual inventory items on hand, and that both forms present consistent and reconcilable data; and

iv. Head of SPMU to ensure the preparation of the monitoring report, logbook, or any equivalent document to track and monitor the timely submission of RSMIs by the concerned offices to the SPMU.

B. Non-preparation and non-submission of RSMI by the SPMU

6.23 The Audit Team also observed that the SPMU did not submit RSMIs to the Accounting Unit for items issued.

6.24 Our review of the RIS disclosed that items were distributed to end-users during CY 2025. While the SCs maintained by the SPMU reflect the said issuances, these were not utilized for the preparation of the RSMIs. As discussed above, despite the augmentation of manpower in the SPMU, which was intended to facilitate the timely preparation and submission of RSMIs to the Accounting Unit, no RSMIs were prepared and submitted for the transactions in CY 2025, compared to that in CY 2024, where only delays in submission were noted.

6.25 According to the Head of the SPMU and the University Accountant, they agreed to engage students from the University's College of Computing Studies to develop an inventory system intended to capture the additions and issuances of inventories, incorporating the necessary reports and forms, such as, but not limited to, the IAR, RSMI, SLCs, and other reports used by the Accounting Unit and the SPMU. The system is intended to support inventory management and reporting. The Head of the SPMU further stated that they are awaiting its completion before data encoding can commence. However, the system remains incomplete, pending beta testing by the Management Information System and Technology Unit. The Head of the SPMU relied on the expected completion of the inventory system for the preparation of the RSMI; however, due to the system's non-completion, this reliance contributed to the incomplete reporting of inventory issuances, which resulted in inaccurate balances as of year-end, thereby affecting compliance with Sections 7 and 16, Chapter 8 of the GAM.

6.26 In view of the foregoing, the Audit Team deems it necessary that, pending the full implementation of the inventory system, the SPMU continue to prepare and submit the RSMIs manually on a regular and timely basis to the Accounting Unit. This is essential to ensure the completeness and accuracy of inventory records and to prevent delays in financial reporting. Otherwise, the absence of properly prepared and submitted RSMIs may result in misstated inventory balances reflected in the FS as of December 31, 2025, thereby affecting the reliability and fairness of financial reporting.

Recommendations

6.27 We reiterated our recommendation, and Management agreed, to enhance the existing office procedures to facilitate accurate inventory reporting by including in the Work Instructions of:

a. the Administrative Officer I of the SPMU:

i. the preparation of RSMI for the SPMU;

ii. the consolidation of RSMIs of the University Clinic, Cash Unit, University Press, Garment Shoppe, Laboratory Stock Room of the CSM and the SPMU;

iii. the submission of the consolidated RSMI to the OIC-Head of the SPMU by the third day of the following month for review;

iv. to make corrections in the consolidated RSMI when necessary;

v. the transmittal of the consolidated RSMI, after review by the OIC-Head of the SPMU, both in printed (duly signed) and soft copy, to the Accounting Section by the fifth day of the ensuing month; and

vi. maintenance of a logbook or any equivalent document, which includes at a minimum the name of the report submitted, complete name and signature of the recipient, and the date; and

b. the OIC-Head of the SPMU, the review of consolidated RSMIs before submission of the same to the Accounting Section.

C. Non-Preparation of SLC by the Accounting Unit

6.28 In our previous audit, we noted that the RSMIs submitted by the SPMU for the months January to September 2024 to the Accounting Unit were not utilized by the latter due to difficulty in determining the unit cost of the items reported therein. This issue arose from a timing difference between the receipt of the DV, PO, and other attached documents, which serve as the sole source of the inventory items' list with unit costs, and the RSMI being submitted by the SPMU. The Accountant stated that they find it difficult to obtain the PO for the items reported in the RSMI to determine their unit cost, more so when these documents were already submitted to the COA Office. Therefore, the Accounting Unit was not able to accomplish the RSMI and prepare the corresponding journal entries for the year 2024. The challenges encountered by the Unit in identifying the unit cost per inventory item are primarily attributable to the non-preparation of SLCs.

6.29 These observations were communicated to the Management through AOM No. 2024-17 (2023) dated May 2, 2014 and AOM No. 2025-07 (2024) dated March 26, 2025. To address this issue, the University augmented the manpower in the Accounting Unit. However, despite the additional manpower in the Accounting Unit, the SLCs were still not prepared and maintained. In view thereof, the Audit Team recommended in the prior year for Management to enhance existing office procedures to facilitate accurate inventory reporting by incorporating into the Work Instructions of the Accountant I the preparation of SLCs for items purchased beginning January 2025, upon recognition of the same in the respective inventory accounts, and the proper accomplishment of the RSMI. In compliance with the audit recommendation, Management submitted to the Audit Team on February 24, 2026, a copy of the Work Instruction No. WMSU-ACC-WI-012, effective February 2, 2026. Subsequently, the preparation of SLCs commenced only in 2026. Accordingly, no SLCs were prepared for inventoriable items procured in CY 2025, as Management only convened in March 2026 to discuss and establish the procedures facilitating the accomplishment of the SLCs. With respect to beginning balances, coordination with the SPMU is still ongoing. For instance, the Head of the SPMU has submitted soft copies of SCs updated as of April 20, 2026 to the Accounting Unit on April 22, 2026 to facilitate the initial preparation of the SLCs.

6.30 While Management has demonstrated partial compliance through the issuance of updated Work Instructions and ongoing coordination between concerned offices, the delayed preparation of SLCs has hindered the full application of proper inventory accounting procedures in accordance with

Section 16, Chapter 8 of the GAM, which affects the accuracy and reliability of inventory records and financial reporting.

Recommendations

6.31 In this regard, we recommended, and Management agreed, to expedite the determination and validation of beginning inventory balances in coordination with the SPMU and Accounting Unit.

6.32 Further, we recommended, and Management agreed, to ensure the preparation and updating of SLCs by the Accounting Unit once the beginning balances are established and for all new procurements in CY 2026.

Inaccurate Due to Government Service Insurance System (GSIS) Balance - ₱8.061 million

7. **The accuracy of the balance of the Due to GSIS account amounting to ₱8.061 million as of December 31, 2025, could not be fully ascertained due to unresolved discrepancies between payroll deductions, GSIS billings and remittances, existence of negative balance of ₱7.124 million, and unsubstantiated balance of ₱544,586.83.**

7.1 Section 111 of PD No. 1445 provides the requirements on the keeping of accounts. It states that the accounts of an agency shall be maintained in such detail as is necessary to meet the needs of the agency and, at the same time, be adequate to furnish the information required by fiscal or control agencies of the government. It further emphasizes that the highest standards of honesty, objectivity, and consistency shall be observed in the maintenance of accounts to safeguard against inaccurate or misleading information.

7.2 Paragraph 27 of IPSAS 1 likewise provides that financial statements shall present fairly the financial position and financial performance of an entity through faithful representation of transactions and events.

7.3 To determine the accuracy and reliability of the Due to GSIS account balance as of December 31, 2025, a review and reconciliation of the GL, schedule, and transactions of remittances and withheld mandatory contributions were made to ascertain the accuracy of the account as of year-end.

7.4 Review of the accounting records disclosed that the Due to GSIS account reflected a balance of ₱8.061 million as of December 31, 2025. We further learned that the amount withheld for premiums and loans in December 2025, totaling ₱15.976 million, which is due in January 2026, was already excluded from the account balance since the same has been remitted in December 2025. Therefore, the composition and validity of the remaining balance could not be fully substantiated.

7.5 The existence of incomplete remittances and unresolved discrepancies between payroll deductions and amounts billed by the GSIS as noted in the CY 2025 transactions, indicates that the balance of the Due to GSIS account at year-end includes unremitted amounts from prior years or unreconciled obligations to GSIS. This may further indicate that a significant portion of the year-end balance amounting to ₱8.061 million pertains to unsettled obligations from prior years, since this includes the beginning balance of ₱7.758 million. The movements recorded in CY 2025 primarily relate to contributions withheld during the current year and related remittances, as shown in the succeeding table.

Table 25. Summary of Movements in the Due to GSIS Account in CY 2025 per GL

Month	Debit (₱)	Credit (₱)	Balance (₱)
Beginning Balance			7,757,634.54
January	71,684.35	15,243,259.82	22,929,210.01
February	15,663,360.90	15,216,178.70	22,482,027.81
March	15,136,576.90	17,027,088.89	24,372,537.80
April	15,573,062.04	15,493,394.22	24,292,869.98
May	15,447,022.02	15,839,540.56	24,685,388.52
June	15,731,236.46	15,602,882.71	24,557,034.77
July	16,310,557.23	14,900,672.97	23,147,350.51
August	15,670,051.52	15,574,159.97	23,051,458.96
September	15,653,853.96	15,896,354.90	23,293,959.90
October	15,591,576.75	15,703,729.41	23,406,112.66
November	15,583,088.41	15,733,083.08	23,556,107.23
December	31,470,897.78	15,976,096.70	8,061,306.15
Total	**187,902,970.32**	**188,206,641.93**	**8,061,306.15**

7.6 The table above shows that, despite that remittances were made regularly during the year, the balance of the Due to GSIS account continued to reflect significant outstanding balances. In view of the incomplete remittances and unresolved discrepancies between payroll deductions, GSIS billings, and actual remittances, the accuracy and reliability of the balance of the Due to GSIS account as of December 31, 2025, could not be fully ascertained.

7.7 Moreover, review of the schedule of the Due to GSIS account disclosed a negative balance of ₱7.124 million and unsubstantiated balance of ₱0.545 million, as shown in the succeeding table.

Table 26. Schedule of Due to GSIS Account as of December 31, 2025

Account Name	Account Code	Amount (₱)
Life and Retirement	2020102001	8,736,615.75
Optional/Unlimited	2020102002	239,224.03
Salary Loan	2020102003	1,311,037.93
Policy Loan (Regular)	2020102004	1,289,971.57
Policy Loan (Optional)	2020102005	698,253.50
Real Estate Loan	2020102006	1,173,451.04
Employees' Compensation Insurance Premium (ECIP)	2020102009	(3,220,604.87)
Calamity Loan	2020102010	(314,238.36)
E-Card	2020102013	1,202,544.04
Educational Loan	2020102015	(320,308.69)
GSIS Financial Assistance Loan (GFAL)	2020102016	(3,269,226.62)

Account Name	Account Code	Amount (₱)
For determination		544,586.83
Total		**8,061,306.15**

7.8 The table above shows that the Due to GSIS account includes negative balances totaling ₱7.124 million under several loan and contribution accounts, particularly ECIP, Calamity Loan, Educational Loan, and GFAL. In addition, ₱0.545 million was classified under "For determination," indicating that the nature and validity of the amount have not yet been identified or reconciled. These conditions indicate the existence of long-outstanding unreconciled balances and possible inaccuracies in the recording, reconciliation, and monitoring of GSIS-related transactions. Accordingly, the accuracy, validity, and completeness of the Due to GSIS account balance amounting to ₱8.061 million as of December 31, 2025, could not be fully ascertained pending reconciliation with supporting schedules, payroll deductions, GSIS billings, remittance records, and confirmation with GSIS. According to the Accountant, such conditions have existed even in prior years under the previous administration, and no complete records, reconciliations, or supporting details were formally turned over pertaining to these. This further contributed to the difficulty in validating and tracing the composition of the balances reflected in the Due to GSIS account, particularly those pertaining to prior years' transactions and adjustments.

7.9 Based on the foregoing, it is deemed necessary that the Accounting Unit establish a defined timeframe for the prompt reconciliation and settlement of all unremitted GSIS contributions to substantiate the balance of Due to GSIS account. The Accounting Unit is to reconcile the Due to GSIS account balance of ₱8.061 million as of December 31, 2025 with the supporting payroll records, GSIS Electronic Billing File (EBF) and remittance records, and establish detailed procedures to facilitate the proper resolution of unreconciled balances. Consequently, the existence of an unsubstantiated balance is not in conformity with Section 111 of PD No. 1445. Likewise, the non-maintenance of accurate and fully reconciled accounts resulted in misleading financial information and hinder the determination of the University's actual liability to GSIS.

Recommendations

7.10 We recommended, and Management agreed, to ensure that the balance of the Due to GSIS account is accurate, reliable, and properly substantiated through the Accounting Unit, in coordination with the Cash Unit and Payroll Unit, to:

a. Establish detailed reconciliation procedures and review and monitoring controls to ensure consistency between payroll records, GSIS EBFs, remittance records and accounting records;

b. Determine the breakdown or detailed composition of the ₱8.061 million Due to GSIS account balance as of December 31, 2025 by tracing,

identifying and reconciling prior years' transactions through the preparation of reconciliation schedule; and

c. Document all reconciling items, including those that cannot be retrieved, traced, or fully supported due to missing, incomplete, or unavailable prior-year records, indicating the nature of such items, the efforts undertaken to validate them, and the basis for their disposition or treatment in the reconciliation process.

Unreliable balance of the Receivables account balances

8. **The accuracy and validity of the Receivables accounts of the University cannot be ascertained due to the: a) non-provision of impairment loss on long outstanding receivables under the Loans Receivable-Others account amounting to ₱2.154 million, Due from NGAs account amounting to ₱0.670 million, and Due from Local Government Units (LGUs) account amounting to ₱14,582.50 nor initiate collection efforts and write-off procedures for dormant accounts; b) non-derecognition of receivables amounting to ₱3.990 million and unsubstantiated balance amounting to ₱5.533 million in the Due from NGAs account; and c) non-maintenance of SLs on accounts receivables from Graduate School and College of Law students.**

8.1 Our audit of the Receivables accounts of the University under the GF, STF, and IGP Fund, as reported in the SFPos as of December 31, 2025, disclosed the following:

A. Non-recognition of allowance for impairment loss on long-outstanding receivables accounts and deferment of collection efforts and write-off procedures for dormant accounts.

8.2 Section 10, Chapter 7, Volume I of the GAM for NGAs, requires an entity to assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the entity shall measure the amount of loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced directly or through the use of an allowance account. The amount of loss shall be recognized in surplus or deficit.

8.3 An adjusting journal entry to recognize impairment loss is made by debiting Impairment Loss for the specific receivable account and crediting Allowance for Impairment for the same account.

8.4 COA Circular No. 2020-001 dated January 8, 2020 prescribes the Revised Chart of Accounts, which includes the following accounts: Impairment Loss - Loans and Receivables; Allowance for Impairment - Due from NGAs; Allowance for Impairment - Due from LGUs; and Allowance for Impairment - Loans Receivable - Others.

8.5 On the other hand, COA Circular No. 2023-008, dated August 17, 2023 provides the guidelines and procedures for the proper disposition of dormant accounts, including procedures for requesting the write-off of dormant receivable accounts. Under this circular, government entities are required to file their request for COA approval to write off or derecognize dormant accounts until September 16, 2024, or within one year from its effectivity. Nonetheless, COA Circular No. 2025-005 dated December 18, 2025, was issued allowing agencies to continue filing requests for the derecognition of dormant accounts beyond the original reglementary period provided in COA Circular No. 2023-008 until a new circular is issued. Annex 8 of COA Circular No. 2023-008 prescribes a checklist of documents to be attached to the request for write-off or derecognition of dormant accounts.

8.6 The University's SFPos reported total receivables of ₱141.058 million as of December 31, 2025. This balance consists of receivables from Graduate School and College of Law students, receivables from billings to the Department of Budget and Management (DBM) for the Free Higher Education (FHE) Program, receivables from disallowances and charges, and other receivables. We noted that the Loans Receivable-Others account, amounting to ₱2.154 million and the Due from LGUs account amounting to ₱14,582.50 remained uncollected.

8.7 Further review of prior years' FS revealed that these balances have been outstanding and non-moving since CY 2020. Based on prior audits, the Loans Receivable-Others account pertains to loans granted to students under the Student Financial Assistance Program (StuFAP) and the Student Assistance Fund for Education (SAFE) of the Commission on Higher Education. During CY 2020, receivables under SAFE were already aged nine to ten years, as the loans were granted in 2008 and 2009. Thus, as of CY 2025, these receivables are more than ten years old.

8.8 Similarly, receivables from StuFAP have been outstanding for more than 14 years since CY 2004, making them approximately 19 years old as of CY 2025. It was previously recommended that Management exert efforts, such as sending demand letters, to encourage loan grantees to settle their obligations so that other deserving students could benefit from the program. According to Management, a significant number of demand letters were returned due to changes in the student-borrowers' addresses. Consequently, the Audit Team then recommended recognizing an allowance for impairment loss on these receivables due to doubtful collectibility given their prolonged outstanding status.

8.9 We discussed the matter with the present University Accountant, who stated that since they still have the addresses of the students, they opt to send demand letters to properly document collection efforts before facilitating a request for write-off on these student loans. The Audit Team agrees with this planned action. However, pending the initiation of these collection efforts and request for write-off, we deem that it is necessary for

Management to already recognize an allowance for impairment on these receivables since their collectibility is uncertain.

8.10 Meanwhile, we noted that the University has already recognized an allowance for impairment on its accounts receivable from students for fees during the school years 2015 to 2017 amounting to ₱18.973 million. Considering that these receivables are more current than those under the Loans Receivable-Others account, we deem that there is an inconsistency in the accounts being subjected to impairment loss. This is primarily because the University has not formulated a formal policy on the conduct of impairment testing and provision of allowance for impairment losses on its receivables.

8.11 Meanwhile, the Due from LGUs account with an outstanding balance of ₱14,582.50 has been outstanding for more than 10 years. During the CY 2020 audit, these were identified as prior years' fund transfers that remained unliquidated, with no supporting details available from the previous administration.

8.12 Moreover, our review of the Due from NGAs account disclosed that ₱0.670 million out of the reported balance of ₱121.946 million represents unliquidated fund transfers more than 10 years old that also remained outstanding as of year-end. The accounts also lack sufficient details from the previous administration.

8.13 The foregoing deficiencies indicate inadequate monitoring of receivables and insufficient documentation of fund transfers in the past years. Moreover, the absence of a policy on the conduct of impairment testing and provision of allowance for impairment loss on receivables whose probability of collection is uncertain resulted in the unreliable balances of the receivable accounts reported in the SFPos.

8.14 The Audit Team deems that there is a need to set up a policy on the conduct of impairment testing of receivables and provision for impairment losses. The policy may include guidelines to facilitate strong monitoring of receivables, such as the regular preparation of aging schedules with details as to the creditor, the frequency of preparation and use thereof in analysis, and in identifying the ages of receivables and circumstances involving receivables from different sources (students, LGUs, NGAs) which may be indications of impairment and may warrant provision of allowance for impairment loss.

8.15 Considering that the receivables from students, LGUs and NGAs have been dormant for 10 years or more, with no significant progress in collection efforts for student loans and no available details for unliquidated fund transfers under the Due from LGUs and Due from NGAs accounts, the likelihood of collection is very low to nil. Thus, these accounts can already be considered impaired. As such, there is a need to recognize an allowance for impairment loss to bring the carrying

amounts of these receivables to their net realizable values, as prescribed by the GAM.

8.16 Nonetheless, Management is not precluded from initiating collection efforts on the student loans by sending out demand letters to students with known addresses. However, in the case of the dormant receivables under the Due from LGUs and Due from NGAs accounts, since the details of these accounts can no longer be identified, we deem that it is necessary for Management to initiate requests for their write-off. Otherwise, these balances will continue to affect the reliability of the balances of the Receivables accounts reported in the financial statements.

Recommendations

8.17 We recommended, and Management agreed, to establish a policy on the conduct of impairment testing of receivables and the provision of allowance for impairment on impaired accounts.

8.18 We also recommended, and Management agreed to ensure that the Accounting Unit:

a. Recognizes allowance for impairment loss on the dormant receivables based on the policy on impairment testing and provision of allowance for impairment to be established;

b. Initiates the sending of demand letters to student debtors under the StuFAP and SAFE Programs and document the results of the said collection efforts; and

c. Initiates the request for write-off of dormant accounts under the Due from NGAs account amounting to ₱0.670 million and Due from LGUs amounting to ₱14,582.00 in accordance with COA Circular No. 2023-008.

B. Non-derecognition of receivables amounting to ₱3.990 million already collected in CY 2022, and an unsubstantiated balance amounting to ₱5.533 million under the Due from NGAs account.

8.19 Paragraph 27 of IPSAS 1 requires FS to present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in IPSASs.

8.20 Meanwhile, Section 11, Chapter 7 of Volume I of the GAM for NGAs defines derecognition as the process of removing a previously recognized financial asset, liability or equity from the statement of financial position. An entity shall derecognize a financial asset when, and only when:

a. The contractual rights to the cash flows from the financial asset expire or are waived; or

b. The entity transfers the financial assets provided the following conditions exist:

   i. The entity transfers substantially all the risks and rewards of ownership of the financial assets; and

   ii. The entity has not retained control over the financial assets.

8.21 The University reported a total balance of ₱121.946 million in its Due from NGAs account as of December 31, 2025 which consists of the following:

Table 27. Details of the Due from NGAs Account as of December 31, 2025

Particulars	Fund	Amount (₱)
Balance from old accounts which are no longer in existence (Notes to FS 2015)	GF	669,927.14
Department of Education (DepEd) Billing for the Senior High School (SHS) Voucher Program	STF	5,870,000.00
Reclassification of accounts (for verification)	STF	5,532,676.00
Billings to DBM for the FHE Program	STF	109,873,684.68
Total balance, 12/31/2025		**121,946,287.82**

8.22 During the previous year's audit, we noted that there were errors affecting the accuracy of the Due from NGAs account including: 1) over-deduction of the refund received from the Department of Public Works and Highways amounting to ₱424,039.78; 2) misclassification of the billings to DBM for the FHE Program; 3) non-derecognition of receivables from DepEd for the SHS Program amounting to ₱3.990 million, 4) collection from DepEd for the SHS Program for which OR was already issued in December 2022, but the related receivables cannot be established amounting to ₱50,000.00; and 5) unsubstantiated balances for further verification amounting to ₱5.533 million.

8.23 The University has already implemented recommendations pertaining to items 1 and 2 during CY 2025 and reported the effects in the restated FS for CY 2024. We acknowledge Management's efforts in implementing these recommendations. However, recommendations regarding the maintenance of GL and SL under item 1 and recommendations for items 3, 4 and 5 remain unimplemented. The issue on the preparation of GL and SL is addressed in paragraph 13 of this Report.

8.24 As presented in Table 27, the receivable from DepEd for the SHS Program as of December 31, 2025 is ₱5.870 million. This amount includes the ₱3.990 million balance from CY 2022 transaction and an additional accrual for November 2024 amounting to ₱1.880 million.

8.25 In the prior years, the University reported a receivable from DepEd amounting to ₱3.990 million for the SHS Program. However, our audit in CY 2024 revealed that corresponding payments were already released

to the University in CY 2022 as follows: ₱3.990 million for the first batch of 399 students and ₱50,000.00 for the second batch involving five students, for a total of ₱4.040 million. The University Cashier issued OR No. 1329584 for ₱50,000.00 and OR No. 1329585 for ₱3.990 million on December 13, 2022, for the funds received.

8.26 Per our review of the GJ and JEV prepared in December 2022, the collections were debited to CIB-LCCA along with other collections for the month and credited against the Other Payables account for ₱4.040 million. The ₱3.990 million under OR No. 1329585 should have been credited against the Due from NGAs account instead of the Other Payables account. Regarding the ₱50,000.00 under OR No. 1329584, we cannot ascertain whether the related receivable from DepEd was previously recognized in the books since the breakdown of the Due from NGAs account did not indicate its inclusion. Meanwhile, the unverified balance of ₱5.533 million may include this amount.

8.27 Consequently, we recommended and Management agreed to ensure that the Accounting Unit: a) retrieve the billings to DepEd for the SHS Program SY 2021-2022 and the related JEVs to determine whether the receivables for the fund releases for batch 2 totaling ₱50,000.00 were set up under the Due from NGAs account and submit a copy thereof and the results of the investigation to the Audit Team; b) conduct verification on the details of the ₱5.533 million to determine the underlying transactions included therein and identify whether the ₱50,000.00 due from DepEd was among these; c) review the JEVs to identify whether the collections from DepEd as accounted for under OR Nos. 1329584 and 1329585 amounting to ₱3.990 million and ₱50,000.00 were reclassified from the Other Payables account to other account/s; d) upon resolution of recommendation c, prepare the necessary adjusting entry to reclassify the amount received from DepEd for the SHS Program by debiting the account initially used and crediting the Due from NGAs account; and e) report the effect of the adjustments under recommendation d on the restated FS for CY 2024.

8.28 Per inquiry with the Accountant, these recommendations remain unimplemented because the documents needed to investigate the balances are still being retrieved.

8.29 As a result of the delay in identifying the circumstances involving the SHS Program transactions totaling ₱4.040 million and the non-identification of details under the ₱5.533 million for further verification, the accuracy of the balance of the Due from NGAs account as of December 31, 2025 cannot be ascertained.

8.30 To ensure resolution of the issues noted, we deem that Management needs to set a clear timeline for the implementation of the prior year's recommendations.

Recommendations

8.31 We recommended, and Management agreed, to ensure that the Accounting Unit:

a. Set a clear timeline to retrieve billings to DepEd for the SHS Program for SY 2021-2022 and the related JEVs to determine whether receivables for batch 2 totaling ₱50,000.00 were recorded in the Due from NGAs account and submit a copy and the results of the investigation to the Audit Team;

b. Verify the details of the ₱5.533 million to determine the underlying transactions and identify whether the ₱50,000.00 due from DepEd is included;

c. Review the JEVs to identify whether collections from DepEd under OR Nos. 1329584 and 1329585 amounting to ₱3.990 million and ₱50,000.00 were reclassified from the Other Payables account to another account/s;

d. Upon resolution of recommendation c, prepare the necessary adjusting entry to reclassify the amounts received from DepEd for the SHS Program by debiting the account initially used and crediting the Due from NGAs account; and

e. Report the effect of the adjustments under recommendation d on the restated FS for CY 2025.

C. The University has not maintained SLs or equivalent monitoring records for receivables from Graduate School and College of Law students, contrary to the requirements under the GAM.

8.32 Section 6 (b), Chapter II of Volume I of the GAM for NGAs prescribes the use of the accrual basis of accounting in accordance with the IPSAS.

8.33 Appendix 6 of Volume II of the GAM for NGAs prescribes the use of the GL and SL. The GL Form summarizes all transactions recorded in the GJ and Special Journal maintained in the Accounting Unit. On the other hand, the SL Form shows details for each control account in the GL, which is maintained per account and fund cluster by the Accounting Division/ Unit. At the end of each month, after all transactions in the journals have been posted, the debit and credit columns of each account shall be footed in pencil and the balance indicated in ink. The totals of the SL balances shall be reconciled with the corresponding GL controlling account

8.34 During the previous year's audit, we noted that the University did not derecognize receivables from Graduate School and College of Law students for the First Semester of SY 2023-2024 that were previously accrued in 2023. Moreover, dues pertaining to the Second Semester and

Summer of SY 2023-2024 and the First Semester of SY 2024-2025 were not accrued as of December 31, 2024.

8.35 To address these deficiencies, we recommended, and Management agreed, for the Management Information System and Technology Office (MISTO), now MISTU under the revised organizational chart, to regularly submit the List of Outstanding Balances to the Accounting Unit and for the latter to monitor individual student accounts, identify payment details, and maintain SLs or equivalent monitoring documents. Likewise, we recommended for Management to ensure that the Accounting Unit prepares the necessary accounting entries to accrue outstanding dues and recognize collections as of December 31, 2024, and reflect these in the restated FS for CY 2024.

8.36 In compliance with the audit recommendations, the Accounting Unit is required to accomplish a Data Request Form and submit it to MISTU to obtain the assessment and payment details of students. The data retrieved from the Academic Records Information System (ARIS) has facilitated the preparation of journal entries to accrue dues and recognize collections from Graduate School and College of Law students. As a result, the Accounting Unit was able to implement the recommended adjustments in recording receivables and collections.

8.37 However, the recommendation to monitor individual student accounts through the preparation and maintenance of SLs or equivalent monitoring records remains unimplemented.

8.38 Based on discussions with the University Accountant, the preparation and maintenance of SLs is less feasible and tedious due to the volume of students and the complexity of the processes involved. Currently, the Accountant II manually filters and matches assessment data with payment records obtained from MISTU to determine collections and outstanding balances and subsequently records the corresponding accounting entries.

8.39 Given that these data are already processed and retrieved from ARIS, we deem that there is an opportunity to enhance system functionality. Specifically, integrating or automating the linkage between assessed fees and corresponding payments would allow the system to generate real-time outstanding balances per student. This would significantly improve efficiency, accuracy, and reliability in monitoring receivables, as well as support timely financial reporting.

Recommendation

8.40 We recommended, and Management agreed, to ensure that the Accounting Section coordinates with MISTU to enhance the ARIS by incorporating functionality that links student assessment data with corresponding payment records and generates outstanding balances per student, and that the results of said coordination are documented in a report to include the activities and timeline.

Overstatement of the Accounts Payable balance - ₱2.808 million

9. **The University recognized payables totaling ₱2.808 million under the Accounts Payable account of the GF pertaining to obligations due to the IGP and STF without recognizing the corresponding inter-fund receivables in the IGP and STF books, and did not use the appropriate accounts prescribed for intra-agency transactions, resulting in the non-elimination of reciprocal accounts and transactions during consolidation and consequently affecting the accuracy and faithful representation of the FS for CY 2025.**

    9.1 Section 6, Chapter 2, Volume I of the GAM for NGAs provides that each entity shall recognize and present its financial transactions and operations conformably with the generally accepted government accounting principles in accordance with the IPSAS, pertinent laws, rules and regulations and the accrual basis of accounting, among others.

    9.2 Further, Section 7, Chapter 5 of the same GAM states that revenue from exchange transactions shall be measured at the fair value of the consideration received or receivable. Specifically, revenue from other service income shall be recognized when fees are billed or if not practicable, when collected, while revenue from other business income shall be recognized when earned or if not practicable, when collected.

    9.3 Likewise, Section 8, Chapter 20, of the same GAM provides that consolidated FS shall present financial information about the economic entity as that of a single entity. One of the required procedures in preparing consolidated FS is the elimination in full of balances, transactions, revenues, and expenses between entities within the economic entity.

    9.4 Moreover, COA Circular No. 2020-001 prescribing the RCA, Updated 2019 provides that intra-agency receivables and payables shall be recorded using the accounts Due from Other Funds (Account Code 10304050) and Due to Other Funds (Account Code 20301050), respectively. Under the Updated RCA, the Due from Other Funds account is debited to recognize transfers to other funds and/or receivables from other funds of the agency and is credited upon receipt of payment, liquidation, write-off and/or adjustments. On the other hand, the Due to Other Funds account is credited to recognize transfers from other funds and/or payables to other funds and debited upon the return of the fund to the source, and/or adjustments.

    9.5 The University prepares separate quarterly and annual FS for the GF, STF, and IGP and subsequently prepares consolidated FS covering all funds.

    9.6 Review of the Schedule of the Accounts Payable account as of December 31, 2025, disclosed that ₱2.808 million of the total balance of ₱14.776 million under the Accounts Payable account of the GF pertains to payables due to the IGP and the STF.

9.7 A summary of the transactions is presented below:

Table 28. Payables to the IGP and the STF Recorded Under Accounts Payable - GF as of December 31, 2025

Payee	No. of transactions	Amount (₱)	Nature of payables to other funds	Fund
WMSU Auxiliary Revolving Fund	31	1,469,205.00	Catering services rendered by the University Food Service Center (USFC) for various activities during CYs 2023, 2024 and 2025.	IGP
WMSU Review Class	3	886,907.47	Expenses incurred in the conduct of orientation/programs/seminars under the CCE.	IGP
University Press (UPress)	7	412,165.00	Printing and binding services	IGP
WMSU Garment Shoppe	1	36,000.00	Four sets of academic gowns, incurred in CY 2023.	IGP
WMSU STF	1	3,500.00	Food expenses during the interview of administrative personnel held last February 8, 2023	STF
TOTAL	43	**2,807,777.47**		

9.8 Examination of the supporting documents disclosed that the transactions pertain to goods and services rendered by the various IGP units of the University, namely, the UFSC, Garment Shoppe, UPress, and the Center for Continuing Education (CCE).

9.9 A payable to the STF amounting to ₱3,500.00 was also noted. According to the University Accountant, the transaction pertains to food expenses incurred during the interview of administrative personnel on February 8, 2023. However, the exact nature and supporting details of this transaction remain subject to verification, as the related documents were not available with the Accounting Unit at the time of audit and may have been returned to the requesting unit for completion of supporting requirements.

9.10 We noted that upon receipt of the DVs for processing of payment, the Accounting Unit recognized the related expenses in the books of the GF by debiting the appropriate expense accounts, such as Training Expenses, Representation Expenses, Printing and Binding Expenses, and Other Maintenance and Other Operating Expenses, and crediting the Accounts Payable account. However, no corresponding entries were made in the books of the IGP to recognize the related receivables and income arising from the transactions, and the prescribed Due to/From Other Funds accounts were not used.

9.11 We also noted that 14 out of the 43 transactions, amounting to ₱491,175.00, were incurred and recognized as payables in CYs 2023 and 2024. Although the related expenses were already recognized in the prior years, the corresponding receivables and income in the books of the

IGP remained unrecognized as of year-end and up to the date of this writing because payment has yet to be made.

9.12 Further verification disclosed that income in the books of the IGP is recognized only upon actual collection and issuance of ORs by the Cash Unit. As a result, receivables and related income from intra-agency transactions remained unrecognized despite services already being rendered and goods delivered.

9.13 Consequently, the Accumulated Surplus/(Deficit) account in the FS for the IGP was understated by ₱491,175.00. Moreover, the Other Business Income account related to services rendered in 2025 by the UFSC and the UPress was understated by ₱1.426 million, while the Other Service Income account related to services rendered by the CCE was understated by ₱0.887 million. Meanwhile, the Accounts Payable account and total liabilities reported in the consolidated FS were overstated by ₱2.808 million due to the non-recognition and non-elimination of reciprocal accounts, including the ₱3,500.00 payable to the STF.

9.14 Under the Updated RCA, intra-agency receivables should have been recognized in the IGP and STF books using the Due from Other Funds account, with corresponding income recognized, while payables under the GF should have been recorded under the Due to Other Funds account instead of Accounts Payable, and eliminated upon consolidation.

9.15 The improper use of the Accounts Payable account, together with the non-recognition of the corresponding receivables and income, resulted in the inaccurate presentation of the University's consolidated FS. Moreover, it obscured the nature of intra-agency transactions and hindered proper monitoring, reconciliation, and elimination of inter-fund balances, thereby increasing the risk of misstatement.

9.16 Inquiry with the University Accountant disclosed that the delayed recognition of receivables and income was due to the practice of recognizing income only upon actual collection and the delayed submission of billing statements and supporting documents by the IGP units. Accordingly, billing statements and supporting documents were generally submitted only upon the processing of payment requests, usually at year-end, thereby preventing the timely accrual of receivables and income.

9.17 Review of the supporting documents revealed that several transactions involved services rendered from January to October 2025, while the corresponding Job Orders (JOs) and POs were prepared in later months. Nevertheless, the attached JOs, POs, Billing Statements, Statements of Account (SOAs), DRs, IARs, attendance sheets, and other supporting documents already established the occurrence of the transactions and could have served as sufficient basis for recognizing the related receivables and income in accordance with the accrual basis of accounting.

9.18 However, a review of sample POs and JOs further disclosed that, in several instances, the POs issued for UPress transactions were dated later than the DRs and SOAs. Similarly, the JOs for UFSC transactions were also dated later than the corresponding SOAs or dates of services rendered. Moreover, Billing Statements in the case of the UFSC, did not indicate the date when these were prepared nor when these were submitted to the Accounting Unit. Only the dates of the activities catered, which generally coincided with the dates indicated in the DRs, were reflected in the Billing Statements. There were also instances wherein the IARs were either unsigned or undated.

9.19 A sample comparison of the dates appearing in the POs and JOs vis-à-vis the DRs, SOAs, Billing Statements, and IARs is presented below:

Table 29. Comparison of Dates of POs and JOs and Related Supporting Documents

Document	Date of PO/JO	DR Date	IAR Date	SOA Date	Billing Statement
UPress					
PO No. 378	12/8/2025	12/3/2025	12/5/2025	12/5/2025	N/A*
PO No. 354	11/4/2025	9/30/2025	11/28/2025	10/28/2025	N/A
PO No. 391	12/11/2025	11/27/2025	IAR not yet signed	12/11/2025	N/A
UFSC					
JO No. 001	1/23/2025	1/6/2025	1/21/2025	N/A	No date
JO No. 002	1/23/2025	1/6/2025	1/21/2025	N/A	No date
JO No. 003	1/23/2025	1/9/2025	No date	N/A	No date
JO No. 004	1/23/2025	1/14/2025	1/21/2025	N/A	No date
JO No. 249	9/17/2025	7/31/2025	9/19/2025	N/A	No date
JO No. 396	12/15/2025	10/3/2025	12/15/2025	N/A	No date
JO No. 413	12/15/2025	10/14/2025	12/15/2025	N/A	No date
JO No. 425	12/15/2025	10/22/2025	12/15/2025	N/A	No date

** The UPress prepares SOA while the UFSC prepares Billing Statements.*

9.20 Meanwhile, in the case of the CCE, the supporting documents included Requests for Payment prepared by the Administrative Aide III of the CCE and noted by the CCE Director. However, no dates were indicated as to when these documents were prepared or submitted to the Accounting Unit.

9.21 The delayed preparation and submission of JOs and POs, together with incomplete supporting documents such as unsigned or undated IARs and the absence of preparation and submission dates in Billing Statements and SOAs, indicate weaknesses in controls over documentation, monitoring, and inter-fund coordination among requesting units, IGP units, and the Accounting Unit. The absence of established timelines and standardized procedures for the submission and recording of intra-agency transactions contributed to the delayed recognition of receivables, income, and liabilities.

9.22 Moreover, during the audit of tax remittances under the STF, we noted that all tax payments for off-budgetary accounts/funds are coursed through the STF. Upon remittance to the BIR, the University records the

related tax transactions through the STF as an intermediary fund, with corresponding amounts recognized under the Other Payables account. As of December 31, 2025, the outstanding balance of the Other Payables - Tax Withheld sub-account amounted to ₱23,383.75.

9.23 Considering that these transactions likewise represent inter-fund transactions, the corresponding receivables and payables should have been recognized using the appropriate accounts, namely the Due from Other Funds and Due to Other Funds, to ensure proper monitoring, reconciliation, and elimination during consolidation.

Recommendations

9.24 We recommended, and Management agreed, to ensure that the UFSC, UPress, Garment Shoppe, and CCE:

a. Coordinates with the Accounting Unit to establish deadlines for the preparation and submission of JOs, POs, Billing Statements, SOAs, DRs, and other supporting documents to facilitate the timely recording of intra-agency transactions;

b. Ensures the timely preparation and submission of complete and duly accomplished supporting documents, including properly dated and signed JOs, POs, Billing Statements, SOAs, DRs, and IARs, within the prescribed deadlines; and

c. Maintains a schedule or log of services rendered and receivables due from the University, including collections, in coordination with the Cash Unit, and reconciles these with the records maintained by the Accounting Unit on a monthly basis.

9.25 We further recommended, and Management agreed, to ensure that the Accounting Unit:

a. Retrieves the documents pertaining to the payables to STF amounting to ₱3,500.00 and determines the nature of the transaction as well as the propriety of its recording under the GF;

b. Conducts a comprehensive reconciliation of all intra-agency transactions among the GF, STF, and IGP for CY 2025 and prior years, and prepare the necessary adjusting entries to:

i. recognize receivables and income in the books of the IGP;

ii. reclassify Accounts Payable in the GF books and Other Payable-Tax Withheld in the IGP books to the appropriate Due to Other Funds accounts; and

iii. facilitate the proper elimination of reciprocal accounts during consolidation.

c. Develops and implements written guidelines and standardized accounting procedures for recording, monitoring, reconciling, and eliminating intra-agency transactions among the University's funds; and

d. Starting CY 2026, recognize intra-agency receivables, income, liabilities, and related adjustments on an accrual basis upon billing, rendition of services and delivery of goods, in accordance with the GAM and the Updated RCA.

Understatement of Rent Income and Rent Receivables accounts – ₱1.036 million

10. **The non-accrual of rental income resulted in an understatement of Rent Income and the related rent receivable by ₱1.036 million, while the recognition of November to December 2024 rental payments in the current year overstated Rent Income and understated the Accumulated Surplus/(Deficit) account by ₱336,231.00. Moreover, delayed rental settlements by lessees indicate lapses in the enforcement of contractual payment terms.**

10.1 Section 6, Chapter 2, Volume I of the GAM for NGAs on the basic government accounting and budget reporting principles prescribes that each entity shall recognize and present its financial transactions and operations conformably to the accrual basis of accounting. Section 2(a) of the same chapter and volume of the GAM defines accrual basis of accounting as a method under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recognized in the accounting records and recognized in the FS of the periods to which they relate.

10.2 Our audit was aimed to ascertain the completeness of rental income recorded in the books based on the fixed rates stipulated in the contracts executed between the University and its lessees and to ensure conformity with the accrual basis of accounting. We also reviewed the procedures implemented by the Office of the Vice President for Resource Generation (VPRG) in the billing, monitoring, and reporting of rental income, as well as the corresponding processes undertaken by the Accounting Unit in recording these transactions, to include the collection of rental fees from the lessees.

10.3 Among the rental operations of the IGP, the leases of the food court, stalls, and buildings were supported by duly executed Contracts of Lease between the University and the respective lessees or concessionaires. On the other hand, the rentals of other University facilities, such as training centers, social hall, gymnasium, and faculty lounge, were not covered by formal contracts as these were occasional in nature and not subject to fixed rental arrangements.

10.4 Our review of the lease contracts disclosed that the food court and stalls pertained to leased spaces for the operation of the University Canteen within the campus premises. Meanwhile, the building rental referred to the leased premises occupied by the LBP at the WMSU Main Campus located along San Jose Road, Zamboanga City.

10.5 In CY 2025, total collections from the rental of the building, food court, and stalls amounted to ₱2.556 million, which were recorded under the Rent Income account, as presented in the table below.

Table 30. Collections from Rental Fees for CY 2025 Reported Under STF.

Particular	Collections (₱)
Rental - Building	1,513,039.50
Rental Stalls	529,468.26
Rental - Food Court	513,728.25
Total	**2,556,236.01**

10.6 It is noteworthy that our related review disclosed that income from these rentals was recorded under the STF instead of the IGP Fund, representing a departure from prescribed accounting procedures and leading to incomplete reporting of IGP operations. In addition to our audit observation that rent income is deposited and recorded in the bank accounts and FS for the STF as discussed in paragraph 11.1 to 11.20 of this Report, our audit also revealed that the rent income reported during the year was incomplete by ₱1.036 million, as discussed in the succeeding sections.

A. Unrecorded Income from the LBP-WMSU Branch amounting ₱0.883 million.

10.7 Our review of the Contract of Lease executed between the University and LBP-WMSU Branch in CY 2021, for the lease of a lot and a one-storey concrete building located at the WMSU Main Campus, disclosed that the agreement provided for a monthly rental of ₱160,110.00, subject to an annual escalation rate of five percent, commencing from the start of renovation of the additional leased area. Rental payments are payable on a quarterly basis in accordance with Section 2 of the contract. Details of the agreed monthly and annual rental rates is presented in the following table.

Table 31. Agreed Rental Rates for LBP-WMSU Branch

Year	Monthly Rate (₱)	Yearly Rate (₱)
Year 1 – CY 2021	160,110.00	1,921,320.00
Year 2 – CY 2022	168,115.50	2,017,386.00
Year 3 – CY 2023	176,521.28	2,118,255.30
Year 4 – CY 2024	185,347.34	2,224,168.06
Year 5 – CY 2025	194,614.71	2,335,376.46
Total Rent from 2021 to 2025		**10,616,505.82**
Security Deposit	320,220.00	320,220.00
Total Collections		**10,936,725.82**

10.8 Confirmation with Management disclosed that the renovation of the leased area commenced only in August 2023. Accordingly, the applicable monthly

rental rate for January to July 2025 remained at ₱168,115.50, while the rate for August to December 2025 is ₱176,521.28.

10.9 Review of the collection reports of the Cash Unit and the recording of the collections in the books of accounts revealed that only ₱1.513 million was recorded as rent income from the lease contract with the LBP-WMSU Branch for the year ended December 31, 2025. This amount pertains to rental collections for the period November 2024 to July 2025, as shown in the table below.

Table 32. Rental Income Recognized in CY 2025 from Lease Contract with LBP

OR Number	OR Date	Period Covered	Monthly Rate	No. of Months	Amount (₱)
1528333	9/10/2025	November to December 2024	168,115.50	2	336,231.00
1528334	9/10/2025	January 2025	168,115.50	1	168,115.50
1528332	9/10/2025	February to April 2025	168,115.50	3	504,346.50
1528331	9/10/2025	May to July 2025	168,115.50	3	504,346.50
Total Collections for CY 2025					**1,513,039.50**

10.10 Based on Table 32, rent income recognized in CY 2025 from the lease contract with LBP was based on actual collections per ORs. Consequently, rent income pertaining to November and December 2024, totaling ₱336,231.00, was recognized only in the current year. On the other hand, rent income for the period August to December 2025, totaling ₱0.883 million, was not recognized because payment for this period had not yet been received. Of this amount, ₱0.530 million pertaining to the period August to October 2025 was already due and demandable as of year-end, while ₱353,042.55 for November to December 2025 had already accrued during the year. Considering that income from the rental of the University's properties had already been earned, the corresponding rent income should have been recognized in accordance with the accrual basis of accounting. Consequently, the Rent Income account and Rent Receivable accounts were understated by ₱0.883 million as of December 31, 2025. Moreover, the rent income recognized in the current year was overstated by ₱336,231.00 since income from rentals for the months of November and December 2024, which should have been recognized as income in CY 2024, was only recognized in 2025. Thus, these collections should have been recorded under the Accumulated Surplus/(Deficit) account in CY 2025.

B. Unrecorded Income from Various Concessionaires of the University amounting ₱56,169.69.

10.11 The same observation was noted for rental payments from concessionaires for December 2025. Based on the contracts executed between the University and the concessionaires, rental payments are due on or before the 15th day of the succeeding month. Accordingly, no payments for December 2025 had been made as of reporting date, since these are not yet due and would only become payable in January 2026.

The total rental receivable from concessionaires for December 2025 amounted to ₱56,169.69, as presented in the following table.

Table 33. Rent of Concessionaires for the Month of December 2025

Concessionaires	Rent (₱)
Camp 1	3,150.00
Bento Haus	3,150.00
Burger House	2,000.00
Comequita	3,307.50
Crimson Cafe	3,307.50
Crimsons Cravings	3,150.00
Crimsons Nook	3,307.50
D'grill Bite	6,945.75
Dashyr's Chow	2,000.00
Gemz Kitchen	3,307.50
Hands-On Printing	1,050.00
JJMJ	3,000.00
Camp 2	2,500.00
Muncho Café	7,875.00
Mamalings	1,736.44
Patir	1,653.75
Rons Toron	1,500.00
Skn	1,653.75
Thirdy's Kitchen	1,575.00
Total	**56,169.69**

10.12 The total rent for December 2025, amounting to ₱56,169.69, was supported by billing statements issued to the concessionaires. Although these amounts were not yet due for payment as of December 31, 2025, the corresponding rental income had already been earned during the year and should therefore have been recognized in the Rent Income account in accordance with the accrual basis of accounting. Similarly, review of the billing statements to the concessionaires for rent due disclosed that these were not dated and lacked acknowledgement of receipt by the latter, preventing proper determination of the billing period and timely monitoring of the transactions.

C. Unrecorded Income from Philippine Rice Research Institute amounting ₱97,000.00.

10.13 We also reviewed the MOA executed between the University and the Philippine Rice Research Institute (PhilRice), through the College of Agriculture. Based on the MOA, the University and the PhilRice shall collaborate as partners on rice research, training, communication, extension, and human resource development projects. Section 2, Article IV of the MOA stipulates that the University shall provide PhilRice at least five hectares of land for the field, building, and structures needed for the collaborative research and development project. In line with this, Section 1 of Article V states that PhilRice shall provide a fixed lease of ₱12,500.00 per hectare per cropping season for all areas provided by WMSU, which are devoted to PhilRice's seed production activities. The amount shall be deposited to WMSU's resource generation project account.

10.14 Our review of the rental payment by the PhilRice disclosed that the lease rental for CY 2025 was only settled on February 13, 2026, for a total amount of ₱97,000.00 under OR No. 1550785. The collected amount was deposited in bank Account No. 3232-1016-86 designated for the WMSU-AGRI Revolving Fund and reported under the FS for IGP in CY 2026. The Office of the VPRG confirmed that the project was managed by the College of Agriculture. Our inquiry with the Director of Agribusiness and Food Processing disclosed that no crop production reports were submitted to facilitate recognition of the rent receivable from PhilRice as of year-end.

10.15 Considering the observations above, the total unrecorded rent income of the University for CY 2025 amounted to ₱1.036 million, as presented in the following table.

Table 34. Summary of Unrecorded Income for CY 2025 Under IGP Operations

IGP Operations	Lessee/Concessionaires	Amount (₱)
Commercial Facilities Rentals	LBP-WMSU Branch	882,606.38
	Various Concessionaires of Food Courts and Stalls	56,169.69
Agribusiness and Food Processing	PhilRice	97,000.00
Total Unrecorded Income for CY 2025		**1,035,776.07**

10.16 According to the Accountant, the transactions were not recorded due to the absence of supporting documents necessary for the recognition of receivables from the lessees and the corresponding rental income. This was further corroborated by the practice of the Office of the VPRG of issuing billing statements to the lessees and concessionaires of the food court, stalls, and LBP without furnishing copies thereof to the Accounting Unit, thereby preventing the timely recording of receivables.

10.17 On another note, based on our review of the payment schedule of the LBP-WMSU Branch, as presented in the succeeding table, delays were noted in rental payments. Section 2 of the contract stipulates that rental payments are to be made on a quarterly basis, due every fourth day of the month following each billing period. However, for CYs 2024 to 2025, significant delays in rental payments were noted, particularly in CY 2025, as reflected in Table 35.

Table 35. Schedule of Payment of LBP for CYs 2024-2025

Period Covered	OR Date of Payment	Due Date	Days Delayed as of Due Date or 12/31/25
February to April 2024	5/20/2024	May 31, 2024	11
May to July 2024	9/26/2024	August 31, 2024	26
August to October 2024	12/20/2024	November 30, 2024	20
November to December 2024	9/10/2025	January 31, 2025	222
January 2025	9/10/2025	May 31, 2025	102
February to April 2025	9/10/2025		

Period Covered	OR Date of Payment	Due Date	Days Delayed as of Due Date or 12/31/25
May to July 2025	9/10/2025	August 31, 2025	10
August to October 2025	No payment yet	November 30, 2025	31
November to December 2025	No payment yet	February 28, 2026	Not yet due

10.18 The table above indicates that substantial delays were incurred by LBP in the rental payments for the period from November 2024 to April 2025, with actual payments made only in September 2025. On the other hand, the number of days delay from the payment of lease by PhilRice is undeterminable due to the lack of data on the dates of crop production, as the Director of Agribusiness and Food Processing stated that no reports were submitted.

10.19 These delays resulted in the late collection and recognition of rental income in CY 2025, considering that Management's practice is to recognize rent income only upon receipt of the rental payments. Furthermore, the delayed payments reflect lapses in the enforcement of the contractual payment terms.

10.20 Based on the foregoing, rent income from the operations of the IGP totaling ₱1.036 million remained unrecorded as of December 31, 2025. This consist of the income earned from the LBP-WMSU Branch, concessionaires of the food court and stalls, and the PhilRice as of December 31, 2025, which remained unrecognized. Consequently, the Rent Income account, as well as the related Rent Receivable account, were understated by the same amount, contrary to the accrual basis of accounting prescribed under the GAM.

10.21 The unrecognized income is attributable to the current practice of Management, under which, the Marketing Service Manager of the Office of the VPRG regularly prepares the billing statements to the concessionaires and lessees of the food court, stalls, LBP-WMSU Branch when rent is due. Payments are made directly to the University's Cash Unit and the original OR is presented to the Administrative Officer of the Office of the VPRG for monitoring purposes. The Accounting Unit only records rent income upon receipt of the collection report from the Cash Unit, with cash deposited under the STF bank account and fund. Consequently, rent income is recognized only upon actual cash collection and reporting, rather than when it is earned.

10.22 This practice is not aligned with the provisions of the GAM, which requires revenues to be recognized in the period to which it relates. According to the GAM, revenue shall be recognized when it is probable that future economic benefits will flow to the entity and can be measured reliably, regardless of when cash is collected. For lease agreements with fixed monthly rates, revenue can be measured reliably based on the monthly

rates and payment schedules as provided in the contracts, as well as the billing statements prepared by the Marketing Service Manager. The non-recognition of revenues in accordance with accrual basis of accounting resulted in the understatement of the Rent Income account and Rent Receivable account.

10.23 In view thereof, we deem it necessary for the Marketing Service Manager of the Office of the VPRG to include the date in the billing statements and ensure that concessionaires of food courts and stalls acknowledge receipt thereof by indicating the date of receipt. Moreover, the Marketing Service Manager is to prepare a summary report of the billing statements issued to lessees and concessionaires each month. The report shall indicate, at a minimum, the name of the lessee or concessionaire, the amount billed, and the rental period covered, and to submit the same to the Accounting Unit within a deadline mutually agreed upon by the Accounting Unit and the Office of the VPRG. Additionally, the acknowledged copies of the billing statements received by the lessees and concessionaires are to be attached as supporting documents to the summary report. On the other hand, the Director of Agribusiness and Food Processing and the Office of the VPRG, together with the Dean of the College of Agriculture and the VP-RE, who serves as the designated Chair of the Management Committee for projects undertaken in collaboration between the University and PhilRice, may convene to ensure that crop production reports are submitted to the Director of Agribusiness and Food Processing within a mutually agreed timeline. This is to facilitate the determination of receivables arising from the lease of rice fields to PhilRice. Consequently, the Director of Agribusiness and Food Processing may prepare the billing statements for rent due from PhilRice and submit the same to the Accounting Unit within a timeline to be mutually agreed upon by the Accounting Unit and the Office of the VPRG.

10.24 These steps will enable the Accounting Unit to accurately and timely record receivables from lessees for the rental of commercial facilities, as well as the corresponding rent income. Upon payment by the lessees to the Cash Unit and notification of the settlement of rent to the Administrative Officer of the VRPG, the latter records the OR number for monitoring purposes. The Administrative Officer will then submit a monitoring report of payments to the Accounting Unit, subject to the approval of the VPRG, within the established deadline to facilitate the preparation of journal entries recognizing Cash and crediting the receivable account. Additionally, the Marketing Service Manager is to regularly follow up with lessees or concessionaires for rents that are due but remain unpaid within the contractual timeframe. This will help ensure the timely collection of rental income, enforcement of contract terms and maintenance of up-to-date records of receivables.

Recommendations

10.25 We recommended, and Management agreed, to ensure that rental income is recognized in the period to which it relates through the following actions:

a. The Marketing Service Manager of the Office of the VPRG to:

   i. Prepare the billing statements to include the date of the billing and require the concessionaires to indicate the date of acknowledgement of receipt;

   ii. Prepare a summary of billing reports every month to be submitted to the Accounting Unit within the prescribed timeframe, subject to the approval of the VPRG, indicating, at a minimum, the name of the lessee or concessionaire, the amount billed, and the rental period covered by the billing; and

   iii. Attach the copies of the billing statements acknowledged received by the lessees and concessionaires to the summary of billing reports;

   iv. Monitor payments made by the lessees and concessionaires within the prescribed deadlines set in the contracts by coordinating with the Administrative Officer, who prepares the summary report of payments;

   v. Conduct follow-ups with lessees and concessionaires, who have not paid rent within the prescribed deadlines and document the results of the follow-up in a monitoring report;

b. The Administrative Officer of the Office of the VPRG to prepare a summary report of payments every month and submit the same to the Accounting Unit within the prescribed timeframe, subject to the approval of the VPRG, indicating, among others, the name of the lessee or concessionaire, the OR number, date of payment, the amount paid, and the rental period covered by the payment;

c. The VPRG to monitor the submission of the summary of billing reports and summary of report of payments by the Marketing Service Manager and Administrative Officer, respectively, through the approval of the same prior to submission to the Accounting Unit;

d. The Accounting Unit to record the receivable and rent income upon receipt of the summary of billing reports and record the cash collections based on the summary report of payments submitted by the Office of the VPRG; and

e. The Director of Agribusiness and Food Processing to prepare the billing statement for PhilRice and submit the same to the Accounting Unit within the agreed timeline, ensuring that the date of the billing

statement and date of acknowledgement of receipt are indicated therein.

10.26 In relation to the above recommendations, we further recommended, and Management agreed, to ensure that the Accounting Unit and the Office of the VPRG coordinate and establish the timelines for the preparation and submission of the billing statements, summary of billing reports and summary reports of payments.

10.27 Moreover, we recommended, and Management agreed, to ensure that the Director of Agribusiness and Food Processing and the Office of the VPRG, together with the Dean of the College of Agriculture and the Vice President for Research and Extension, convene to facilitate the submission of crop production reports by PhilRice within a mutually agreed timeline.

Management Comments

10.28 The Management, through the University Accountant, explained during the Exit Conference on May 19, 2026, that they have implemented the required journal entries to record other receivables, directly addressing the audit findings in CY 2024. However, operational challenges persist regarding the formal recognition of these receivables. While the Accounting Unit has coordinated with the Office of the VPRG, which now submits periodic consumption reports for water and electricity, and billing reports for rentals, the current report format lacks the precise documentation required for the audit recommendations. Management will refine these reports to ensure full documentation compliance. Once the data from the VPRG is secured, the Accounting Unit will be able to accurately recognize outstanding receivables.

10.29 Moving forward, management will ensure that utility receivables are formally recognized monthly based on actual billing statements. Furthermore, it was also mentioned that negative balances for expenses occurred due to the lack of submeter to identify the actual expenses of all IGP Units. Submeter readings for electricity and water expenses are critical to prevent future negative balance occurrences. Nevertheless, coordination is ongoing between the Accounting Unit, VPRG, and PPES to obtain technical updates on the submeter installations and to clarify specific oversight roles for the water and electricity meters. Once the data from VPRG is secured, the Accounting Unit will be able to accurately recognize the accurate expenses. Moreover, Management reassured the Audit Team that a meeting will be conducted by the Finance Division, VPRG and VPRE to facilitate a mechanism to determine the crop production of PhilRice, ensuring that billing statements for rent is timely billed and furnished to the Accounting Unit for recording.

Inaccurate Reported Balance of Net Surplus/(Deficit) under the IGP Fund - ₱4.040 million

11. **The reported surplus for the IGP Fund for CY 2025 amounting to ₱4.040 million was inaccurate due to the improper recording of both income and expenses as follows: a) the income totaling ₱4.191 million, consisting of rental income of ₱2.805 million and other service income of ₱1.386 million, were recorded under the STF instead of the IGP; and b) the utility expenses directly attributable to IGP operations were recorded under the STF instead of the IGP.**

11.1 Section 111 of PD No. 1445 provides the requirements on the keeping of accounts. It states that the accounts of an agency shall be maintained in such detail as is necessary to meet the needs of the agency and, at the same time, be adequate to furnish the information required by fiscal or control agencies of the government. It further emphasizes that the highest standards of honesty, objectivity, and consistency shall be observed in the maintenance of accounts to safeguard against inaccurate or misleading information. Section 112 of PD No. 1445 further provides that a government agency shall record its financial transactions and operations in accordance with generally accepted accounting principles and in compliance with applicable laws and regulations.

11.2 Moreover, IPSAS 1 provides for the guidelines on the presentation of FS. Paragraph 27 of IPSAS 1 states that FS shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in IPSAS.

11.3 Our review of the financial performance of the University's IGPs was aimed at determining the accuracy and completeness of the income and expenses from the operations as reported in the FS for the IGP Fund. This included review of the internal guidelines incorporated in the University's Resource Generation Manual of Operations revised in 2025 and approved under Board Resolution No. 101, series of 2025 (Manual), which superseded the Manual of Operations series of 2019, and the assessment on whether the actual practices of the University were in accordance with the said guidelines. We also inspected relevant collection reports and conducted interviews with key officers involved in the operations of the IGPs.

11.4 The review disclosed that WMSU's IGPs are grouped into four general clusters as follows: i) Agribusiness and Food Processing, ii) Training and Professional Services, iii) Retail and Merchandising, and iv) Auxiliary Services.

11.5 The Agribusiness and Food Processing activities pertain to agriculture-based operations for commercial purposes under the College of

Agriculture at the San Ramon Campus. These include the cultivation and production of crops, livestock and poultry raising, product development, and food processing. Crop projects of the College include mango production, rice production, mushroom culture, and banana tissue culture. Livestock projects cover cattle, carabao, and goats, while poultry operations focus on Zampen Native Chicken. Food processing activities of the College involve products such as pyangang and vegetables.

11.6 The Training and Professional Services is closely aligned with the academic training services offered to both the internal and external clients of the University. This project comprises two service centers: the CCE and the Language Development and Resource Center (LDRC). The CCE provides consultancy services, review and training programs to its internal clients such as the faculty and staff. On the other hand, the LDRC caters to the University's students, teachers and other professionals by offering language training courses, such as the English Proficiency for International Competence (EPIC) program, Job Enabling English Program (JEEP), and Dynamic Education Professional program. Tuition fees collected from these programs are recorded under the Other Service Income account.

11.7 The manufacturing, retail and merchandising services are composed of five income-generating units of the University: 1) Garment Shoppe; 2) University Press, Bookstore and Souvenir Shop (UPress); 3) Commercial Facilities Rentals; 4) Water Refilling Station; and 5) Machine/Equipment Fabrication. Generally, the income from these units is derived from the sales of products, payment for services and rentals. The Garment Shoppe is involved in the production and sale of uniforms and curtains, as well as from the rental of toga by graduating students. The UPress produces books and ID, and provides photocopying and book-binding services, among others. The commercial facilities rentals pertain to the land, buildings and facilities rented out to internal and external clients of the University, such as the canteen and food stalls, LBP-WMSU Branch, training centers, social hall, gymnasium, and faculty lounge. The Machine/Equipment Fabrication is operated under the Research and Innovation Center for Metals and Engineering (RICME) and primarily provides printing and manufacturing technologies, such as 3D modelling, 3D scanning, and 3D printing. The water refilling station produces purified drinking water for the University offices, students, employees and canteen concessioners for 25 pesos per gallon. This facility was made operational only in August 2025. According to its Manager, the University intends to expand this service to external customers in the near future.

11.8 Lastly, the Auxiliary Services of the University pertains to the UFSC catering services, cafeteria, and the dormitories. Included in the dormitories is the one located in the Main Campus. The Audit Team noted that the University also operates a dormitory in the San Ramon Campus, but according to the Director of the Auxiliary Services, this is not included under Auxiliary Services.

11.9 Our review of the reporting of income and expenses related to the University's income- generating activities disclosed the following issues:

A. *Incomplete and inaccurate reporting of income totaling ₱4.191 million, consisting of rental income of ₱2.805 million and other service income of ₱1.386 million, which were recorded under the STF instead of the IGP.*

11.10 Our review of the collection reports for CY 2025 and inquiry with the University Accountant disclosed that the proceeds from the IGPs are deposited in the designated bank accounts maintained with the LBP-WMSU Branch. The disbursements of expenses are also charged against the said bank accounts. The bank accounts as well as the details on how these are accounted for in the FS are presented in Table 36.

Table 36. Nature of IGP Operations, Designated Bank Accounts and Funds Under Which Income and Expenses are Reported

No.	Activity	Bank Account No.	Fund	Remarks
Agribusiness and Food Processing				
1	Agribusiness and Food Processing	Account No. 3232-1016-86 WMSU-AGRI Revolving Fund	IGP	Income and expenses are reported under the IGP Fund of the University.
Training and Professional Services				
2	CCE Registration Fees & Training Expenses	Account No. 3232-1005-82 WMSU-Review Class	IGP	Expenses for training include payment for food catering, facility rental, supplies used, and payment of resource persons.
3	LDRC for EPIC/JEEP tuition fees	Account No. 3232-1000-43 WMSU- STF	STF	Income and expenses reported under the STF; no separate bank account for EPIC.
Retail and Merchandising				
4	Garment Shoppe	Account No. 3232-1005-40 WMSU-Garmert Shoppe	IGP	Income is recorded under the Other Business Income account.
5	UPress	Account No. 3232-1004-26 WMSU-UPress	IGP	Income is recorded under the Other Business Income account.
6	Student IDs for Graduate students (e.g., those enrolled in master's or law programs, returning students, and shifters) not covered under the FHE Program	Account No. 3232-1000-43 WMSU-STF	STF	Income reported in the FS for STF as Other Service Income. The production of student IDs is managed by the UPress.

No.	Activity	Bank Account No.	Fund	Remarks
7	Commercial Facilities Rentals	Account No. 3232-1000-43 WMSU-STF	STF	Income is recorded under the Rent Income account. The operations are reported in the FS for the STF. Accordingly, does not form part of the IGP of the University, thus collections are deposited in the bank account for STF and recorded under the FS for STF.
8	Water Refilling Station	Account No. 3232-1000-51 WMSU-Auxiliary Revolving Fund	IGP	Income is recorded under the Other Business Income account.
9	Machine/Equipment Fabrication	Account No. 3232-1000-43 WMSU-STF	STF	Income is recorded under the Other Service Income account.
Auxiliary Services				
10	UFSC catering services, UFSC Dormitory and UFSC Cafeteria	Account no. 3232-1000-51 WMSU-Auxiliary Revolving Fund	IGP	Income is recorded under the Other Business Income account.
11	Income from monthly lodging of students in the San Ramon Campus	Account No. 3232-1000-43 WMSU-STF	STF	Income is deposited to and reported in the FS for the STF under Other Service Income account.

11.11 Based on Table 36, it is noteworthy that certain collections and charges arising from the operations of IGPs were recorded and reported under the STF. As previously mentioned, the operations of the LDRC and machine/equipment fabrication are deposited in the STF bank account with Account No. 3232-1000-43. Moreover, collections for the production by the UPress of student IDs for students who are not covered by the FHE Program were deposited and recorded in the STF bank account and fund. Similarly, collections from the Water Refilling Station are deposited in bank account No. 3232-1000-51, which is designated for the WMSU-Auxiliary Revolving Fund. Corresponding expenses are charged against the bank account even though the operations of the Water Refilling Station are not classified under Auxiliary Services. According to the University Accountant, a recommendation had already been raised to open separate bank accounts for these operations. However, no action has been taken on this recommendation to date.

11.12 On the other hand, it was noted that income from commercial facility rentals and the dormitory at the San Ramon Campus are not classified as part of IGP operations. Instead, these are deposited to the STF bank

account and reported in the STF FS. According to Management, these facility rentals and the dormitory are not considered as IGPs, since these are treated as basic university facilities. Consequently, the rates imposed to the concessionaires and students are below the prevailing market rates. For instance, dormitory fees are set at rates intended to remain affordable for students. Further, these operations receive support under the General Appropriations Act (GAA) through the Support to Operations category.

11.13 Nonetheless, we noted that income from LDRC services, production of student IDs, rentals and machine/equipment fabrication are separately identified from other income categories under the STF in the collection reports of the Accounting Unit and the Cash Unit, thereby facilitating monitoring. However, despite this level of reporting detail, the said transactions are still inappropriately recorded under the STF instead of the IGP fund.

11.14 Based from the foregoing, the recording of income from IGP operations under the STF bank accounts and fund, instead of a separate IGP bank account and fund, was noted as not in accordance with the Manual. The Manual clearly enumerates and defines the scope of IGP operations, which includes the rental of buildings under the cluster of commercial facility rentals, as well as dormitories under Auxiliary services, without specifying any location or excluding dormitories in other campuses. Hence, food courts, food stalls, and the building leased out to the concessionaires and lessees may be classified as buildings under commercial facility rentals, while the dormitory located in the San Ramon Campus may likewise be classified under the Auxiliary Services. Moreover, the income from the sale of Student IDs may be categorized under the operation of the UPress, as these are produced by the latter, hence, income earned are to be recorded and accounted for under the UPress instead of being deposited and recorded under the STF account and fund.

11.15 This deviation resulted in the improper presentation of financial information in the appropriate FS per fund, thereby affecting the completeness and reliability of reported income for the IGP. Consequently, the FS of the IGP do not fully reflect the total income generated by the University, while the FS of the STF is overstated. For instance, the total revenue of ₱16.756 million for CY 2025 under the IGP Fund, composed of the Other Service Income of ₱4,386.75, Interest Income of ₱20,487.71, and Other Business Income of ₱16.736 million is incomplete. This total excludes income from the LDRC, machine/equipment fabrication, commercial rental operations, and dormitory fees at the San Ramon Campus, which were accounted for under the STF bank account and fund. Further, a review of the collection reports disclosed that a total of ₱2.805 million in Rent Income and ₱1.386 million in Other Service Income were recorded under the STF instead of the IGP, as detailed in Table 37.

Table 37. IGP Income Recorded Under STF

Income Account	IGP Operations	Amount (₱)
Rent Income	Rental of food court, venue, gym, social hall, stalls, building, faculty lounge	2,804,687.14
Total Rent Income		**2,804,687.14**
Other Service Income	Dormitory at San Ramon Campus	374,300.00
	EPIC/JEEP	266,665.00
	LDRC	540,625.00
	RICME	12,202.00
	Student IDs	192,470.00
Total Other Service Income		**1,386,262.00**
Total Income		**4,190,949.14**

11.16 As presented in Table 37, a total of ₱4.191 million was inappropriately presented in the FS of the STF instead of the IGP due to the prevailing practice by Management of recording the income under the STF bank account and fund. As previously noted, Management explained that facility rentals and the dormitory at the San Ramon Campus are not treated as IGPs, being basic University facilities with rates set below the prevailing market levels to ensure affordability for students, and receive support from the GAA.

11.17 However, the Audit Team deems it necessary that the operations discussed in the preceding paragraphs be accurately recorded in the FS of the IGP to ensure proper reporting of income and expenses. Based on the Manual, these activities clearly fall under the income-generating operations of the University. To ensure accurate reporting in the appropriate FS, it is necessary to establish separate bank accounts for the rental income from the food court, venue, gym, social hall, stalls, building, faculty lounge, and other service income from machine/equipment fabrication and LDRC. These operations are distinctly identifiable under the Retail and Merchandising and Training and Professional Services clusters of the IGPs.

11.18 Similarly, income from the Water Refilling Station, currently being deposited in the bank account intended for Auxiliary Services, is to be accounted for separately through the establishment of a separate bank account, as its operations are distinct from that of the Auxiliary Services. This will also support Management's plans to expand the services of the Water Refilling Station to external clients, which is expected to bring about an increase in both the volume of transactions and related income. In addition, collections from the dormitory at the San Ramon Campus, which are currently recorded under the STF, are to be deposited and reported under the Auxiliary Services in line with the University's Manual of Operations for IGP. Lastly, income from the production of student IDs is to be deposited in the UPress bank account and recorded under the IGP, as this is operated by UPress.

11.19 The deviation from the University's prescribed policies, specifically the improper recording of certain income and related transactions under incorrect bank accounts and fund classifications, resulted in the

inaccurate reporting of the financial performance of the IGPs. This is not in accordance with Section 111 of PD No. 1445, which requires that accounts be maintained in such detail as is necessary to meet the needs of the agency and be adequate to furnish correct information. The same provision also mandates that the highest standards of honesty, objectivity, and consistency be observed in the keeping of accounts to safeguard against inaccurate or misleading information.

11.20 Moreover, this discrepancy constitutes non-compliance with paragraph 27 of IPSAS 1 that FS shall fairly present the financial performance of an entity. Reliable FS for IGPs is essential to accurately reflect their financial performance and to support decision-making aligned with the University's objective of generating funds for resource augmentation, developing management and entrepreneurial business competencies, and ensuring operational sustainability that empowers academic, research, and creative endeavors.

Recommendations

11.21 We recommended, and Management agreed, to ensure that collections from the operations of the University's IGPs are properly recorded and presented in the FS for the IGP, through the following:

a. Propose the establishment of separate bank accounts and secure approval of the Board of Regents (BOR), for each of the following under the IGP Fund:

   i. commercial facilities rental;
   ii. machine/equipment fabrication;
   iii. water refilling services;
   iv. LDRC services;

b. Upon approval of the BOR, the Head of the Cash Unit to open separate bank accounts for the following collections, and deposit funds accordingly:

   i. Rental of food court, venue, gym, social hall, stalls, building, and faculty lounge;
   ii. Other service income from machine/equipment fabrication;
   iii. Collections from the Water Refilling Station; and
   iv. Collections from LDRC;

c. The Head of the Cash Unit to:

   i. Deposit the fees collected for the dormitory at the San Ramon Campus to the Auxiliary Services bank account;

   ii. Deposit the fees collected for production of student IDs to the UPress bank account;

d. The University Accountant to properly record in the FS of IGP:

i. Collections from the rental of food court, venue, gym, social hall, stalls, building, faculty lounge, and other service income from machine/equipment fabrication, and LDRC upon establishment of the respective bank accounts;

ii. Auxiliary Services account; and

iii. Collections from the production of student IDs under the UPress account.

Management Comment

11.22 Management acknowledged the audit observations regarding the opening of bank accounts. Preliminary discussions were previously held concerning the configuration of bank accounts and the retention of existing accounts, ensuring that all IGPs are categorized in strict compliance with the IGP Manual. Bank accounts will be structured according to the IGP cluster, such as separate accounts dedicated to retail operations and agri-business ventures.

11.23 Additionally, a separate bank account will be opened for rental facilities, as these assets have been integrated into the IGP framework. Management noted that by practice, these rentals were recorded under the STF because the basic facilities of the University cannot utilize standard rental rates prevailing in the market due to the financial impact on the student body. Higher rental fees would compel lessees and food concessionaires to increase food prices for students. Because rental fees are kept minimal to ensure the availability of affordable food, the operation does not strictly follow a traditional commercial IGP approach. Nevertheless, these rental funds will be utilized for facility improvements and necessary labor costs.

B. *The reported total current operating expenses for CY 2025 under the IGP Fund, totaling ₱12.721 million, are incomplete due to the recording of utility expenses directly attributable to IGP operations under the FS for STF instead of the IGP.*

11.24 Our review of the SFPer of the IGP Fund for CY 2025 disclosed that the accounts for utility expenses, consisting of the Water Expenses and Electricity Expenses accounts, were not included in the current operating expenses of the IGP units, despite the fact that these Units consumed electricity and water for their operations. For instance, the electricity and water usage of the concessionaires in the food court as well as the buildings utilized by the Garment, UPress, and Auxiliary Services units, were not recorded under the FS for the IGP Fund.

11.25 Interview with the University Accountant disclosed that the utility expenses were charged to University-wide expenses under the GF and STF, as summarized in the table below.

Table 38. Utility Expenses for CY 2025 Reported per Fund

Utility Expenses Accounts	Fund (₱)			
	GF	STF	IGP	Total
Water Expenses	62,913.98	157,938.97	0	220,852.95
Electricity Expenses	12,221,845.27	14,708,823.17	0	26,930,668.44
Total	12,284,759.25	14,866,762.14	0	27,151,521.39

11.26 Inquiry with an officer from the Office of the VPRG revealed that submeters have been installed in the canteen stalls being rented out within the University. It was also noted that the Marketing Services Manager regularly prepares the billings for the electricity and water consumption of the concessionaires. According to the Manager, once the billing statements are issued to the concessionaires, the latter secures an Order of Payment slip from the former, which is then presented to the Cash Unit for payment. Upon payment, the lessees return to the Office of the VPRG to inform the office of the settlement, wherein the latter records the OR number for monitoring purposes.

11.27 Review of the collection reports disclosed that the lessees pay their corresponding utility expenses, as presented in the succeeding table.

Table 39. Paid Utility Expenses by Lessees in CY 2025

Stall	Amount paid for Water Expenses (₱)	Amount paid for Electricity Expenses (₱)
Muncho Café	1,520.00	46,834.91
JMJJ	717.00	12,151.61
Crimson's Café	2,100.00	23,866.45
Bento House	456.00	29,363.73
Gemz Kitchen	579.00	58,533.63
D'Grille Bite	867.00	66,345.70
Crimson's Cravings	3,768.00	29,596.64
Mamalings	1,812.00	13,909.85
Thirdy's Kitchen	87.00	35,557.48
SKN	2,178.00	35,265.03
Patir	126.00	17,236.36
Dashyr's Chow	78.00	16,279.16
Burger Haus	2,160.00	30,606.45
Ron's Toron	186.00	20,779.40
Hands-on Printing	0	1,051.54
Crimson's Nook	1,956.00	41,906.82
Come Quita CAMP 1	234.00	7,795.26
CAMP 2	3,810.00	24,459.92
CAMP 3	960.00	3,552.08
PARES	720.00	5,517.45
RNR	6.00	3,555.28
Coffee Station	0	132,101.42
LBP	5,520.00	357,728.27
Total	29,940.00	1,013,986.45

11.28 The preceding table shows that concessionaires paid at least ₱29,940.00 for water consumption and ₱1.014 million for electricity consumption in CY 2025, further highlighting the non-recognition and non-allocation of these expenses to the IGP.

11.29 Meanwhile, it was noted that no clear procedures have been established regarding the frequency and timing of the submeters' readings for the water and electricity consumption of the concessionaires, nor for the submission of copies of the billings to the Accounting Unit for recording purposes. Similarly, review of the billing statements for electricity and water charges to the concessionaires disclosed that these were not dated and lacked acknowledgement of receipt by the latter, preventing proper determination of the billing period and timely monitoring of the transactions. Additionally, not all lessees and IGP units are equipped with submeters. For instance, the Garment Shoppe, UPress, Auxiliary Services, UFSC cafeteria, and the dormitories are not installed with submeters, as confirmed by the VPRG and reflected in the preceding table, indicating that these units were not charged for electricity and water expenses. Nevertheless, Management stated that the matter will be elevated for consideration in the forthcoming Board meeting.

11.30 Based on the foregoing, the non-recognition and non-allocation of utility expenses for water and electricity directly attributable to IGP operations resulted in the incomplete reporting in the Statement of Financial Performance (SFPer). Consequently, the financial information presented does not fully reflect the actual cost of IGP operations, as expenses incurred in the production and delivery of products and services are not properly matched against the corresponding income. This condition also weakens compliance with Sections 111 and 112 of PD No. 1445 and paragraph 27 of IPSAS 1, which require that accounts be maintained in sufficient detail and recorded in accordance with generally accepted accounting principles to ensure complete, accurate, and reliable financial reporting. Furthermore, although utility consumption is monitored through submeters and collected from lessees through billing mechanisms, the lack of proper recognition and allocation in the FS of the IGP reduces the reliability of cost information needed for management decision-making.

11.31 In this regard, we deem it necessary that a proper recording and allocation of utility expenses directly attributable to IGP operations be put in place through the installation of submetering systems in all IGP units. This will enable the University to accurately determine the consumption of utilities by each income-generating operation and support a more precise and transparent cost allocation system. Upon issuance of billing to lessees, the personnel assigned from the Office of the VPRG is to prepare a summary of submeter readings, to be submitted to the Accounting Unit together with copies of the billing issued to lessees. This will further facilitate the Accounting Unit to record the corresponding receivables for water and electricity consumption by the lessees. Utility expenses are to be appropriately charged to the respective IGP units to ensure accurate matching of revenues and expenses per fund cluster, in

accordance with the GAM. Further, we deem that Management needs to review existing accounting procedures to ensure that IGP funds reflect all related operational costs, including utilities, and that the FS present a complete and faithful representation of each fund's financial performance.

Recommendations

11.32 We recommended, and Management agreed, to install submetering systems in all IGP units to ensure the accurate measurement and allocation of water and electricity consumption for each unit.

11.33 Moreover, Management is recommended to establish clear procedures for the regular reading, billing, and reporting of submeter data to ensure consistent and systematic charging of utility expenses to the respective IGP units by incorporating in the Work Instructions of the:

a. Marketing Service Manager:

   i. The procedures and fixed schedule for submeter reading and billing for all IGP Units, specifying the frequency of readings, billing cut-off dates, and submission deadlines of billing to the respective IGP Units;

   ii. The preparation of submeter reading data reports for each billing cycle and submission thereof to the Accounting Unit, with the attached supporting billing documents, within a prescribed timeframe;

   iii. The preparation of billing statements to include the date of the billing and the date of acknowledgement of receipt by the concessionaires and lessees;

b. Office of the VPRG, the approval of the submeter reading data report for submission to the Accounting Unit.

11.34 We further recommended that Management ensure that the Accounting Unit and the Office of the VPRG coordinate and establish the timelines for the preparation and submission of the submeter reading data reports and billing statements to the lessees and concessionaires.

11.35 Moving forward, we recommended that Management ensure that the Accounting Unit recognizes the corresponding receivables from the lessees relative to the utility expenses under the FS for IGP upon receipt of the submeter reading data reports from the Office of the VPRG.

Management Comment

11.36 Management acknowledged that submeters have not yet been installed in all IGP units, specifically the UPress and the Garments Unit.

Nevertheless, Management assured the Audit Team that submeters are already fully installed for all external lessees and food concessionaires. Moving forward, Management guarantees that utility submeters will also be installed across all other university rental facilities to ensure accurate consumption tracking and cost recovery.

Inaccurate balance of the Advances to Officers and Employees account - ₱332,686.34

12. **The accuracy of the Advances to Officers and Employees account as of December 31, 2025 cannot be ascertained due to the existence of unsubstantiated net balance of ₱35,853.54 and claims of the University against a previous Special Disbursing Officer for cash shortages amounting ₱296,832.80, thereby affecting the fair presentation of the FS in compliance with Sections 111(2) and 112 of PD No. 1445 and Paragraph 25 of IPSAS 1.**

12.1 Sections 111 (2) and 112 of the PD No. 1445 provide that the highest standards of honesty, objectivity, and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information. This further requires that financial transactions and operations shall be recorded in conformity with the generally accepted accounting principles and in accordance with pertinent laws and regulations. Moreover, Paragraph 27 of IPSAS 1 states that FS shall present fairly the financial position, financial performance and cash flows of an entity.

12.2 On the other hand, COA Circular No. 2023-008, dated August 17, 2023, provides the guidelines and procedures for the proper disposition of dormant accounts, including the procedures on the request for write-off of dormant unliquidated cash advances. Under this circular, government entities are required to file their request for COA's approval to write off/derecognize dormant accounts from their books of accounts until September 16, 2024 or within one year from its effectivity. Nonetheless, COA Circular No. 2025-005 dated December 18, 2025 was issued, allowing agencies to continue to file a request for the derecognition of dormant accounts beyond the original reglementary period provided in COA Circular No. 2023-008 until a new circular is issued. Annex 8 of COA Circular No. 2025-005 prescribes a checklist of documents to be attached to the request for write-off or derecognition of dormant accounts.

12.3 Our audit of the Advances accounts of the University was aimed at determining the accuracy and reliability of the balances reported in the FS. The Advances accounts with a total balance of ₱5.647 million in the SFPos as of December 31, 2025, are presented in the immediately succeeding table, along with the comparative balances from the year-end of CY 2024.

Table 40. Comparative Balances of the Advances Accounts as of December 31, 2025 and 2024

Accounts	Revised Chart of Accounts Code	Account Balances (₱)	
		CY 2025	Restated CY 2024
Advances for Payroll	19901020	2,700.00	445,214.00
Advances to Special Disbursing Officers (SDO)	19901030	3,576,412.15	372,656.61
Advances to Officers and Employees	19901040	2,067,548.57	1,725,224.41
Total		**5,646,660.72**	**2,543,095.02**

12.4 Review of the balances of the Advances accounts of the University revealed that the cash advances for payroll, travel, and specific purposes due for liquidation have accumulated to a total amount of ₱5.314 million as of December 31, 2025, with details as follows:

a. Advances for Payroll amounting to ₱2,700.00;
b. Advances to SDOs amounting to ₱3.576 million; and
c. Advances to Officers and Employees amounting to ₱1.735 million, net of unsubstantiated balance of ₱35,853.54 and claims for cash shortages of ₱296,832.80.

12.5 The unliquidated cash advances of the University for CY 2025 under the Advances accounts are further itemized in Table 41.

Table 41. Aging of the Balances of the Advances Accounts as of December 31, 2025

Account	Total (₱) (c + d + e)	Aging (₱)			More Than 30 Days (₱) (d + e)
		Less Than 30 Days	More Than 30 Days but Less Than One Year	More Than One Year	
a	b	c	d	e	f
Advances for Payroll	2,700.00	0	0	2,700.00	2,700.00
Advances to SDOs	3,576,412.15	1,012,167.32	2,511,519.43	52,725.40	2,564,244.83
Advances to Officers and Employees	1,734,862.23	89,109.16	431,295.45	1,214,457.62	1,645,753.07
Total	**5,313,974.38**	**1,101,276.48**	**2,942,814.88**	**1,269,883.02**	**4,212,697.90**

12.6 The data in Table 41 was obtained from the Schedule of Unliquidated Advances as of December 31, 2025, as submitted by the Accounting Unit. As presented in column b of the preceding table, the total Advances accounts of the University for payroll, travel and specific purposes as of year-end amounted to ₱5.314 million. The said amount differs from the amount reported in the FS by ₱332,686.34 (₱5.647 million less ₱5.314 million). This difference consists of the negative balance of ₱300.02 and claims of the University against previous accountable officers for cash shortages totaling ₱332,986.36, which is discussed in the succeeding paragraphs.

A. *Unsubstantiated Balances with a net of negative balances, amounting ₱35,853.54 under the Advances to Officers and Employees account.*

12.7 Our review of the Advances to Officers and Employees account disclosed a negative balance of ₱300.02 and unsubstantiated balance which accordingly pertains to a claim against an SDO amounting to ₱36,153.56, thus resulting in a total unverified amount of ₱35,853.54 under the said account.

12.8 The negative balance is attributable to five cash advances with reference documents as shown in the following table.

Table 42. Details of Negative Balances in the Advances to Officers and Employees Account as of December 31, 2025

No.	Fund	Check/ ADA No.	Check/ ADA Date	Due Date	Purpose	Amount (₱)
1	GF	5	01/01/2019	02/01/2019	TRAVEL	0.02
2	GF	(no details)	07/01/2017	08/01/2017	TRAVEL	150.00
3	Various Trust Fund (VTF)	389567	Feb-17	Mar-17	TRAVEL	110.00
4	VTF	389568	Feb-17	Mar-17	TRAVEL	10.00
5	GF	274	11/01/2016	12/01/2016	TRAVEL	30.00
Total						**300.02**

12.9 According to the University Accountant, the existence of negative balances occurred during the previous administration and may have resulted from excess refunds or salary deduction upon liquidation of the advances by the concerned AOs, which were not immediately corrected or properly acted upon. Moreover, among the advances presented in the preceding table, only AOs with cash advances under item numbers 1 and 2 are still connected as employees of the University, while the others are no longer connected with WMSU. Further, the Accounting Unit intends to refund the amounts due to AOs who are still affiliated with the University.

12.10 The Audit Team deemed it necessary for the Accounting Unit to trace these accounts and effect the appropriate adjustments to accurately reflect the nature of the transactions. A detailed examination of the supporting documents and liquidation reports is necessary to confirm the correctness of these transactions and to determine whether adjustments or reclassifications are required to properly reflect the account balance. Management is advised to coordinate with the AOs concerned to facilitate the refund or initiate other appropriate actions on the advances pertaining to AOs who are no longer affiliated with the University, ensuring that any discrepancies are properly resolved.

12.11 On another note, a claim against another SDO amounting to ₱36,153.56 was also recorded under the Advances to Officers and Employees account. However, the said claim was not supported by any documentation. According to the Director for Finance, aside from the fact

that it occurred and was recorded during the tenure of the previous administration of the University, there was no proper turnover of files that would support the claims on the said SDO. Apparently, they have already attempted to locate the documents and trace the entries in their books, but to no avail. In addition, they are no longer able to identify the date when it was originally recorded in the University's books.

12.12 This matter was previously raised in the CY 2024 audit, during which the Audit Team recommended that Management disclose the information in the Notes to the FS, which Management subsequently implemented in the CY 2025 FS. Nevertheless, considering that the amount of ₱36,153.56 lacks supporting documents to substantiate the claim against the said SDO, this amount no longer represents a valid claim as of December 31, 2025, thus, there is a need for Management to request for the write-off of these balance, subject to the rules and regulations provided under COA Circular No. 2023-008.

Recommendations

12.13 We recommended, and Management agreed, to ensure that the Accounting Unit will:

a. Trace and investigate the transactions that resulted in the negative balance of ₱300.02 in the Advances to Officers and Employees account, supported by proper documentation, and initiate the appropriate actions based on the results of the investigation; and

b. Initiate the request for the write-off of dormant accounts on the claim against a SDO amounting to ₱36,153.56, subject to the rules and regulations provided in COA Circular No. 2023-008. In the absence of records and documents or when original documents are lost or destroyed, ensure that the letter-request is supported by the following documents:

i. Schedule of dormant accounts by AO and by account, certified by the University Accountant and approved by the University President;

ii. List of available records relative to the dormant accounts and indicate the extent of validation thereof and a certified copy of documents/records attached to the list;

iii. Certification of no pending case relative to the account, issued by the Legal Officer;

iv. Detailed list of lost document or records;

v. Letters signed by the University President addressed to the concerned accountable officer demanding to execute a certificate of justification as to why supporting documents are not available in his/her office or any other office;

vi. Certificate of justification from the accountable officer, which may include a narration or documentation of all the efforts exerted to locate the documents;

vii. Copy of Notice of Loss filed with the Auditor immediately after the discovery of loss. If none, a satisfactory explanation or the reasons for non-submission thereof;

viii. Investigation report of police agencies if the occurrence of the loss has been reported;

ix. Investigation Report by the Investigation Committee with the approval of the University President and the corresponding decision of the latter;

x. Management's actions based on the results of the investigation, including sanctions instituted on erring officers and employees, if any, and steps to be undertaken by Management to prevent the occurrence of similar losses; and

xi. Other justifications due to loss of documents, and the circumstances of the loss should be stated in the letter-request; and

xii. Documents listed in Item B of Annex 8 of COA Circular 2023-008, as necessary and applicable.

B. *Inclusion of Claims against Previous SDOs for Cash Shortages under the Advances to Officers and Employees account for a total of ₱296,832.80.*

12.14 Examination of the prior year's balances disclosed that the Advances to Officers and Employees account included claims against a previous SDO dating back to 1991, amounting to ₱296,832.80. Review of the pertinent documents revealed that a cash examination was conducted by the COA Audit Team on March 7, 1991, and a shortage of ₱296,832.80 was discovered due to the discrepancy between the cash counted by the then Audit Team and the ending balance of the cash book of the SDO. However, based on the copy of the decision of the Regional Trial Court (RTC), 9th Judicial Region, Branch 15, Zamboanga City, docketed as Criminal Case No. 13342 (SB-9) for malversation of public funds, the court, in its ruling on July 1, 1998, acquitted the said SDO of malversation due to reasonable doubt regarding the establishment of guilt.

12.15 These circumstances were previously raised during the CY 2024 audit. The Audit Team recommended that Management disclose the information in the Notes to the FS, which Management subsequently implemented in the CY 2025 FS. Nevertheless, considering that the amount of ₱296,832.80 is no longer collectible from the SDO due to the ruling of the RTC acquitting the concerned party of malversation on the ground of reasonable doubt regarding the establishment of guilt, this amount can no longer be considered as a valid claim as of December 31, 2025, thus,

there is a need for Management to request for the write-off of these balances, subject to the rules and regulations provided under COA Circular No. 2023-008.

Recommendations

12.16 We recommended, and Management agreed, to ensure that the Accounting Unit will initiate the request for the write-off of the claim against an SDO amounting ₱296,832.80, which can already be considered uncollectible, subject to the rules and regulations provided in COA Circular No. 2023-008, and, among others, ensure that the letter-request is supported by the following documents for the respective claims:

a. Schedule of dormant accounts by AO and by account, certified by the University Accountant and approved by the University President;

b. List of available records relative to the dormant accounts and indicate the extent of validation thereof and a certified copy of documents/records attached to the list;

c. Certification by the Legal Officer of the University of no pending case relative to the account; and

d. Certified True Copy of the RTC Decision and other relevant documents.

Non-maintenance of GL and SL for various accounts

13. **The University has not maintained GL and SL for various accounts, contrary to the provisions of the GAM for NGAs.**

13.1 Appendices 5 and 6 of Volume II of the GAM for NGAs prescribe the use of the GL and SL. The GL Form summarizes all transactions recorded in the General Journal and Special Journals maintained by the Accounting Unit. On the other hand, the SL Form shows detail for each control account in the GL, which is maintained per account and fund cluster by the Accounting Unit. At the end of each month, after all transactions in the journals have been posted, the debit and credit columns of each account shall be footed in pencil and the balance indicated in ink. The totals of the SL balances shall be reconciled with the corresponding GL controlling account.

13.2 Chapter 4, Volume I of the GAM for NGAs also introduces responsibility accounting, which provides access to cost and revenue information under the supervision of a manager having a direct responsibility for its performance. It is a system that measures the plans (by budgets) and actions (by actual results) of each responsibility center. Meanwhile, a responsibility center is a part, segment, unit, or function of a government agency, headed by a manager, who is accountable for a specified set of

activities. Except for some, which derive most of their income from collection of taxes and fees, NGAs are basically cost centers which primary purpose is to render service to the public at the lowest possible cost. The establishment of responsibility centers facilitates access to cost information and supports effective cost monitoring.

13.3 Responsibility accounting aims to: a) ensure that all costs and revenues are properly charged/credited to the correct responsibility center so that deviations from the budget can be readily attributed to managers accountable therefor; b) provide a basis for making decisions for future operations; and c) facilitate review activities, monitoring the performance of each responsibility center and evaluation of the effectiveness of agency's operations.

13.4 Meanwhile, Section 6, Chapter 8 of the same volume of the GAM prescribes the use of the weighted average method in costing inventories.

13.5 Our audit of the University's accounts for the current and prior years disclosed that GLs and SLs were not prepared for several major accounts, particularly revenue and expense accounts. While SLs were maintained for selected accounts (e.g., CIB-LCCA and CIP-BOS accounts), these were incomplete and, in some instances, lacked sufficient transaction details. Consequently, for permanent accounts with balances accumulated over several years, the composition and supporting details can no longer be readily determined.

13.6 Likewise, inventory accounts were not supported by GLs and SLs. Although SLCs are being prepared manually starting 2026, these are incomplete. Moreover, it was noted that the University did not comply with the prescribed weighted average method of inventory valuation due to insufficient and unreliable records, as well as the challenges in computing the costs manually.

13.7 The continued use of a manual bookkeeping system, from the preparation of journal entries and special journals up to the preparation of financial statements, combined with the high volume of transactions and the existence of multiple funds and accounts, poses significant challenges to the Accounting Unit in maintaining complete and reliable financial records, such as the GL and SL.

13.8 For reference, the following deficiencies were noted.

Table 43. Deficiencies in the Preparation of GLs/SLs

Account	Report Prepared	Deficiencies
CIB-LCCA	SLs	Balance of bank accounts presented in incorrect funds
Receivable accounts	None	No GL/SL
Inventory accounts	None	No GL/SL; non-application of weighted average method

Account	Report Prepared	Deficiencies
PPE accounts	None	No GL/SL; only lapsing schedules maintained
Advances for Payroll	GL, Schedules	No SLs
Advances to Officers and Employees	SL	No GL
Advances to Special Disbursing Officer	SL	No GL
Advances to Contractors	SL	No GL/SLs incomplete
CIP	SLs	SLs incomplete, No CIP Ledger Cards
Biological Assets	None	No GL/SL
Intangible Assets	None	No GL/SL
Accounts Payable	None	No GL/SL
Due to BIR	SLs	Totals do not reconcile with financial statements
Due to GSIS	SLs	Incomplete
Due to Pag-IBIG	SLs	Incomplete
Due to Philhealth	SLs	Incomplete
Due to NGAs	SLs	Incomplete
Income accounts	None	No GL/SL
Expense accounts	None	No GL/SL

13.9 Due to the absence of properly maintained GLs and SLs, the accuracy, completeness, and reliability of account balances cannot be fully established. The lack of detailed records hinders the verification of transactions and the determination of the composition of account balances.

13.10 The University has initiated the adoption of the electronic New Government Accounting System (e-NGAS), an accounting software developed by the COA to ensure accuracy, reliability, completeness, and timeliness in recording government financial transactions, and to generate financial reports compliant with IPSAS and the RCA. It also enables automatic posting to GLs and SLs and computes inventory costs using the weighted average method.

13.11 The University Accountant has undergone training conducted by the Accounting Systems Development and Other Service Office of COA and plans to conduct a re-echo for the accounting staff once schedule permits. However, full implementation of e-NGAS has yet to commence due to pending requirements, including data migration and system configuration.

13.12 Key requirements for implementation include the identification of responsibility centers and codes, as well as the establishment of unique employee and creditor identification numbers. While the configuration for creditor identification number is not expected to pose significant difficulty, the responsibility centers and their corresponding codes, as well as the employee numbers, have yet to be finalized due to the following:

A. Responsibility Centers and Codes

13.13 The University has yet to identify and define its responsibility centers and corresponding codes. In the prior year, this was attributed to the absence of a revised organizational structure. While a revised organizational chart has since been adopted through the Revised University Code effective June 20, 2025, responsibility centers and codes have yet to be established.

13.14 Accordingly, we recommend that Management:

a. Designate representatives from each major office/department to identify and define the University's responsibility centers and come up with a finalized list;

b. Assign appropriate responsibility codes to each center; and

c. Document and approve the finalized list and furnish a copy to the Accounting Unit.

B. Employee Identification Numbers

13.15 The e-NGAS also requires unique employee identification numbers. However, instances of duplication were noted, wherein identification numbers previously assigned to retired personnel were reused for current employees. According to the Head of the HRMO, the issue stems from the ID generation process handled by the MISTU. The HRMO, in coordination with MISTU, is currently reviewing these duplications and will submit a report to the University President upon completion.

Recommendations

13.16 We recommended for Management to ensure that the HRMO:

a. In coordination with MISTU, resolves all duplicate employee identification numbers and establishes controls to ensure uniqueness; and

b. Provides the Accounting Unit with a validated list of employees with unique ID numbers for the e-NGAS setup.

13.17 We also recommended for Management to ensure that the Accounting Unit:

a. Conduct a re-echo training on e-NGAs for all the accounting staff;

b. Encode the responsibility centers, responsibility codes, and employee identification numbers in the e-NGAS upon receipt; and

13.18 Set a clear timeline for the full utilization of the e-NGAs to generate complete and reliable GLs, SLs, and SLCs using the weighted average method in the valuation of inventories.

Management Comments

13.19 Management affirmed that the implementation of the e-NGAS is currently underway, with the Accounting Unit, Budget Unit, and MISTU having completed preliminary system training. Full deployment is dependent on finalizing three core system components. First, creditor records have been successfully established within the system database. Second, initial data errors and duplicate employee entries have been resolved. The HRMO, in coordination with the Accounting Unit, has finalized a new unique employee identification system, which is now ready for system transmission with programming support. Third, the configuration of responsibility centers and Unified Accounts Code Structure (UACS) codes is being finalized. Due to the organizational complexity of institutional mapping, Management resolved to conduct dedicated meetings for each department to establish their respective responsibility centers. Although the University structure is undergoing minor realignments to integrate accreditation and international benchmarking recommendations, such as the positioning of the Quality Assurance Units, Management clarified that the e-NGAS configuration can proceed immediately. A technical review is scheduled within the month to align the organizational structure with system requirements, allowing the administration to finalize the responsibility centers and move forward with full system activation.

Inadequate Disclosures in the Notes to FS

14. **The Notes to FS of the University lacked adequate disclosures necessary to enable Management and other users of the financial statements to fully understand the accounts and amounts presented, thereby supporting informed decision-making, as required under IPSAS.**

14.1 IPSAS 1, paragraph 127 (b) and (c) provide that the notes shall disclose: a) the information required by IPSASs that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity or cash flow statement; and b) provide additional information that is not presented on the face of the financial statements but that is relevant to an understanding of any of them.

14.2 Our review of the Notes to FS during the prior year disclosed that the University did not provide adequate disclosures as required under the IPSAS and the GAM for NGAs. Our audit for the current year revealed improvements, as disclosures relative to the effect of prior period errors on each financial statement line item, as well as the comparative tables for the reconciliation of the carrying amounts of PPE, have been

incorporated in the current year FS. We acknowledge Management's efforts in this regard.

14.3 However, the following required disclosures have yet to be included in the Notes to FS:

A. Inadequate disclosure on the effect of the prior period errors on each financial statement line item for the earliest period presented.

14.4 Chapter 19, Section 44 of Volume I of the GAM requires an entity to disclose the following relative to Prior Period Errors:

a. The nature of the prior period error;

b. For each prior period presented, to the extent practicable, the amount of the correction for each financial statements line item affected;

c. The amount of correction at the beginning of the earliest prior period presented; and

d. If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of the condition and description of how and from when the error has been corrected.

14.5 During the prior year, the University reported a deduction of ₱23.549 million under prior period errors in its Statement of Changes in Net Assets/Equity for the year ended December 31, 2024. While the nature and extent of these prior period errors were disclosed, the corresponding amounts of correction for each affected FS line item were not presented. Thus, we recommended for Management to ensure that the Accounting Unit provides adequate information in the NFS relative to the effect of prior period errors.

14.6 In response to the prior year's recommendation, Management disclosed in the NFS for the year ended December 31, 2025, the amount of correction for each FS line item affected by prior period errors, adjusted against the restated beginning balance as at January 1, 2025, totaling ₱0.624 million.

14.7 However, it was noted that similar disclosures were not provided for prior period errors affecting the restated beginning balance as at January 1, 2024 (the earliest prior period presented), amounting to ₱29.523 million.

14.8 The inadequate disclosures on the effects of prior period errors for all comparative periods presented are not fully compliant with the requirements under Chapter 19, Section 44 of Volume I of the GAM and may affect the users' ability to understand the impact of corrections on the FS.

B. Inadequate disclosures on Inventory accounts

14.9 IPSAS 4, paragraph 47 provides that the FS shall disclose the following:

a. The carrying amount of inventories carried at fair value less cost to sell;

b. The carrying amount of inventories recognized as an expense during the period;

c. The amount of any writedown of inventories recognized as an expense in the period in accordance with paragraph 42;

d. The circumstances or events that led to the reversal of a writedown of inventories in accordance with paragraph 42; and

e. The carrying amount of inventories pledged as security for liabilities.

14.10 The suggested format for note disclosure on inventories is presented in the Annex F of GAM for NGAs, Volume I.

14.11 The University only disclosed the carrying amount of inventories per classification. However, it did not disclose the carrying amount of inventories of those carried at fair value less cost to sell, recognized as an expense during the period, write-down of inventories, reversals of write-downs, if any, and the carrying amount of inventories pledged as security for liabilities, if any.

14.12 It was also noted that the University did not record issuances of inventory items and recognized acquisitions only upon payment, instead of upon acceptance. Accordingly, recommendations were raised for corrective actions in the recording of these transactions. The University Accountant stated that once these corrective actions are implemented, they will be able to provide the required disclosures on the Inventory accounts.

C. Inadequate disclosures on Biological Assets

14.13 Section 10, Chapter 11, Volume I of the GAM provides that the FS shall have the following disclosures on biological assets and agricultural produce:

a. The aggregate gain or loss arising during the current period on initial recognition of biological assets and agricultural produce and from the change in fair value less costs to sell of biological assets;

b. A description of each group of biological assets, distinguishing between consumable and bearer biological assets and between biological assets held for sale and those held for distribution at no charge or for a nominal charge;

c. Distinction between mature and immature biological assets, as appropriate. These distinctions provide information that may be helpful in assessing the timing of future cash flows and service potential. An entity discloses the basis for making any such distinctions.

d. If not disclosed elsewhere in information published with the financial statements, an entity shall describe:

1. The nature of its activities involving each group of biological assets; and
2. Non-financial measures or estimates of the physical quantities of:

i. Each group of the entity's biological assets at the end of the period; and
ii. Output of agricultural produce during the period;

e. The methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets; and

f. An entity shall disclose the fair value less costs to sell of agricultural produce harvested during the period, determined at the point of harvest. the basis for making any such distinctions.

14.14 A tabular presentation of biological assets was presented in the NFS, however, there was no disclosure of the movements in balances, such as the gains or losses during the period.

D. Absence of disclosure on the reconciliation of actual amounts on a comparable basis (budget) and actual amounts in the FS

14.15 Section 28, Chapter 3, Volume I of the GAM for NGAs prescribes that the actual amounts presented on a comparable basis to the budget shall be reconciled with the actual amounts presented in the FSs, identifying separately the differences classified as follows:

a. Basis Differences - occur when the approved budget is prepared on a basis other than the accounting basis;

b. Timing Differences - occur when the budget period differs from the reporting period reflected in the FS; and

c. Entity Differences - occur when the budget omits programs or entities that are part of the entity for which the FSs are prepared.

14.16 The University did not present a reconciliation of the differences between actual and budgeted amounts. Accordingly, the Accounting Unit will coordinate with the Budget Unit to come up with the required disclosure.

E. Absence of disclosure on the reconciliation of the surplus/(deficit) from ordinary activities with the net cash flow from operating activities

14.17 Section 24, Chapter 19, Volume I of the GAM for NGAs provides that entities reporting cash flows from operating activities using the direct method shall provide a reconciliation of the surplus/(deficit from ordinary activities with the net cash flow from operating activities. This reconciliation shall be provided in the notes to the financial statements.

14.18 In Note 24, the University presented only cash inflows from operating activities using the direct method. There was no disclosure of the reconciliation of the surplus/(deficit) from ordinary activities with the net cash flow from operating activities.

14.19 During the previous year, it was noted that inadequate disclosures, particularly those requiring reconciliations, were due to limited familiarity with the preparation of the reconciliation statements. Thus, we recommended and Management agreed to ensure that the Accounting Unit obtain the required technical knowledge on the proper preparation of FS in accordance with IPSAS and the GAM by attending training and seminars, and familiarization with the requirements of the IPSAS and GAM for NGAs; and provide the adequate information in the NFS. However, according to the University Accountant, they encounter difficulty in accessing appropriate training opportunities on IPSAS. The Accounting Unit instead intends to implement corrective actions in transaction recording and gradually achieve compliance with the disclosure requirements of the IPSAS and GAM.

14.20 The required disclosures would have assisted users of the financial statements in understanding the reasons for the accounts and amounts presented and in placing the information in proper context to support informed decision-making. In the absence of adequate disclosures, Management and other users may not be provided with sufficient and reliable information, which may affect effective decision-making.

Recommendations

14.21 We recommended, and Management agreed, to ensure that the Accounting Unit provides adequate information in the NFS to enhance understandability of disclosures relative to the:

a. The amount of the correction for each financial statements line item affected, for each prior period presented, to the extent practicable;

b. Carrying amounts of Inventories;

c. Movements and valuation of Biological assets;

d. Reconciliation of actual amounts on a comparable basis (budget) and actual amounts in the FS; and

e. Reconciliation of the surplus/(deficit) from ordinary activities with the net cash flow from operating activities.

COMPLIANCE AUDIT

Cash advances for payroll, travel, and specific purposes that remained outstanding and unliquidated as of year-end

15. **A total of ₱5.314 million of cash advances for payroll, travel and specific purposes as of December 31, 2025 remained unliquidated at year end, contrary to the provisions of Section 89 of PD No. 1445, COA Circular No. 97-002 and COA Circular No. 2012-004.**

15.1 Section 89 of PD No. 1445 provides that cash advances shall be liquidated as soon as the purpose for which it was given has been served. This provision underscores the obligation of the accountable officer (AO) to settle their cash advances promptly upon completion of the purpose for which the advance was granted. Likewise, Section 5.1.3 of COA Circular No. 97-002, dated February 10, 1997, requires that failure of the AO to liquidate the cash advance for travel within the prescribed period shall constitute a valid cause for the withholding of salary and the instruction of other sanctions as provided for under the Circular. Moreover, Sections 5.8 and 5.9 of the same Circular provide that all cash advances shall be fully liquidated at the end of each year, where the officer shall refund any unexpended balance to the cashier, who will issue the necessary official receipt, except for petty cash fund. At the start of the ensuing year, a new cash advance may be granted, provided that a list of expenses against the previous cash advance is submitted. When no liquidation of the previous cash advance is received on or before January 20, the accountant shall cause the withholding of the AO's salary.

15.2 The COA Circular No. 2012-004, dated November 28, 2012, demands the immediate liquidation of all cash advances outstanding as of December 31, 2011. The Circular further states under Section 6.0 that a final notice and demand is made to all concerned to settle and liquidate their cash advances on or before January 31, 2013. On the other hand, Section 9.0 mentions the consequences for non-compliance with the provisions provided therein, such as, among others, the suspension of salaries and initiation of appropriate administrative proceedings.

15.3 Furthermore, COA Circular No. 2012-001 dated June 14, 2012 prescribes the documentary requirements in the grant of cash advances to AO. Section 1 thereof states that no additional cash advances shall be allowed to any official or employee unless previous cash advance given to him is first liquidated and accounted for in the books and that cash advance shall be reported as soon as the purpose for which it was given has been served. It further requires the accountant to prepare a certification that the previous cash advance has been liquidated and accounted for in the books.

15.4 On the other hand, COA Circular No. 2023-008, dated August 17, 2023, provides the guidelines and procedures for the proper disposition of dormant accounts including the procedures on the request for write-off of dormant unliquidated cash advances. Under this Circular, government entities are required to file their request for COA's approval to write off/derecognize dormant accounts from their books of accounts until September 16, 2024 or within one year from its effectivity. Nonetheless, COA Circular No. 2025-005 dated December 18, 2025 was issued to allow government agencies to continue filing requests for the derecognition of dormant accounts beyond the original reglementary period provided in COA Circular No. 2023-008 until a new circular is issued.

15.5 Our audit of the Advances accounts of the University was aimed to determine the status of the unliquidated balances as of year-end and WMSU's compliance with relevant rules and regulations in the grant and liquidation of advances. We also evaluated the timeliness of the liquidations and the effectiveness of the processes being implemented to ensure their prompt settlement.

15.6 The Advances accounts, with a total balance of ₱5.647 million in the SFPos as of December 31, 2025, are presented in the immediately succeeding table.

Table 44. Balances of Advances Accounts as of December 31, 2025

Accounts	RCA Code	Account Balances as of December 31, 2025 (₱)
Advances for Payroll	19901020	2,700.00
Advances to Special Disbursing Officers (SDO)	19901030	3,576,412.15
Advances to Officers and Employees	19901040	2,067,548.57
Total		**5,646,660.72**

15.7 A review of the balances of the Advances accounts of the University revealed that, out of the total balance amounting to ₱5.647 million, cash advances for payroll, travel and specific purposes amounted to ₱5.314 million as of December 31, 2025, as follows:

a. Advances for Payroll amounting to ₱2,700.00;
b. Advances to Special Disbursing Officers amounting to ₱3.576 million; and
c. Advances to Officers and Employees amounting to ₱1.735 million, net of unsubstantiated balance of ₱35,853.54 and claims for cash shortages of ₱296,832.80.

15.8 The unliquidated cash advances of the University for CY 2025 under the Advances accounts are further itemized in Table 45.

Table 45. Aging of Advances Accounts for Payroll, Travel and Specific Purposes as of December 31, 2025

Account	Total (₱) (c + d + e)	Aging (₱)			Aged More Than 30 Days (₱) (d + e)
		Less Than 30 Days	More Than 30 Days but Less Than One Year	More Than One Year	
a	b	c	d	e	f
Advances for Payroll	2,700.00	0	0	2,700.00	2,700.00
Advances to SDOs	3,576,412.15	1,012,167.32	2,511,619.43	52,725.40	2,564,244.83
Advances to Officers and Employees	1,734,862.23	89,109.16	431,295.45	1,214,457.62	1,645,753.07
Total	**5,313,974.38**	**1,101,276.48**	**2,942,814.88**	**1,269,883.02**	**4,212,697.90**
Percentage of the Total	**100**	**21**	**55**	**24**	**79**

15.9 The data in Table 45 was obtained from the Schedule of Unliquidated Cash Advances as of December 31, 2025 submitted by the Accounting Unit. As presented in column b of the preceding table, the total Advances accounts of the University as of December 31, 2025 amounted to ₱5.314 million, which differs from the amount reported in the FS by ₱332,686.34. This difference is composed of the unsubstantiated balance with a net amount of ₱35,853.54 and claims against a previous SDO for cash shortages amounting ₱296,832.80, which were further discussed in paragraphs 12.14 and 12.15 of this Report. Out of the total advances due for liquidation totaling ₱5.314 million, 79 per cent or ₱4.213 million pertains to advances aged more than 30 days or beyond the regular reglementary period for liquidation. The 79 per cent is composed of cash advances from 180 DVs. A significant portion of the year-end unliquidated balance is primarily due to the unliquidated balances carried over from previous years, ranging from the year 2002 to 2024, under the Advances to SDOs and Advances to Officers and Employees accounts amounting to ₱2.564 million consisting of 12 DVs, and ₱1.646 million consisting of 167 DVs, respectively, while the Advances for Payroll for ₱2,700.00 is composed of 1 DV. On the other hand, the remaining 21 per cent are unliquidated advances granted in December 2025 consisting of 13 DVs that were not yet liquidated before year-end.

15.10 Our review of the list of outstanding balances of the Advances accounts as of December 31, 2025 disclosed the following non-compliance issues:

A. Advances for payroll, travel, and specific purposes due for liquidation totaling ₱5.314 million remained outstanding as of December 31, 2025.

15.11 The data presented in Table 45 indicates that the liquidations were not undertaken in a timely or definitive manner contrary to Section 89 of PD No. 1445, contributing to the accumulation of unliquidated balances over time. Additionally, the balance of ₱5.314 million due for liquidation as of December 31, 2025, denotes non-compliance by the University with

Section 5.8 of COA Circular No. 97-002, which requires that all cash advances shall be fully liquidated at the end of each year.

15.12 The said audit observation has been recurring since the prior years' audits. For instance, in the audit of the Advances accounts for CY 2024, a total of ₱2.483 million aged one month and above were due for liquidation out of the ₱3.183 million total advances reported in the FS. This represents 78 per cent of unliquidated advances due for liquidation during CY 2024, primarily attributable to balances carried over from previous years. A comparison of the percentage of unliquidated advances in CY 2024 with that of the current year's 79 per cent for advances aged one month and above, revealed that the percentage increased by one per cent indicating a persistently high level of unliquidated advances, highlighting the need for stricter enforcement of liquidation requirements to improve accountability and compliance.

15.13 The Audit Team previously recommended for Management to implement measures to ensure liquidation of prior years' advances by the AOs concerned. Relative to this, Management, through the Legal Services Unit of the University, issued a total of 35 demand letters dated October 20, 2025 to various AOs with unliquidated advances as of the said date. Review of the demand letters disclosed that these were addressed directly to the AOs concerned, directing them to submit their liquidation reports and supporting documents within five working days from receipt of the letter. The demand letters also contained a provision on actions for non-compliance, stating that failure to comply shall constrain the University to recommend and/or implement appropriate actions, including, but not limited to, deduction from the salary or other receivables, subject to due process, in accordance with Section 5.8 of COA Circular No. 97-002 and COA Decision No. 2011-007; referral to COA for issuance of ND; and institution of administrative and/or legal action for recovery and accountability. Moreover, the Finance Division issued 37 Memorandum Orders, dated January 29, 2026, to AOs with unliquidated advances as of December 31, 2025. The Memoranda was addressed to the Deans of the Colleges and Heads of Offices whose faculty members or officers under their respective Colleges or Offices have cash advances that remained unliquidated as of December 31, 2025. The Deans and Heads were requested to assist in monitoring and requiring the concerned faculty members or officers to liquidate their cash advances. Likewise, the memoranda provided that failure to settle and/or liquidate the cash advance may result in the withholding of salaries pursuant to Section 89 of PD No. 1445.

15.14 Furthermore, as part of the control procedures of the Accounting Unit, officers and employees of the University are not granted with new cash advances unless the previous advances have been fully liquidated. This is facilitated through the preparation of a monitoring report of cash advances granted per employee or officer. Once an officer or employee requests a new cash advance, the Accounting Staff checks the monitoring report to determine if there are unliquidated cash advances. In case when

outstanding balances are identified, the request is subject to disapproval by the University Accountant. Likewise, the latter ensures that all cash advances in CY 2025 are granted only to bona fide officers and employees of the University.

15.15 We acknowledge Management's efforts to issue demand letters and involve the Deans of the Colleges and Heads of Offices, requiring the subordinates concerned to immediately liquidate their cash advances, as well as the measures implemented by the Accounting Unit. However, despite the issuance of the demand letters and memoranda and preventive measures implemented by the Accounting Unit, the Audit Team observed the following:

I. Only 112 of the 180 DVs on the cash advances for payroll, travel and specific purposes due for liquidation at year end were issued demand letters or memoranda to the concerned AOs for immediate liquidation.

15.16 According to the Administrative Officer of the Legal Services Unit (LSU), the other AOs have yet to be issued with demand letters. The issuance of demand letters to the other accountable officers was put on hold due to the negative responses directed to the Accounting Unit by the AOs who were previously issued demand letters. In addition, the LSU encountered difficulty in issuing demand letters to those who are no longer connected with the University.

15.17 We acknowledge Management's effort to issue demand letters and memoranda, and the control measures undertaken by the Accounting Unit. However, considering the foregoing observations, it is noteworthy to mention that COA Circular No. 2012-004, dated November 28, 2012, requires that all outstanding cash advances as of December 31, 2011 shall be liquidated on or before January 31, 2013. However, the balance of the University's unliquidated cash advances includes advances granted as early as 2002, which remained unsettled, for which demand letters have not been completely issued to the concerned AOs. While we acknowledge Management's concern regarding the responses of AOs who were issued demand letters towards the Accounting Unit, the non-issuance of demand letters will only delay the necessary actions that Management needs to implement in accordance with COA Circular No. 2012-004. In this regard, we deem that the issuance of a demand letter to all officers and employees with unliquidated advances as of December 31, 2025 is to be facilitated. This will establish proper accountability on the employees concerned to liquidate their advances. This will further allow for immediate compliance by the concerned employees, considering its legal and administrative implications, such as, but not limited to, suspension of one's salary, salary deductions, initiation of appropriate administrative proceedings until the cash advance is fully liquidated, or referral by the Audit Team of the case to the COA Director.

15.18 On the other hand, the preparation of necessary documentation for those who are no longer connected with the University, particularly the absence

of contact information and the actions taken to locate such details, remains warranted to facilitate Management's request for the write-off of dormant accounts. Management may request for the write-off of dormant accounts subject to the rules and regulations provided under COA Circular No. 2023-008 to expedite the disposition of the University's dormant cash advances. Otherwise, these balances will remain and continue to affect the reliability of the balances of the accounts reported in the FS.

II. *Out of the 35 demand letters issued by the LSU on October 20, 2025, only eight AOs responded, either through full liquidation or through full or partial refund, for a total amount of ₱0.697 million.*

15.19 Out of the 35 demand letters issued on October 20, 2025, covering total advances of ₱5.347 million, only ₱0.697 million were liquidated on or before December 31, 2025, representing a recovery rate of 13 per cent. The remaining advances covered by the demand letters issued on October 20, 2025 have not yet been liquidated and thus remained outstanding as of December 31, 2025. According to the Management, a meeting is yet to be conducted to determine the next steps to enforce liquidation or implement the provision on actions for non-compliance in the demand letter.

15.20 In view thereof, we deem it necessary for Management to enforce the withholding of salaries of the concerned AOs in accordance with Section 5.1.3 of COA Circular No. 97-002 until such time that the advances are fully liquidated or otherwise settled. This measure will help ensure compliance with the prescribed rules on the timely liquidation of cash advances and facilitate the recovery of the outstanding balances.

III. *Advances granted in December 2025 totaling ₱1.101 million, consisting of 13 DVs, were not liquidated on or before December 31, 2025, comprising 21 per cent of the total unliquidated advances at year-end.*

15.21 Our review of the advances granted in December 2025 disclosed that these consist of 13 DVs, nine of which were granted to SDOs, while four were granted to officers and employees of the University for travel purposes, with details as shown in Table 46.

Table 46. Advances Granted in December 2025

Item No.	Fund	Check/ADA No.	Date	Purpose	Amount (₱)
1	PCAARRD	540523	12/11/2025	Projects, Programs or Activities of the University	81,850.00
2	STF	557884	12/02/2025		100,000.00
3	PCAARRD	540539	12/26/2025		33,000.00
4	PCAARRD	540530	12/19/2025		76,308.10
5	VATF	541488	12/11/2025		1,786.02
6	PCAARRD	540529	12/18/2025		39,000.00
7	WESMAARRDEC	510963	12/19/2025		105,223.20
8	F101	534	12/05/2025		500,000.00
9	F101	564	12/22/2025		75,000.00
A. Subtotal					**1,012,167.32**

Item No.	Fund	Check/ADA No.	Date	Purpose	Amount (₱)
10	VATF	541534	12/26/2025	Travel	5,136.16
11	STF	557948	12/11/2025		27,349.00
12	STF	557957	12/12/2025		27,349.00
13	STF	557988	12/19/2025		29,275.00
B. Subtotal					**89,109.16**
Total (A + B)					**1,101,276.48**

15.22 Per our inquiry with the University Accountant, we learned that these advances were granted to the officers and employees of the University in relation to the projects, programs, and activities implemented by the University, as well as the scheduled travels necessary to carry out these activities. Accordingly, these advances were not liquidated because they were not yet due as of December 31, 2025.

15.23 While we acknowledge that the said advances that were granted in December 2025 are not yet due based on the reglementary period for their liquidation, since all advances for official travels are to be liquidated as soon as the travel is completed or within one month from the grant of the advance, and advances granted for specific purpose shall be liquidated as soon as the purpose have been accomplished, the Audit Team deems it necessary for Management to require the concerned officers and employees to liquidate these advances on or before December 31, 2025, regardless of whether such advances are already due or not. This is to comply with COA Circular No. 97-002, which provides that all advances shall be fully liquidated at the end of each year, and any unexpended balance shall be refunded to the cashier, who will issue the necessary OR. At the start of the ensuing year, a new cash advance may be granted, provided that a list of expenses against the previous cash advance is submitted. If no liquidation of the previous cash advance is received on or before January 20, this would cause the withholding of the AO's salary. The liquidation of the cash advances at year end will facilitate the timely recording of the expenses incurred during the current reporting period. Thus, it is necessary that Management require the AOs to plan their activities effectively and efficiently to allow sufficient time for the liquidation of their advances on or before December 31, 2025. Moreover, because of the practice of allowing the AOs to request for cash advances during the month of December without requiring liquidation on or before year-end, AOs either do not prioritize liquidating their advances or were not properly informed of the COA rules regarding the settlement of advances at year-end. Therefore, it is necessary for Management to issue a memorandum to all officers and employees informing them that all advances granted during the year, including those granted in December, should be liquidated on or before year-end, regardless of their due dates, in compliance with COA Circular No. 97-002.

Recommendations

15.24 We recommended, and Management agreed, to ensure the liquidation of the outstanding advances as of December 31, 2025 totaling ₱5.314 million pursuant to Section 89 of PD No. 1445 and Sections 5.1.3 and 5.8 of COA Circular No. 97-002, dated February 10, 1997, through the following initiatives by:

I. The LSU:

a. The issuance of demand letters to all concerned officers and employees with unliquidated advances;

b. Preparation and issuance of demand letters on a quarterly basis, based on the unliquidated cash advances report submitted by the Accounting Unit;

c. Preparation of the necessary documentation in cases where demand letters cannot be issued, including records of efforts exerted to determine the unavailability of contact information and coordination extended to other offices to determine the addresses and contact numbers of officers and employees with unliquidated cash advances, such as the HRMO, Heads and Directors of offices and Deans of the Colleges; and

II. The Accounting Unit:

d. Initiate the request for the write-off of dormant accounts subject to the rules and regulations provided in COA Circular No. 2013-008; and

e. Enforce the withholding of salary of officers and employees who have been issued with demand letters but have not liquidated, refunded or taken other appropriate actions to settle their accounts within the period specified in the demand letter.

15.25 We further recommended, and Management agreed, to ensure that advances granted during the year, including those granted during the month of December, shall be liquidated by the AO on or before the year-end, regardless of due dates, through the issuance of a Memorandum Order informing and directing all officers and employees of the University that all advances are to be settled by year-end.

Management Comments

15.26 The Management conveyed that, in coordination with the LSU, a process was discussed wherein individuals with outstanding accounts are given deadline to settle liabilities upon receiving a formal demand letter. If non-compliance persists, Management proposes enforcing salary deductions. However, caution was raised regarding potential legal risks and

administrative complaints if salary withholding is implemented without an established standing policy or explicit employee consent. Nevertheless, the VPAF expressed their support on this measure as a final recourse for individuals who ignore repeated reminders.

15.27 The VPRE and VPAF mentioned that operational challenges regarding clearance tracking for active faculty and researchers will be addressed. Unlike retiring personnel who require full institutional clearances, active faculty are monitored during summer periods when clearances may effectively block salary releases for non-compliance with the liquidation of outstanding advances. To address tracking gaps for terminal research reports and outstanding project liquidations, a proposal was made to add the VPRE as a signatory to the clearance. Likewise, in research sectors, project leaders frequently delay liquidations because of an ongoing field operations overlap, forcing them to hold balances while requiring additional cash advances.

15.28 To prevent unliquidated advances by project leaders and faculties that are already due, the University plans to refrain from issuing new clearances or certifications to employees with unresolved prior cash advances. Moreover, Management highlighted that compliance with RA 12009 allows for direct procurement options, which will be utilized to phase out operational cash advances for units like UFSC. For research grants, Management will designate additional authorized alternate officers to handle funds, mitigating the need to issue multiple, overlapping cash advances to a single project leader.

15.29 Management also informed the Audit Team that some recipients objected to the demand letters previously issued, claiming that they had already settled their obligations. This arose from the delayed issuance of the demand letters, since the balances reflected therein were based on records obtained at an earlier date. For instance, demand letters served in May or June often utilize data as of March as a baseline, as these do not immediately reflect subsequent payments. This caused distress among personnel who had already settled their accounts prior to receiving the notice. To resolve this issue, future demand letters will explicitly clarify the specific cutoff date of the financial data used, ensuring transparency and preventing further misunderstanding between personnel and the Accounting Unit.

B. Grant of cash advances to officers and employees with prior unliquidated advances.

15.30 A review of the details of the cash advances disclosed that there are officers and employees of the University who were granted additional cash advances despite having prior unliquidated advances, as shown in the following table.

Table 47. Officers and Employees Granted with Additional Cash Advances Despite Existence of Unliquidated Prior Cash Advances

No.	AO	Purpose	Fund	Date Granted	Check/ ADA No.	Unliquidated Balance (₱)
1	A	CA	PCAARRD	12/18/2025	540529	39,000.00
		CA	WESMAARDEC	12/19/2025	510983	105,223.20
2	B	TRAVEL	STF	4/15/2025	539300	156,015.45
		TRAVEL	STF	10/23/2025	548048	63,600.00
3	C	CA	VATF	9/22/2025	532698	284.00
		TRAVEL	VATF	12/26/2025	541534	5,136.16
4	D	TRAVEL	GF	11/15/2023	ADA511	28,300.00
		TRAVEL	STF	11/17/2023	509625	6,850.00
		TRAVEL	STF	3/13/2025	539110	13,080.00
		TRAVEL	STF	10/21/2025	548020	900.00
5	E	TRAVEL	PROJRISE	11/26/2025	523395	444.00
		CA	PROJRISE	11/28/2025	523396	25,000.00
6	F	TRAVEL	STF	9/07/2023	509043	8,550.00
		TRAVEL	STF	10/24/2025	548072	13,600.00
Total						**465,982.81**

15.31 According to the University Accountant, some officers serve as project leaders and require cash advances for the implementation of the projects, programs, or activities they handle, and no other officers are authorized to manage the cash advances. Thus, they were granted additional cash advances despite having prior unliquidated advances. Other officers were also granted additional cash advances for events they needed to attend. The Accountant likewise stated that the Accounting Unit regularly reminds these AOs to liquidate their cash advances on time. For instance, some liquidation documents are already with the Accounting Unit but remain pending due to incomplete signatories and other required supporting documents.

15.32 Further inspection of the DVs for the grant of advances as listed in Table 47 disclosed that a certification from the accountant confirming that the previous cash advance had been liquidated and accounted for in the books was attached as supporting documentation in compliance with Section 1.1 of COA Circular No. 2012-001. For instance, the DV for the cash advance of AO E with Check No. 523395 was accompanied by a certification from the accountant confirming that the previous cash advance has been liquidated. However, the DV for the same AO with Check No. 523396 was also accompanied by a certification stating that the previous cash advance has been liquidated, which renders the certification inconsistent as a prior cash advance for the particular AO was still outstanding. Accordingly, the additional cash advance was granted despite the existence of unliquidated prior cash advance because the latter is not yet due for liquidation, as in the case of AO E where the first cash advance was granted on November 26, 2025 while the second cash advance was granted on November 28, 2025. This further shows that despite the Accounting Unit's effort to monitor the cash advances, these measures have not fully prevented the grant of additional cash advances when unliquidated advances still exist.

15.33 The Audit Team, however, acknowledges the necessity of granting additional cash advances, particularly in cases when no other AO is authorized to handle cash advances for projects, such as AOs A and E, where the grant of additional advances occurred shortly after the previous advances. Nevertheless, the Audit Team also observed that some advances remain unliquidated beyond the prescribed period, as in the cases of AOs B, C, D and F. Taking this into account, the Audit Team deemed it necessary that the Accounting Unit strictly implement the rules and regulations under COA Circular No. 2012-001 by refraining from granting additional cash advances to any officer or employee with unliquidated prior advances for travel or projects. Management may designate another officer or employee authorized to travel or handle cash for the project as a measure to prevent the granting of additional cash advances to the same individual who still has unliquidated prior cash advances, or the employee may claim for reimbursement rather than be granted an additional cash advance for subsequent travels. Moreover, the University Accountant is to refrain from issuing the certification, even if the previous cash advance is not yet due, since the certification, as required by the Circular, constitutes an accountability of the University Accountant and is aimed to address that no additional cash advance shall be allowed unless the previous cash advance given is first liquidated and accounted for in the books.

Recommendations

15.34 We recommended, and Management agreed, to ensure that the Accounting Unit will:

a. Refrain from granting additional cash advances to any officer or employee with unliquidated prior advances for travel or projects; and

b. Refrain from issuing a certification when the officer or employee has an unliquidated prior cash advance, even if the prior advance is not yet due.

15.35 We further recommended, and Management agreed, to designate additional officers or employees authorized to request or handle cash advances, as necessary, to prevent the granting of additional cash advances to officers and employees with unliquidated prior cash advances.

Absence of Guidelines for the Opt-Out Mechanism

16. **The University has yet to formulate and implement an Opt-Out Mechanism that would enable students with the financial capacity to pay for their education to voluntarily opt out of the subsidy for tuition and other school fees, in compliance with Section 4 of RA No. 10931 and its Implementing Rules and Regulations (IRR).**

16.1 The RA No. 10931, otherwise known as the Universal Access to Quality Tertiary Education Act, was enacted on August 3, 2017, to promote universal access to quality tertiary education by providing free tuition and other school fees in state universities and colleges, among others.

16.2 Section 4 of RA No. 10931 and Section 8, Rule II of its IRR issued by the Unified Student Financial Assistance System for Tertiary Education (UniFAST), mandate that all SUCs and Local Universities and Colleges shall create a mechanism allowing students with the financial capacity to pay for their education to voluntarily opt out of the tuition and other school fees subsidy or make a contribution to the school. The IRR further provides that the decision to opt out must be made during the enrollment period for each semester/term and shall be considered final and irrevocable for that particular semester/term. Students who opt out will be allowed to change their decision in subsequent semesters/terms.

16.3 Based on our audit of the University's compliance with the aforementioned provisions, we noted that, as of December 31, 2025, the University has not yet implemented the Opt-Out Mechanism.

16.4 In its reply to our Audit Query, Management explained that the University is currently addressing several concerns related to the implementation of the mechanism. These include integration with existing admission, enrollment, and scholarship processes, as well as potential administrative and legal implications for students who may subsequently seek to avail of benefits under RA No. 10931. Management further stated that these concerns require thorough study and internal consultation to ensure that any implementing guidelines are legally sound, administratively feasible, and aligned with national policies.

16.5 At present, Management has constituted a committee, chaired by the Vice President for Student Affairs and Services, to draft the internal guidelines governing the implementation of the Opt-Out Mechanism and the Return Service System. The drafting process is being undertaken in coordination with concerned University offices and in consideration of relevant issuances from the CHED and UniFAST. The proposed guidelines shall thereafter be presented to the BOR for deliberation and approval.

16.6 Management further conveyed that it is undertaking the necessary measures to ensure compliance with the pertinent provisions and will implement the guidelines upon approval by the BOR.

16.7 While the Audit Team acknowledges the challenges cited by Management in formulating the necessary policies, we emphasize that RA No. 10931 is intended to prioritize subsidies for financially disadvantaged students. In the absence of an Opt-Out Mechanism, these subsidies may be availed of by students who have the capacity to pay, thereby resulting in the inefficient allocation of limited government resources. Moreover, voluntary contributions from financially capable students could augment the

University's internally generated funds, which may be utilized to enhance facilities, instruction, and student services.

16.8 In view of the foregoing, we deem that there is a need to set a clear timeline for the formulation, approval, and implementation of the Opt-Out Mechanism by the University. Consequently, the Audit Team initially recommended that Management establish a clear and definite timeline for the finalization of the guidelines for the Opt-Out Mechanism by the designated Committee and ensure the timely submission of the same to the BOR for approval.

16.9 In response, Management submitted a proposed timeline covering the activities deemed necessary to formulate the guidelines up to the presentation to the BOR for approval.

16.10 Management informed the Audit Team that the delay in formulating the Opt-Out Mechanism is primarily due to several challenges, including the absence of detailed national guidelines, the need for thorough stakeholder consultations to ensure the mechanism is voluntary and equitable, integration with existing systems such as the ARIS and billing processes, policy considerations on equity and verification, and coordination among multiple offices, including the Registrar, Finance Division, Student Affairs, and MISTU. Recognizing these challenges, it is recommended that Management continue to address these issues while adhering to the established timeline to ensure the timely finalization and implementation of the Opt-Out Mechanism guidelines.

16.11 The Audit Team acknowledges Management's proactive steps in initiating consultations, drafting activities, and establishing a timeline for the completion and approval of the Opt-Out Mechanism guidelines. Management's commitment to expedite the process and ensure timely submission to the BOR is also noted.

16.12 While the timeline provided by Management reflects steps toward compliance with Section 4 of RA No. 10931 and its IRR, we reiterate the importance of ensuring that the targeted activities and deliverables are completed within the prescribed schedule to avoid further delay in the implementation of the Opt-Out Mechanism. The absence of such mechanism continues to expose the University to the risk of inefficient utilization of government subsidies intended primarily for financially disadvantaged students. Moreover, delays in implementation likewise defer the opportunity for the University to generate possible voluntary contributions from financially capable students that may be used to support institutional programs and services.

Recommendation

16.13 We recommended that Management strictly monitor and adhere to the established timeline for the completion of the guidelines, stakeholder consultations, finalization of the report by the Committee, presentation to

the Academic and Administrative Councils, and submission to the Board of Regents (BOR) for approval, and thereafter ensure the immediate implementation of the approved Opt-Out Mechanism.

Insufficient and inappropriate documentation to support payment of honoraria to Office of the Solicitor General (OSG) lawyers - ₱463,500.00

17. **Payments of honoraria to OSG lawyers amounting to ₱463,500.00 were not supported by sufficient and appropriate documentation to substantiate the actual services rendered, as reflected in the submitted Accomplishment Reports (ARs), contrary to Section 4(6) of PD No. 1445.**

17.1 Section 1 (i) of PD No. 478 dated June 4, 1974, authorizes departments, bureaus, agencies, offices, instrumentalities, and corporations to whom the OSG renders legal services to disburse funds from their sundry operating and other funds for the latter Office. For this purpose, the Solicitor General and his staff are specifically authorized to receive allowances as may be provided by the government offices, instrumentalities and corporations concerned, in addition to their regular compensation. This authority is reiterated under Section 35 (9), Chapter 12, Title III, Book IV of Executive Order (EO) No. 292 dated August 3, 1987, and further supported by Section 8 of RA No. 9417 dated March 30, 2007 which allows the legal staff of the OSG to receive honoraria and allowances from client departments, agencies, and instrumentalities of the Government.

17.2 However, Section 4 (6) of PD No. 1445, provides that all claims against government funds shall be supported with complete documentation. Moreover, COA Decision No. 2022-175 dated January 24, 2022 affirmed that the OSG lawyers are entitled to receive allowances, as may be provided by the client government offices, in addition to their regular compensation, as expressly provided under PD No. 478 and EO No. 292, and reiterated under RA No. 9417. However, the receipt of allowance is not without limitation. Opinion No. 2010-055 dated December 7, 2010 issued by the Legal Services Sector, Office of the General Counsel of the COA emphasized that while it is true that the OSG may be allowed to receive allowances from government clients, this should not be taken as its unbridled authority to negotiate the amount of allowance it may deem appropriate. The payment of the allowances presupposes that there is rendition of actual legal services, such as in actual litigation, proceeding or investigation requiring the services of OSG lawyers. The Decision further stated that the aforementioned opinion requires that OSG lawyers should present supporting documents that would show the legal services rendered as the payment of the allowance.

17.3 During our examination of the DVs, we noted that payments totaling ₱463,500.00 were made to the OSG for honoraria covering the period April 2024 to December 2024, as summarized in the succeeding table.

Table 48. Details of Payments of Honoraria to the OSG in CY 2025

DV No.	Obligation Request and Status (ORS) Number and Date	Amount (₱)	Particulars
01-2025-01-176 (undated)	08-01-101-101-2024-12-1955 dated 12/27/2024	360,500.00	For payment of monthly allowances/honoraria of five OSG Lawyers for services rendered for the period April to October 2024.
01-2025-02-286 dated 1/21/2025	08-01-101-101-2025-01-67 dated 1/22/2025	103,000.00	For payment of monthly allowances/honoraria of five OSG lawyers for services rendered for the period November to December 2024.
Total		**463,500.00**	

17.4 During our audit, we noted that the basis of the payments and the engagement of the OSG lawyers were not indicated in the supporting documents attached to the DVs, since the documents attached only consisted of the ARs and the ORS. The MOA or an equivalent document, which serves as the legal basis for the engagement of the OSG lawyers and the payment of honoraria, was not attached to the DVs at the time of processing and payment. Thus, the Audit Team issued an Audit Query to Management on March 3, 2026.

17.5 In response to the Audit Query, Management submitted BOR Resolution No. 155-1, s. 2020, dated September 30, 2020. Based on the Resolution, the Board concurred that the in-house legal officer cannot be the official counsel of the University without being deputized by the OSG. Hence, it was resolved to engage the services of the OSG as its legal retainer and to pay reasonable monthly allowances plus reimbursement of the cost of actual and necessary expenses incurred by reason of suit and to authorize the University President to enter into a MOA for the said purpose.

17.6 The MOA dated January 2024 (exact date not indicated) was only submitted by Management upon request in response to the Audit Query. The absence of the MOA from the supporting documents at the time of disbursement indicates that payments were processed without complete documentation establishing the authority, terms, and conditions governing the engagement and compensation of the OSG lawyers. Consequently, the Audit Team was initially unable to ascertain whether the payments were made in accordance with a valid and enforceable agreement or adhered to the requirement under Section 4(6) of PD No. 1445 that claims against government funds must be supported with complete documentation. This reflects a deficiency in internal controls, since the necessary contractual documents should form part of the supporting documents of the DVs to ensure that payments are duly authorized, properly supported, and consistent with the terms of the agreement at the time they are made.

17.7 The MOA subsequently submitted indicated the authorized representatives of the OSG who will provide legal services to WMSU and their corresponding rates, as follows: Solicitor General - ₱11,000.00; Assistant Solicitor General - ₱10,500.00; Senior State Solicitor - ₱10,000.00; State Solicitor II (1) - ₱10,000.00; and State Solicitor II (2) - ₱10,000.00. While the rates of the honoraria for the OSG lawyers were specified in the MOA, the payment frequency was not clearly defined.

17.8 Review of the DVs disclosed that honoraria were paid on a monthly basis, as summarized in Table 49.

Table 49. Honoraria Paid to OSG Lawyers in CY 2025

OSG Lawyer	Rate (₱)	No. of months of honoraria paid	Total payments for CY 2024 made in 2025 (₱)
Solicitor General	11,000.00	9	99,000.00
Assistant Solicitor General	10,500.00	9	94,500.00
Senior State Solicitor	10,000.00	9	90,000.00
State Solicitor II (1)	10,000.00	9	90,000.00
State Solicitor II (2)	10,000.00	9	90,000.00
TOTAL	**51,500.00**		**463,500.00**

17.9 On the other hand, the MOA expressly provides that payment of honoraria shall be based on actual services rendered upon submission of an AR reflecting what has actually been done or achieved in a particular period. However, the MOA did not clearly specify the basis for such services, such as, but not limited to, per appearance, per case, per output, or another defined unit of work. This omission creates ambiguity that may lead to inconsistent interpretation and implementation. The uniform and periodic payments made indicate that the honoraria were treated as fixed monthly allowances rather than as compensation dependent on actual, verifiable, and documented outputs, as intended in the MOA.

17.10 The Audit Team also noted that the University has an existing LSU mandated to handle legal matters and coordinate with the OSG. While Management clarified that there is no overlap in functions, with the LSU handling day-to-day legal operations and the OSG providing specialized legal services, such delineation of responsibilities was not supported by clear documentation of specific outputs attributable to each. In the absence of such records, it becomes difficult to distinguish the actual contributions of each office, thereby reinforcing the need for complete and verifiable documentation to support payments.

17.11 Further review of the ARs disclosed significant deficiencies. The reported accomplishments were generally described, with several entries lacking specific dates and measurable outputs. In addition, the reports were not consistently supported by adequate documentary evidence to substantiate the services rendered as claimed. The accomplishments declared in the AR for the period April to October 2024 are summarized in the succeeding table.

Table 50. Details of the AR Submitted by the OSG Lawyers for the Period April to October 2024

Period	Content		
April to October 2024	Dr. CQS [name withheld], et al. v. BOR-WMSU, G.R. No. 266144	1	On February 13, 2024, the OSG received a resolution the petitioners to submit a softcopy of their petition for review on certiorari.
		2	On April 1, 2024, the OSG received a resolution noting the compliance filed by the petitioners.
		3	On September 12, 2024, the DENR[6] Office of the Secretary issued an Order denying the Manifestation and Motion filed by the OSG on behalf of WMSU in the case "WMSU and Sta. Clara National High School vs. PH and SB [names withheld]"
		4	On October 14, 2024, the OSG filed a motion for reconsideration before the DENR Office of the Secretary praying that the motion for execution be denied, and the case be remanded to allow the case to be tried anew.
		5	The OSG attended all board meetings of the WMSU.
		6	The OSG answered the letter-queries and was consulted on legal matters involving the university.
		7	The OSG is continuously assisting the University and the WMSU BOR on legal matters affecting the University and make sure that their presence will be available if needed during the Board Meetings.

17.12 As presented in Table 50, the AR indicated that a Motion for Reconsideration was filed on October 14, 2024, however, a copy of the said pleading was not attached to the DV and was submitted only upon request. Moreover, no specific accomplishments were reported for certain months from May to August 2024, despite corresponding payments having been made. Consequently, the Audit Team sought clarification on the specific accomplishments for said months for which honoraria were paid. Management replied that the relevant details will be provided. However, to date, the said information has not been submitted.

17.13 For the period November to December 2024, the AR merely repeated previously reported accomplishments without indicating new or period-specific activities, suggesting that no additional services were substantiated for the covered period (see Table 51). Upon inquiry regarding the matter, Management likewise stated that the relevant details will be provided.

[6] Department of Environment and Natural Resources

Table 51. Details of Accomplishment Report of OSG Lawyers for the Period November to December 2024

Period	Content		
November to December 2024	Dr. CQS [name withheld], et al. v. BOR-WMSU, GR No. 266144	8	On February 13, 2024, the OSG received a resolution the petitioners to submit a softcopy of their petition for review on certiorari.
		9	On April 1, 2024, the OSG received a resolution noting the compliance filed by the petitioners.
	WMSU and Sta. Clara National High School vs. PH and SB [names withheld] DENR Case No. 9811 CENRO Claim No. 5-2015-N RENRO Claim No. 100	10	On September 12, 2024, the DENR Office of the Secretary issued an Order denying the Manifestation and Motion filed by the OSG on behalf of WMSU in the case "WMSU and Sta. Clara National High School vs. PH and SB [names withheld]"
		11	On October 14, 2024, the OSG filed a motion for reconsideration before the DENR Office of the Secretary praying that the motion for execution be denied, and the case be remanded to allow the case to be tried anew.
		12	The OSG attended the WMSU board meetings.
		13	The OSG rendered regular legal advice concerning various legal concerns of the University.
		14	The OSG is continuously assisting the University and the WMSU BOR on legal matters affecting the University and make sure that their presence will be available if needed during the Board Meetings.

17.14 Additionally, while the ARs indicated that OSG lawyers attended all Board meetings, the available attendance records showed only one documented instance of participation (see Table 52). This discrepancy raises concerns regarding the accuracy and reliability of the reported accomplishments as reflected in the ARs.

Table 52. Board Meetings Held in CY 2024 and Attendance of OSG Lawyer

Board Meeting	Date	Remarks
1. 72nd Special Board Meeting in CHED Central Office Manila	June 3, 2024	No attendance of the OSG lawyers was documented in the Attendance Sheet (BOR)
2. 73rd Special Board Meeting	July 19, 2024	Only the attendance of the Assistant Solicitor General was noted per screenshot of the Zoom Meeting.
3. 205th Regular Board Meeting	October 3, 2024	No attendance of the OSG lawyers was documented in the Attendance Sheet (BOR)

Board Meeting	Date	Remarks
4. 206th Regular Board Meeting	December 16, 2024	No attendance of the OSG lawyers was documented in the Attendance Sheet (BOR)

17.15 We inquired why honoraria were paid to all five lawyers despite limited attendance documentation. Management explained that only the Assistant Solicitor General normally serves as the representative for all five members of the OSG Lawyers. Accordingly, upon necessary information or action, each member of the OSG Team performs distinct functions, such as drafting of pleadings, legal consultations and appearance in Board meetings. Management further stated that payments were based on submitted ARs and that legal work may not always result in visible outputs, particularly in pending cases. The Audit Team acknowledges this explanation, however, the absence of sufficient verifiable documentation of work performed, such as draft pleadings, status updates, attendance records or documented legal advice, renders it difficult to verify the reported accomplishments and the extent of services actually rendered.

17.16 Upon inquiry as to why there was no documentation provided, Management replied that the OSG lawyers often take directives from or provide legal assistance to the BOR and/or University President either through specific meeting agenda or direct communication. However, in the absence of corroborating evidence such as Certificates of Appearance, minutes of meetings and other documents, the Audit Team is unable to validate whether such services have actually been rendered.

17.17 The University processed the payments to the OSG lawyers based solely on the submission of ARs for the periods covered. However, these ARs, by themselves, do not provide sufficient support for the release of payments in the absence of clear and verifiable outputs. The mere submission of a report, without corresponding documented deliverables or measurable milestones, raises concerns as to whether the services for which payment was made were actually rendered to an extent that justifies compensation. Consequently, it may be inferred that the honoraria were treated as fixed and periodic payments rather than based on actual services rendered, contrary to the stipulations in the MOA.

17.18 We discussed the requirement to submit supporting evidence of work performed with the University Accountant. However, she raised concerns regarding the confidentiality of the documents involved. While this concern is noted, it should be emphasized that confidentiality does not exempt government expenditures from audit verification. Pursuant to applicable auditing standards, PD No. 1445, and relevant COA rules and regulations, all government disbursements must be supported by sufficient, relevant, and verifiable documentation. In cases where documents contain sensitive or privileged information, the same may be protected through appropriate safeguards such as submission of redacted copies, certifications, summaries of work performed, or other non-restricted evidence sufficient to establish that the services were

rendered. Thus, confidentiality considerations should not be used as a basis to withhold all supporting documents necessary for the proper validation of disbursements.

17.19 Overall, the audit revealed that the payments of honoraria to OSG lawyers were not adequately supported by complete, consistent, and verifiable documentation. The absence of MOA at the time of disbursement, reliance on generalized and repetitive ARs, lack of specific and measurable outputs, and inconsistencies between reported activities and available records indicate inadequacies in supporting documentation and control processes. These deficiencies prevent the proper validation of whether payments correspond to actual services rendered as required under applicable laws, regulations, and the governing agreement. Consequently, the propriety and completeness of the disbursements could not be fully ascertained. Therefore, there is a need to establish clearer standards for documenting legal services to ensure that payments are justified, properly supported, and consistent with prudent financial management.

Recommendations

17.20 Moving forward, we recommended that Management:

a. Specifies in the MOA with the OSG the payment frequency, basis and conditions for payment, and requires submission of verifiable deliverables prior to the release of honoraria;

b. Ensures that the Accounting Unit processes payment of honoraria to OSG lawyers only upon submission and validation of complete supporting documents prior to disbursement, including but not limited to the MOA, copy of the Board Resolution, copies of pleadings filed, legal opinions issued, certifications of appearance, minutes of meetings and other verifiable records;

c. Requires the LSU and/or Board Secretary to prepare and issue a certification that the services being claimed by the OSG lawyers have been duly rendered and that the supporting documents submitted are complete, valid, and verifiable, depending on the nature of the accomplishments reported; and

d. Requires the OSG lawyers to include in the AR at a minimum the following details:

   i. Specific dates of activities;
   ii. Description of legal services rendered;
   iii. Corresponding outputs/deliverables; and
   iv. Reference to specific cases or legal matters.

17.21 We also recommended that Management submit the lacking documents to support previously paid honoraria, particularly the:

a. Evidence/s of services rendered for the period May to August 2024; and

b. Evidence/s of services rendered for the period November to December 2024 to justify the payment of honoraria for the said months.

Management Comments

17.22 Management clarified that the 2026 MOA with the OSG has not yet been executed. Management assured that the audit recommendations will be considered and strictly complied with in the drafting of the MOA. Key points were raised during the recent Finance Committee deliberations, which include reducing the proposed contract duration from three years to one year. Furthermore, while the proposed agreement lists five recommended OSG officials, the Committee emphasized that monthly honorarium payments will not be distributed automatically. Instead, disbursement must be strictly output-based, necessitating verified proof of services rendered.

17.23 The draft MOA has been forwarded to LSU to integrate a counterproposal that directly addresses COA directives. The revised contract shall explicitly define the frequency, specific conditions, and exact baseline criteria for payments, such as establishing clear "per-appearance" rates to prevent ambiguous flat-rate monthly disbursements.

Non-adherence with various provisions of COA Circular No. 2020-006

18. **The University's non-compliance with various provisions of COA Circular No. 2020-006 dated January 31, 2020, relative to the One-Time Cleansing of PPE account balances, resulted in delays in the implementation of the prescribed procedures, thereby affecting the reliability of the PPE account balances presented in the FS due to the non-verification of their existence, condition, and accountability.**

18.1 COA Circular No. 2020-006 (herein referred to as the Circular) dated January 31, 2020, provides the guidelines and procedures in the conduct of physical count of PPE, recognition of PPE items found at station, and disposition for non-existing/missing PPE items, for the one-time cleansing of PPE account balances of government agencies. The Circular facilitates the establishment of PPE balances that are verifiable as to existence, condition, and accountability.

18.2 Paragraph 5.3 of the Circular provides that the members of the Inventory Committee shall be temporarily relieved of all their regular duties to devote their full time in the conduct of the physical inventory taking until the same is completed.

18.3 Meanwhile, paragraphs 5.6 and 5.7 of the Circular require that each government agency shall adopt a uniform property identification system for PPE wherein a unique property number shall be assigned for each PPE item using the prescribed numbering system. The first four digits represent the year of purchase, the next two digits correspond to the PPE sub-major account group, followed by two digits for the General Ledger account number. The next four digits indicate the serial number, and the final two digits correspond to the location or office.

18.4 Likewise, paragraphs 6.2.3, 6.2.10 and 6.2.13 provides that the physical count shall be recorded /documented daily in a standard Inventory Count Form (ICF) using the format in Annex A of the Circular, which shall be used as the basis in the preparation of the RPCPPE after the physical count. Upon completion of the physical count, the Inventory Committee shall prepare the RPCPPE, using the prescribed format under the Accounting Manuals of the respective Sectors. The RPCPPE shall be prepared in four copies and to be distributed to the COA Auditor, Accounting Division/Unit, Property Division/ Unit and the Inventory Committee.

18.5 Paragraph 6.3.1 of the Circular further states that the Property Unit shall prepare a List of PPEs Found at Station for those items described as "found at station" in the RPCPPE, using the format prescribed in Annex B, and submit to the Accounting Unit for recording in the books of accounts. The Property Unit shall also prepare a List of Non-Existing/ Missing PPEs for items described as "non-existing" or "missing" in the RPCPPE, as well as for those with PCs and Property Acknowledgement Receipts (PARs) on file but not included in the RPCPPE, following the format in Annex C of the Circular.

18.6 Our audit was aimed at determining whether the University complied with the procedures prescribed in the Circular for the One-Time Cleansing of PPE account balances. During the previous year's audit, it was noted that the University did not comply with the various provisions in the Circular. Consequently, the Audit Team recommended for Management to reconstitute the Inventory Committee for the purpose of conducting one-time cleansing of PPE account balances, specifying the assignments or duties of the Inventory Committee members, and the period for the conduct and completion of the physical inventory in the Physical Inventory Plan (PIP).

18.7 Moreover, prior to the conduct of the actual inventory, Management was recommended to ensure that the PMO, currently the SPMU, requires each office to submit a list of existing PPE in the absence of the latest RPCPPE, and the Accounting Section (currently the Accounting Unit) to update its records on the acquisition, disposal, and transfer of PPE in the PPELCs and ensure that the balances therein tally with the balances of the controlling PPE accounts in the General Ledger. Likewise, Management was recommended to ensure that the SPMU and the Accounting Unit compare the latest RPCPPE with the PPELCs.

18.8 Further, the Audit Team recommended that the physical inventory be completed within three months or less, with the members of the Inventory Committee temporarily relieved of their regular duties to enable them to devote full time to the conduct of the physical inventory until its completion. Management was likewise recommended to adopt a uniform property identification system for PPE, whereby a unique Property Number shall be assigned to each PPE item, and to use the prescribed Property Sticker format containing the Property Number, description of the property, model number, serial number, acquisition date and cost, accountable person, and a space for the validation and signature of the Inventory Committee.

18.9 In addition, Management was recommended to properly accomplish the Inventory ICF, particularly the columns for the new Property Number, quantity per physical count, and the Remarks column for PPE items found at station but not included in the inventory working papers. Lastly, Management was recommended to strictly adhere to the guidelines under Paragraphs 6.2.10 and 6.2.13 of the Circular on the preparation and submission of the RPCPPE.

18.10 Our review of the University's implementation of the procedures prescribed in the Circular for the One-Time Cleansing of PPE account balances in CY 2025 disclosed the following:

A. Non-completion of the Inventory-Taking Activities conducted in CY 2025

18.11 In compliance with the prior year's recommendation, Management reconstituted the Inventory Committee pursuant to Memorandum Order No. 000635 dated March 2025. The physical inventory and verification of PPE formally commenced in May 2025 as part of the initial implementation of the one-time cleansing initiative. During the inventory procedures, minor inconsistencies were noted in the naming and descriptions of certain infrastructure projects, including duplicated titles and identical descriptions appearing in the records. These issues, together with the need to validate assets that had already been repurposed or decommissioned for insurance purposes, prevented the completion of the inventory count and the preparation of the corresponding inventory reports during the actual conduct of the inventory activities. Accordingly, the discrepancies identified during the inventory were documented and verified through cross-referencing with relevant project documents, particularly official project timelines.

18.12 The issues identified by the Committee subsequently served as the basis for the planning and preparation of the PIP. However, it was only in 2026 that the PIP was formally prepared and approved by the University President. The PIP contains, among others, the duties and responsibilities of the Inventory Committee members, the composition of the Committee, the schedule of preliminary and inventory-taking activities from April to May 2026, and the assignment of inventory areas.

18.13 Based on the foregoing, the RPCPPE for CY 2025 remained unprepared despite the initial conduct of the inventory count in 2025 due to the issues identified by the Committee during the physical inventory conducted.

18.14 It can be inferred that the Inventory Committee was not able to strictly enforce the timely implementation and completion of the one-time cleansing initiatives. It is worth emphasizing that paragraph 5.3 of the Circular requires that members of the Inventory Committee be temporarily relieved of their regular duties to allow them to fully devote their time to the conduct of the physical inventory until its completion. Likewise, paragraph 5.2 requires that the physical inventory be completed within three months or less. Considering the recurring postponements and delays from 2025 to 2026, it appears that the inventory-taking activities related to the one-time cleansing were not given adequate priority. Nonetheless, the Head of the SPMU informed the Audit Team that the schedule of activities for the one-time cleansing is yet to be finalized.

18.15 Consequently, the non-completion of the physical count of PPE affected the completeness of the details in the ICF, as the column for quantity per physical count was not yet accomplished as required. According to the Head of the SPMU, this information will only be filled up upon completion of the inventory-taking scheduled for 2026. As a result, reconciliation procedures between the Accounting Unit and the SPMU are yet to be undertaken. Furthermore, the PPE account balance remains unreliable, as the status of PPE items, particularly whether they are "found at station", has not yet been fully determined. This also affects the disposition of non-existing or missing PPEs, if any, as well as the potential derecognition of such items due to the absence of complete supporting records of accountability.

18.16 In view thereof, the Audit Team deems it necessary for the Inventory Committee to ensure the strict implementation and completion of the inventory-taking activities within the schedules to be finalized, in order to avoid further delays and recurring postponements in the conduct of the one-time cleansing initiative. The timely completion of the inventory-taking activities is essential to facilitate the preparation of the RPCPPE, the reconciliation of PPE balances between the SPMU and the Accounting Unit, and the establishment of reliable and updated PPE records for accounting, property accountability, and insurance purposes. Moreover, the continued non-completion of the inventory-taking activities adversely affects Management's compliance with the provisions of the COA Circular on the one-time cleansing of PPE account balances, particularly the prescribed period for completion of the physical inventory and reconciliation procedures. The non-completion of the inventory-taking activities within the prescribed period further affects the accuracy, existence, completeness, and validity of PPE account balances reported in the books of accounts and financial statements.

Recommendations

18.17 We recommended, and Management agreed, to ensure that:

a. The Chairperson of the Inventory Committee prepares the final schedule of activities in CY 2026 for the preliminary and inventory-taking activities for the one-time cleansing of PPE account balances, and furnishes the Audit Team with a copy thereof at least 10 calendar days prior to the scheduled commencement of the inventory activities;

b. The members of the Inventory Committee to complete the physical inventory within three months or less from the rescheduled preliminary and inventory-taking dates, in accordance with paragraphs 5.2 and 5.3 of the Circular, with members temporarily relieved of their regular duties to devote full time until completion, and without further delay or postponement;

c. The Head of the SPMU, after the inventory-taking activities, to:

i. Properly prepare the ICF by accomplishing the columns for quantity per physical count and remarks for items found at station and non-existing/missing PPEs;

ii. Adhere to the guidelines per Paragraphs 6.2.10 and 6.2.13, of the Circular on the preparation and submission of the RPCPPE, and submit the same to the Accounting Unit for recording in the books of accounts;

iii. Prepare the list of PPEs Found at Station and Non-Existing/ Missing PPEs using the formats prescribed under Annexes B and C of the Circular, respectively, and submit the same to the Accounting Unit for recording in the books of accounts; and

d. The Head of the SPMU and the Accounting Unit, after the inventory-taking activities, to reconcile the balances between the RPCPPE and the PPELC.

B. Incomplete or partial implementation of a Uniform Property Identification System for PPE

18.18 Based on our review of the ICF from the SPMU for CY 2025, we noted that the University initially commenced the adoption of a unique property number for each PPE item, in compliance with Paragraph 5.6 of the Circular, wherein the first four digits will represent the year of purchase, the next two digits correspond to the PPE sub-major account group, followed by two digits for the General Ledger account number, the next four digits represent the serial number, and the final two digits correspond to the location or office. According to the Head of SPMU, they started the

assignment of property numbers in compliance with paragraph 5.6 of the Circular in August 2025.

18.19 However, we observed that the assignment of property numbers has not yet been fully completed for all PPE items in accordance with paragraph 5.6 of the Circular. Based on the PPE listing in the ICF, items procured in prior years have not been fully re-tagged with the new property number and still retain the University's previous property numbering system, which consists of the year the equipment was acquired, the fund cluster, the series number, the total quantity of equipment for that specific series, and the specific item's number within the total quantity of equipment in that series.

18.20 According to the Head of the SPMU, the completion of the assignment was initially scheduled before the commencement of the one-time cleansing activities under the PIP. However, due to the rescheduling of activities, this task was deferred to prioritize other responsibilities. Nevertheless, he committed to complete the assignment of property numbers on all PPE items on or before the commencement of the inventory activities, once the revised schedule is finalized.

18.21 Further, the prescribed property number shall be prominently displayed in the property sticker using the format provided under Paragraph 5.7 of the Circular. Based on our review of the property stickers, we noted that Management has already implemented the Audit Team's recommendation to include the property number, property description, model number, serial number, acquisition date and cost, accountable officer, and a space for validation and signature of the Inventory Committee. These stickers have already been printed by the University Press and are currently being prepared in anticipation of the upcoming inventory count.

18.22 Nevertheless, the Audit Team emphasizes the need to complete the uniform property identification system for PPE, which requires the assignment of a unique property number on all PPE items, including those procured in prior years, in accordance with Paragraph 5.6 of the Circular. This is intended to facilitate the proper identification of assets and reference to related reports maintained by the Accounting Unit, thereby contributing to the reliability and verifiability of the University's PPE account balances.

Recommendations

18.23 We recommended, and Management agreed, to ensure that the Inventory Committee:

a. Adopts and implements the uniform property identification system for all PPE items, including those acquired in prior years, and completes the assignment of updated property numbers before the conduct of the rescheduled one-time cleansing activities; and

b. Furnishes the Audit Team with a copy of the updated list of PPE items reflecting the revised property numbers.

Non-preparation of revised or updated Annual Procurement Plan (APP)

19. **The University did not prepare revised or updated APP for CY 2025 to reflect changes in the mode of procurement, and other amendments from the approved APP, contrary to the requirements under the IRR of RA No. 9184 and RA No. 12009.**

19.1 Section 7 of RA No. 9184, otherwise known as the Government Procurement Reform Act (GPRA), provides that no government procurement shall be undertaken unless it is in accordance with the approved APP. Further, Section 7.4 of the Revised IRR of RA No. 9184 provides that changes to individual Project Procurement Management Plans (PPMP) and the consolidated APP may be undertaken every six months or as often as may be required by the Head of the Procuring Entity (HoPE). Any changes in the APP for the budget year shall be submitted to the Government Procurement Policy Board (GPPB) in July of the current year and in January of the following year.

19.2 Section 48.1 of the same IRR provides that, subject to the approval of the HoPE and whenever justified by the conditions provided in the Act, the Procuring Entity (PE), may resort to any of the alternative methods of procurement provided, to promote economy and efficiency. Further, Section 48.3 states that the method of procurement to be used shall be as indicated in the approved APP. If the original method recommended in the APP is competitive bidding but cannot ultimately be pursued, the BAC, through a resolution, shall justify and recommend the change in the method of procurement for approval by the HoPE. Such changes must be reflected in the APP to be submitted to the GPPB pursuant to Section 7.4 of this IRR.

19.3 Meanwhile, RA No. 12009, otherwise known as the New Government Procurement Act (NGPA), which took effect on August 13, 2024, mandates under Section 7(3) that no government procurement shall be undertaken unless it is in accordance with the approved APP or Indicative APP of the PE, as the case may be. Its IRR, effective February 25, 2025, provides under Section 7.9 that proposals for PPMPs or changes thereto may be undertaken as often as necessary. The end-user or implementing units of the PE are responsible for the preparation of new or revised PPMPs, while the BAC Secretariat shall incorporate the approved PPMPs into the APP, which will then be recommended by the BAC for approval of the HoPE.

19.4 Further, GPPB Resolution No. 03-2025 dated May 14, 2025, approved the standard procurement forms under RA No. 12009 and its IRR, including the APP Form. The prescribed form requires identification of the submission type – whether indicative, final or updated APP and the related version (e.g. Version 1-Q1, Version 2-Q2). The PE is instructed to place

a checkmark (✓) on the box which corresponds to the nature of the submission. The updated APP should reflect a complete record of all procurement projects and activities for the year, including revisions (e.g., changes in schedule, mode of procurement, scope, or budget) and those items unchanged from the final APP.

19.5 Moreover, the GPPB-Technical Services Office (TSO) issued Advisory No. 002 series of 2026 on January 13, 2026. Item number 3 of the said Advisory requires all PEs to submit their APPs as authorized under the 2026 GAA, corporate operating budget, or appropriation ordinance, *including updated APP for CY 2025, using the new APP Form* (emphasis supplied), on or before the end of January 2026. The updated APP for the second semester of CY 2025 is to include all procurement projects, including revisions/amendments and/or additional items from January to December 2025. For purposes of determining compliance, the APP (for 2026 and the updated APP for CY 2025) shall be - 1) duly approved by the HoPE; 2) prepared using the new APP Form prescribed under GPPB Resolution No. 03-2025; 3) accompanied by a Certificate of Posting issued by the Head of the BAC Secretariat; 4) submitted in Excel File (.xls) and .pdf file format; and 5) submitted on or before the deadline.

19.6 In prior audits, it was noted that changes in the mode of procurement, particularly for petroleum, oil and lubricant (POL) products, were not supported by BAC resolutions recommending the change in the mode and corresponding approval by the HoPE. Thus, it was recommended, and Management agreed to ensure that a resolution is issued and approved by the HoPE justifying and recommending the change in the original method of procurement indicated in the APP and revise the APP and its supplemental APP on the change in the mode of procurement of goods and services.

19.7 To assess compliance with the said recommendation, we reviewed the University's approved APP for CY 2025 as well as the Procurement Monitoring Reports (PMRs) for the first and second semesters of the year, as posted on its website. The APP for the year was prepared using the forms prescribed under RA No. 9184. The same was jointly prepared by the BAC Secretariat for Infrastructure and the BAC Secretariat for Goods, recommended for approval by the BAC Chairpersons of both BAC, and approved by the University President. The same has also been approved by the BOR under Board Resolution No. 30, series of 2025 dated March 21, 2025.

19.8 The approved APP indicated that all procurement projects for the year were to be undertaken through competitive bidding. However, our review of the PMR for the first semester revealed that 92 out of the 127 projects (approximately 72 per cent) were procured through alternative methods, such as Small Value Procurement, Direct Contracting and Direct Retail Purchase. In the second semester, following the University's transition to RA No. 12009 in November 2025, 318 out of 353 projects (approximately 90 percent) were procured through alternative modalities, including Direct

Acquisition and Negotiated Procurement (Section 35). These figures indicate a significant and recurring deviation from the procurement methods indicated in the APP.

19.9 On a test basis, we reviewed the supporting documentation for selected transactions procured through alternative modes and noted that these were supported by BAC Resolutions recommending the change in the mode of procurement, indicating that such changes were made in the interest of efficiency and economy, and were subsequently approved by the HoPE. However, the corresponding revisions to the APP and its supplemental or updated versions to reflect such changes, particularly for goods, were not undertaken. All infrastructure projects were procured through competitive bidding.

19.10 Moreover, the required updated APP for CY 2025, which should reflect all procurement projects, including any revisions, amendments and/or additional items from January to December 2025, was neither prepared nor submitted, as required under GPPB-TSO Advisory No. 002.

19.11 Upon inquiry, the Head of the BAC Secretariat for goods cited time constraints as the reason for non-compliance. However, we deem that this does not justify non-compliance with the regulations, especially considering similar deficiencies noted in prior audits.

19.12 It was further noted that the APP for CY 2026 was prepared using the format prescribed under GPPB Resolution No. 03-2025. However, the required identification of the submission type (indicative, final or updated version) was not indicated. In view of the Audit Team's observation that the University did not prepare and submit an updated APP for its procurement activities in CY 2025, and the recommendation to ensure compliance in 2026 and succeeding years, it is essential for the University to clearly specify the nature and version of the APP being submitted to ensure proper classification and compliance with reporting requirements.

Recommendations

19.13 Moving forward, we recommended for Management to:

a. Ensure that the BAC Secretariat prepares, and submits updated APPs reflecting all changes in the mode of procurement and other revisions from the final APP, clearly indicating the nature of submission and version, to the BAC for recommending approval and the HoPE for approval;

b. Present the updated APP to the BOR for approval; and

c. Ensure timely submission of updated APPs to the GPPB and posting on the University's website in accordance with prescribed guidelines.

Management Comment

19.14 Management clarified that, regarding the update of the APP for the previous fiscal year, time constraints prevented further revisions. However, for the current fiscal year, Management is actively updating the APP for subsequent submission and approval by the BOR. The draft plan was officially presented during the Finance Committee meeting. Management assures full compliance with the procurement rules and regulations mandated under RA No. 12009.

Non-compliance with the 10-Calendar Days (CDs) requirement of signing of POs and contract agreements

20. **The signing of POs and Contract Agreements were delayed beyond the period of 10 CDs as prescribed under the IRRs of RA No. 9184 and RA No. 12009.**

20.1 Section 37.1.4 of the Revised IRR of RA No. 9184 requires that within 10 CDs from the receipt of the Notice of Award (NOA) by the winning bidder, the following shall be completed: (a) submission of the required documents, such as the Valid Joint Venture Agreement, if applicable, and the Philippine Contractors Accreditation Board license and Securities and Exchange Commission registration for foreign bidders; (b) posting of the required Performance Security; and (c) signing of the contract.

20.2 Sections 37.2.1 and 37.2.2 of the Revised IRR of RA No. 9184 further provide that the winning bidder shall post the required Performance Security and enter into contract with the PE within ten calendar days from receipt of the NOA. Likewise, the PE shall enter into contract with the winning bidder within the same ten-day period, provided that all the documentary requirements have been complied with.

20.3 Similarly, Section 66 of RA No. 12009 and Section 66.5 of its IRR provide that the winning bidder shall formally enter into contract with the PE within 10 calendar days from receipt of the NOA.

20.4 Under the procurement laws, efficiency is one of the governing principles in government procurement. Procurement activities shall therefore be implemented in an organized, uniform and straightforward process through the use of emerging technologies and innovative solutions to ensure the timely delivery of goods, infrastructure projects, and services.

20.5 Our review of the procurement process was conducted to ascertain whether the University complied with the statutory requirements on contract signing, specifically whether POs and Contract Agreements were executed within 10 calendar days from receipt of the NOA by the winning bidder, in accordance with RA No. 9184, RA No. 12009 and their respective IRRs.

20.6 Examination of the PMRs, NOAs, POs and Contract Agreements disclosed that several POs and Contract Agreements were executed or signed by the winning bidders beyond the prescribed ten-day period from receipt of the NOA.

20.7 On a test basis, we examined 22 POs, 16 of which were with verifiable delays ranging from 3 to 58 calendar days beyond the prescribed 10-CD period. For five POs, compliance with the prescribed period could not be verified due to missing or inconsistent dates, while only one PO was executed within the allowable period. The delays noted are presented in Table 53.

Table 53. Delays in the Contract Signing of POs

No.	PO No.	Amount (P)	Mode of Procurement	Excess Days beyond the 10-day period
1	25-008	11,000.00	Small Value Procurement	20
2	25-032	1,346,000.00	Public Bidding	4
3	25-053	121,239.50	Small Value Procurement	51
4	25-067	5,400.00	Small Value Procurement	31
5	25-068	216,805.00	Small Value Procurement	31
6	25-077	48,250.00	Small Value Procurement	34
7	25-081	14,820.00	Direct Contracting	35
8	25-082	24,500.00	Small Value Procurement	Unable to verify, inconsistent dates
9	25-098	39,895.00	Small Value Procurement	27
10	25-111	10,671.00	Small Value Procurement	18
11	25-117	515,155.00	Small Value Procurement	42
12	25-174	29,165.95	Small Value Procurement	7
13	25-010	39,422.25	Small Value Procurement	58
14	25-020	6,760.00	Direct Contracting	18
15	25-027	159,000.00	Public Bidding	Unable to verify, inconsistent dates
16	25-037 B	21,490.00	Small Value Procurement	49
17	25-041B	11,246.00	Small Value Procurement	No delay
18	25-044 C	4,020.00	Small Value Procurement	50
19	25-046	924,600.00	Public Bidding	Unable to verify, inconsistent dates
20	25-048	419,800.00	Public Bidding	Unable to verify, no conforme date in PO
21	25-065	955,217.40	Small Value Procurement	Unable to verify, inconsistent dates
22	25-122	14,500.00	Small Value Procurement	3
TOTAL		4,938,957.10		

20.8 Further verification disclosed that the conforme date was not indicated in PO No. 25-048, thereby preventing verification of compliance with the prescribed period. In addition, the computation of delays for four POs

could not be reliably established due to inconsistencies in the dates indicated in the NOA and POs, as summarized in Table 54.

Table 54. Discrepancies Noted in the Dates Reflected in the NOAs and POs

PO No.	NOA		PO		Remarks
	Date	Conforme	Date	Conforme	
25-082	5/16/2025	4/20/2025	5/23/2025	5/19/2025	Conforme date precedes the NOA date, indicating inconsistency in recorded dates
25-027	3/21/2025	4/11/2025	4/8/2025	4/11/2025	PO date is earlier than the conforme date in the NOA, indicating inconsistency in recorded dates.
25-046	5/20/2025	5/22/2025	4/10/2025	5/22/2025	PO date is earlier than the NOA date and conforme date, indicating inconsistency in recorded dates
25-065	5/8/2025	5/8/2025	5/7/2025	5/9/2025	PO date is earlier than the NOA date and conforme date, indicating inconsistency in recorded dates

20.9 There were also instances where dates in the POs and NOAs were presented inconsistently using both mm/dd/yyyy and dd/mm/yyyy formats, resulting in confusion in the verification of timelines.

20.10 Meanwhile, of the 10 contract agreements executed for infrastructure projects during the year, only one was signed within the prescribed 10-CD period. The remaining contracts were executed beyond the allowable period, with delays ranging from four to 10 CDs, as shown in Table 55.

Table 55. Delays in the Signing of Contract Agreements

No.	Contract Agreement/ Project	Contract Amount (₱)	Excess Days beyond the 10-day period
1	Construction of the College of Science and Mathematics Academic Infrastructure/Edifice	13,422,091.62	10
2	Upgrading of Plant Tissue Culture Laboratory (Tissue Culture Laboratory)	2,139,795.23	4
3	Upgrading of Plant Tissue Culture Laboratory (Nursery Area and Water System)	1,600,153.53	4
4	Upgrading of Hatchery, Brooding and Growing Units (Brooding and Hatchery)	1,951,254.78	4
5	Upgrading of Hatchery, Brooding and Growing Units (Growing and Hardening)	1,837,935.44	4

No.	Contract Agreement/ Project	Contract Amount (₱)	Excess Days beyond the 10-day period
6	Renovation of University Health Services Center with Provision for Furniture and Fixtures	6,906,408.70	10
7	Improvement of the State University College of Medicine	4,467,847.55	7
8	Renovation of College of Home Economics Laboratory, Function Room with Provision for Furniture and Fixtures	6,775,380.58	10
9	Repair and Renovation of University Library, Roof, Second Floor and Third Floor	10,002,275.57	10
10	Construction of School Building Component for the Increase in Carrying Capacity of the College of Medicine	79,951,376.45	0 (No delay)
TOTAL		129,074,519.45	

20.11 The detailed computation supporting the delays noted is presented in Appendix N.

20.12 Our audit disclosed that delays in internal processing and routing of procurement documents contributed to the late execution/signing of POs and Contract Agreements beyond the period prescribed under the procurement laws and related IRR.

20.13 We noted that the Procurement Unit monitors the dates and status of procurement activities, including the processing of POs and Contract Agreements, through a PO/Contract Tracker. Review of the tracker disclosed that the substantial delays in the processing of the sample POs were primarily attributable to the length of time required for fund allocation by the Finance Division, routing of documents, and approval by the University President. Processing time ranged from 11 to 65 days for most transactions, while only three POs were processed within two to seven days.

20.14 The process of fund allocation starts with the Budget Unit for obligation/utilization against the corresponding appropriation or budget and is subsequently forwarded to the Accounting Unit for certification of fund availability. Upon inquiry, we learned that delays in processing within the Finance Division were partly attributed to incomplete supporting documents submitted. As a result, documents were returned to the Procurement Unit for compliance. However, we noted that there was no mechanism to track the return and resubmission of documents; hence, delays attributable to incomplete submissions could not be verified.

20.15 We also noted that there is currently no standard processing timeline for the preparation and routing of POs and Contract Agreements among the offices concerned, which further contributed to the delays.

20.16 The delays in the execution of POs and Contract Agreements occurred across multiple stages of processing, including the Finance Division and other offices involved in procurement activities. While processing within the Finance Division generally took longer than in other offices, the Audit Team could not conclusively determine which office was primarily responsible for the delays, as these appeared to result from a combination of factors across several offices. Nonetheless, the delays indicate the need for a standardized and enforceable processing timeline across all offices involved in procurement.

20.17 These delays indicate deficiencies in the monitoring, coordination, and processing of procurement-related transactions, which may adversely affect the timely implementation of procurement activities and compliance with applicable procurement laws, rules, and regulations. Significant delays in the processing of POs may result in the cancellation of procurements due to price changes and stock unavailability, delays in the delivery of requested items, and possible disruption of university operations and project implementation. Moreover, inconsistencies in procurement documents, including inaccurate, missing, or conflicting dates, undermine the reliability and integrity of procurement records and prevent the proper verification and monitoring of compliance with prescribed timelines. We likewise noted that the dates reflected in the PMRs relating to the NOA issuance and contract signing did not always coincide with the dates indicated in the NOAs, POs, and Contract Agreements.

Recommendations

20.18 We recommended, and Management agreed, to establish a standard processing timeline for all offices involved in procurement activities, including the Procurement Office, Finance Division and the Office of the President, with specific turnaround periods not exceeding the prescribed periods under RA No. 9184 and RA No. 12009, and issue corresponding guidelines thereto.

20.19 We also recommended, and Management agreed, to ensure that the:

a. Budget Unit, Accounting Unit, and Procurement Unit establish and maintain a monitoring and tracking system covering the receipt, routing, return, resubmission and release of contracts and supporting documents to properly capture delays caused by incomplete submissions;

b. Finance Division to monitor the status of procurement document processing by the Budget Unit and the Accounting Unit based on the timelines to be established; and

c. Administration Division to monitor the status of procurement document processing by the Procurement Unit based on the processing timeline to be established.

20.20 We further recommended, and Management agreed, to ensure that the Procurement Unit:

a. Adopts a standardized date format (e.g. dd/mm/yyyy) for all procurement documents;

b. Ensures that all POs and NOAs contain clearly indicated dates and conforme acknowledgements by designating responsible personnel to verify the completeness and accuracy of all dates and supporting documents prior to routing and release of procurement documents, to ensure early detection and prevention of inconsistencies, errors, and incomplete records; and

c. Ensures that the PMR is accurate by designating personnel to verify all entries in the PMRs against supporting documents (NOAs, POs, and Contract Agreements) prior to encoding and submission to ensure consistency of dates and transaction details.

Management Comments

20.21 Management informed that it also resolved the timelines between the Budget and Accounting Units, directly impacting the processing of POs and payroll disbursements. To eliminate backlogs, instructions were issued requiring all documentation to be processed immediately upon receipt. To systematically eliminate these transactional delays within inter-unit workflows, Management will enforce two specific interventions:

a. A definitive tracking system will be deployed to monitor and log exact processing durations in every Unit; and

b. If an office continues to experience backlogs despite streamlined workflows, Management will allocate additional personnel to that specific unit to increase its processing capacity.

Incomplete GSIS remittances - ₱275,550.19

21. **The GSIS premiums withheld from the salaries of officers and employees of the University were not remitted in full within the prescribed period of 10 days following the month to which the contributions apply, contrary to Section 6(b) of RA No. 8291, resulting in incomplete remittances totaling ₱275,550.19 for CY 2025.**

21.1 Section 6 (b) of the RA No. 8291, otherwise known as the GSIS Act of 1997, requires that each employer shall remit directly to the GSIS, the employees' and employers' contributions within the first ten days of the calendar month following the month to which the contributions apply. The remittance by the employer of the contributions to the GSIS shall take priority over and above the payment of any and all obligations, except salaries and wages of its employees.

21.2 Our audit was aimed to determine the completeness and timeliness of remittances to the GSIS covering the personal share (PS), government share (GS), and ECIP contributions of the University's officers and employees for CY 2025. The audit included the reconciliation of records between the general payroll and the remittances made to the GSIS in CY 2025. Specifically, the audit focused on the mandatory premium contributions by comparing the premiums withheld from the employees' basic salary per payroll against the amounts remitted through the GSIS system for payrolls processed during CY 2025. Interviews and inquiries were likewise conducted with key personnel from the Payroll Unit, under the HRMO, who is responsible for the computation and withholding of GSIS contributions, as well as personnel from the Cash Unit tasked to download electronic billings from and upload remittances into the GSIS system.

21.3 Based on the interviews conducted, we learned that transactions involving the downloading of billings and uploading of remittances are processed by personnel of the Cash Unit through the GSIS Electronic Billing and Collection System (eBCS). Electronic billing files are made available in the system as early as the last two days of the preceding month or on the first day of the current month. Copies of the billing files for GSIS mandatory contributions and loan amortizations are then forwarded by the Cash Unit to the Payroll Unit to serve as the basis for the corresponding payroll deductions.

21.4 According to the officer who prepares the payroll in the Payroll Unit, deductions for the PS, GS, and ECIP are computed based on the employees' updated salary rates and the applicable contribution rates prescribed under RA No. 8291. On the other hand, deductions for GSIS loan amortizations are based on the electronic billing files provided by the Cash Unit. The Payroll Unit also monitors the total GSIS loan deductions of each employee to ensure that monthly deductions are consistent with the corresponding outstanding loan balance.

21.5 Thereafter, separate DVs supported by payroll documents are prepared for the remittance of mandatory contributions and loan payments to GSIS. The Cash Unit subsequently processes the remittances through the eBCS on or before the 10th day of the succeeding month. Accordingly, the amounts uploaded to the eBCS correspond to the actual deductions made from employees' payrolls.

21.6 However, our comparison of the mandatory GSIS premium deductions against the actual remittances disclosed that a total of ₱275,550.19 remained unremitted to GSIS as of December 31, 2025. The amount pertains to mandatory GSIS premium deductions withheld during CY 2025, as shown in Table 56.

Table 56. Details of Unremitted GSIS Premium Contributions for CY 2025

Period (CY 2025)	Unremitted Amount During the Current Period (₱)				Subsequent Remittance During CY 2025	Unremitted as of 12/31/25
	PS	GS	ECIP	Total		
a	b	c	d	e	f	g
January	15,395.76	20,527.68	0	35,923.44	32,251.80	3,671.64
February	11,338.14	15,117.51	0	26,455.65	3,071.04	23,384.61
March	9,670.21	17,304.36	100.00	27,274.57	3,177.51	24,097.06
April	4,623.31	7,397.01		12,020.32	0	12,020.32
May	40,577.17	60,068.97	(200.00)	100,446.14	(1,060.24)	101,506.38
June	9,918.99	13,225.32	0	23,244.31	0	23,244.31
July	8,538.06	375.82	(300.00)	8,613.88	2,844.61	5,769.27
August	13,465.73	17,768.65	0	31,234.38	27,132.96	4,101.42
September	8,466.16	11,288.21	100.00	19,854.37	9,916.43	9,937.94
October	1,725.32	2,300.43	100.00	4,125.75	0	4,125.75
November	20,919.36	27,892.60	200.00	49,011.96	0	49,011.96
December	6,248.37	8,331.16	100.00	14,679.53	0	14,679.53
Grand Total	**151,086.58**	**201,597.72**	**200.00**	**352,884.30**	**77,334.11**	**275,550.19**

21.7 The table above shows that mandatory GSIS contributions totaling ₱352,884.30 (total of column e) were not remitted on or before the prescribed due date, i.e., the 10th day of the succeeding month, as required. This indicates delays in the remittance of GSIS premium contributions. For instance, mandatory premiums for January 2025 amounting to ₱35,923.44 (column e) were not remitted on or before February 10, 2025. Review of subsequent remittances made from February to December 2025 pertaining to the January 2025 withheld contributions disclosed that only ₱32,251.80 (column f) of the said amount was eventually remitted, thereby a total of ₱3,671.64 (column g) remained unremitted as of year-end. Similar instances were likewise noted for the other months, resulting in total delayed or unremitted mandatory premium contributions amounting to ₱352,884.30 during CY 2025. Further review disclosed that subsequent remittances totaling ₱77,334.11 were eventually made. Consequently, a total of ₱275,550.19 remained unremitted as of December 31, 2025, representing mandatory GSIS premium contributions already deducted from the salaries of the faculty members, officers, and employees of the University for CY 2025. On the other hand, the negative balances reflected in Table 56 under ECIP pertain to remittances that exceeded the corresponding payroll deductions due to adjustments relating to prior years. This resulted in temporary negative balances during the reconciliation process, which were subsequently offset upon the recognition and alignment of the related payroll deductions and GSIS records.

21.8 Our verification of the unreconciled balances specifically identified deficiencies totaling ₱275,550.19 pertaining to mandatory GSIS premium contributions withheld during CY 2025 but not remitted. According to the Cashier, the unremitted balances were due to unsuccessful remittance transactions in the GSIS system arising from Electronic Remittance File (ERF) Clarificatory Items. These refer to discrepancies between the agency's uploaded ERF and the GSIS Electronic Billing File (EBF), which

require validation or "cleansing" by authorized agency personnel before payment can be finalized or locked in the system. Such discrepancies may involve unmatched combinations of Business Partner numbers and employee names or variances between the amounts reflected in the ERF and EBF.

21.9 In the case of the University, when discrepancies in amounts were noted through the ERF Clarificatory Items of the GSIS, it has been the practice of the Cash Unit to upload and remit only the amount reflected in the GSIS billing to allow the remittance transaction to proceed. Accordingly, the variances between the payroll deductions and the amounts billed by the GSIS were attributed to employee records that have not yet been updated in the GSIS system. Consequently, mandatory GSIS premium contributions for CY 2025 amounting to ₱275,550.19 remained unremitted as of December 31, 2025.

21.10 Inquiry with the Payroll Unit disclosed that updates to employees' records in the GSIS system are regularly undertaken. However, the recurring discrepancies noted during the audit indicate that certain updates were not made on a timely basis. Our review of the list of unremitted amounts further disclosed that some employees consistently incurred deficiencies between the mandatory deductions withheld from their salaries and the amounts billed by GSIS, with only the billed amounts being remitted by the University. These deficiencies persisted for periods ranging from two to five months. The table below presents sample instances of such discrepancies.

Table 57. Sample of Deficiencies Noted for CY 2025 on PS Premium Contribution

Employee	Period (CY 2025)	PS mandatory Share (₱)		Deficiency (₱)
		Deducted in the Payroll	Actual Remittance	
A	March	1,526.22	1,470.06	56.16
	April	1,526.22	1,470.06	56.16
	May	1,526.22	1,470.06	56.16
	June	1,526.22	1,470.06	56.16
	July	1,526.22	1,470.06	56.16
	Total	7,631.10	7,350.30	280.80
B	March	7,858.35	7,529.31	329.04
	April	7,858.35	7,529.31	329.04
	May	7,858.35	7,529.31	329.04
	June	7,858.35	7,529.31	329.04
	July	7,858.35	7,529.31	329.04
	Total	39,291.75	37,646.55	1,645.20

21.11 The table above shows that some employees consistently incurred discrepancies between the mandatory deductions and the amounts remitted. For instance, Employee A's mandatory deduction for personal share is ₱1,526.22, while only ₱1,470.06 was remitted, resulting in a difference of ₱56.16. This discrepancy persisted from March to July 2025, resulting in a total variance of ₱280.80. Similarly, Employee B's mandatory deduction for personal share is ₱7,858.35, while only ₱7,529.31 was remitted, resulting in a monthly deficiency of ₱329.04,

which likewise persisted from March to July 2025, for a total variance of ₱1,645.20. Similar variances were likewise noted in the government share and ECIP contributions. These conditions indicate that employees' records and/or salary rates were not updated in the GSIS system on a timely basis.

21.12 According to the Cashier, partial remittances are uploaded to the GSIS system from time to time to ensure that unremitted contributions pertaining to the prior months are eventually settled. It was noted that a logbook of employees with identified discrepancies was maintained by the Cashier starting late CY 2025. However, the Cashier further stated that there are instances where certain transactions cannot be uploaded because the system does not accept them due to existing records that have not yet been updated. The Cashier further explained that, in addition to remittance functions, other responsibilities also need to be attended to, which affects the timely uploading of all unremitted contributions. The Cash Unit further informed the Audit Team that beginning early CY 2026, discrepancies identified during processing are immediately reported to the Payroll Unit for appropriate action.

21.13 Based on the foregoing, it is deemed necessary that the Cash Unit, Payroll Unit and Accounting Unit strengthen coordination and establish a defined timeframe for the prompt reconciliation and settlement of all unremitted GSIS contributions. The Payroll Unit shall ensure the timely updating of employee records in the GSIS system to prevent recurring discrepancies through prompt correction and updating of employee data, as necessary.

21.14 In view of the unremitted amount identified in CY 2025 for ₱275,550.19, it is further necessary for the Cash Unit to prioritize the remittance of all outstanding GSIS contributions for CY 2025 and prior years, in compliance with Section 6(b) of RA No. 8291, which requires employers to remit employees' and employers' contributions directly to GSIS within the first 10 days of the calendar month following the month to which the contributions apply. The law further provides that such remittances shall take priority over all other obligations of the agency, except the payment of salaries and wages. In cases where system-related discrepancies prevent acceptance of prior-year contributions, the Cash Unit is to coordinate with the Payroll Unit and, when necessary, directly coordinate with GSIS for appropriate resolution.

21.15 To prevent the recurrence of discrepancies in CY 2026, the Cash Unit is to furnish the Payroll Unit with the ERF Clarificatory List, duly documented through a logbook or similar record, within the agreed timeframe. The Payroll Unit, upon review and reconciliation, shall promptly update the employees' records in the GSIS system. This process will facilitate the timely correction of deficiencies, ensure proper uploading of adjustments, and support the complete and accurate remittance of mandatory GSIS contributions in subsequent periods.

21.16 Furthermore, the Head of the Payroll Unit is to ensure proper monitoring of all updates and reconciliations to confirm that all identified discrepancies are promptly resolved and that corresponding adjustments are accurately reflected and remitted in the GSIS system. Moving forward, the Head of the Payroll Unit shall likewise ensure that all changes in employee data requiring updates in the GSIS system, such as salary increases and other relevant adjustments, are promptly processed and updated by the personnel concerned. Lastly, the Accounting Unit is to ensure the establishment of a monitoring tool reconciling premiums withheld against the GSIS EBF.

21.17 The aforementioned controls facilitate the timeliness and accuracy of GSIS remittances, ensure proper reconciliation between payroll deductions and GSIS billing records, and minimize recurring discrepancies arising from outdated employee information. Incomplete or delayed remittances, despite full payroll deductions, may adversely affect the posting of contributions to employees' GSIS records, which could result in delays or complications in the processing of benefits and loan entitlements.

Recommendations

21.18 We recommended that Management ensure that payroll deductions and GSIS remittances are properly reconciled through the coordinated efforts of the Cash Unit, Payroll Unit, and Accounting Unit by:

a. Establishing a definite timeframe for the prompt reconciliation and settlement of all unremitted GSIS contributions for CY 2025 and prior years;

b. Requiring the Cash Unit to prioritize the remittance of all outstanding GSIS contributions for CY 2025 within the agreed timeframe;

c. Requiring the Payroll Unit to prioritize the updating of employee records relating to contributions for CY 2025 and prior years in the GSIS system; and

21.19 Moving forward, we further recommended that the following procedures be incorporated in the Work Instructions of the personnel concerned to prevent the recurrence of discrepancies between GSIS billings and remittances:

a. The Cash Unit to furnish the Payroll Unit with the ERF Clarificatory List within the agreed timeframe, duly documented through a logbook or similar monitoring record;

b. The Payroll Unit, upon review and reconciliation of the reported discrepancies in the ERF Clarificatory List, to promptly update the employees' records in the GSIS system, directly coordinate with the

GSIS for unresolved system issues, and inform the Cash Unit of the updates; and

c. The Head of the Payroll Unit ensures that all changes in employee data requiring updates in the GSIS system, such as salary increases and other relevant adjustments, are promptly processed by the personnel concerned through the establishment of a monitoring tool reconciling premiums withheld against the GSIS EBF to ensure completeness and accuracy of remittances.

Management Comments

21.20 Management manifested that the audit recommendations regarding withheld GSIS premiums were fully noted. Currently, the Payroll Section is conducting a comprehensive verification of GSIS memberships and updating outstanding individual contributions. This ongoing review is designed to systematically resolve all existing discrepancies between internal payroll deductions and official agency remittances.

21.21 Management added that, to prevent future occurrences of remittance discrepancies, coordination is being made with all affected offices for the drafting of formal work instructions. This collaborative effort aims to establish fixed, binding operational timeframes for processing and executing monthly remittances, thereby ensuring full compliance in subsequent fiscal years.

Non-compliance with Profit Allocation Scheme per IGP's Resource Generation Manual of Operations.

22. **The profit allocated from the IGP fund to the STF fund, amounting to ₱0.989 million, in CY 2025, is not in accordance with the allocation scheme prescribed under the Resource Generation Manual of Operations.**

22.1 Section 4(d) of RA No. 8292, otherwise known as the Higher Education Modernization Act of 1997, states that any income generated by the University or College from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the University or College, and may be disbursed by the Board of Regents/Trustees for instruction, research, extension, or other programs/projects of the University or College, provided, that all fiduciary fees shall be disbursed for the specific purposes for which they are collected.

22.2 In compliance to this, Board Resolution No. 101, series of 2025, approving the revised Resource Generation Manual of Operations of the University, was issued by the BOR, to supersede the Manual of Operations, series of 2019. Section 4.4 of Chapter IV of the revised Manual, which became effective on October 10, 2025, provides the schedule for the profit allocation of the income earned and generated from the IGPs to support

various programs and projects of the University. The Manual further provides for the net profit allocation, which shall be distributed as follows:

Table 58. Net Profit Allocation and Incentive Scheme

Item	Percentage Allocation
University Mandated Share	30
Capital Build-Up	20
Incentives/Profit Share	20
Special Program Fund	30
Total	**100**

22.3 The preceding table indicates that when a specific IGP unit generates net profit, 30 per cent thereof shall be allocated to the University as its mandated share. The capital build-up of 20 per cent based on the net profit will be used for the expansion of operations, equipment and other necessary materials for use by the concerned Units. The incentives/profit share of 20 per cent is the reward to managers or directors and workers involved in the projects. The distribution of the incentive share to Management, Project Management Team, Technical and Administrative Support staff, and direct workers varies and may be revised at any time if deemed necessary, subject to the recommendation of the University President and final approval of the BOR. The incentive mechanism was adopted to recognize the work of the units concerned and encourage them to work harder and improve their respective Units by awarding them through allocation of the profits earned from their respective unit. The Special Program Fund of 30 per cent is a multi-component reserve for the separation incentives for workers, establishment of new projects, corporate social responsibility, and research and extension.

22.4 Our review of the Other Business Income account of the University for CY 2025 disclosed that a total of ₱0.989 million was transferred from various bank accounts under the IGP fund to the STF bank account under the STF fund for the mandated share from the IGPs, with details provided in the table which follows.

Table 59. Profit Allocation from IGP Income for the Period January to October 31, 2025

Charge to IGP	Check No.	Check Date	Amount	Payee	Official Receipt No.[7]
UPress	510256	11/13/2025	75,280.61	WMSU STF	1533969
Garment	514933	11/13/2025	11,910.26	WMSU STF	1533980
Review	510406	11/13/2025	198,067.39	WMSU STF	1533961
Auxiliary	523042	11/13/2025	549,353.80	WMSU STF	1533983
Agribusiness and Food Processing	461854	11/13/2025	154,629.90	WMSU STF	1533982
Total			**989,241.96**		

[7] Reference to collections of STF from the profit allocation of IGP.

22.5 The data provided in the immediately preceding table shows that, in CY 2025, the IGPs of UPress, Garment, Review, Auxiliary Revolving Fund, and Agribusiness and Food Processing have deducted their respective shares for profit allocation to the STF, totaling ₱0.969 million for the period January 1 to October 31, 2025. The following table further presents the details of disbursements for the fund transfer from the IGP bank accounts to the STF bank account for the profit allocation of the mandated share to the STF fund.

Table 60. Computation of Profit Allocation for University Mandated Share

IGP	Receipts (₱)	Cost of Goods Sold (₱)	Gross Profit (₱)	WMSU Share (40%) (₱)	Profit Before Operations (₱)	Total Operating Expenses (₱)	Net Income (Loss) (₱)
a	b	c	d = (b-c)	e = (d*40%)	f = (d-e)	g	h = (f-g)
UPress	2,928,231.35	2,740,029.83	188,201.52	75,280.61	112,920.91	237,000.00	(124,079.09)
Garment	3,389,910.00	3,360,134.36	29,775.64	11,910.26	17,865.38	1,794,000.00	(1,776,134.62)
Review	698,408.76	203,240.29	495,168.47	198,067.39	297,101.08	364,707.00	(67,605.92)
Auxiliary	8,017,602.34	6,644,217.85	1,373,384.49	549,353.80	824,030.69	0	824,030.69
AGRI	523,854.75	137,280.00	386,574.75	154,629.90	231,944.85	56,863.00	175,081.85
Total	15,558,007.20	13,084,902.33	2,473,104.87	989,241.96	1,483,862.91	2,452,570.00	(968,707.09)

22.6 Based on the preceding table, the University derived its profit allocation for the mandated share from the gross profit of the IGP units for the period January 1, 2025, to October 31, 2025. It was also observed that instead of allocating 30 per cent of the net profit as prescribed in the Manual, the University computed the allocation at 40 per cent of the gross profit of the IGP Units. Inquiry with the University Accountant disclosed that it has been the practice to compute the mandated share using a 40 per cent allocation based on gross profit. However, upon request for clarification from Management, the basis for applying the 40 per cent rate on gross profit could not be substantiated or adequately explained.

22.7 The deviation from the prescribed allocation method by applying 40 per cent based on the gross profit instead of 30 per cent of net profit as required under the Manual of Operations constitutes non-compliance with established policies as approved by the BOR. The use of an allocation rate without legal basis indicates deficiencies in internal control and policy implementation. The inability to provide adequate justification or supporting authority for the adopted rate raises concerns on the validity and propriety of the allocation method applied during the period. Moreover, the allocation of 40 per cent based on gross profit affects the other allocations intended for Capital Build-Up, Incentives/Profit Share, and the Special Program Fund, as it alters the prescribed distribution structure and may result in unintended variances in the amounts allocated to these programs. Consequently, the intended shares for these components are adversely affected in such a way that extensions or continuity of operations may be constrained, considering that, based on the figures presented in Table 60, most of the IGP Units incurred net losses. Likewise, other planned projects within the IGP units may not be fully implemented or achieved due to the restricted or reduced net profit, and personnel working within the units may be discouraged due to delayed or non-receipt of expected incentives. In addition, project leaders, directors, and

managers may be constrained in making sound financial and operational decisions due to the reduced availability and uncertainty of allocated resources.

22.8 In this regard, we deem it appropriate that Management strictly adhere to the provisions of the Manual by applying the prescribed allocation based on net profit as approved by the BOR.

Recommendation

22.9 We recommended, and Management agreed, to ensure that the Accounting Unit strictly adheres to the profit allocation scheme prescribed under the University's Manual of Operations in computing for the profit allocation for CY 2026 and the succeeding years, specifically the use of the approved rate of 30 per cent based on net profit for the University's mandated share.

Non-preparation and non-submission of the Report of Cash Disbursements and supporting documents on the liquidation of various cash advances for payroll

23. **The Regular Disbursing Officer (DO) did not adhere to the provisions of Sections 15 and 18, Chapter 6, Volume I of the GAM for NGAs on the preparation and submission of the Report of Cash Disbursements and supporting documents on the liquidation of various cash advances for payroll to the Accounting Section.**

23.1 Section 15, Chapter 6, Volume I of the GAM for NGAs provides that the 15 for Payroll shall be granted to Regular DOs for payment of salaries, wages, honoraria, allowances and other personnel benefits of officials and employees. The Advances for Payroll shall not be used for encashment of checks or for liquidation of previous or other types of cash advances. It shall be equal to the net amount of the processed payroll corresponding to the pay period. Liquidation of the advances shall be made within five days after the end of the pay period. Any unclaimed salaries/allowances shall be refunded and issued official receipt to close the account.

23.2 Meanwhile, Section 18 of the same chapter and volume of the GAM for NGAs prescribes the procedures for the disbursements out of Advances for Payroll, as follows:

a. Sequence No. 5 - Based on the paid payroll and SDs [supporting documents], the Regular DO prepares the Report of Cash Disbursements (RCDisb) in three copies, signs the "Certification" portion of the RCDisb and submits the same to the Accounting Section. The RCDisb shall serve as the liquidation report of the Payroll Fund granted to the Disbursing Officer.

b. Sequence No. 6 - The Accounting staff records the receipt of the RCDisb in the logbook, indicates "Received" and signs on all copies,

forwards the RCDisb to the Designated staff for the JEV preparation, and returns copy 2 to the Cashier Section.

23.3 A personnel from the Cash Unit was designated as Regular DO under Memorandum Order No. 001403, series of 2024, effective on the same date.

23.4 We have reviewed the Cash Disbursements Record (CDRec), DVs, SLs for the Advances for Payroll account, JEV and the SDs on the cash advances and liquidations of the Regular DO for the period June 10, 2024 to January 2, 2025. Based on our review, we noted that the Regular DO which directly reports to the University Cashier, as well as the Accounting Unit, did not adhere to certain provisions of the GAM relative to the reporting of cash advances, and liquidations thereof as well as in the submission of the related SDs.

23.5 Based on our review of the CDRec and SDs on the cash advances and liquidations submitted by the Regular DO, as well as the DVs, JEVs and SLs for the Advances for Payroll account, we noted discrepancies between the balances derived from our audit procedures and the balances per CDRec and SLs. The differences identified are outlined below:

a. The actual dates when the cash advances were liquidated cannot be established. We noted that the Accounting Unit records the liquidation of cash advances in the same month in which these cash advances were granted. However, based on our examination of the paid payrolls, we noted that there were instances where the dates when the payees received their pay were beyond the month when the liquidation was recorded, thereby indicating that the cash advance was not fully liquidated during the month it was granted.

b. There were errors noted in the recording of cash advances and liquidations in the CDRec. In particular, the cash advance under Check No. 92413 dated November 5, 2024 amounting to ₱250,000.00, was recorded in the CDRec in November 2024. The related disbursements totaling ₱245,000.00 and the refund of unexpended balance of ₱5,000.00 was also taken up in the same month (November 2024). However, upon review of the entries in the CDRec for the month of December 2024, we noted that the Regular DO recorded the same cash advance (Check No. 92413) at ₱250,000.00, and the related disbursements recorded at ₱250,000.00. The balance of ₱5,000.00 from the previous month was not carried forward as part of the beginning balance for December 2024. As a result, the aggregate balance of cash advances and liquidations in the CDRec is overstated by a) ₱250,000.00 representing the duplicated cash advances; and b) ₱245,000.00 representing the duplicated liquidation entries, with the ₱5,000.00 unaccounted balance not properly reflected in the records. Moreover, we noted that in the CDRec, the monthly ending balances are not carried forward to the subsequent month's beginning balances, affecting the continuity of the account balances.

c. No entry or record of liquidation was found in the CDRec for Check No. 510554 dated November 28, 2024, amounting to ₱36,841.00, under the WESMAARRDEC account. However, based on the audit of cash advances and liquidations, it was confirmed that the liquidation thereof has already been submitted. This indicates that the liquidation was not properly recorded in the CDRec.

23.6 On the other hand, the unreconciled balances of the accountabilities of the Regular DO from the results of our audit and the SLs of the Advances for Payroll account resulted from unidentifiable liquidation dates, as well as one instance of an unrecorded liquidation. As discussed, instances in which the cash advances were recorded as liquidated before the payees received their payments were noted. Furthermore, no entry or record of liquidation was found in the SL for the Advances for Payroll account for Check No. 462362, dated September 10, 2024, amounting to ₱1,000.00, under the account for the Garment Shoppe. Our audit of advances and liquidations confirmed that the cash advance has been liquidated.

23.7 Accordingly, the following corrections were already effected in December 2025:

a. Corrected the error in recording Check No. 92413 in the CDRec prospectively, by adding an entry in the current reporting month to reflect the deduction of the duplicate entry for the cash advance of ₱250,000.00, liquidation of ₱245,000.00, and the unexpended balance of ₱5,000.00;

b. Adjusted the beginning balance for the current reporting month to reflect the correct balance and that the ending balances are properly carried forward to the subsequent month to maintain consistency and accuracy of the balances in the CDRec; and

c. Recorded the liquidation of Check No. 510554, dated November 28, 2024, by adding an entry in the current reporting month to reflect the liquidation amounting to ₱36,841.00.

23.8 According to the Regular DO, she prepares the CDJ and forwards it to the Accounting Unit for the latter to use as basis in recording the liquidations. Meanwhile, the supporting documents for the liquidations and the CDRec are submitted directly by the Cashier Unit to the COA. On the other hand, the Accounting Unit records the cash advances based on the ChkDJ and records liquidations based on the CDJ submitted by the Regular DO. According to the Accountant II, who is responsible for incorporating the JEVs for the liquidations in the financial statements, the CDJ is submitted to the Accounting Section every month, and the liquidation of the amount received by payees is recorded in the same month as the CDJ. In the case of refunds, these are recorded in the month when the related ORs are issued.

23.9 The non-submission of the documents supporting the liquidation and RCDisb to the Accounting Unit has resulted in the reporting of liquidations in the inaccurate month or period, thus affecting the reliability of the balance of the accountability of the Regular DO at a given period as reported in the CDRec and in the financial statements. In addition, this also led to the non-recording of the liquidation for Check No. 462362 due to the absence of supporting documents to verify the amounts liquidated.

23.10 To emphasize, Section 18, Chapter 6, Volume I of the GAM for NGAs provides the procedures for the disbursements out of the Advances for Payroll. It states that, based on the paid payroll and supporting documents, the Regular DO shall prepare the RCDisb in three copies, sign the "Certification" portion, and submit the report to the Accounting Section. The RCDisb serves as the liquidation report of the payroll fund granted to the Disbursing Officer. Upon receipt, the Accounting Unit records the RCDisb in the logbook, indicates "Received," signs all copies, forwards the report to the designated staff for the preparation of the JEV, and returns the second copy to the Cash Unit. As of the date of this writing, the RDO prepares the CDJ instead of the RCDisb, which is the report prescribed to be maintained by the Regular DO, and as prescribed under Appendix 41, Volume II of the GAM for NGAs. The CDJ is to be prepared by the Accounting Unit, rather than the Regular DO. Moreover, contrary to the procedure prescribed under the GAM for NGAs, the Accounting Unit does not maintain a logbook to record the receipt of documents for the liquidation of cash advances and the CDJ from the Cashier Section, thus, the date of liquidation cannot be determined. I

23.11 In compliance with the Manual, the Accounting Unit initially submitted a Work Instruction incorporating the preparation of the CDJ by them instead of by the Cash Unit. Nevertheless, aside from the unreliable balance of the Regular DO's accountability relative to Advances for Payroll, the non-submission of liquidation documents and RCDisb to the Accounting Unit also affects the accuracy of the reported balance of the Advances for Payroll account and the related Due to Officers and Employees account in the SFPos.

Recommendations

23.12 We recommended, and Management agreed, to ensure that the Regular DO:

a. Prepares the RCDisb in reporting the cash advances and liquidation for payroll using the format prescribed in Appendix 41, Volume II of GAM for NGAs; and

b. Submits the RCDisb and liquidation supporting documents to the Accounting Section on a monthly basis.

23.13 We also recommended, and Management agreed, to ensure that the Accounting Unit:

c. Include in their Work Instructions the recording of the receipt of the RCDisb and its supporting documents in the logbook; and

d. Prepares the entries to record the liquidation of Check No. 462362 amounting to ₱1,000.00 based on the date of the receipt of RCDisb.

Non-adherence to documentary requirements on the liquidation of payroll fund

24. **The University did not adhere to the provisions of Section 1.2.1 of COA Circular No. 2012-001 dated June 14, 2012 on the documentary requirements for the liquidation of the Payroll Fund for Salaries, Wages, Allowances, Honoraria and Other Similar Expenses.**

24.1 Section 1.2.1 of COA Circular No. 2012-001, dated June 14, 2012, provides the documentary requirements for the liquidation of the Payroll Fund for Salaries, Wages, Allowances, Honoraria and Other Similar Expenses, as follows:

a. Report of Disbursements certified correct by the accountable officer
b. Approved payrolls/vouchers duly acknowledged/ signed by the payee/s
c. Approved daily time records (DTRs) or Certificate of Service
d. Approved Application for Leave
e. In case of payment of personnel under the "job order" status, duly verified/accepted accomplishment report
f. Official Receipt (OR) in case of refund for unclaimed salaries
g. Authority from the claimant and identification documents, if claimed by person other than the payee
h. Such other pertinent supporting documents as are required by the nature of expense

24.2 Further, Section 18, Chapter 6, Volume I of the GAM for NGAs provides that the Designated Staff of the Accounting Section is responsible for verifying the completeness of the data in the RCDisb as against the supporting documents received.

24.3 We reviewed the documents supporting the liquidation of the cash advances granted to the Regular DO and noted that several transactions lacked supporting documents such as Daily Time Records (DTRs), Accomplishment Reports, Budget Utilization Request and Status, Scoresheets or Certification on the Declaration of Winners who were granted cash prizes and honorarium during contests, and Certificates of Attendance in the case of financial assistance provided to participants of various events. The details of these are presented in Appendix O.

24.4 Section 1.2.1 of COA Circular No. 2012-001 provides the documentary requirements for the liquidation of the Payroll Fund for Salaries, Wages, Allowances, Honoraria, and Other Similar Expenses. It also states that other pertinent supporting documents may be required depending on the nature of the expense. Since the financial assistance was provided to

participants in relation to their attendance at various events, this entails proof of actual attendance, such as a Certificate of Attendance or any equivalent supporting documents, which will serve as sufficient proof of the recipients' participation in the events. Similarly, scoresheets or certifications declaring the winners are to be submitted to support the grant of cash prizes and honoraria during contests.

24.5 Based on our interview with the University Accountant and the Regular DO, we learned that the Regular DO submits the liquidation documents directly to COA. These documents were not routed to the Accounting Unit for verification and certification of completeness. As a result, there was no checking to ensure that the supporting documents were complete, which is not in compliance with Section 18, Chapter 6, Volume I of the GAM for NGAs.

24.6 The direct submission of liquidation documents by the Regular DO to the COA, bypassing the Accounting Unit, resulted in the absence of verification procedures as to the completeness of the submission of the documentary requirements. Consequently, several transactions lacked supporting documents for the liquidation of the Payroll Fund for Salaries, Wages, Allowances, Honoraria, and Other Similar Expenses.

Recommendations

24.7 We recommended that Management:

a. Ensures that the Accounting Unit complies prospectively with the documentary requirements specified in Section 1.2.1 of COA Circular No. 2012-001 for the liquidation of the Payroll Fund covering Salaries, Wages, Allowances, Honoraria, and other similar expenses; and

b. Include in the Work Instructions of the Accounting Unit the verification of the accuracy and completeness of the data in the RCDisb against the supporting documents received.

Management Comment

24.8 Management affirmed that prospectively, the DO shall require attachments for salaries, wages, allowances, honoraria and other similar expenses, such as requiring the Certificate of Appearance/Participation of students receiving financial assistance for events and competitions and the score/tally sheet for payments made to judges.

Non-compliance with the documentary requirements for Overtime Pay

25. **The University did not adhere to the provisions of Section 5.10 of COA Circular No. 2012-001 dated June 14, 2012, on the documentary requirements for Overtime Pay.**

25.1 Section 5.10 of COA Circular No. 2012-001 dated June 14, 2012, provides the documentary requirements for the liquidation of the overtime pay, as follows:

a. Overtime authority stating the necessity and urgency of the work to be done, and the duration of overtime work;
b. Overtime work program;
c. Quantified Overtime accomplishment duly signed by the employee and supervisor; and
d. Certificate of Service or duly approved DTR.

25.2 We reviewed the documents supporting the liquidation of the cash advances granted to the Regular DO and noted that the payment of overtime services to the administrative personnel for the period January to November 2024 under Check No. 92584 dated December 27, 2024, amounting to ₱72,304.63, lacked supporting documents such as Authority to Render Overtime, Overtime Workplan, and Quantified Work Accomplishment Report.

25.3 Based on our interview with the University Accountant, we learned that the Accounting Unit was not able to verify the completeness of the documentary requirements for overtime pay due to the submission by the Regular DO of the liquidation documents directly to COA. Accordingly, for calendar year 2025, the internal policy of the University is to request for the authority of the President to render overtime services through a memorandum and to submit a workplan for overtime services. However, the supporting documents submitted for the overtime services of the Administrative Personnel for the period January to November 2024 did not include the Authority to Render Overtime, Overtime Workplan and Quantified Work Accomplishment Report as required by Section 5.10 of COA Circular No. 2012-001.

25.4 Due to the direct submission of the liquidation documents by the Regular DO to the COA, without routing them to the Accounting Unit, the latter was not able to verify the completeness of the supporting documents on the payment of overtime pay for the period January to November 2024. Consequently, the Authority to Render Overtime, Overtime Workplan and Quantified Work Accomplishment Report, which are necessary to substantiate the liquidation of Overtime Pay, were not submitted.

Recommendation

25.5 We recommended, and Management agreed, to ensure that the Accounting Unit complies prospectively with the documentary requirements specified in Section 5.10 of COA Circular No. 2012-001 for the liquidation of the overtime pay.

Management Comment

25.6 Management affirmed that prospectively, the University has now required and is complying with supporting documents for the claiming of overtime, such as Authority to Render Overtime, Overtime Workplan and Quantified Work Accomplishment Report.

OTHER MANDATORY AUDIT AREAS

GENDER AND DEVELOPMENT

26. For CY 2025, the University allocated ₱102.116 million or 9.01 per cent of its total National Expenditure Program (NEP) budget of ₱1.133 billion, for GAD activities. The University initially computed its GAD budget based on the NEP figures rather than the GAA for CY 2025. This approach is consistent with Section 1.2.2.1.1 of Philippine Commission on Women Memorandum Circular No. 2021-04, which states that the minimum five percent GAD allocation shall be computed based on the agency's total budget appropriations as reflected in the NEP. The same guideline further provides that GAD funds may be sourced from Maintenance and Other Operating Expenses (MOOE), Capital Outlay (CO), and/or Personnel Services, and requires agencies to update their GAD Plan and Budget upon enactment of the GAA and final budget figures are determined. Based on the approved CY 2025 GAA amounting to ₱1.019 billion, net of appropriations for later release, the University's GAD allocation corresponds to 10 per cent of the final approved budget and remains compliant with the prescribed minimum requirement.

27. Meanwhile, review of the University's GAD Accomplishment Report showed that WMSU utilized ₱99.593 million, or 97.53 percent of its total GAD budget. Of this amount, ₱98.818 million represented attributed costs under the FHE Program.

28. Review further showed that WMSU implemented measures to comply with GAD requirements for CY 2025, including updating the sex-disaggregated database, maintaining subsidiary ledgers for GAD transactions, and assigning responsibility codes to ensure proper tracking and monitoring of GAD-related expenditures.

PROGRAMS AND PROJECTS PERTAINING TO SENIOR CITIZENS AND DIFFERENTLY-ABLED PERSONS

29. Section 36 of the General Provisions of the 2024 GAA requires all agencies of the government to formulate plans, programs, and projects intended to address the concerns of senior citizens and persons with disability, insofar as they relate to their mandated functions, and integrate the same in their regular activities. Moreover, all government infrastructures and facilities shall provide architectural or structural features, designs, or facilities that will reasonably enhance the mobility, safety, and welfare of persons with disability pursuant to Batas Pambansa Blg. 344 and RA No. 7277, as amended.

30. The University offered separate programs for Special Needs Education (SNED) learners. For SY 2024-2025, a total of 35 SNED learners were enrolled in the Special Elementary Education (SEE) of the Integrated Laboratory School - Elementary Department. The SEE offers a self-contained class from kindergarten to Grade VI, as well as non-graded levels and transition programs. At the secondary level, the Integrated Laboratory-High School Department, through the Special Secondary Education (SSE), offers inclusive education through a mainstreaming program. A total of 17 SNED learners were enrolled in the SSE under Grades 8 to 12. Likewise, for SY 2025-2026, a total of 32 SNED learners were enrolled in SEE of Integrated Laboratory School - Elementary Department. At the secondary level, A total of 17 SNED learners were enrolled in the SSE of Integrated Laboratory-High School Department under Grades 9 and 10.

31. In addition, the University extended its support to SNED learners in higher education through the College of Teacher Education. For SY 2024-2025, a total of 42 students were enrolled in various Special Tertiary Education Programs (STEPs) offering certificate courses, while six SNED learners pursued degree programs under the Special Students in Baccalaureate Programs. Prior to the integration of SNED learners with degree programs into regular classes, they underwent a series of assessments, including psychological or neurological evaluations, to determine their readiness for participation in mainstream academic settings. Meanwhile, for SY 2025-2026, enrollees under STEPs are categorized into three groups: STEP 1, with a total of 14 enrollees; STEP 2, with a total of 11 enrollees; and STEP On-the-Job Training, with a total of 12 enrollees.

32. Moreover, the University implemented various programs and activities during the year to address the needs and concerns of senior citizens and persons with limited mobility, as follows:

    a. Regular upkeep and cleaning of campus grounds to provide stakeholders with an environment free from any form of physical risks, injuries, and accidents; and

    b. The University Clinic conducted a free blood pressure check-up for University personnel, particularly benefiting senior citizens, who are at a higher risk of developing complications due to abnormal blood pressure levels.

33. Further, the University installed ramps in several buildings to ensure ease of movement for differently-abled persons, the elderly and others needing assistance in navigating the campus. The accessibility and availability of ramps provide equal and free access to key physical facilities in various buildings, such as the Gymnasium, Registrar Building, Technopreneurship Development Center, Building Component of Smart Campus Building, Research Center Building, and University Student Center, among others.

PROGRAMS ON YOUTH DEVELOPMENT

34. Section 37 of the General Provisions of the 2024 GAA encouraged all agencies of the government to provide allocations for youth development projects and activities within the framework of the Philippine Youth Development Plan.

35. In 2025, the University actively pursued its commitment to holistic youth development by launching various projects and activities anchored on key areas such as a) youth empowerment, which encouraged participation in leadership and decision-making processes; b) education and skills development, aimed at enhancing access to quality education and skills training; c) health and well-being, focused on promoting physical, mental, and emotional health among the youth; d) social inclusion, ensuring equal opportunities for all youth regardless of background; e) civic engagement, fostering active participation in community development and governance; and f) technology and innovation, preparing the youth for the digital age through initiatives in these fields.

36. The strategic objectives outlined in the preceding paragraph were carried out by the University through various youth-oriented projects and activities conducted through institutional initiatives and collaborative efforts, as reflected on the University's official website, including, but not limited to:

    a. The University, through the Guidance and Counseling Center and Multi-Faith Services under the Student Affairs Services, conducted a four-day seminar titled Cultivating Inner Strength: Spirituality and Values Resilience from March 18 to 21, 2025. The event aimed to help students to develop self-awareness, emotional resilience, and a strong sense of purpose;

    b. Participation to the national film festival, entitled "Department of Agrarian Reform Central and Regional Film Festival 2025," held on June 30, 2025, hosted by the Department of Agrarian Reform, providing a platform for tertiary-level students to spotlight the inspiring journeys of Agrarian Reform Beneficiaries and Agrarian Reform Beneficiary Organizations through cinema;

    c. Participation in the earthquake drill on September 11, 2025, spearheaded by the University Disaster Risk Reduction and Management Office, Reinforcing the University's commitment and dedication to disaster preparedness and institutional resilience among its academic community;

    d. Participation in various sports activities, such as the State Colleges and Universities Athletic Association National Games 2025, held from April 21 to 28, 2025 in the island province of Camiguin, and the celebration of WMSU Palaro 2025, which commenced on October 10, 2025. This reflects the University's continued commitment to uplift its student-athletes beyond the classroom;

e. Participation to a national competition "National Final Pitching of Byte Forward Hackathon 2025" on October 21, 2025, at the SMX Convention Center, Pasay City, organized by the Philippine Chamber of Commerce and Industry in partnership with the Department of Information and Communications Technology (DICT), the Department of Trade and Industry, and the DOST;

f. Participation to the "Mindanao Association of State Tertiary Schools Socio-Cultural Competitions 2025," on October 26 to 30 in Oroquieta City. WMSU continues to strengthen its reputation as a center of excellence not only in academics but also in cultural and artistic expression;

g. Participation in a 5-day national scholars leadership camp on November 12 to 16, 2025, hosted by DOST - Science Education Institute. The activities emphasized youth participation, citizenship, and democracy addressing pressing national issues, including flooding, corruption, and poverty aimed at identifying solutions and strengthening their sense of civic responsibility, continuous improvement and proactive leadership. Collectively, the sessions offered a meaningful blend of conceptual insights and practical leadership development; and

h. Participation to an "18-Day Campaign to End Violence Against Women and Children [VAWC]," on November 26 to December 12, 2025. The campaign emphasized the unity and compassion reflecting the University's strong commitment to advocacy, education, and community engagement on Gender and Development and eliminating VAWC. The activity was organized by the Department of Social Welfare and Development Field Office IX, the Department of Justice, and the Regional Inter-Agency Committee Against Trafficking.

37. Moreover, the Guidance and Counseling Center of the University is a vital support unit dedicated to addressing the psychological, emotional, and personal development needs of students and staff to produce globally competitive human resources. In line with this, various programs and activities were implemented CY 2025, among which were the following:

a. Conduct of psychological testing for interns of the various colleges;
b. Seminar on Cultivating Inner Strength: Spirituality and Values Resilience on March 18 to 21, 2025;
c. Vocation awareness seminar for graduating students on March 25, 2025;
d. Career orientation seminar for High School students on April 8, 2025;
e. Seminar on Mental Health Awareness and Study Habits and Time Management for the first-year college students of the External Studies Unit on November 24 to 29, 2025; and
f. Mental ability test for the first-year college students of the External Studies Unit on November 24 to 29, 2025.

COMPLIANCE WITH TAX LAWS

38. Under existing tax laws and BIR regulations, government agencies are required to withhold applicable taxes from payments made to employees, suppliers, and independent contractors, and to remit these amounts to the BIR on a monthly basis. This responsibility includes the withholding of income tax on compensation, as well as other applicable withholding taxes such as the Expanded Withholding Tax and the Final Withholding Tax.

39. In CY 2025, the University withheld taxes totaling ₱80.320 million and remitted ₱79.624 million to the BIR for tax obligations pertaining to January to November 2025 and December 2024, as summarized in Table 61.

Table 61. Summary of Taxes Withheld and Remitted in 2025

Particulars	Amount (₱)
Beginning balance, 1/1/2025	7,928,188.87
Amount withheld	80,319,840.44
Adjustments: Increase (Decrease)	(310,576.15)
Net amount withheld	80,009,264.29
Amount remitted	(79,624,323.75)
Ending balance, 12/31/2025	8,313,129.41

40. Of the total adjustments, ₱83,333.38 represented refunds to employees for excess tax withheld, while ₱227,242.77 pertained to corrections of previously withheld amounts.

41. The beginning balance of ₱7.928 million pertains to the adjusted balance after the restatement of erroneous entries involving taxes for December 2024, which were remitted through Tax Remittance Advice in January 2025 but were previously recorded as deductions from the Due to BIR account in December 2024.

42. Of the ending balance of ₱8.313 million, ₱7.630 million was remitted to the BIR in January 2026 for taxes withheld from officers, employees, suppliers, and contractors in December 2025. The remaining balance pertains to unreconciled prior-year balances that are still under verification by the Accounting Unit.

COMPLIANCE WITH GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) ACT OF 1997

43. Section 6 of RA No. 8291 provides for the mandatory deduction of contributions from the monthly salary or compensation of employees, as well as the remittance of the corresponding employer's share, in accordance with the schedule prescribed in the implementing rules and regulations of the Act. The employer is required to remit both the employees' and the employer's share of the contributions directly to the GSIS within the first 10 days of the calendar month following the month to which the contributions pertain.

44. In compliance therewith, the University withheld a total amount of ₱188.207 million for the period January to December 2025, representing deductions from the salaries and wages of its personnel for GSIS life and retirement insurance premiums, loans, and Employees' Compensation Fund premiums, and government share. The total amount remitted, covering both employee and government share, amounted to ₱186.879 million, while ₱1.024 million was refunded to officials and employees. The contributions withheld for the month of December 2025 were remitted during the same month.

45. As of December 31, 2025, the unremitted balance stands at ₱8.061 million. Details are provided in the succeeding table.

Table 62. Summary of GSIS Premiums and Loans Withheld and Remitted in 2025

Particulars	Amount (₱)
Beginning balance, 1/1/2025	7,757,634.54
Amount withheld	188,206,641.93
Adjustments: Increase (Decrease)	(1,023,582.01)
Net amount withheld	194,940,694.46
Amount remitted	(186,879,388.31)
Ending balance, 12/31/2025	8,061,306.15

46. Adjustments amounting to ₱1.024 million pertain to refunds made to University personnel during the year in instances when the employees availed new loans from the GSIS. The University withholds loan payments based on the billings from GSIS, although the outstanding balance of the old loan was already offset against the proceeds of the new loan. Thus, these adjustments are made to reflect the employees' net loan obligations to return the amounts that were erroneously withheld, thereby correcting the excess deductions from the salaries of the employees. On the other hand, the ending balance as of December 31, 2025, includes unreconciled beginning balances from prior years and the current year. Please refer to Paragraphs 21.1 to 21.19 of this Report.

COMPLIANCE WITH PROPERTY INSURANCE LAW

47. RA No. 656, also known as the Property Insurance Law, requires all government agencies to obtain general insurance coverage for all insurable risks through the GSIS. The main objective of RA No. 656 is to create a Property Insurance Fund that provides compensation for losses or damages to government properties arising from fire, earthquake, storm, and other unforeseen events. Under the law, the GSIS is designated as the administrator of the fund and is responsible for managing insurance policies, collecting premiums, and processing claims.

48. In CY 2025, the University secured property insurance coverage with the GSIS for its buildings, motor vehicles, firearms, and handheld radios with total premiums amounting to ₱6.474 million.

49. Of the total insurance premiums, ₱6.147 million pertained to insurance coverage for the University's buildings and their contents against loss or

damage caused by fire or lightning. Four insurance policies, with a total sum insured of ₱666.851 million, cover the period from October 2025 to October 2026, while two policies, with a total sum insured of ₱176.449 million, cover the period from November 2025 to November 2026.

50. The insurance coverage for the University's motor vehicles, with premiums amounting to ₱187,332.67, includes protection against acts of nature, compulsory third-party liability for bodily injury, excess bodily injury, unnamed passenger personal accident, property damage, unnamed driver, and loss or damage. Meanwhile, insurance coverage for handheld radios and firearms, with premiums amounting to ₱101,301.46 and ₱39,105.59, respectively, provides protection against all risks of direct physical loss or damage.

COMPLIANCE WITH HOME DEVELOPMENT MUTUAL FUND (HDMF) LAW OF 2009

51. In compliance with RA No. 9679, which mandates the compulsory membership, contribution, and remittance to the HDMF by both employees and their employers, the University withheld a total amount of ₱17.004 million for the period from January to December 2025, representing deductions from the salaries and wages of its personnel for contributions and loan payments due to the HDMF, and the government share. The total amount remitted, covering both employees' and the government's share, amounted to ₱16.950 million, while ₱217,086.68 was refunded to officials and employees for excess amounts withheld for loan payments when new loans were availed from the HDMF and ₱728.11 was adjusted to reclassify amounts erroneously recorded as reduction from the Other Payables account, or a total adjustment of ₱217,814.79.

52. As of December 31, 2025, the unremitted balance stands at ₱1.471 million. Details are provided in the succeeding table.

Table 63. Summary of HDMF Premiums and Loans Withheld and Remitted in 2025

Particulars	Amount (₱)
Beginning balance, 1/1/2025	1,635,806.38
Amount withheld	17,003,806.29
Adjustments: Increase (Decrease)	(217,814.79)
Net amount withheld	18,421,797.88
Amount remitted	(16,950,487.39)
Ending balance, 12/31/2025	1,471,310.49

53. Out of the ₱1.471 million ending balance, ₱29,862.19 was remitted in January 2026. According to the Accounting Unit, the ending balance as of December 31, 2025, includes unreconciled beginning balances from prior years, which are still under verification.

COMPLIANCE WITH NATIONAL HEALTH INSURANCE ACT OF CY 2013

54. RA No. 7875, also known as the National Health Insurance Act of 1995, as amended by RA No. 9241 and RA No. 10606, aims to provide universal health

care coverage and ensure that health services are affordable, acceptable, available, and accessible to all Filipinos. In compliance with this law, the University is required to withhold monthly PhilHealth contributions from employees' salaries and remit the same to the Philippine Health Insurance Corporation (PHIC) to ensure continued health insurance coverage for its personnel.

55. In CY 2025, the University withheld PhilHealth contributions totaling ₱27.149 million and remitted ₱26.895 million to the PHIC, representing both the government and employees' share of premium contributions for January to December 2025, including premiums for December 2024 amounting to ₱31,387.80 and remittances on behalf of Contract of Service (COS) personnel. Of the total amount withheld, ₱23,899.55 was refunded to employees for excess contributions deducted from their salaries. Corresponding adjustments were made to reflect the actual amounts due, as shown in the following table.

Table 64. Summary of PHIC Premiums Withheld and Remitted in 2025

Particulars	Amount (₱)
Beginning balance, 1/1/2025	934,981.94
Amount Withheld	27,148,795.84
Adjustments: Increase (Decrease)	(23,899.55)
Net amount withheld	28,059,878.23
Remittance:	(26,894,853.33)
Ending balance, 12/31/2025	**1,165,024.90**

56. Out of the ₱1.165 million ending balance, a total of ₱65,551.16 was remitted to PHIC in January 2025, representing both the government share and employees' share in the contributions, to include ₱4,500.00 remitted on behalf of COS personnel for premiums deducted in 2025. According to the Accounting Unit, the ending balance as of December 31, 2025 includes unreconciled balances from prior years, which are still under verification.

PAYMENTS TO CASUALS, JOB ORDERS, CONTRACTUALS, AND CONSULTANTS

57. In CY 2025, WMSU continued to engage the services of casuals, COS, Job Order (JO) and contractual workers to augment its current workforce composed of 839 regular personnel. As at year-end, it had a total of nine casual, 284 COS, 16 JO, and six contractual personnel.

58. The University paid a total of ₱66.890 million to casuals, contractual, JO and COS personnel in 2025 as summarized in Table 65.

Table 65. Payments to Casuals, Contractual, JO and COS Personnel in CY 2025

Particulars	GF	STF	IGP	All Funds
	(₱)			
Salaries and Wages - Casual / Contractual	4,532,684.50	0	0	4,532,684.50
Janitorial Services-JO/COS	3,465,716.22	7,848,372.66	240,766.61	11,554,855.49

Particulars	GF	STF	IGP	All Funds
	(₱)			
Other General Services- COS	11,897,849.07	29,860,558.64	3,087,518.38	44,845,926.09
Labor and Wages-JO and Student Assistants	1,026,009.01	2,808,350.49	2,121,849.44	5,956,208.94
Total as of December 2025				66,889,675.02

ENFORCEMENT OF COA DISALLOWANCES AND CHARGES

59. The total audit suspensions, disallowances and charges found in the audit of various transactions as of December 31, 2025, based on the Notice of Suspension (NS)/ ND/ Notice of Charge (NC)/ Notice of Settlement of Suspensions and Disallowances/charges (NSSDC) issued by this Commission, are summarized in the succeeding table.

Table 66. Summary of Total Audit Suspensions, Disallowances and Charges.

Beginning Balance 12/31/2024		This period January 1 to December 31, 2025			Ending Balance 12/31/2025
		Adjustments	NS/ND/ NC	NSSDC	
		(₱)			
Notice of Suspension	2,400,586.48	(33,282.82)	0	(1,865,195.68)	502,107.98
Notice of Disallowance	2,324,808.09	0	30,258.04	(26,215.11)	2,328,851.02
Notice of Charge	1,057,073.01	0	0	0	1,057,073.01

60. The adjustment to the balance of the Notice of Suspension amounting to ₱33,282.82 pertains to NS No. 11-003-STF-(11) dated August 24, 2011 which had already matured into ND No. 13-002-STF(11) dated December 12, 2013 as the amount remained included in the outstanding NS balance because no NSSDC had previously been issued to recognize the transfer of the amount of the NS into an ND.

61. The NDs issued prior to the implementation of the 2009 Revised Rules on the Settlement of Accounts (RRSA) remained unsettled, totaling ₱4.700 million, as shown in the following table.

Table 67. Summary of NDs Issued Prior to the Implementation of 2009 RRSA

ND No. and Date	Decision	Amount (₱)
ND No. 2008-006 (02) dated April 21, 2008	The Office of the Regional Director, COA Regional Office No. IX, Zamboanga City issued Decision No. 2010-16 dated October 19, 2010 denying the appeal on the ND No. WMSU-2008-006(02) dated April 21, 2008 on the payment of fixed honorarium to administrative academic officials and employees.	4,653,491.79

ND No. and Date	Decision	Amount (₱)
ND No. WMSU-2005-013 (04) dated March 22, 2005	The Adjudication and Settlement Board issued a Decision dated December 01, 2010 denying the appeal of the previous WMSU President, upholding ND No. WMSU-2005-013(04) dated March 22, 2005 disallowing the payment of excess per diem to the members of the BOR. Note: Partial Settlement was made for a total amount of ₱9,212.50.	46,999.50
Total		4,700,491.29

PART III – STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 156 prior years' recommendations, 94 were implemented, while 62 were unimplemented, as shown in the results of validations presented below:

Ref	Observations	Recommendations	Status of Implementation
CY 2024 AAR, Part II, AO No. 1	The accuracy of the reported balance of the CIB-LCCA-LBP account of the Western Mindanao State University (WMSU or University) as of December 31, 2024, cannot be ascertained due to: i) unreconciled discrepancies amounting to ₱1.972 million; ii) inclusion of unidentified items totaling ₱64,313.93; iii) non-recording of Debit Memoranda totaling ₱2.965 million and unresolved reconciling items from bank errors amounting to ₱322,608.72; and iv) non-recording of deposits or Credit Memoranda amounting to ₱60.850 million. a. Unreconciled balances between the FS for STF and IGP funds and corresponding schedules - ₱1.972 million	We recommended, and Management agreed, to ensure that the balance of the CIB-LCCA-LBP account of the University is adjusted through the following actions by the Accounting Section: 1. Identify the nature of the discrepancy amounting to ₱1.972 million between the FS balances in the STF and IGP with those in the supporting schedules and properly classify these under the correct fund; and	Unimplemented$_1$-Revised (CY 2025 AAR, Part II, Paragraph 1.15)
		2. Reconcile the balances of the CIB-LCCA-LBP account between the FS and the supporting schedules.	Unimplemented$_2$-Revised (CY 2025 AAR, Part II, Paragraph 1.15)
		3. We recommended, and Management agreed, to ensure that the Accounting Section adjusts the balance of the CIB-LCCA-LBP account of the University by securing and collating the necessary documentation regarding the efforts made on the verification, analysis, and validation of the existence of unidentified items amounting to ₱64,313.93, and submitting the same to the Audit Team for evaluation.	Unimplemented$_3$-Reiterated (CY 2025 AAR, Part II, Paragraph 1.15)
		4. Moving forward, we further recommended, and Management agreed to	Implemented$_1$

Ref	Observations	Recommendations	Status of Implementation
	b. Inclusion of Unidentified Items totaling ₱64,313.93 c. Unrecorded Debit Memoranda amounting to ₱2.965 million and Unresolved Reconciling Items on Bank Errors amounting to ₱322,608.72	enhance the existing office procedures to facilitate the prompt recording of reconciling items and collections from other government agencies by including in the Work Instructions of the Accounting Section the proper documentation of all communication made with the bank to support its derecognition from the books of the University.	
	d. Unrecorded Deposits or Credit Memoranda totaling ₱60.850 million	5. We recommended, and Management agreed, to ensure that the Accounting Section adjusts the balance of the CIB-LCCA-LBP account of the University through coordination and communication with the LBP-WMSU Branch to clarify and/or correct the bank errors amounting to ₱322,608.72, and the Debit Memoranda totaling ₱2.965 million as of December 31, 2024, and to ensure that all actions are properly documented.	Unimplemented4- Revised (CY 2025 AAR, Part II, Paragraph 1.22)
		Moving forward, we further recommended, and Management agreed to enhance the existing office procedures to facilitate the prompt recording of reconciling items and collections from other government agencies by including in the Work Instructions of the Accounting Section to: 6. Communicate with the LBP-WMSU Branch on a monthly basis to address	Implemented2

Ref	Observations	Recommendations	Status of Implementation
		any bank errors or Debit Memorandum identified; and	
		7. Properly document all communications made with the bank to support their recognition in the books of the University.	Implemented[3]
		8. We recommended, and Management agreed, to ensure that the Accounting Section adjusts the balance of the CIB-LCCA-LBP account of the University through collaboration with the Office of the VP-RESEL to facilitate the prompt identification of the nature of unrecorded collections amounting to ₱60.850 million, and to ensure that all actions taken are properly documented.	Unimplemented[5]-Revised (CY 2025 AAR, Part II, Paragraph 1.30)
		9. We also recommended, and Management agreed, to ensure that the Office of the VP-RESEL coordinates with the PLs to perform the necessary actions (i.e. identify the projects or programs, contact the funding agency involved) to identify the nature of collections amounting to ₱60.850 million, based on the list to be provided by the Accounting Section, and ensure that all actions taken are properly documented.	Unimplemented[6]-Revised (CY 2025 AAR, Part II, Paragraph 1.31)
		Moving forward, we further recommended, and Management agreed, to enhance the existing office procedures to facilitate the prompt recording of	Unimplemented[7]-Revised (CY 2025 AAR, Part II, Paragraph 1.31)

Ref	Observations	Recommendations	Status of Implementation
		reconciling items and collections from other government agencies by including in the Work Instructions of the PLs to: 10. Proactively coordinate and make timely follow-ups with the funding agency regarding their respective projects and programs; and	
		11. Submit the documents needed by the Cashier Section to enable the recording of collections and issuance of ORs (e.g., validated LDDAP-ADA, validated deposit slips, transmittal letters, etc.).	Unimplemented[3]- Revised (CY 2025 AAR, Part II, Paragraph 1.31)
CY 2024 AAR, Part II, AO No. 2	The balances of the CIB-LCCA-LBP and related payable accounts are understated by ₱6.865 million due to the non-adjustment of stale checks. a. Absence of Internal Guidelines in the Monitoring and Adjustment of Long-Outstanding Checks b. Non-Adjustment of Long-Outstanding Stale Checks	We recommended, and Management agreed, to enhance the existing office procedures to facilitate the accurate reporting of the CIB-LCCA-LBP account through the following: 12. Establishment of internal policies or guidelines incorporating the specific Management's actions or initiatives on the long-outstanding checks, including, but not limited to, the following: i. Monitoring of outstanding checks by the Cashier Section, along with the preparation of related reports; ii. Periodic communication with payees by the designated personnel from the Cashier Section to inquire about the status of outstanding checks; and	Implemented[4]

Ref	Observations	Recommendations	Status of Implementation
		13. Inclusion in the Work Instruction of the designated Cashier personnel, the performance, timing and frequency of the following: i. Confirmation of the status of the long-outstanding checks on a regular basis; ii. Coordination with other offices of the University to contact the payees with long-outstanding checks; and iii. Preparation of a monitoring report on the results of confirmation from payees regarding outstanding checks and any related actions undertaken for submission to the Accounting Section periodically.	Implemented[5]
		14. Inclusion in the Work Instruction of the designated Accounting personnel, the performance, timing and frequency of the following: i. Submission of BRS to the Cashier Section; and ii. Monitoring of cancelled stale checks for possible replacement.	Implemented[6]
		We recommended, and Management agreed, to enhance the existing office procedures to facilitate the accurate reporting of the CIB-LCCA-LBP account through the following: 15. Establishment of	Implemented[7]

Ref	Observations	Recommendations	Status of Implementation
		internal policies or guidelines incorporating the specific Management's actions or initiatives on the long-outstanding checks, including, but not limited to, the preparation of adjusting entries of long-outstanding stale checks by the Accounting Section; and	
		16. Inclusion in the Work Instruction of the designated Accounting personnel, the performance, timing, and frequency of the cancellation or reversion of long-outstanding stale checks pursuant to internal policies of the University and Sections 44 and 45 of the GAM for NGAs to present the correct balance of the CIB-LCCA-LBP account and related liability accounts relative to the stale checks.	Implemented[8]
CY 2024 AAR, Part II, AO No. 3	The Accounts Receivable account of the University, with a net carrying amount of ₱49.235 million as of December 31, 2024, is overstated by a net amount of ₱46.778 million due to an error in the recording of collections pertaining to the receipt of funds from the CHED amounting to ₱16.893 million and misclassification of	We recommended, and Management agreed, to ensure that: 17. MISTO submits the List of Outstanding Balances of Graduate School and College of Law Students as of December 31, 2024 to the Accounting Section; and	Implemented[9]
		18. Moving forward, MISTO submits the List of Outstanding Balances of Graduate School and College of Law Students as of December 31 to the Accounting Section on or before the agreed submission period by both offices to facilitate the	Implemented[10]

Ref	Observations	Recommendations	Status of Implementation
	the balance of the receivables from the Department of Budget and Management (DBM) for the Free Higher Education (FHE) Program amounting to ₱63.671 million, while the accuracy of the reported balance of the said account is also affected by: a) the non-recording of collections of tuition and other school fees from the Graduate School and College of Law students for the first semester of School Year (SY) 2023-2024; and b) the non-accrual of the tuition and other school fees from Graduate and College of Law students for the second semester of SY 2023-2024 and the first semester of SY 2024- 2025, with the corresponding amounts yet to be determined.	recording in the books of accounts.	
		We also recommended, and Management agreed, to ensure that the Accounting Section: 19. Prepare the adjusting entry to correct the error in recording the receipt of funds from CHED for the stipend of students against the Accounts Receivable account to the Other Payables account;	Implemented[11]
		20. Prepare the accounting entry to reclassify the balance of the receivables from DBM as of December 31, 2024, from the Accounts Receivable account to the Due from NGAs account;	Implemented[12]
		21. Monitor the individual accounts of the Graduate School and College of Law students relative to their outstanding dues and identify the details of the corresponding payments through the preparation and maintenance of SLs or an equivalent monitoring document upon receipt of the List of Outstanding Balances from MISTO;	Unimplemented[9]- Revised (CY 2025 AAR, Part II, Paragraph 8.40)
		22. Identify the account/s credited for the receipt of collections from the Graduate School and College of Law students for the First Semester of SY 2023-2024 and prepare the adjusting entry/ies to reclassify these against the balance of the Accounts	Implemented[13]

Ref	Observations	Recommendations	Status of Implementation
		Receivable account as of December 31, 2024;	
		23. Prepare the accounting entries to accrue the outstanding dues from the Graduate School and College of Law students as of December 31, 2024 for the Second Semester and Summer of SY 2023-2024, and for the First Semester of SY 2024-2025; and	Implemented[14]
		24. Reflect the effect of the adjustments under recommendations a, b, d and e in the restated FS for CY 2024.	Implemented[15]
CY 2024 AAR, Part II, AO No. 4	The balance of the Subsidy from National Government account for the year ended December 31, 2024 is understated by a net amount of ₱35.348 million due to errors in a) the timing of recording the Tax Remittance Advices (TRAs) for the months of December 2023 and December 2024 resulting in a net overstatement of ₱1.643 million; b) recording the amount recovered from a contractor for electricity consumption resulting in an overstatement of ₱22,325.80; and c)	We recommended, and Management agreed, to ensure that the Accounting Section: 25. Prepare the necessary adjusting entries to correct the misstatements in the Subsidy from National Government account amounting to ₱1.643 million, Accumulated Surplus/(Deficit) account amounting to ₱5.573 million and Due to BIR account amounting to ₱7.216 million, as a result of the error in the timing of recording the NCA for TRAs;	Implemented[16]
		26. Effect the result of the adjusting entries in the restated FS for CY 2024;	Implemented[17]
		27. File the TRA for taxes withheld for the month of December during the same month to avoid timing differences in the recognition of income from	Implemented[18]

Ref	Observations	Recommendations	Status of Implementation
	deducting the amount payable to the STF for the FHE program of ₱37.012 million from the balance of the said account pending receipt of Notice of Cash Allocation (NCA). a. Non-adherence to Section 38 (d), Chapter 5, Volume 1 of the GAM for NGAs in the recognition of the constructive receipt and remittance of taxes through TRAs – net overstatement ₱1.643 million. b. Misclassification of the amount recovered from a contractor for electricity consumption amounting to ₱22,325.80 under the Subsidy from National Government account instead of the Miscellaneous Income account, contrary to the description of accounts per RCA under COA Circular No. 2020-001. c. Funds payable to WMSU STF for	the constructive receipt of NCA for TRA, otherwise, record the TRA under the Subsidy from National Government account during the period the taxes were constructively remitted or the TRAs were filed with the BIR;	
		28. Record the constructive receipt of NCA for TRA by debiting the Cash-Tax Remittance Advice account and crediting the Subsidy from National Government account upon filing of the TRA starting January 2025; and	Implemented[19]
		29. Record the constructive remittance of taxes to the BIR through TRA by debiting the Due to BIR account and crediting the Cash-Tax Remittance Advice starting January 2025.	Implemented[20]
		We recommended, and Management agreed, to ensure that the Accounting Section: 30. Prepare the necessary adjusting entries to reclassify the ₱22,325.80 from the Subsidy from National Government account to the Miscellaneous Income account;	Implemented[21]
		31. Effect the adjustments in the restated FS for CY 2024 together with the other material misstatements; and	Implemented[22]
		32. Refrain from recording other income sources under the Subsidy	Implemented[23]

Ref	Observations	Recommendations	Status of Implementation
	the FHE Program amounting to ₱37.012 million were erroneously deducted from the balance of the Subsidy from National Government account despite the non-recognition of related income pending receipt of NCA.	from National Government account starting January 2025.	
		We recommended, and Management agreed, to ensure that the Accounting Section: 33. Prepare the necessary adjusting entries to correct the understatement in the Subsidy from National Government account by crediting the said account and debiting the Accounts Payable account by ₱37.012 million; and	Implemented[24]
		34. Effect the adjustments in the restated FS for CY 2024.	Implemented[25]
CY 2024 AAR, Part II, AO No. 5	The Property, Plant and Equipment (PPE) accounts as of December 31, 2024 is overstated by a net amount of ₱400,384.44 due to: a) non-application of the prescribed change in ERV from 10 per cent to five per cent of the cost of PPE relative to fully depreciated items, which resulted in the understatement of the Accumulated Depreciation accounts by ₱0.792 million, and b) the carrying amounts of two PPE items were lower than the ERV, which resulted in the	We recommended, and Management agreed, to ensure that the Accounting Section: 35. Implement the change of ERV from 10 per cent to five per cent on the remaining PPE items with a cost totaling ₱18.738 million as presented in Appendix M;	Implemented[26]
		36. Prepare the entries to record the necessary adjustments for the additional depreciation due to the change in ERV from 10 per cent to five per cent by crediting the corresponding Accumulated Depreciation accounts by a total amount of ₱0.792 million and debiting the Accumulated Surplus/(Deficit) account by the same amount;	Implemented[27]
		37. Effect the recorded	Implemented[28]

Ref	Observations	Recommendations	Status of Implementation
	overstatement of the Accumulated Depreciation accounts by ₱391,732.53.	adjustments in the restated FS for CY 2024; and	
		38. Prepare the entries to record the necessary adjustments for the PPE items with recorded net carrying amounts lower than the ERV by debiting the Accumulated Depreciation- School Buildings and Accumulated Depreciation-Office Equipment by ₱138,302.98 and ₱253,429.55, respectively, and crediting the Accumulated Surplus/(Deficit) account by ₱391,732.53.	Implemented[29]
CY 2024 AAR, Part II, AO No. 6	The accuracy and existence of the balances of the University's Inventory and PPE accounts with carrying amounts of ₱13.813 million and ₱560.667 million, respectively, as of December 31, 2024, cannot be ascertained due to: a. Recording of acquisitions upon processing of payments rather than when items were accepted based on the IAR, contrary to the provisions under Section 15, Chapter 8 and Section 44, Chapter 10 of the GAM for NGAs.	We recommended, and Management agreed to: 39. Incorporate in the Procedures Manual of the SO and PMO the submission of the IAR and supporting documents pertaining to goods delivered, inspected and accepted during the month to the Accounting Section every last working day of the month;	Implemented[30]
		40. Ensure that the Accounting Section records the acquisitions of Inventory and PPE items during the period when the goods are accepted based on the IARs rather than based on the DVs;	Unimplemented[10]-Revised (CY 2025 AAR, Part II, Paragraph 5.10)
		41. Ensure that the Accounting Section provides explanations on the existence of several items as presented in Appendix P, that were recorded in the books prior to their inspection and	Unimplemented[11]-Reiterated (CY 2025 AAR, Part II, Paragraph 5.11)

Ref	Observations	Recommendations	Status of Implementation
	b. Non-conduct of the periodic physical count, which is not in conformity with the provisions of Section 13, Chapter 8 and Section 38, Chapter 10 of the GAM for NGAs.	acceptance; and	
		42. Assign additional staff to assist the PPELC and SLC keeper in preparing and maintaining the ledger cards.	Implemented[31]
		We recommended, and Management agreed to: 43. Update the composition or members of the Inventory Committee to reflect the recent movements/changes in personnel;	Implemented[32]
		44. Include in the Office Order designating the members of the Inventory Committee and their duties and responsibilities, such as: i. The frequency and timing of the conduct of the physical count on all inventory and PPE items in a year; ii. The preparation of the RPCI and RPCPPE; and iii. The deadline for submission of the RPCI and RPCPPE to the Accounting Section, and the COA Office, as required under the GAM for NGAs.	Unimplemented[12]-Revised (CY 2025 AAR, Part II, Paragraph 5.21)
		45. Expedite the filling of the vacant positions, specifically one Supply Officer III, two Property Custodians, and two Clerk III, as provided in the ROSS, to facilitate the efficient distribution of responsibilities among the PMO Staff;	Unimplemented[13]-Revised (CY 2025 AAR, Part II, Paragraph 5.21)

Ref	Observations	Recommendations	Status of Implementation
		46. Ensure that the predecessor Supply Officer properly turns over all necessary documents and reports to the incumbent Supply Officer; and	Unimplemented[14]-Revised (CY 2025 AAR, Part II, Paragraph 5.21)
		47. Capacitate the personnel of the PMO and SO by sending them to attend seminars and training related to property and supply management.	Implemented[33]
CY 2024 AAR, Part II, AO No. 7	The accuracy of the Inventory accounts of the University, with a total carrying amount of ₱13.813 million as of December 31, 2024, cannot be ascertained due to the non-recording of issuances of inventory items for the year 2024 contrary to Sections 7 and 16, Chapter 8, Volume I of the GAM for NGAs.	Considering the above observations, we recommended that Management enhance the existing office procedures to facilitate accurate inventory reporting by including in the Work Instructions of: 48. The Administrative Officer I of the Supply Office – i. The preparation of RSMI for the Supply Office; ii. The consolidation of RSMIs from the University Clinic, Cashier Section, University Press, Garment Shoppe, Laboratory Stock Room of the College of Science and Mathematics and the Supply Office; iii. The submission of the consolidated RSMI to the OIC-Head of the Supply Office by the third day of the following month for review; iv. To make corrections to the consolidated RSMI when necessary;	Unimplemented[15]-Reiterated (CY 2025 AAR, Part II, Paragraph 6.21)

Ref	Observations	Recommendations	Status of Implementation
		v. The transmittal of the consolidated RSMI, after review by the OIC-Head of the Supply Office, both in printed (duly signed) and soft copy, to the Accounting Section by the fifth day of the ensuing month; and vi. Maintenance of a logbook or any equivalent document, which includes at a minimum the name of the report submitted, the complete name and signature of the recipient, and the date;	
		49. The OIC-Head of the SO, the review of consolidated RSMIs before submission of the same to the Accounting Section;	Unimplemented[16]- Reiterated (CY 2025 AAR, Part II, Paragraph 6.27)
		50. The personnel concerned in the University Clinic, Cashier Section, University Press, Garment Shoppe and Laboratory Stock Room of the College of Science and Mathematics – i. The preparation of stock cards for the inventoriable items received from the SO as prescribed in Appendix 58, Volume II of the GAM for NGAs; ii. The preparation of RSMI in two copies as prescribed in Appendix 64, Volume II of the GAM; iii. The submission of Copy 2 of RSMI, both in printed (duly signed) and soft copy, on a staggered or	Unimplemented[17]- Reiterated (CY 2025 AAR, Part II, Paragraph 6.22)

Ref	Observations	Recommendations	Status of Implementation
		regular basis, provided that their due date of submission to the Supply Office shall be on or before the latter's due date of submission to the Accounting Section; and iv. Maintenance of a logbook or any equivalent document, which includes, at a minimum, the name of the report submitted, the complete name and signature of the recipient, and the date;	
		51. The Accountant I i. The preparation of SLCs for items purchased beginning January 2025 upon the recording of the same in its respective inventory account; and ii. The accomplishment of RSMI.	Implemented[34]
CY 2024 AAR, Part II, AO No. 8	The accuracy and existence of the balance of Due from NGAs account, as reported by the University, amounting to ₱9.769 million cannot be ascertained due to errors and deficiencies totaling ₱9.997 million. a. Over deduction of the refund received from DPWH – ZS 2nd DEO against the	We recommended, and Management agreed, to ensure that the Accounting Section: 52. Prepare the necessary adjusting entries to correct the over-deduction of ₱424,039.78 from the balance of the Due from NGAs account as of December 31, 2024 by debiting the said account and crediting the Construction-in-Progress Buildings and Other Structures account by ₱424,039.78;	Implemented[35]
		53. Report the effect of the adjustments under recommendation a on the	Implemented[36]

Ref	Observations	Recommendations	Status of Implementation
	Due from NGAs account in CY 2023 amounting to ₱424,039.78 b. Non-derecognition of receivables from DepEd for the SHS billing for which OR was already issued in December 2022; collection from DepEd for the SHS program for which OR was already issued in December 2022 but the setup of the related receivables cannot be established; and unsubstantiated balances for further verification.	restated FS for CY 2024; and	
		54. Prepare and maintain GL and SLs for the Due from NGAs account starting CY 2025.	Unimplemented[18]- Revised (CY 2025 AAR, Part II, Paragraph 13.18)
		We recommended, and Management agreed, to ensure that the Accounting Section: 55. Retrieve the billings to DepEd for the SHS Program SY 2021-2022 and the related JEVs to determine whether the receivables for the fund releases for batch 2 totaling ₱50,000.00 were set up under the Due from NGAs account and submit a copy thereof and the results of the investigation to the Audit Team;	Unimplemented[19]- Revised (CY 2025 AAR, Part II, Paragraph 8.31)
		56. Conduct verification on the details of the ₱5.533 million to determine the underlying transactions included therein and identify whether the ₱50,000.00 due from DepEd was among these;	Unimplemented[20]- Reiterated (CY 2025 AAR, Part II, Paragraph 8.31)
		57. Review the JEVs to identify whether the collections from DepEd as accounted for under OR Nos. 1329584 and 1329585 amounting to ₱3.990 million and ₱50,000.00 were reclassified from the Other Payables account to other account/s;	Unimplemented[21]- Reiterated (CY 2025 AAR, Part II, Paragraph 8.31
		58. Upon resolution of recommendation c, prepare the necessary adjusting entry to reclassify the amount received from	Unimplemented[22]- Reiterated (CY 2025 AAR, Part II, Paragraph 8.31)

Ref	Observations	Recommendations	Status of Implementation
		DepEd for the SHS Program by debiting the account initially used and crediting the Due from NGAs account; and	
		59. Report the effect of the adjustments under recommendation d on the restated FS for CY 2024.	Unimplemented[23]-Revised (CY 2025 AAR, Part II, Paragraph 8.31)
CY 2024 AAR, Part II, AO No. 9	The accuracy of the balance of the Other Payables account amounting to ₱65.430 million as of December 31, 2024 cannot be ascertained due to the inclusion of: A. Negative balances totaling ₱1.747 million B. Amounts erroneously charged against the Other Payables account and unsubstantiated balances amounting to ₱22.861 million.	We recommended, and Management agreed, to ensure that the Accounting Section: 60. Investigate the cause of the items pertaining to the negative balances classified as APA Union Dues, Faculty Union Dues, Tax Remittance, and PASUC; and	Unimplemented[24]-Revised (CY 2025 AAR, Part II, Paragraph 3.45)
		61. Prepare the necessary accounting entries to reclassify the items to their appropriate accounts based on the results of the investigation and reconciliation under recommendation a; We recommended, and Management agreed, to ensure that the Accounting Section:	Unimplemented[25]-Revised (CY 2025 AAR, Part II, Paragraph 3.45)
		62. Exert effort to review the composition of the Other Payables account, specifically those categorized under the PVB, Various/Others, and Unallocated Difference items;	Unimplemented[26]-Revised (CY 2025 AAR, Part II, Paragraph 3.38)
		63. Prepare the necessary accounting entries to reclassify the items to their apprcpriate accounts based on the results of the investigation and reconciliation under	Unimplemented[27]-Revised (CY 2025 AAR, Part II, Paragraph 3.38)

Ref	Observations	Recommendations	Status of Implementation
		recommendation a;	
		64. Reclassify the balance of the amounts deducted for the settlement of suspensions and disallowances totaling ₱116,018.96 from the Other Payables account to the Trust Liabilities-Disallowance/ Charges account; and	Unimplemented[28]- Reiterated (CY 2025 AAR, Part II, Paragraph 3.15)
		65. Prepare SL for every creditor/contractor/grantor for the items classified as "Various/Others" under the Other Payables account to distinctly classify the items and ensure proper tracking, accountability, and reporting of payables under the said account.	Unimplemented[29]- Revised (CY 2025 AAR, Part II, Paragraph 3.38)
		66. We also recommended to initiate the conduct of an assembly/consultative meeting involving the members of the Provident Fund who are still active in service to discuss, among others, the following matters: a. Whether the Provident Fund is to be restored; b. Assignment of an individual or a group to manage the Provident Fund; and c. How the funds currently held by the University will be transferred to the employee union or other body assigned to manage the Provident Fund.	Unimplemented[30]- Reiterated (CY 2025 AAR, Part II, Paragraph 3.11)
CY 2024 AAR, Part II,	The accuracy and validity of the balance of the Due to NGAs account,	We recommended, and Management agreed to: 67. Assign additional	Implemented[37]

Ref	Observations	Recommendations	Status of Implementation
AO No. 10	as reported by the University as of December 31, 2024 amounting to ₱151.128 million, cannot be ascertained due to the inadequacy of subsidiary records maintained to monitor the funds from various Source Agencies (SAs) as required under COA Circular No. 94-013 and Appendix 6 of Volume II of the GAM for NGAs.	personnel to prepare and maintain subsidiary records for the monitoring of the funds from SAs accounted for under the Due to NGAs account;	
		68. Ensure that the Accounting Section exerts its best effort to retrieve the records/documents from prior years to account for/establish the beginning balances of the fund transfers in the subsidiary records to be maintained as of December 31, 2024;	Unimplemented[31]
		69. Ensure that the Accounting Section includes in the Work Instructions of the Administrative Aide responsible for monitoring the project funds the preparation, updating and maintenance of the appropriate subsidiary records on the status of the funds received from different SAs, to include at least the following: i. Source Agency ii. Program/Project iii. Project Leader iv. Beginning balance v. Date vi.Particulars of transactions vii. Reference documents viii. Debit ix. Credit x. Balance; and	Implemented[30]
		70. Initiate communication/ confirmation with the SAs to reconcile the outstanding or unliquidated balances of the University	Unimplemented[32]

Ref	Observations	Recommendations	Status of Implementation
		as of December 31, 2024.	
CY 2024 AAR, Part II, AO No. 11	Prior period errors in the net amount of ₱23.549 million were not reported retrospectively by restating the opening balance of the affected accounts, which is not in keeping with paragraph 47 of IPSAS 3, thereby affecting the comparability of the financial information.	We recommended, and Management agreed, to ensure that the Accounting Section: 71. Obtain the required technical knowledge on the proper preparation of FS in accordance with IPSAS by attending training and seminars, and familiarization of the requirements of the IPSAS; and	Implemented[39]
		72. Adjust the effect of material prior period errors and other adjustments by restating the comparative amounts for prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restate the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented.	Implemented[40]
CY 2024 AAR, Part II, AO No. 12	The Notes to FS of the University lacked adequate disclosures necessary to provide Management and other users/readers of the FS full understanding of the accounts and amounts presented for more effective decisions and informed judgments as required under IPSAS.	We recommended, and Management agreed, to ensure that the Accounting Section: 73. Obtain the required technical knowledge on the proper preparation of FS in accordance with IPSAS and the GAM by attending training and seminars, and familiarization with the requirements of the IPSAS and GAM for NGAs; and	Implemented[41]
		74. Provide adequate information in the Notes to FS to enhance the understandability of the	Unimplemented[33]-Revised (CY 2025 AAR, Part II, Paragraph 14.21)

Ref	Observations	Recommendations	Status of Implementation
		information disclosed therein relative to the disclosures on the – i. Effect of prior period errors; ii. Carrying amounts of Inventories; iii. Movements of Biological assets; iv. Reconciliation of the carrying amounts of PPE for both comparable periods; v. Reconciliation of actual amounts on a comparable basis (budget) and actual amounts in the FS; vi. Reconciliation of the surplus/(deficit) from ordinary activities with the net cash flow from operating activities; and vii. Information on the Time Deposit Certificate amounting to ₱242,887.41 and the Inter-Agency Fund Transfers amounting to ₱194.558 million and ₱67.081 million for 2023 and 2024, respectively.	
CY 2024 AAR, Part II, AO No. 13	The University settled the final payments on infrastructure projects totaling ₱64.565 million to contractors during CY 2024 despite the non-submission of the as-built plans for the completed projects as required under COA Circular No. 2012-001.	We recommended that Management ensure that the: 75. PPES send correspondence to the contractors of the projects enumerated in Tables 37 and 38 to require the latter to submit the as-built plans for the completed projects within 15 days from receipt of the correspondence;	Implemented[42]
		76. PPES forward the submitted documents to the Accounting Section;	Implemented[43]
		77. Accounting Section	Implemented[44]

Ref	Observations	Recommendations	Status of Implementation
		submit the documents to the COA Office upon submission by the PPES;	
		78. PPES and the TIC incorporate the assessment of the adequacy and completeness of the as-built plans/drawings submitted by the contractors on the completed projects in their Memorandum to the University President relative to the assessment of the completed works and processing of the final payment; and	Implemented[45]
		79. Accounting Section refrain from processing final payments on infrastructure projects unless the supporting documents, including the as-built plans, are attached thereto.	Implemented[46]
CY 2024 AAR, Part II, AO No. 14	The reliability of the Advances for Payroll, Advances to Special Disbursing Officer and Advances to Officers and Employees account, with total carrying amounts of ₱446,214.00, ₱0.799 million, and ₱1.937 million, respectively, cannot be ascertained due to the dormant balances and outstanding advances that remained unliquidated	We recommended that Management ensure the liquidation of the outstanding advances as of December 31, 2024 totaling ₱2.483 million pursuant to Section 89 of PD No. 1445 and Section 5.8 of COA Circular No. 97-002, dated February 10, 1997, through the following initiatives to be performed by the Accounting Section: 80. Issuance of demand letters directly addressed to the concerned officers and employees with unliquidated advances, with each demand letter containing, at a minimum, the following information:	Implemented[47]

Ref	Observations	Recommendations	Status of Implementation
	totaling ₱2.483 million, contrary to Section 89 of PD No. 1445.	i. Date of Issuance ii. Reference number of demand letter; iii. Details of the outstanding unliquidated cash advance (e.g. date granted, amount, purpose, disbursement voucher no., etc.); iv. Statement indicating non-compliance due to non-liquidation within allowable period; v. Number of days allotted to the concerned officer and employee to liquidate their cash advance/s from the date of receipt of demand letter; vi. Sanctions for non-compliance with the demand to liquidate within the prescribed period; and vii. Reference to relevant rules and regulations;	
		81. Preparation of necessary documentation in cases where demand letters cannot be issued, including records of efforts exerted to determine the unavailability of contact information; and	Unimplemented[34]-Revised (CY 2025 AAR, Part II, Paragraph 15.24)
		82. Initiate the request for the write-off of dormant accounts subject to the rules and regulations provided in COA Circular No. 2016-005 dated December 19, 2016.	Unimplemented[35]-Revised (CY 2025 AAR, Part II, Paragraph 15.24)
		Moving forward, we further recommended that Management enhance the existing office procedures to facilitate the liquidation of cash advances and proper disclosure in the FS	

Ref	Observations	Recommendations	Status of Implementation
		through the following: 83. Include in the Work Instructions of the Accounting Staff who prepares the report on the unliquidated cash advances to submit the report to the University Accountant on a monthly basis;	Implemented[48]
		84. Include in the Work Instructions of the University Accountant to: i. Prepare and issue demand letters directly addressed to the officers and employees with cash advances due for liquidation, on a quarterly basis, based on the unliquidated cash advances report submitted by the Accounting Staff; ii. Coordinate with other offices to determine the addresses and contact numbers of officers and employees with unliquidated cash advances, such as the Human Resource Management Office, Heads and Directors of offices and Deans of the Colleges; and iii. Ensure that the demand letters are duly received by the concerned officer and employee with complete details, such as complete name, signature and date of receipt.	Implemented[49]
		85. The University Accountant to disclose the	Implemented[50]

Ref	Observations	Recommendations	Status of Implementation
		information that substantially affects the Advances account of the University in the Notes to FS for CY 2025, including the claims from SDO for a total amount of ₱332,986.36.	
CY 2024 AAR, Part II, AO No. 15	The University did not submit the monthly and year-end trial balances, Disbursement Vouchers, Reports of Collections and Deposits, Official Receipts, validated Deposit Slips, Bank Reconciliation Statements, year-end financial statements, and supporting documents within the period prescribed under existing law, rules, and regulations. a. Delay in the submission of RCI and DVs b. Delay in the submission of RCDs, ORs and validated Deposit Slips c. Delay in the submission of BRS	We recommended that Management enhance the existing office procedures to facilitate the prompt submission of the documents and reports to the audit team by including in the Work Instructions of: 86. The Administrative Aides of the Cashier Section assigned in the preparation of RCI and submission of DVs and SDs: i. The preparation of the RCI (which will also serve as the transmittal to the Accounting Section), which contains a list of the DVs for checks claimed by the payees on a particular day and submit these along with the corresponding DVs and SDs to the Accounting Section on a staggered basis or more frequently during the month to minimize the workloads at the end of the month; and ii. Preparation of the RCI for all checks drawn for a particular month and submit the same to the Accounting Section within two days of the ensuing month;	Implemented[51]

Ref	Observations	Recommendations	Status of Implementation
		87. The Accounting Section the preparation of the CDJ and CkDJ instead of the Cashier Section; and	Implemented[52]
		88. The Payroll Section the responsibility for the proper filing of SDs, particularly the DTRs, before submission of the same to the Accounting Section.	Implemented[53]
		We also recommended that Management: 89. Ensure that the Accounting Section submits the DVs and SDs for checks that were drawn for a particular month (e.g., January) but released in the subsequent month (e.g., February) during the following month (e.g., February) or earlier, once the DVs are complete, filing DVs and SDs for each month separately;	Unimplemented[36]
		90. Ensure that the Cashier Section and Accounting Section maintain a Logbook and include the following data therein when transmitting documents, beginning January 2025: i. Document reference numbers, such as DV numbers, RCI date, etc.; ii. Complete printed name of the recipient; and iii. Date of receipt – by another Section or by the reviewer within the same Unit;	Implemented[54]
		91. We recommended	Implemented[55]

Ref	Observations	Recommendations	Status of Implementation
		that Management enhance the existing office procedures to facilitate the prompt submission of the documents and reports to the audit team by including in the Work Instructions of the Administrative Aide assigned in the preparation of the RCD and the RECAP to utilize the summarized reports that can be generated from the ARIS-Cashier Subsystem in the preparation of the RCD and RECAP.	
		We also recommended that Management ensure that the MISTO: 92. Conduct an orientation to the users in the Finance Office on the reports that can be generated from the system and submit a certification or attendance sheet to the COA to confirm that the orientation has been conducted; and	Implemented[56]
		93. Enhance the Collection Report by Fees Category in the ARIS Cashier Sub-system to include the data on the payment method.	Unimplemented[57]
		94. Ensure that the Cashier Section and Accounting Section maintain a logbook and include the following data in their logbook when transmitting documents, beginning January 2025: i. Document reference numbers, such as OR numbers, RCD date, etc.;	Implemented[57]

Ref	Observations	Recommendations	Status of Implementation
		ii. Complete printed name of the recipient; and iii. Date of receipt – by another section or by the reviewer within the same unit.	
		95. We recommended that Management enhance the existing office procedures to facilitate the prompt submission of the documents and reports to the audit team by including in the Work Instructions of the Accounting Section that the University Accountant provides the transaction data from the LBP weAccess to the preparer of the BRS through email within five days of the ensuing month.	Implemented[58]
		96. We also recommended that Management ensure that the Cashier Section and Accounting Section maintain a logbook and include the following data in their logbook when transmitting documents, beginning January 2025: a. Document reference numbers, such as DV numbers, OR numbers, RCI date, etc.; b. Complete printed name of the recipient; and c. Date of receipt – by another section or by the reviewer within the same unit.	Implemented[59]
CY	The non-	We recommended that	

Ref	Observations	Recommendations	Status of Implementation
2024 AAR, Part II, AO No. 16	adherence by the University with various provisions of COA Circular No. 2020-006 dated January 31, 2020 relative to the One-Time Cleansing of PPE Account Balances resulted in deficiencies and delays in the implementation of the procedures as prescribed therein, which eventually hindered the University from availing of the opportunity to come up with reliable balances of its PPE accounts that are verifiable as to existence, condition and accountability. a. Creation of an Inventory Committee and Preparation of a PIP b. Adoption of uniform property identification system for PPE wherein a unique Property number shall be assigned for each PPE Item c. Use of new Property Stickers containing the information	Management: 97. Issue an Office Order/Memorandum to reconstitute the Inventory Committee for the purpose of the conduct of one-time cleansing of PPE account balances; and	Implemented[38]
		98. Specify the assignments or duties of the Inventory Committee members and the period for the conduct and completion of the physical inventory in the PIP.	Unimplemented[38]-Revised (CY 2025 AAR, Part II, Paragraph 18.17)
		99. We further recommended that Management ensure that the Inventory Committee complete the physical inventory in three months or less, with members of the Inventory Committee temporarily relieved of all their regular duties to devote their full time to the conduct of the physical inventory taking until the same is completed.	Unimplemented[39]-Reiterated (CY 2025 AAR, Part II, Paragraph 18.17)
		100. We recommended that Management ensure that the Inventory Committee adopt the uniform property identification system for PPE wherein a unique Property Number shall be assigned for each PPE item, as prescribed in Paragraph 5.6 of the Circular, in that the first four digits will represent the year of purchase, the next two digits correspond to the PPE sub-major account group, followed by two digits for the GL	Unimplemented[40]-Revised (CY 2025 AAR, Part II, Paragraph 18.23)

Ref	Observations	Recommendations	Status of Implementation
	provided under Paragraph 5.7 of the Circular d. Preliminary activities prior to the conduct of inventory taking, during inventory taking, and reconciliation of inventory count per RPCPPE with property and accounting records	account number, the next four digits represent the serial number, and the final two digits correspond to the location or office.	
		101. We recommended that Management ensure that the Inventory Committee use the prescribed format under Paragraph 5.7 of the Circular for the new Property Stickers to contain the Property Number, description of the property, model number, serial number, acquisition date and cost, person accountable and a space for the validation and signature of the Inventory Committee.	Implemented[61]
		We recommended that Management ensure that prior to the conduct of the actual inventory by the Inventory Committee, the: 102. PMO obtain the latest RPCPPE or, in the absence of the same, require each office to submit a list of existing PPE;	Unimplemented[41]-Revised (CY 2025 AAR, Part II, Paragraph 18.17)
		103. Accounting Section updates its record of acquisition/disposal/transfer of PPEs in the PPELCs and ensures that the balances therein tally with the balances of the controlling PPE accounts in the GL; and	Unimplemented[42]-Revised (CY 2025 AAR, Part II, Paragraph 18.17)
		104. PMO and Accounting Section compare the latest report on the RPCPPE/Inventory with the PPELCs.	Unimplemented[43]-Revised (CY 2025 AAR, Part II, Paragraph 18.17)

Ref	Observations	Recommendations	Status of Implementation
		We further recommended that Management ensure that the Inventory Committee: 105. Properly fill out the columns for the new Property Number assigned and the quantity per physical count in the ICF;	Unimplemented[44]- Revised (CY 2025 AAR, Part II, Paragraph 18.17)
		106. Identify whether there are PPEs found at station but not included in the inventory working papers and indicate the same in the Remarks column of the ICF; and	Unimplemented[45]- Revised (CY 2025 AAR, Part II, Paragraph 18.17)
		107. Adhere to the guidelines per Paragraphs 6.2.10 and 6.2.13 of the Circular on the preparation and submission of the RPCPPE.	Unimplemented[46]- Revised (CY 2025 AAR, Part II, Paragraph 18.17)
CY 2024 AAR, Part II, AO No. 17	The University did not adhere to the requirements pertaining to the necessary information to be reflected in the POs and the IARs as prescribed under Appendix 61 and Appendix 62, respectively, of Volume II of the GAM for NGAs.	108. Moving forward, we recommended that Management ensure that the: a. Supply Officer i. Update the format of the IAR to include the IAR Number, date of the IAR, fund cluster name/code, responsibility center code, and the date of the invoice, as prescribed in Appendix 62 of GAM for NGAs and ensure that the dates in the IAR are properly accomplished/labeled when preparing the document; ii. Conduct a review of the completeness of the data in the "Inspection" section of the IAR as accomplished by the inspectors before	Unimplemented[47]

Ref	Observations	Recommendations	Status of Implementation
		affixing a signature in the "Acceptance" section of the IAR;	
		109. Inspectors properly place a checkmark "✓" in the "Inspection" section of the IAR, or include necessary information regarding the condition of the items received before signing the same; and	Implemented[82]
		110. Procurement Office to include all the necessary information prescribed under Appendix 61 of Volume II of the GAM for NGAs in the preparation and accomplishment of the PO, including details such as the date of delivery, the brand name of the procured items as quoted by the winning supplier, the terms of delivery, and the date of conformance by the supplier.	Implemented[83]
CY 2024 AAR, Part II, AO No. 18	The existing procedures of the University for the inspection of goods delivered were not in conformance with Section 15 of Chapter 8 and Section 19 of Chapter 10 of the GAM for NGAs, affecting the accuracy and reliability of the IAR. a. Preparation of the IAR after the inspection, instead of before the inspection as prescribed under	We recommended that Management enhance its existing procedures on the inspection of goods delivered to the University starting CY 2025, by incorporating in the Work Instructions of the Supply Officer to: 111. Prepare four copies of IAR prior to the inspection of goods;	Implemented[84]
		112. Refrain from completing the date of inspection and acceptance in the IAR during its preparation;	Implemented[85]
		113. Provide complete details of the item descriptions and specifications of the items	Implemented[86]

Ref	Observations	Recommendations	Status of Implementation
	Section 15, Chapter 8 of Volume I of the GAM for NGAs. b. The dates of the inspection and acceptance in the IAR are indicated by the Supply Officer upon preparation of the same, rather than when the deliveries were inspected by the Inspector and accepted by the Supply Officer. d. Other members of the Inspection Committee only affix their signatures in the IAR despite not being present during the actual inspection of the deliveries; d. Item descriptions and specifications indicated in the IAR were solely based on the PO rather than the detailed specifications indicated in the DR e. The Inspector does not retain a copy of the IAR	in the IAR based on the PO and DR, and ensure they are itemized;	
		114. Submit four copies of the IAR to the Inspector during the inspection; and	Implemented[67]
		115. Transmit Copy 2 of the completed IAR to the Inspector after the goods have been fully delivered, in order, and inspected.	Implemented[68]
		We recommended that Management enhance its existing procedures on the inspection of goods delivered to the University starting CY 2025, by incorporating in the Work Instructions of:	
		116. The Supply Officer to write the date of acceptance in the IAR only after the items are fully delivered, in order, and inspected by the Inspector; and	Implemented[69]
		117. Members of the BOI to write the date of inspection in the IAR.	Implemented[70]
		118. We recommended for Management to revisit the composition of the Board of Inspectors and their duties and responsibilities and include the same in their Procedures Manual.	Implemented[71]
		119. We also recommended that Management enhance its existing procedures on the inspection of goods delivered to the University starting CY 2025 by incorporating in the Work Instructions of members of the BOI to refrain from	Implemented[72]

Ref	Observations	Recommendations	Status of Implementation
		signing the IAR if not present during the inspection, or to affix their signature only after the goods have been re-inspected.	
		120. Moving forward, we recommended, and Management agreed to ensure that the Procurement Office and BAC prepare the Technical Specifications, Abstract of Bids and PO with proper itemization of the specifications and descriptions, and include references to the same for completeness and consistency of data being carried over among these documents and the IAR.	Unimplemented[48]
		121. We also recommended that Management enhance its existing procedures on the inspection of goods delivered to the University starting CY 2025, by incorporating in the Work Instructions of members of the BOI the review of the consistency of data between the IAR, PO and DR.	Implemented[73]
		122. We recommended that Management enhance its existing procedures on the inspection of goods delivered to the University starting CY 2025, by incorporating in the Work Instructions of members of the BOI to maintain Copy 2 of the signed IAR.	Implemented[74]
CY 2024 AAR	The University was not able to adhere to the provisions of	We recommended that Management ensure that the:	

Ref	Observations	Recommendations	Status of Implementation
Part II, AO No. 19	COA Circular No. 2021-008 on the creation of a Responsibility Center (RC) and RC codes for its GAD Focal Point System and a Subsidiary Ledger for GAD, and Philippine Commission of Women (PCW) Memorandum Circular (MC) No. 2014-05 on the updating of the sex-disaggregated database. A. Non-creation of RC and RC codes and non-preparation of SL for GAD B. Non-updating of SDD on file	123. Budget Section create the RC and RC codes for the GFPS in CY 2025; and	Implemented[75]
		124. Accounting Section maintain SLs ' for GAD-related expenses	Implemented[76]
		125. We recommended that Management ensure that the GRRC adopt a policy on the frequency of updating the University's SDD to provide accurate and relevant input for the development of gender-responsive policies and programs.	Implemented[77]
CY 2023 AAR, Part II, AO no. 3	Existing practices of the University on the recording of receipt and issuance of inventories are not in conformity with the pertinent provisions of Chapter 8 – Inventories, Volume I of the GAM for NGAs and inconsistent with sound internal control practices. a. Non-maintenance of SLC by the Accounting Section b. Computation of	We recommended that Management instruct the: University Accountant to: 126. Ensure that review procedures are in place to prevent errors in computing the cost of inventories using the weighted average method;	Unimplemented[49]-Revised (CY 2025 AAR, Part II, Paragraph 13.18)
		Supply Officer to: 127. Improve review procedures to prevent issuance of inventories without complete signatures of the RIS.	Implemented[78]

Ref	Observations	Recommendations	Status of Implementation
	inventory cost is not prepared by the Accounting Section		
CY 2023 AAR, Part II, AO no. 6	Internal control in the implementation of Universal Access to Quality Tertiary Education is weak manifested by (1) continuing and returning students currently enrolled in the 1st semester of AY 2023-2024 who have completed the prescribed number of years of the course, including the one-year grace period, and are considered ineligible, were still included under the FHE program, and (2) students who were still qualified but were not included in the said program, thus Section 6 (c) of RA No. 10931 was not faithfully observed.	128. We recommended that Management strengthen controls in the implementation of CHED-UniFAST guidelines by conducting orientation sessions to Advisors on the proper application of pertinent provisions of the FHE program and by designating personnel charged with the duty to review the data inputted into the system.	Implemented[79]
CY 2023 AAR, Part II, AO no. 7	The University did not comply with pertinent CSC and DBM issuances on the distribution of full load to members of the faculty who were assigned with workload other than teaching for the 1st semester of SY 2023-24. a. Rendition of less	We recommended that Management: 129. Ensure that the 25:75 ratio as prescribed by the DBM MPCC is strictly followed by: i. allotting at least two hours a day or 10 hours a week of teaching load to all faculty members; and ii. re-evaluating the assignment of designations to faculty and its equivalent	Implemented[80]

Ref	Observations	Recommendations	Status of Implementation
	than eight hours a day b. Non-compliance with 25:75 faculty load ratio c. Inconsistency between the University's Internal Policies with CSC MC No. 19 s. 2005 d. Non-attachment of justification for rendering teaching overload beyond the limit of six hours e. Non-preparation of Faculty Manual	release time; 130. Ensure that guidelines on the distribution of actual teaching load for graduate subjects shall be in conformance with Section 7.13.1.3, Chapter 7 of DBM MPCC, and Chapters 3 and 5 of CSC MC No. 19, s. 2005; 131. Attach the approved justification to Individual Daily Program of a faculty with teaching overload exceeding the maximum of six hours in conformance with Section 2, Chapter XIV of University Code, and Section 4.5 of Doc. No. WMSU-VPAA-GU-001; and	Implemented[81] Implemented[82]
CY 2023 AAR, Part II, AO no. 9	No warranty security was provided nor warranty retention on payments retained for procurement of goods totaling ₱4.520 million which were undertaken though competitive bidding and direct contracting as alternative methods of procurement, contrary to Sections 54.5 and 62.1 of the RIRR of RA No. 9184.	132. We recommended and Management agreed to consistently require in the succeeding procurement of goods the warranty or retain warranty retention money on the payments made to the suppliers in all procurement methods as applicable under Sections 54.5 and 62.1 of the RIRR of RA No. 9184.	Implemented[83]
CY 2023 AAR, Part II, AO no.	Some documentary requirements for procurement of goods conducted under the	133. We recommended and Management agreed to strictly comply with the documentary requirements prescribed under Appendix	Unimplemented[50]

Ref	Observations	Recommendations	Status of Implementation
11	alternative modes of procurement were not attached in the DVs contrary to Annex "H" – Appendix A of the RIRR of RA No. 9184.	A of Annex "H" of the RIRR of RA 9184 for future similar procurement activities using the alternative methods of procurement.	
CY 2023 AAR, Part II, AO no. 15	The DOD over three parcels of land currently used by the University could not be located, thus, title or ownership over the said properties could not be conveyed to the University and consequently, could not be recognized in the books as part of its PPE which could subject the lands to other adverse claims by third party, to the disadvantage of the University.	We recommended that Management: 134. Require the Legal Office to exert efforts to locate the Deed of Donation (DOD) on the subject properties acquired by the University thru donation, otherwise, secure or request a copy of the same from the donor;	Implemented[54]
		135. Pending the titling process of the donated lots, require the registration/ annotation in the Register of Deeds of the DOD in the Certificate of Title, to protect the legal interest if the University pursuant to Section 52 of PD 1529; and	Unimplemented[51]
		136. Require the Accountant, pending recognition in the books of the value of donated properties, to provide disclosures in the Notes to FS regarding real properties acquired through non-exchange transactions or donations pursuant to Section 63, Chapter 3 of PD No.1445.	Implemented[55]
CY 2023 AAR, Part II, AO no. 16	Some faculty members incurred substantial delays in the submission of grades ranging from three months	We recommended and Management agreed to: 137. Submit or post the pending grades in the ARIS for affected subjects;	Implemented[56]

Ref	Observations	Recommendations	Status of Implementation
	to 15 months, affecting a total of 4,253 students for the 1st semester of SY 2023-2024, contrary to Articles 299 and 300, Chapter I of the University Code.	138. Appropriately tag the faculty member handling or teaching a subject in the system to ensure accountability; and	Unimplemented[52]
		139. Strictly comply with the policies set forth in Article 299 of the University Code such that faculties are required to submit the grades on time.	Unimplemented[53]
CY 2023 AAR, Part II, AO no. 17	The University has not adequately provided for safety net to protect its best interest in view of the absence of provisions in the Scholarship Contract or in the approved Board Resolutions on specific penalty in case of non-completion/ fulfillment of obligations by the grantee/scholar under various scholarship programs availed from the University.	140. We recommended that Management revisit the guidelines governing graduate scholarship programs of the University to ensure that the obligations of the grantee/scholar and the corresponding penalty and/or consequences in case of his/her non-fulfillment are clearly defined and established, and that they are included as part of the conditions stipulated in the contract.	Implemented[87]
		141. We also recommended that Management require the University Scholarship Committee to ensure that the grantee to the scholarship program possesses the necessary eligibility criteria/requirements set forth in the approved Board Resolution No. 101, series of 2023.	Implemented[88]
CY 2022 AAR, Part II, AO no. 5	The Biological Assets Property Card (BAPC) and Quarterly Report of Biological Assets (QRBA) were not prepared and submitted contrary	We recommended and Management agreed to require the Biological Assets Caretaker to:	
		142. Maintain BAPC;	Unimplemented[54]
		143. Prepare and submit	Implemented[89]

Ref	Observations	Recommendations	Status of Implementation
	to Chapter 11, Volume I of the GAM for NGAs. Likewise, increases in livestock due to physical changes and price changes were not recorded in the books, thus the accuracy and reliability of the Reported balance of the Biological Assets account as of December 31, 2022, amounting to ₱0.654 million is doubtful.	to the Accounting Office, copy furnish the Auditor, the QRBA; and	
		144. Conduct market scanning to know the fair market values of biological assets.	Unimplemented[55]
CY 2022 AAR, Part II, AO no. 10	Payment of communication allowance to members of BOR and some officials and employees of the University for a total of ₱414,585.00 is not in conformance with COA Circular No. 2012-003 and PD No. 1445.	145. We recommended that Management prepare and submit to the Audit Team the SLs of temporary accounts.	Unimplemented[56]-Revised (CY 2025 AAR, Part II, Paragraph 13.18)
CY 2022 AAR, Part II, AO no. 14	Procurement of Petroleum, Oil and Lubricants products and airline tickets is inconsistent with Sections 48.1 and 48.3 and some provisions of the Annex H of the RIRR of the RA 9184.	We recommended and Management agreed to: 146. Ensure that a resolution is issued and approved by the Head of the Procuring Entity (HoPE), justifying and recommending the change in the original method of procurement indicated in the Annual Procurement Plan (APP) and to revise the APP and its supplemental APP on the change in the mode of procurement of goods and	Unimplemented[57]-Revised (CY 2025 AAR, Part II, Paragraph 19.13)

Ref	Observations	Recommendations	Status of Implementation
		services;	
		147. In case of a Negotiated Procurement-Direct Retail Purchase mode of procurement is adopted by the University, require the BAC to issue and approve by the HoPE, a resolution delegating a specific official, personnel, committee, or Office to conduct a Direct Retail Purchase; and	Implemented[90]
CY 2022 AAR, Part II, AO no. 15	Defaulting contractors on long-delayed infrastructure projects were not meted with appropriate penalties by the University provided for under Paragraph III.2, Annex A of Government Procurement Policy Board (GPPB) Resolution No. 018-2004 dated December 22, 2004, to the prejudice of the University.	148. Determining the causes of the delay and whether or not the slippages are attributable to the Contractor's fault;	Implemented[91]
		149. Enforcing the appropriate penalties, if any; and	Implemented[92]
		150. Considering the possibility of terminating the contract agreement and undertake by administration the whole or a portion of the unfinished work, or have the whole or a portion of such unfinished work done by another qualified contractor through negotiated contract at the current valuation price.	Implemented[93]
CY 2022 AAR, Part II, AO no. 16	Warranty Security was not utilized for the defects of the College of Medicine Building with an acquisition cost of ₱9.338 million as prescribed under the provision of Section 62.2 of 2016 RIRR of RA 9184, hence, not	We recommended and Management agreed to: 151. Require the Contractor to submit warranty security for five years for structural defects considering the depreciated value of the asset, from the turnover and acceptance date of the project; and	Unimplemented[58]
		152. Come up with a	Unimplemented[59]

Ref	Observations	Recommendations	Status of Implementation
	only exposes the safety of the Agency's clients and the general public to danger but also provided an undue advantage to the Contractor.	monitoring system for completed infrastructure projects to record and monitor regularly their status thru images reflecting the condition of the building at the time of the turnover and acceptance and subsequent years thereafter within a period of five years, duly noted by the Contractor, to ensure demarcation of responsibility and accountability between the University and the concerned Contractor.	
CY 2021 AAR, Part II, AO no. 9	Collections from rentals and electricity consumption of tenants were recorded as Other Service Income, thereby understating Other Business Income and Income from Hostels/Dormitories by ₱31,204.00 and ₱300.00, respectively, and overstating Other Service Income and Electricity Expenses by ₱89,981.70 and ₱58,477.70 respectively.	153. We recommended that Management instruct the Accountant to use the Other Receivables account in recording the electricity consumption of all tenants of the University.	Implemented[94]
CY 2021 AAR, Part II, AO no. 18	Non-posting of the Report on COA Findings and Recommendation, Transparency in Infrastructure Projects and incomplete	154. We recommended, and Management agreed, to instruct the web administrator or his/her equivalent to request for submission from concerned University Offices the required	Unimplemented[95]

Ref	Observations	Recommendations	Status of Implementation
	information in the Transparency Seal contrary to Sections 91, 95 and 96 General Provisions of RA No. 11518 and GPPB Circular No. 01-2021	information and upload the same in the University website.	
CY 2020 AAR, Part II, AO no. 2	No Allowance for Impairment Loss was provided for Loans Receivables - Others amounting to ₱2.154 million whose collectability remains uncertain, contravening Section 10, Chapter 7, Volume I of GAM for NGAs, thus affecting Management's assertion on proper valuation of account.	155. We recommended that Management consider requesting for the write-off of dormant receivables or non-moving receivables per COA Circular No. 2016-005 dated December 19, 2016.	Unimplemented[61]-Revised (CY 2025 AAR, Part II, Paragraph 8.18)
CY 2020 AAR, Part II, AO no. 3	The amount of ₱0.685 million forming part of Due from NGAs and Due from Local Government Units accounts as of December 31, 2020, has been dormant in the books for more than 10 years and no action was taken by Management to have the amount written off from the books pursuant to COA Circular No. 2016-005.	156. We recommended that Management file with COA a request for write-off in accordance with the guidelines for dormant accounts provided for under COA Circular 2016-005.	Unimplemented[62]-Revised (CY 2025 AAR, Part II, Paragraph 8.18)

PART IV

APPENDICES

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WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF FINANCIAL POSITION
As of December 31, 2025
ALL FUNDS
With Comparative Figures for CY 2024

	2025	2024 (As Restated)
ASSETS		
Current Assets		
Cash and Cash Equivalents	₱ 232,977,504.25	₱ 242,584,859.27
Cash on Hand	₱ 181,608.27	₱ 178,213.27
Cash - Collecting Officers	₱ 4,595.00	₱ 1,200.00
Petty Cash	177,013.27	177,013.27
Cash in Bank, Local Currency, Current Account	₱ 232,795,895.98	₱ 242,406,646.00
Cash in Bank, Local Currency, Current Account - Land Bank of the Philippines (LBP)	₱ 232,795,895.98	₱ 242,406,646.00
Receivables	₱ 141,058,408.76	₱ 89,749,534.38
Loans and Receivable Accounts	₱ 17,724,581.02	₱ 12,862,282.56
Accounts Receivables	₱ 34,543,373.40	₱ 29,481,074.94
Allowance for Impairment-Accounts Receivables	16,972,860.88	16,972,860.88
Net Value-Accounts Receivable	₱ 16,570,512.52	₱ 10,508,214.06
Loans Receivables - Others	₱ 2,154,068.50	₱ 2,154,068.50
Allowance for Impairment - Loans Receivables - Others	0	0
Net Value-Loan Receivables - Others	₱ 2,154,068.50	₱ 2,154,068.50
Inter-Agency Receivables	₱ 121,960,870.32	₱ 75,757,909.01
Due from National Government Agencies	₱ 121,946,287.82	₱ 75,743,326.51
Due from Local Government Units	14,582.50	14,582.50
Other Receivables	₱ 1,372,957.42	₱ 1,329,342.61
Receivables - Disallowances Charges	₱ 1,201,805.95	₱ 1,218,250.09
Other Receivables	1,189,043.95	1,128,988.23
Allowance for Impairment-Other Receivables	1,017,895.51	1,017,895.51
Net Value	₱ 171,148.47	₱ 111,092.72
Inventories	₱ 20,023,488.52	₱ 13,813,481.73
Inventory Held for Sale	₱ 4,789,620.05	₱ 4,446,800.00
Merchandise Inventory	₱ 4,789,620.05	₱ 4,446,800.00
Inventory Held for Manufacturing	₱ 5,456,984.23	₱ 4,592,277.73
Raw Materials Inventory	₱ 5,456,984.23	₱ 4,592,277.73
Inventory Held for Consumption	₱ 9,777,884.24	₱ 4,774,404.00
Office Supplies Inventory	₱ 3,654,503.07	₱ 1,605,571.20
Accountable Forms, Plates and Stickers Inventory	1,972,926.00	958,528.00
Drugs and Medicines Inventory	697,187.00	685,252.00
Medical, Dental and Laboratory Supplies Inventory	381,431.46	300,951.46
Other Supplies and Materials Inventory	3,071,834.71	1,224,091.34
Other Current Assets	₱ 28,477,986.83	₱ 9,449,392.80

	2025	2024 (As Restated)
Advances	₱ 5,646,660.72	₱ 2,543,095.02
Advances for Payroll	₱ 2,700.00	₱ 445,214.00
Advances to Special Disbursing Officer	3,576,412.15	372,656.61
Advances to Officers and Employees	2,067,548.57	1,726,224.41
Prepayments	₱ 22,831,326.11	₱ 6,906,297.76
Advances to Contractors	₱ 17,687,064.82	₱ 2,913,288.55
Prepaid Insurance	4,736,457.79	3,585,205.73
Other Prepayments	407,803.50	407,803.50
Total Current Assets	₱ 422,537,386.36	₱ 355,597,268.18
Non - Current Assets		
Property, Plant and Equipment	₱ 579,538,945.99	₱ 581,278,151.62
Land	₱ 7,926,900.00	₱ 7,926,900.00
Land Improvements	₱ 2,019,460.06	₱ 2,109,163.98
Other Land Improvements	₱ 7,984,242.29	₱ 7,984,242.29
Less: Accumulated Depreciation- Other Land Improvements	5,964,782.23	5,875,078.31
Net Value	₱ 2,019,460.06	₱ 2,109,163.98
Infrastructure Assets	₱ 56,429,223.34	₱ 67,306,794.76
Road Networks	₱ 9,900,192.77	₱ 9,900,192.77
Less: Accumulated Depreciation - Road Networks	9,069,888.06	8,880,096.18
Net Value	₱ 830,304.71	₱ 1,020,096.59
Water Supply Systems	₱ 31,311,327.65	₱ 30,951,327.65
Less: Accumulated Depreciation - Water Supply Systems	16,141,455.28	13,556,369.08
Net Value	₱ 15,169,872.37	₱ 17,394,958.57
Power Supply System	₱ 113,243,736.10	₱ 112,722,236.10
Less: Accumulated Depreciation - Power Supply System	74,166,014.84	65,324,321.50
Net Value	₱ 39,077,721.26	₱ 47,397,914.60
Communication Networks	₱ 114,000.00	₱ 114,000.00
Less: Accumulated Depreciation - Communication Networks	108,300.00	108,300.00
Net Value	₱ 5,700.00	₱ 5,700.00
Parks, Plazas and Monuments	₱ 1,500,000.00	₱ 1,500,000.00
Less: Accumulated Depreciation - Parks, Plazas and Monuments	154,375.00	11,875.00
Net Value	₱ 1,345,625.00	₱ 1,488,125.00
Buildings and Other Structures	₱ 317,458,106.33	₱ 316,867,375.45
Office Buildings	₱ 74,795,101.33	₱ 58,850,589.84
Less: Accumulated Depreciation - Buildings	35,122,547.53	33,661,595.91
Net Value	₱ 39,672,553.80	₱ 25,188,993.93
School Buildings	₱ 331,989,242.60	₱ 331,989,242.60
Less: Accumulated Depreciation - School Buildings	119,585,663.36	108,971,049.57
Net Value	₱ 212,403,579.24	₱ 223,018,193.03
Hostel and Dormitories	₱ 19,262,668.02	₱ 19,262,668.02
Less: Accumulated Depreciation - Hostel and Dormitories	12,657,937.76	12,204,690.08
Net Value	₱ 6,604,730.26	₱ 7,058,577.94
Other Structures	₱ 105,275,871.79	₱ 105,275,871.79
Less: Accumulated Depreciation - Other Structures	46,498,629.76	43,654,261.24
Net Value	₱ 58,777,242.03	₱ 61,621,610.55

	2025	2024 (As Restated)
Machinery and Equipment	₱ 71,819,465.84	₱ 71,576,486.52
Machinery	₱ 83,000.00	₱ 83,000.00
Less: Accumulated Depreciation - Machinery	78,890.00	77,535.44
Net Value	₱ 4,160.00	₱ 5,464.56
Office Equipment	₱ 18,224,478.30	₱ 16,377,593.95
Less: Accumulated Depreciation - Office Equipment	12,915,912.49	11,347,039.04
Net Value	₱ 5,308,565.81	₱ 5,030,554.91
Information and Communications Technology Equipment	₱ 35,734,491.28	₱ 28,461,281.28
Less: Accumulated Depreciation-Information and Communications Technology Equipment	22,070,471.18	18,546,914.46
Net Value	₱ 13,664,020.10	₱ 9,914,366.82
Agricultural and Forestry Equipment	₱ 3,524,450.00	₱ 3,524,450.00
Less: Accumulated Depreciation- Agricultural and Forestry Equipment	3,152,185.52	3,127,880.20
Net Value	₱ 372,264.48	₱ 396,569.80
Communications Equipment	₱ 4,599,408.00	₱ 4,599,408.00
Less: Accumulated Depreciation-Communications Equipment	2,808,038.41	2,391,347.90
Net Value	₱ 1,791,369.59	₱ 2,208,060.10
Military, Police and Security Equipment	₱ 562,142.00	₱ 562,142.00
Less: Accumulated Depreciation- Military, Police and Security Equipment	126,867.75	74,414.67
Net Value	₱ 435,274.25	₱ 477,727.33
Medical Equipment	₱ 37,697,342.00	₱ 37,359,342.00
Less: Accumulated Depreciation - Medical Equipment	9,378,485.25	6,073,594.80
Net Value	₱ 28,318,856.75	₱ 31,285,747.14
Printing Equipment	₱ 6,866,000.00	₱ 6,866,000.00
Less: Accumulated Depreciation - Printing Equipment	2,399,762.87	1,908,992.87
Net Value	₱ 3,466,237.13	₱ 3,957,007.13
Sports Equipment	₱ 257,000.00	₱ 257,000.00
Less: Accumulated Depreciation - Sports Equipment	97,659.84	73,244.88
Net Value	₱ 159,340.16	₱ 183,755.12
Technical and Scientific Equipment	₱ 36,572,448.43	₱ 34,245,112.43
Less: Accumulated Depreciation- Technical and Scientific Equipment	22,212,828.97	19,904,053.00
Net Value	₱ 14,359,619.46	₱ 14,341,059.43
Other Equipment	₱ 6,471,042.85	₱ 5,756,895.85
Less: Accumulated Depreciation - Other Equipment	2,521,274.74	1,980,922.27
Net Value	₱ 3,949,768.11	₱ 3,777,973.58
Transportation Equipment	₱ 15,336,344.01	₱ 16,021,976.85
Motor Vehicles	₱ 34,449,099.45	₱ 32,463,905.42
Less: Accumulated Depreciation - Motor Vehicles	19,112,755.44	16,441,928.57
Net Value	₱ 15,336,344.01	₱ 16,021,976.85
Furniture, Fixtures and Books	₱ 1,306,807.62	₱ 624,862.36
Furniture and Fixtures	₱ 3,667,151.04	₱ 2,847,946.00
Less: Accumulated Depreciation - Furniture and Fixtures	2,360,343.42	2,223,083.64
Net Value	₱ 1,306,807.62	₱ 624,862.36
Construction in Progress	₱ 107,059,702.18	₱ 98,639,684.14
Construction in Progress-Infrastructure Assets	₱ 1,271,431.60	₱ 1,271,431.60
Construction in Progress-Buildings and Other Structures	105,788,270.58	97,368,452.54
Other Property, Plant and Equipment	₱ 182,947.52	₱ 202,707.56
Other Property, Plant and Equipment	₱ 1,944,324.00	₱ 1,944,324.00
Less: Accumulated Depreciation - Other Property, Plant and Equipment	1,761,376.48	1,741,616.44
Net Value	₱ 182,947.52	₱ 202,707.56

		2025		2024 (As Restated)
Biological Assets	₱	726,000.00	₱	726,000.00
Consumable Biological Assets				
Livestock held for consumption/sale/distribution	₱	726,000.00	₱	726,000.00
Intangible Assets	₱	5,292,000.00	₱	5,292,000.00
Computer Software	₱	0	₱	307,800.00
Development in Progress-Computer Software		5,292,000.00		4,984,200.00
Other Assets	₱	17,804,063.22	₱	17,804,063.22
Total Non-Current Assets	₱	603,361,009.12	₱	605,100,214.34
TOTAL ASSETS	₱	1,026,898,397.48	₱	960,697,483.02
LIABILITIES AND NET ASSETS / EQUITY				
Liabilities				
Current Liabilities				
Financial Liabilities	₱	42,545,371.69	₱	64,440,478.49
Payables	₱	42,545,371.69	₱	64,440,478.49
Accounts Payables	₱	29,195,252.73	₱	53,110,375.81
Due to Officers and Employees		13,351,118.96		11,330,102.68
Inter-Agency Payables	₱	192,484,054.74	₱	169,384,323.24
Due to BIR	₱	8,313,129.41	₱	7,926,188.87
Due to GSIS		8,061,306.15		7,757,634.54
Due to Pag-IBIG		1,471,310.49		1,035,805.38
Due to PhilHealth		1,165,024.90		934,981.94
Due to NGAs		173,473,293.79		151,127,711.51
Trust Liabilities	₱	16,315,611.06	₱	16,796,550.76
Guaranty / Security Deposits Payable	₱	16,315,611.06	₱	16,796,550.76
Other Payables	₱	100,137,503.83	₱	82,530,079.46
Total Current Liabilities	₱	351,483,551.32	₱	333,151,431.95
Net Assets/Equity				
Equity				
Government Equity	₱	674,414,846.16	₱	627,546,051.07
Accumulated Surplus/(Deficit)	₱	674,414,846.16	₱	627,546,051.07
TOTAL LIABILITIES AND NET ASSETS/EQUITY	₱	1,025,898,397.48	₱	960,697,483.02

	2025		
	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Non - Current Assets			
Property, Plant and Equipment	₱ 434,206,442.78	₱ 137,893,119.37	₱ 7,440,383.75
Land	₱ 7,926,900.00	₱ 0	₱ 0
Land Improvements	₱ 582,335.08	₱ 1,457,114.98	₱ 0
Other Land Improvements	₱ 5,023,350.75	₱ 2,360,891.54	₱ 0
Less: Accumulated Depreciation- Other Land Improvements	5,081,015.67	903,776.56	0
Net Value	₱ 582,335.08	₱ 1,457,114.98	₱ 0
Infrastructure Asses	₱ 49,222,819.03	₱ 6,983,504.31	₱ 342,900.00
Road Networks	₱ 1,410,387.60	₱ 8,490,105.17	₱ 0
Less: Accumulated Depreciation - Road Networks	1,268,878.84	7,890,809.22	0
Net Value	₱ 141,508.76	₱ 599,295.95	₱ 0
Water Supply Systems	₱ 25,381,331.46	₱ 5,569,996.19	₱ 360,000.00
Less: Accumulated Depreciation - Water Supply Systems	13,284,438.97	2,839,916.31	17,100.00
Net Value	₱ 12,096,892.49	₱ 2,730,079.88	₱ 342,900.00
Power Supply System	₱ 93,356,505.81	₱ 19,886,829.29	₱ 0
Less: Accumulated Depreciation - Power Supply System	57,717,314.03	16,448,400.81	0
Net Value	₱ 35,639,292.78	₱ 3,438,428.48	₱ 0
Communication Networks	₱ 0	₱ 114,000.00	₱ 0
Less: Accumulated Depreciation - Communication Networks	0	108,300.00	0
Net Value	₱ 0	₱ 5,700.00	₱ 0
Parks, Plazas and Monuments	₱ 1,500,000.00	₱ 0	₱ 0
Less: Accumulated Depreciation - Parks, Plazas and Monuments	154,375.00	0	0
Net Value	₱ 1,345,625.00	₱ -	₱ -
Buildings and Other Structures	₱ 242,490,389.16	₱ 74,136,329.16	₱ 831,686.99
Office Buildings	₱ 51,403,485.66	₱ 22,288,527.44	₱ 1,133,088.23
Less: Accumulated Depreciation - Buildings	33,145,692.63	1,675,453.68	301,401.24
Net Value	₱ 18,257,793.03	₱ 20,583,073.76	₱ 831,686.99
School Buildings	₱ 287,190,560.01	₱ 44,798,582.59	₱ 0
Less: Accumulated Depreciation - School Buildings	105,460,805.31	14,124,858.05	0
Net Value	₱ 181,729,354.70	₱ 30,673,724.54	₱ 0
Hostel and Dormitories	₱ 12,890,567.35	₱ 5,071,060.64	₱ 0
Less: Accumulated Depreciation - Hostel and Dormitories	10,043,067.43	2,014,060.33	0
Net Value	₱ 2,847,599.95	₱ 3,757,130.31	₱ 0
Other Structures	₱ 74,631,336.10	₱ 30,644,833.69	₱ 0
Less: Accumulated Depreciation - Other Structures	34,976,196.52	11,522,433.14	0
Net Value	₱ 39,654,841.48	₱ 19,122,400.55	₱ 0
Machinery and Equipment	₱ 45,605,348.85	₱ 24,013,409.99	₱ 2,202,707.00
Machinery	₱ 83,300.00	₱ 0	₱ 0
Less: Accumulated Depreciation - Machinery	78,850.00	0	0
Net Value	₱ 4,150.00	₱ 0	₱ 0
Office Equipment	₱ 8,928,536.95	₱ 8,020,241.30	₱ 475,600.00
Less: Accumulated Depreciation - Office Equipment	7,224,305.60	5,489,556.79	202,350.16
Net Value	₱ 1,704,631.35	₱ 3,330,684.52	₱ 273,249.84
Information and Communications Technology Equi	₱ 20,902,513.28	₱ 13,595,088.00	₱ 1,235,790.00
Less: Accumulated Depreciation-Information and Communications Technology Equipment	12,774,416.04	8,176,554.64	1,119,500.50
Net Value	₱ 8,128,197.24	₱ 5,418,533.36	₱ 116,289.50
Agricultural and Forestry Equipment	₱ 3,266,500.00	₱ 257,950.00	₱ 0
Less: Accumulated Depreciation- Agricultural and Forestry Equipment	3,103,175.00	49,010.52	0
Net Value	₱ 163,325.00	₱ 208,939.48	₱ 0

	2025		
	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Communications Equipment	₱ 148,900.00	₱ 4,450,698.00	₱ 0
Less: Accumulated Depreciation-Communications Equipment	141,360.00	2,666,678.41	0
Net Value	₱ 7,440.00	₱ 1,783,929.59	₱ 0
Military, Police and Security Equipment	₱ 277,142.00	₱ 275,000.00	₱ 0
Less: Accumulated Depreciation- Military, Police and Security Equipment	55,023.45	71,844.30	0
Net Value	₱ 222,118.55	₱ 203,155.70	₱ 0
Medical Equipment	₱ 36,363,747.00	₱ 1,333,595.00	₱ 0
Less: Accumulated Depreciation - Medical Equipment	8,700,224.51	678,260.74	0
Net Value	₱ 27,663,522.49	₱ 655,334.26	₱ 0
Printing Equipment	₱ 55,000.00	₱ 2,804,000.00	₱ 3,007,000.00
Less: Accumulated Depreciation - Printing Equipment	41,364.90	803,615.47	1,554,722.50
Net Value	₱ 13,635.10	₱ 2,000,384.53	₱ 1,452,277.50
Sports Equipment	₱ 0	₱ 257,000.00	₱ 0
Less: Accumulated Depreciation - Sports Equipment	0	97,659.84	0
Net Value	₱ 0	₱ 159,340.16	₱ 0
Technical and Scientific Equipment	₱ 20,679,570.43	₱ 15,610,368.00	₱ 92,480.00
Less: Accumulated Depreciation- Technical and Scientific Equipment	16,099,401.61	7,066,413.52	47,015.84
Net Value	₱ 6,580,168.82	₱ 8,743,954.48	₱ 35,466.16
Other Equipment	₱ 2,556,320.85	₱ 3,394,275.00	₱ 520,447.00
Less: Accumulated Depreciation - Other Equipment	440,160.55	1,886,091.19	196,023.00
Net Value	₱ 2,116,160.30	₱ 1,508,183.81	₱ 324,424.00
Transportation Equipment	₱ 9,430,322.02	₱ 3,623,333.04	₱ 2,052,598.95
Motor Vehicles	₱ 23,104,951.45	₱ 8,580,548.00	₱ 2,783,600.00
Less: Accumulated Depreciation - Motor Vehicles	13,674,629.43	4,757,214.96	680,901.05
Net Value	₱ 9,430,322.02	₱ 3,823,333.04	₱ 2,052,598.95
Furniture, Fixtures and Books	₱ 962,928.94	₱ 343,878.68	₱ 0
Furniture and Fixtures	₱ 2,904,981.04	₱ 762,170.00	₱ 0
Less: Accumulated Depreciation - Furniture and Fixtures	1,942,052.10	418,291.32	0
Net Value	₱ 962,928.94	₱ 343,878.68	₱ 0
Construction in Progress	₱ 78,906,599.70	₱ 27,072,611.87	₱ 1,980,390.81
Construction in Progress-Infrastructure Assets	₱ 0	₱ 1,271,431.80	₱ 0
Construction in Progress-Buildings and Other Structures	78,906,599.70	25,801,180.07	1,980,390.81
Other Property, Plant and Equipment	₱ 0	₱ 182,947.52	₱ 0
Other Property, Plant and Equipment	₱ 0	₱ 1,944,324.00	₱ 0
Less: Accumulated Depreciation - Other Other Property, Plant and Equipment	0	1,761,376.48	0
Net Value	₱ 0	₱ 182,947.52	₱ 0
Biological Assets	₱ 0	₱ 726,060.00	₱ 0
Consumable Biological Assets			
Livestock held for consumption/sale/distribution	₱ 0	₱ 726,060.00	₱ 0
Intangible Assets	₱ 0	₱ 5,292,060.00	₱ 0
Computer Software	₱ 0	₱ 0	₱ 0
Development in Progress-Computer Software	0	5,292,060.00	0
Other Assets	₱ 10,339,735.09	₱ 7,664,338.13	₱ 0
Total Non-Current Assets	₱ 444,445,177.87	₱ 181,476,447.58	₱ 7,440,383.75
TOTAL ASSETS	₱ 479,362,328.04	₱ 602,472,960.93	₱ 83,073,388.51

	2025		
	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
LIABILITIES AND NET ASSETS / EQUITY			
Liabilities			
Current Liabilities			
Financial Liabilities	₱ 17,892,145.65	₱ 23,681,137.40	₱ 993,088.64
Payables	₱ 17,892,145.65	₱ 23,681,137.40	₱ 993,088.64
Accounts Payables	₱ 14,776,907.27	₱ 13,591,715.00	₱ 827,530.46
Due to Officers and Employees	3,116,138.38	10,089,422.40	165,558.18
Inter-Agency Payables	₱ 17,238,244.33	₱ 175,199,679.05	₱ 145,141.36
Due to BIR	₱ 6,710,303.25	₱ 1,495,951.05	₱ 105,575.11
Due to GSIS	8,951,306.15	0	0
Due to Pag-IBIG	1,346,021.51	95,522.73	39,766.25
Due to PhilHealth	1,121,613.42	44,911.48	(1,500.00)
Due to NGAs	0	173,473,293.79	0
Trust Liabilities	₱ 8,874,617.50	₱ 7,179,059.19	₱ 261,934.37
Guaranty / Security Deposits Payable	₱ 8,874,617.50	₱ 7,179,059.19	₱ 261,934.37
Other Payables	₱ 12,779,188.71	₱ 87,243,160.78	₱ 115,154.34
Total Current Liabilities	₱ 56,784,196.19	₱ 293,194,036.42	₱ 1,515,318.71
Net Assets/Equity			
Equity			
Government Equity	₱ 413,567,831.85	₱ 299,288,941.51	₱ 51,558,069.80
Accumulated Surplus/(Deficit)	₱ 413,567,831.85	₱ 299,288,941.51	₱ 51,558,069.80
TOTAL LIABILITIES AND NET ASSETS/EQUITY	₱ 470,352,028.04	₱ 592,472,977.93	₱ 53,073,388.51

WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended December 31, 2025
ALL FUNDS
With Comparative Figure for CY 2024

	2025	2024 (As Restated)
Revenue		
Service and Business Income		
Service Income		
Registration Fees	₱ 364,956.25	₱ 454,668.00
Clearance and Certification Fees	3,461,555.00	3,595,702.00
Other Service Income	89,779,884.40	89,247,851.06
Total Service Income	₱ 93,606,395.65	₱ 93,298,221.06
Business Income		
School Fees	₱ 96,840,656.12	₱ 97,230,568.70
Affiliation Fees	6,266,825.00	6,970,105.00
Rent / Lease Income	2,804,687.14	3,971,756.15
Dividend Income	216.00	1,880.83
Interest Income	155,032.53	165,071.21
Other Business Income	16,735,996.13	24,003,772.97
Total Business Income	₱ 122,803,412.92	₱ 132,342,932.86
Donations		
Donations in Kind	₱ 129,900.00	₱ 1,500,000.00
Total Revenue	₱ 216,539,708.57	₱ 227,142,153.92
Less: Current Operating Expenses		
Personnel Services		
Salaries and Wages		
Salaries and Wages - Regular	₱ 558,068,328.42	₱ 492,674,289.58
Salaries and Wages - Casual / Contractual	4,532,684.50	3,038,032.54
Total Salaries and Wages	₱ 562,601,010.92	₱ 495,712,322.12
Other Compensation		
Personnel Economic Relief Allowance (PERA)	₱ 20,246,837.60	₱ 19,868,721.80
Representation Allowance (RA)	2,064,125.00	2,015,500.00
Transportation Allowance (TA)	2,064,125.00	1,993,936.00
Clothing/ Uniform Allowance	5,677,000.00	5,543,000.00
Subsistence Allowance	35,920.98	33,119.31
Laundry Allowance	5,625.00	5,125.00
Honoraria	22,740,604.15	25,884,585.44
Hazard Pay	364,036.76	318,671.25
Longevity Pay	54,456.46	3,635.27
Overtime and Night Pay	1,495,694.29	2,134,226.85
Year End Bonus	87,543,891.80	43,860,918.30
Cash Gift	4,180,500.00	4,134,250.00
Mid-Year Bonus	5,483,016.00	40,685,945.72
Other Bonuses and Allowances	47,543,500.00	4,419,000.00
Total Other Compensation	₱ 199,599,332.84	₱ 150,900,634.94
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	₱ 67,201,444.16	₱ 59,433,744.41
PAG-IBIG Contributions	2,335,488.08	2,013,703.64
PhilHealth Contributions	12,896,793.76	11,686,713.86
Employees Compensation Ins. Premiums	1,022,197.98	1,005,131.00
Total Personnel Benefit Contributions	₱ 83,157,884.00	₱ 74,139,292.91
Other Personnel Benefits		
Terminal Leave Benefits	₱ 2,680,818.19	₱ 10,810,332.49
Other Personal Benefits	889,448.05	36,587,500.00
Total Other Personnel Benefits	₱ 3,570,266.24	₱ 47,397,832.49
Total Personnel Services	₱ 848,928,494.00	₱ 768,150,082.46

	2025	2024 (As Restated)
Maintenance and Other Operating Expenses		
Traveling Expenses		
Traveling Expenses-Local	₱ 7,224,314.01	₱ 11,799,031.26
Traveling Expenses-Foreign	901,955.37	795,522.48
Total Traveling Expenses	₱ 8,126,269.38	₱ 12,594,553.74
Training and Scholarship Expenses		
Training Expenses	₱ 3,825,859.18	₱ 4,565,324.72
Scholarship Grants / Expenses	3,460,952.85	2,388,561.56
Total Training and Scholarship Expenses	₱ 7,286,812.03	₱ 6,953,886.28
Supplies and Materials Expenses		
Office Supplies Expenses	₱ 145,232.50	₱ 643,998.38
Accountable Forms Expenses	0	3,000.00
Food Supplies Expenses	571,827.10	1,445,694.20
Drugs and Medicines Expenses	17,102.75	189,772.30
Medical, Dental and Laboratory Supplies Expenses	0	525,844.00
Fuel, Oil and Lubricants Expenses	1,104,015.73	1,734,691.98
Agricultural and Marine Supplies Expenses	232,790.00	0
Textbooks and Instructional Materials Expenses	0	58,800.00
Semi-Expendable Machinery and Equipment Expenses	11,922,397.35	10,512,788.50
Semi-Expendable Furniture, Fixtures and Books Expenses	6,520,584.30	1,792,620.50
Other Supplies and Materials Expenses	5,175,074.29	5,892,001.29
Total Supplies and Materials Expenses	₱ 25,689,024.02	₱ 22,785,411.13
Utility Expenses		
Water Expenses	₱ 220,852.95	₱ 451,659.79
Electricity Expenses	26,930,668.44	23,750,752.30
Total Utility Expenses	₱ 27,151,521.39	₱ 24,202,412.09
Communication Expenses		
Postage and Courier Expenses	₱ 27,721.59	₱ 90,204.67
Telephone Expenses	2,115,196.55	1,929,454.35
Internet Subscription Expenses	7,867,478.56	8,069,967.33
Total Communication Expenses	₱ 10,010,397.02	₱ 10,089,626.35
Awards/Rewards and Prizes		
Awards/Rewards Expenses	₱ 287,200.00	₱ 1,905,820.00
Prizes	570,000.00	299,000.00
Total Awards/Rewards and Prizes	₱ 857,200.00	₱ 2,204,820.00
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	₱ 203,525.50	₱ 150,000.00
Total Confidential, Intelligence and Extraordinary Expenses	₱ 203,525.50	₱ 150,000.00
Professional Services		
Consultancy Services	₱ 3,861,883.26	₱ 599,200.00
Other Professional Services	48,817,891.99	55,274,157.10
Total Professional Services	₱ 52,299,775.25	₱ 55,873,357.10
General Services		
Janitorial Services	₱ 11,554,855.49	₱ 10,933,806.46
Security Services	19,068,452.50	15,956,696.61
Other General Services	44,345,926.09	44,213,194.92
Total General Services	₱ 75,359,234.48	₱ 71,105,696.99
Repairs and Maintenance		
Repairs and Maintenance-Infrastructure Assets	₱ 15,600.00	₱ 0
Repairs and Maintenance-Buildings and Other Structures	279,570.65	1,509,988.00
Repairs and Maintenance-Machinery and Equipment	318,799.00	401,038.29
Repairs and Maintenance-Transportation Equipment	560,250.09	580,967.70
Repairs and Maintenance-Furniture and Fixtures	34,306.00	0
Repairs and Maintenance-Other Property, Plant and Equipment	31,030.00	209,110.66
Total Repairs and Maintenance	₱ 1,239,555.74	₱ 2,701,104.65
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	₱ 881,157.34	₱ 533,769.33
Fidelity Bond Premiums	617,525.97	619,286.25
Insurance Expense	4,683,305.77	486,968.34
Total Taxes, Insurance Premiums and Other Fees	₱ 6,182,989.08	₱ 1,640,023.92
Labor and Wages		
Labor and Wages	₱ 8,374,816.44	₱ 7,735,969.98

	2025	2024 (As Restated)
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	₱ 0	₱ 70,000.00
Printing and Publication Expenses	3,120,976.01	6,230,562.28
Representation Expenses	6,007,597.52	7,749,905.62
Transportation and Delivery Expenses	116,508.50	198,327.95
Rent / Lease Expense	2,772,000.00	2,681,637.15
Membership Dues and Contributions to Organizations	560,341.30	384,070.35
Subscription Expenses	4,785,577.32	2,215,586.81
Other Maintenance and Operating Expenses	3,748,613.72	6,172,808.10
Total Other Maintenance and Operating Expenses	₱ 21,112,514.47	₱ 25,702,898.24
Total Maintenance and Other Operating Expenses	₱ 242,392,834.30	₱ 243,734,760.47
Direct Costs	₱ 4,946,117.88	₱ 7,431,556.73
Non-Cash Expenses		
Depreciation		
Depreciation-Land Improvements	₱ 89,713.92	₱ 89,713.92
Depreciation-Infrastructure Asset	11,759,071.42	11,646,435.86
Depreciation-Buildings and Other Structures	15,353,781.81	14,152,159.07
Depreciation-Machinery and Equipment	12,256,598.03	8,508,190.13
Depreciation-Transportation Equipment	2,570,826.97	1,603,788.58
Depreciation-Furniture, Fixtures and Books	137,259.78	69,727.08
Depreciation-Other Property, Plant, and Equipment	19,760.04	19,760.04
Total Depreciation	₱ 42,287,011.57	₱ 36,089,774.68
Current Operating Expenses	₱ 1,138,554,457.35	₱ 1,055,406,174.34
Surplus (Deficit) from Current Operations	₱ (922,614,749.28)	₱ (928,264,020.42)
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs		
Subsidy from National Government	₱ 971,517,006.31	925,114,583.14
Less: Assistance/Subsidy to		
Subsidies-Others	3,936,884.52	6,229,705.04
Net Financial Assistance/Subsidy	₱ 967,580,121.79	₱ 918,884,878.10
Non-Operating Income		
Miscellaneous Income		
Miscellaneous Income	145,904.85	577,798.43
Surplus (Deficit) for the period	₱ 45,591,277.36	₱ 91,198,656.11

WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended December 31, 2025
PER FUNDS

	2025		
	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Revenue			
Service and Business Income			
Service Income			
Registration Fees	₱ 0	₱ 384,958.35	₱ 0
Clearance and Certification Fees	0	3,461,555.00	0
Other Service Income	0	89,775,497.45	4,388.76
Total Service Income	₱ 0	₱ 91,601,908.80	₱ 4,388.76
Business Income			
School Fees	₱ 0	₱ 96,840,696.12	₱ 0
Affiliation Fees	0	8,268,825.60	0
Rent / Lease Income	0	3,804,697.14	0
Dividend Income	0	216.80	0
Interest Income	0	134,544.62	20,407.71
Gross Other Business Income	0	3	16,735,996.13
Total Business Income	₱ 0	₱ 109,048,829.08	₱ 16,761,493.84
Donations			
Donations in Kind	₱ 129,900.00	₱ 0	₱ 0
Total Revenue	₱ 129,900.00	₱ 191,040,537.38	₱ 16,765,879.28
Less: Current Operating Expenses			
Personnel Services			
Salaries and Wages			
Salaries and Wages - Regular	₱ 538,066,326.42	₱ 0	₱ 0
Salaries and Wages - Casual / Contractual	4,532,584.50	0	0
Total Salaries and Wages	₱ 542,601,910.92	₱ 0	₱ 0
Other Compensation			
Personnel Economic Relief Allowance (PERA)	₱ 39,246,837.60	₱ 0	₱ 0
Representation Allowance (RA)	2,064,125.00	0	0
Transportation Allowance (TA)	2,064,125.00	0	0
Clothing / Uniform Allowance	5,977,000.00	0	0
Subsistence Allowance	39,020.98	0	0
Laundry Allowance	5,625.00	0	0
Honoraria	5,107,472.28	17,429,471.87	200,880.00
Hazard Pay	364,036.76	0	0
Longevity Pay	54,458.48	0	0
Overtime and Night Pay	1,495,694.29	0	0
Year End Bonus	37,543,691.66	0	0
Cash Gift	4,180,500.00	0	0
Mid-Year Bonus	6,483,016.00	0	0
Other Bonuses and Allowances	47,643,500.00	0	0
Total Other Compensation	₱ 161,664,209.17	₱ 17,429,471.87	₱ 200,880.00
Personnel Benefit Contributions			
Retirement and Life Insurance Premiums	₱ 67,201,444.16	₱ 0	₱ 0
PAG-IBIG Contributions	2,036,488.80	0	0
PhilHealth Contributions	12,896,753.76	0	0
Employees Compensation Ins. Premiums	1,032,197.88	0	0
Total Personnel Benefit Contributions	₱ 83,167,884.60	₱ 0	₱ 0
Other Personnel Benefits			
Terminal Leave Benefits	₱ 3,680,818.19	₱ 0	₱ 0
Other Personal Benefits	889,648.05	0	0
Total Other Personnel Benefits	₱ 4,570,466.24	₱ 0	₱ 0
Total Personnel Services	₱ 831,296,362.13	₱ 17,429,471.87	₱ 200,880.00
Maintenance and Other Operating Expenses			
Travelling Expenses			
Traveling Expenses-Local	₱ 3,467,765.17	₱ 3,798,048.84	₱ 0
Traveling Expenses-Foreign	0	901,555.30	0
Total Traveling Expenses	₱ 3,467,765.17	₱ 4,699,604.31	₱ 0
Training and Scholarship Expenses			
Training Expenses	₱ 2,875,344.21	₱ 950,514.97	₱ 0
Scholarship Grants / Expenses	706,365.20	2,954,587.64	0
Total Training and Scholarship Expenses	₱ 3,581,709.41	₱ 3,905,102.61	₱ 0
Supplies and Materials Expenses			
Office Supplies Expenses	₱ 24,960.60	₱ 120,003.06	₱ 1,100.00
Accountable Forms Expenses	0	0	0
Food Supplies Expenses	63,927.80	468,302.70	38,919.50
Drugs and Medicines Expenses	0	17,102.75	0
Medical,Dental and Laboratory Supplies Expenses	0	0	0
Fuel, Oil and Lubricants Expenses	240,936.82	857,878.91	0
Agricultural and Marine Supplies Expenses	0	0	232,790.00
Textbooks and Instructional Materials Expenses	0	0	0
Semi-Expendable Machinery and Equipment Expenses	5,016,006.39	9,078,331.46	328,029.50
Semi-Expendable Furniture, Fixtures and Books Expenses	2,098,243.60	4,432,340.60	0
Other Supplies and Materials Expenses	841,056.56	4,225,890.73	108,127.00
Total Supplies and Materials Expenses	₱ 8,278,179.97	₱ 19,701,366.06	₱ 708,963.70

	2025		
	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Utility Expenses			
Water Expenses	₱ 62,913.98	₱ 157,939.97	₱ 0
Electricity Expenses	12,221,845.27	16,708,823.17	0
Total Utility Expenses	₱ 12,284,759.25	₱ 16,866,762.14	₱ 0
Communication Expenses			
Postage and Courier Expenses	₱ (56,344.53)	₱ 56,056.12	₱ 0
Telephone Expenses	1,134,602.23	980,594.32	0
Internet Subscription Expenses	4,843,698.98	2,923,760.00	0
Total Communication Expenses	₱ 5,917,956.68	₱ 3,961,446.44	₱ 0
Awards/Rewards and Prizes			
Awards/Rewards Expenses	₱ 168,800.00	₱ 118,300.00	₱ 0
Prizes	55,000.00	515,000.00	0
Total Awards/Rewards and Prizes	₱ 223,800.00	₱ 633,300.00	₱ 0
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	₱ 203,625.00	₱ 0	₱ 0
Total Confidential, Intelligence and Extraordinary Expenses	₱ 203,625.00	₱ 0	₱ 0
Professional Services			
Consultancy Services	₱ 0	₱ 3,681,883.20	₱
Other Professional Services	16,173,277.07	30,447,614.92	₱ 0
Total Professional Services	₱ 16,173,277.07	₱ 34,129,498.16	₱ 0
General Services			
Janitorial Services	₱ 3,465,716.22	₱ 7,848,372.66	₱ 246,756.61
Security Services	7,255,099.14	11,703,366.76	0
Other General Services	11,697,849.07	29,860,559.64	3,097,516.38
Total General Services	₱ 22,818,651.43	₱ 49,412,298.06	₱ 3,328,284.99
Repairs and Maintenance			
Repairs and Maintenance-Infrastructure Assets	₱ 0	₱ 10,600.00	₱ 0
Repairs and Maintenance-Buildings and Other Structures	73,218.03	200,902.82	5,450.00
Repairs and Maintenance-Machinery and Equipment	133,456.00	186,343.00	0
Repairs and Maintenance-Transportation Equipment	161,327.00	306,923.89	0
Repairs and Maintenance-Furniture and Fixtures	11,673.00	20,460.00	2,173.00
Repairs and Maintenance-Other Property, Plant and Equipment	0	31,030.00	0
Total Repairs and Maintenance	₱ 379,674.03	₱ 882,258.71	₱ 7,623.00
Taxes, Insurance Premiums and Other Fees			
Taxes, Duties and Licenses	₱ 726,287.34	₱ 870.00	₱ 154,000.00
Fidelity Bond Premiums	511,525.97	0	0
Insurance Expense	4,660,305.77	0	0
Total Taxes, Insurance Premiums and Other Fees	₱ 5,027,219.08	₱ 870.00	₱ 154,000.00
Labor and Wages			
Labor and Wages	₱ 1,803,228.51	₱ 2,948,740.69	₱ 2,121,849.44
Other Maintenance and Operating Expenses			
Advertising, Promotional and Marketing Expenses	₱ 0	₱ 0	₱ 0
Printing and Publication Expenses	752,682.00	1,699,885.21	666,206.60
Representation Expenses	3,249,394.21	2,745,043.41	10,250.00
Transportation and Delivery Expenses	17,173.50	63,956.00	35,479.00
Rent / Lease Expense	0	2,772,600.00	0
Membership Dues and Contributions to Organizations	102,500.00	457,841.30	0
Subscription Expenses	28,463.57	4,757,213.75	0
Other Maintenance and Operating Expenses	796,734.36	2,932,739.36	19,140.00
Total Other Maintenance and Other Operating Expenses	₱ 4,947,147.64	₱ 15,429,279.03	₱ 730,087.60
Total Maintenance and Other Operating Expenses	₱ 57,854,982.04	₱ 147,691,143.03	₱ 7,056,668.10
Financial Expenses			
Financial Expenses			
Bank Charges - Loans/Borrowings	₱ 0	₱ 0	₱ 0
Total Financial Expenses	₱ 0	₱ 0	₱ 0
Direct Costs	₱ 0	₱ 0	₱ 4,848,117.88
Non-Cash Expenses			
Depreciation			
Depreciation-Land Improvements	₱ 0	₱ 89,713.92	₱ 0
Depreciation-Infrastructure Asset	10,117,152.48	1,624,808.64	17,100.00
Depreciation-Buildings and Other Structures	11,720,932.55	3,569,791.74	43,057.32
Depreciation-Machinery and Equipment	8,526,144.21	1,435,872.50	301,781.32
Depreciation-Transportation Equipment	1,353,948.50	1,184,502.92	152,375.45
Depreciation-Furniture, Fixtures and Books	64,663.70	72,496.08	0
Depreciation-Other Property, Plant, and Equipment	0	19,760.64	0
Total Depreciation	₱ 30,786,841.44	₱ 11,996,656.14	₱ 514,314.09
Current Operating Expenses	₱ 948,986,285.81	₱ 176,947,271.64	₱ 12,726,999.30
Surplus (Deficit) from Current Operations	₱ (948,786,285.81)	₱ 33,791,868.04	₱ 4,838,979.29
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs			
Subsidy from National Government	₱ 971,517,306.31	₱ 0	₱ 0
Less: Assistance/Subsidy to			
Subsidies-Others	1,040,900.00	2,918,364.62	0
Net Financial Assistance/Subsidy	₱ 970,476,406.31	₱ (2,918,364.62)	₱ 0

	2025		
	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Non-Operating Income			
Miscellaneous Income			
Miscellaneous Income	145,964.85	0	0
Surplus (Deficit) for the period	P 21,866,025.55	P 19,786,281.52	P 4,030,970.29

WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF CHANGES IN NET ASSETS / EQUITY
For the Year Ended December 31, 2025
With Comparative Figures for CY 2024

	2025	2024 (As Restated)
Balance at January 1	₱ 628,170,261.02	₱ 566,601,033.05
Add/(Deduct):		
Prior Period Errors	(624,209.95)	(29,523,214.18)
Restated Balance	₱ 627,546,051.07	₱ 537,079,818.87
Add/(Deduct):		
Changes in Net Assets / Equity for the Calendar Year	₱ 46,868,796.09	₱ 90,466,232.20
Surplus (Deficit) for the period	₱ 45,691,277.36	₱ 91,198,656.11
Adjustment of net revenue recognized directly in net assets/equity	1,177,517.73	(732,423.91)
Balance as of December 31	₱ 674,414,846.16	₱ 627,546,051.07

WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF CHANGES IN NET ASSETS / EQUITY
For the Year Ended December 31, 2025

	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Balance at January 1, 2025	₱ 391,958,300.77	₱ 180,436,114.62	₱ 46,786,858.63
Add/(Deduct):			
Prior Period Errors	491,996.48	(650,290.43)	(259,907.00)
Restated Balance	₱ 392,424,297.25	₱ 189,575,824.19	₱ 46,445,929.63
Add/(Deduct):			
Changes in Net Assets/Equity for the Calendar Year:	₱ 21,142,634.50	₱ 19,713,120.32	₱ 5,612,140.17
Surplus (Deficit) for the period	₱ 21,865,035.55	₱ 19,785,281.52	₱ 4,039,970.29
Adjustment of net revenue recognized directly in net assets/equity	(722,400.95)	(72,161.20)	1,572,169.88
Balance as of December 31, 2025	₱ 413,567,831.85	₱ 209,288,944.51	₱ 51,658,069.80

WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025
With Comparative Figures for CY 2024

	2025	2024 (As Restated)
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation		
Receipt of Notice of Cash Allocation	₱ 955,262,649.00	₱ 907,615,614.00
	₱ 955,262,649.00	₱ 907,615,614.00
Collection of Income/Revenues		
Collection of Service and Business Income	₱ 95,684,146.02	₱ 95,080,246.72
	95,684,146.02	95,080,246.72
Collection of Receivables		
Collection of loans and receivables	₱ 25,061.14	₱ 74,343,759.24
Collection of receivable from audit disallowances	0	74,336,845.00
Collection of other receivables	16,441.14	6,914.24
	8,620.00	0
Receipt of Inter-Agency Fund Transfers		
Receipt of funds for the implementation of projects from NGAs/LGUs/GOCCs	₱ 179,268,139.67	₱ 72,623,678.00
	179,268,139.67	72,623,678.00
Trust Receipts		
Receipt of guaranty/security deposits	₱ 126,407.20	₱ 72,220.00
	126,407.20	72,220.00
Other Receipts		
Unused Petty Cash Fund	₱ 70,037,813.22	₱ 44,901,783.53
Refund of overpayment of Personnel Services	689,966.75	430,698.44
Refund of overpayment of Maintenance and Other Operating Expenses	15,652.50	26,312.41
Receipt of refund of cash advances	413,282.64	110,178.15
Other miscellaneous receipts	2,191,386.94	2,479,249.39
	66,727,014.39	41,855,149.25
Adjustments		
Restoration of cash for canceled/lost/stale checks/ADA	₱ 19,128,157.25	₱ 4,948,424.45
	19,128,157.25	4,948,424.45
Total Cash Inflows	₱ 1,323,522,384.30	₱ 1,239,586,926.94
Cash Outflows		
Remittance to National Treasury	₱ 653,842.55	₱ 978,347.82
Payment of Expenses	₱ 690,763,178.64	₱ 722,063,527.40
Payment of personnel services	500,307,433.61	450,253,999.53
Payment of maintenance and other operating expenses	190,445,251.03	271,809,527.87
Payment of financial expenses	10,495.00	0
Purchase of Inventories	₱ 9,303,649.13	₱ 7,002,165.22
Purchase of inventories for distribution	4,956,915.24	0
Purchase of inventory held for consumption	3,536,840.38	6,227,525.92
Purchase of raw materials inventory	809,893.51	774,639.30
Grant of Cash Advances	₱ 62,760,839.00	₱ 49,336,983.57
Advances for operating expenses	697,477.47	430,998.44
Advances for payroll	34,836,511.89	18,903,485.71
Advances for special purpose/time-bound undertakings	12,741,976.79	12,044,522.00
Advances to officers and employees	14,505,372.89	13,958,097.42
Prepayments	₱ 289,669.59	₱ 4,025,146.84
Prepaid Insurance	289,669.59	4,025,146.84
Refund of Deposits	₱ 4,540,271.15	₱ 4,974,979.89
Payment of guaranty deposits	4,540,271.15	4,974,979.89
Payment of Accounts Payable	₱ 90,041,226.70	₱ 126,162,973.19
Remittance of Personnel Benefit Contributions and Mandatory Deductions	₱ 327,549,272.43	₱ 300,096,391.78
Remittance to GSIS/Pag-IBIG/PhilHealth	232,375,969.01	215,990,501.97
Remittance of other payables	95,373,303.42	85,105,889.81
Release of Inter-Agency Fund Transfers	₱ 59,585,300.85	₱ 67,081,449.25
Release of funds to NGAs, GOCCs, LGUs for the implementation of projects	59,585,300.85	67,081,449.25
Other Disbursements	₱ 61,795,487.89	₱ 158,893.68
Refund of cash advances	170,033.35	0
Other disbursements	61,625,454.34	158,893.68
Reversal of Unutilized NCA	₱ 3,004.73	₱ 639.36

	2025	2024 (As Restated)
Adjustments		
Other adjustments - Outflow	₱ 200,665.00	₱ 4,050.00
	200,665.00	4,050.00
Total Cash Outflows	₱ 1,307,803,596.76	₱ 1,279,885,536.90
Net Cash Provided by (Used in) Operating Activities	₱ 10,916,977.54	₱ (50,293,610.85)
Cash Flows from Investing Activities		
Cash Inflows		
Total Cash Inflows	₱ 0	₱ 0
	₱ 0	₱ 0
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	₱ 25,524,232.66	₱ 22,432,288.09
Purchase of machinery and equipment	1,210,970.54	4,543,907.14
Purchase of transportation equipment	1,676,207.15	9,251,914.28
Construction in progress	6,326,492.53	7,559,386.78
Purchase of other property, plant and equipment	90,000.00	0
Advances to contractors	16,220,562.34	1,077,079.09
Total Cash Outflows	₱ 25,524,232.66	₱ 22,432,288.09
Net Cash Provided by (Used in) Investing Activities	₱ (25,524,232.66)	₱ (22,432,288.09)
Cash Flows From Financing Activities		
Cash Inflows	₱ 0	₱ 0
Total Cash Inflows	₱ 0	₱ 0
Cash Outflows	₱ 0	₱ 0
Total Cash Outflows	₱ 0	₱ 0
Net Cash Provided by (Used in) Financing Activities	₱ 0	₱ 0
Increase (Decrease) in Cash and Cash Equivalents	₱ (9607,355.02)	₱ (72,731,898.90)
Cash and Cash Equivalents, January 1	242,584,859.37	315,316,758.22
Cash and Cash Equivalents, December 31	₱ 232,977,504.35	₱ 242,584,859.37

WESTERN MINDANAO STATE UNIVERSITY
DETAILED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Cash Flows From Operating Activities			
Cash Inflows			
Receipt of Notice of Cash Allocation			
Receipt of Notice of Cash Allocation	₱ 869,261,849.00	₱ 0	₱ 0
	₱ 869,261,849.00	₱ 0	₱ 0
Collection of Income/Revenues			
Collection of Service and Business Income	₱ 0	₱ 77,040,281.91	₱ 17,119,854.91
	0	77,040,281.91	17,119,854.91
Collection of Receivables			
Collection of loans and receivables	₱ 3,237.00	₱ 21,824.14	₱ 0
Collection of receivable from audit disallowances	0	0	0
Collection of other receivables	3,237.00	10,284.14	
	0	9,600.00	0
Receipt of Inter-Agency Fund Transfers			
Receipt of funds for the implementation of projects from NGAs/LGAs/GOCCs	₱ 0	₱ 179,258,139.67	₱ 0
	0	179,258,139.67	0
Trust Receipts			
Receipt of guaranty/security deposits	₱ 0	₱ 126,407.79	₱ 0
	0	126,407.79	0
Other Receipts			
Unused Petty Cash Fund	₱ 600,403.95	₱ 58,931,456.39	₱ 2,463,818.07
Refund of overpayment of Personnel Services	71,837.25	222,448.19	389,880.40
Refund of overpayment of Maintenance and Other Operating Expenses	14,512.50	0	1,140.00
Receipt of refund of cash advances	0	411,262.64	0
Other miscellaneous receipts	693,719.28	1,584,750.97	42,828.60
	55,537.92	56,762,994.59	1,972,169.55
Adjustments			
Restoration of cash for cancelled/forfeited checks/ADA	₱ 0	₱ 19,031,962.13	₱ 94,175.12
	0	19,031,962.13	94,175.12
Total Cash Inflows	₱ 869,865,319.90	₱ 343,111,144.33	₱ 20,226,993.90
Cash Outflows			
Remittance to National Treasury	₱ 833,060.83	₱ 0	₱ 0
Payment of Expenses	₱ 709,961,208.41	₱ 133,826,000.66	₱ 5,691,662.27
Payment of personnel services	467,837,376.81	12,311,057.00	155,000.00
Payment of maintenance and other operating expenses	92,224,191.80	123,312,931.66	4,908,187.27
Payment of financial expenses	0	0	10,483.00
Purchase of Inventories	₱ 1,027,196.28	₱ 8,298,003.91	₱ 1,170,478.32
Purchase of inventories for distribution	1,004,858.13	3,811,476.66	255,690.19
Purchase of inventory held for consumption	779,328.28	2,686,526.67	70,585.15
Purchase of raw materials inventory	0	0	800,893.11
Grant of Cash Advances	₱ 12,406,362.66	₱ 42,410,496.47	₱ 7,810,256.35
Advances for operating expenses	77,837.25	220,858.82	389,880.40
Advances for payroll	7,887,708.24	25,480,424.37	1,545,376.35
Advances for special purpose/fire-burial undertakings	1,945,299.00	4,798,577.76	5,800,000.00
Advances to officers and employees	2,575,538.39	11,926,634.52	0
Prepayments	₱ 280,869.59	₱ 0	₱ 0
Prepaid insurance	280,869.59	0	0
Refund of Deposits	₱ 3,151,152.00	₱ 1,382,817.07	₱ 6,291.45
Payment of guaranty deposits	3,151,152.00	1,382,817.07	6,291.45
Payment of Accounts Payable	₱ 43,415,980.71	₱ 42,970,949.92	₱ 3,899,196.94
Remittance of Personnel Benefit Contributions and Mandatory Deductions	₱ 211,410,186.41	₱ 12,884,969.32	₱ 354,363.95
Remittance to GSIS/Pag-IBIG/PhilHealth	208,303,065.69	2,712,579.57	258,363.15
Remittance of other payables	45,105,182.56	93,172,929.15	95,808.11
Release of Inter-Agency Fund Transfers	₱ 0	₱ 99,585,360.85	₱ 0
Release of funds to NGAs, GOCCs, LGUs for the implementation of projects	0	99,585,360.85	0
Other Disbursements	₱ 36,823,092.73	₱ 2,090,282.28	₱ 1,079,961.95
Refund of cash advances	22,102.31	51,550.00	86,319.60
Other disbursements	36,900,990.99	2,038,732.28	993,241.35
Reversal of Unutilized NCA	₱ 2,991.71	₱ 0	₱ 0
Adjustments	₱ 19,758.96	₱ 138,415.00	₱ 45,500.00
Other adjustments - Outflow	19,758.96	138,415.00	45,500.00
Total Cash Outflows	₱ 844,865,373.89	₱ 343,416,996.48	₱ 19,229,777.48
Net Cash Provided by (Used in) Operating Activities	₱ 25,164,917.99	₱ (182,212.97)	₱ 914,171.46

	GENERAL FUND	SPECIAL TRUST FUND	INCOME GENERATING PROJECTS
Cash Flows from Investing Activities			
Cash Inflows			
Total Cash Inflows	₱ 0	₱ 0	₱ 0
	₱ 0	₱ 0	₱ 0
Cash Outflows			
Purchase/Construction of Property, Plant and Equipment	₱ 15,106,117.06	₱ 8,472,676.34	₱ 1,848,639.19
Purchase of machinery and equipment	133,295.20	1,031,879.34	0
Purchase of transportation equipment	0	0	1,876,200.13
Construction in progress	874,821.65	5,344,132.65	137,558.28
Purchase of other property, plant and equipment	90,000.00	0	0
Advances to contractor	14,008,000.21	2,032,268.43	182,273.73
Total Cash Outflows	₱ 15,106,117.06	₱ 8,472,676.34	₱ 1,848,639.19
Net Cash Provided by (Used in) Investing Activities	₱ (15,106,117.06)	₱ (8,472,676.34)	₱ (1,848,639.19)
Cash Flows From Financing Activities			
Cash Inflows			
Total Cash Inflows	₱ 0	₱ 0	₱ 0
	₱ 0	₱ 0	₱ 0
Cash Outflows			
Total Cash Outflows	₱ 0	₱ 0	₱ 0
	₱ 0	₱ 0	₱ 0
Net Cash Provided by (Used in) Financing Activities	₱ 0	₱ 0	₱ 0
Increase (Decrease) in Cash and Cash Equivalents	₱ (1,290.00)	₱ (8,974,288.41)	₱ (1,031,988.41)
Cash and Cash Equivalents, January 1	11,209.87	207,506,221.38	35,066,427.60
Cash and Cash Equivalents, December 31	₱ 10,209.87	₱ 198,531,933.19	₱ 34,034,439.19

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
GENERAL FUND (101)
FOR THE YEAR ENDED DECEMBER 31, 2025
(In pesos)

Particulars	Budgeted Amount		Actual Amount on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
RECEIPTS				
Tax Revenue	₱ 0	₱ 0	₱ 0	₱ 0
Services and Business Income	0	0	0	0
Assistance and Subsidy	0	0	0	0
Shares, Grants and Donations	0	0	0	0
Gains	0	0	0	0
Other Non-operating Income	0	0	0	0
Other Non-operating Receipts				
Loan Proceeds	0	0	0	0
Refund of Petty Cash and Advances	0	0	0	0
Others	0	0	0	0
Total Receipts	₱ 0	₱ 0	₱ 0	₱ 0
PAYMENTS				
Personnel Services	₱ 813,963,000.00	₱ 831,991,385.00	₱ 831,887,119.62	₱ 104,265.38
Maintenance and Other Operating Expenses	227,678,955.28	205,085,955.28	201,230,662.72	3,855,292.56
Capital Outlay	1,107,852,703.11	107,852,703.11	100,331,593.12	7,521,109.99
Financial Expenses	0	0	0	0
Other Disbursements				
Loan Repayment	0	0	0	0
Remittance to National Treasury	0	0	0	0
Debt Service (Principal Amortization)	0	0	0	0
Total Receipts	₱ 2,149,494,658.39	₱ 1,144,930,043.39	₱ 1,133,449,375.46	₱ 11,480,667.93
NET RECEIPTS/PAYMENTS	(₱ 2,149,494,658.39)	(₱ 1,144,930,043.39)	(₱ 1,133,449,375.46)	(₱ 11,480,667.93)

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
SPECIAL TRUST FUND (STF)
FOR THE YEAR ENDED DECEMBER 31, 2025
(In pesos)

Particulars	Budgeted Amount		Actual Amount on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
RECEIPTS				
Tax Revenue	₱ 0	₱ 0	₱ 0	₱ 0
Services and Business Income	258,565,531.00	259,461,531.00	150,180,693.35	109,280,837.65
Assistance and Subsidy	0	0	0	0
Shares, Grants and Donations	0	0	0	0
Gains	0	0	0	0
Other Non-operating Income	0	0	0	0
Other Non-operating Receipts				
Loan Proceeds	0	0	0	0
Refund of Petty Cash and Advances	0	0	0	0
Others	0	0	0	0
Total Receipts	₱ 258,565,531.00	₱ 259,461,531.00	₱ 150,180,693.35	₱ 109,280,837.65
PAYMENTS				
Personnel Services	₱ 17,460,353.00	₱ 17,460,353.00	₱ 15,369,845.73	₱ 2,090,507.27
Maintenance and Other Operating Expenses	210,513,978.00	210,513,978.00	162,947,452.83	47,566,525.17
Capital Outlay	30,501,200.00	31,497,200.00	27,241,855.90	4,255,344.10
Financial Expenses	0	0	0	0
Other Disbursements				
Loan Repayment	0	0	0	0
Remittance to National Treasury	0	0	0	0
Debt Service (Principal Amortization)	0	0	0	0
Total Payments	₱ 258,565,531.00	₱ 259,461,531.00	₱ 205,549,154.46	₱ 53,912,376.54
NET RECEIPTS/PAYMENTS	₱ 0	₱ 0	(₱ 55,368,561.11)	₱ 55,368,561.11

WESTERN MINDANAO STATE UNIVERSITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
INCOME GENERATING PROJECTS (IGP)
FOR THE YEAR ENDED DECEMBER 31, 2025
(In pesos)

Particulars	Budgeted Amount		Actual Amount on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
RECEIPTS				
Tax Revenue	₱ 0	₱ 0	₱ 0	₱ 0
Services and Business Income	36,542,230.00	36,542,230.00	21,060,664.14	15,481,565.86
Assistance and Subsidy	0	0	0	0
Shares, Grants and Donations	0	0	0	0
Gains	0	0	0	0
Other Non-operating Income	0	0	0	0
Other Non-operating Receipts				
Loan Proceeds	0	0	0	0
Refund of Petty Cash and Advances	0	0	0	0
Others	0	0	0	0
Total Receipts	₱ 36,542,230.00	₱ 36,542,230.00	₱ 21,060,664.14	₱ 15,481,565.86
PAYMENTS				
Personnel Services	₱ 2,147,295.00	₱ 2,147,295.00	₱ 1,308,447.05	₱ 838,847.95
Maintenance and Other Operating Expenses	30,949,935.00	30,949,935.00	22,978,924.25	7,971,010.75
Capital Outlay	3,445,000.00	3,445,000.00	2,444,330.50	1,000,669.50
Financial Expenses	0	0	0	0
Other Disbursements				
Loan Repayment	0	0	0	0
Remittance to National Treasury	0	0	0	0
Debt Service (Principal Amortization)	0	0	0	0
Total Receipts	₱ 36,542,230.00	₱ 36,542,230.00	₱ 26,731,701.80	₱ 9,810,528.20
NET RECEIPTS/PAYMENTS	₱ 0	₱ 0	(₱ 5,671,037.66)	₱ 5,671,037.66

WESTERN MINDANAO STATE UNIVERSITY
DISCREPANCIES BETWEEN THE BALANCES IN THE SLs FOR THE CIP- BOS ACCOUNT PER FUND VERSUS SLs PER PROJECT
DECEMBER 31, 2025

No.	Project Title	Contract Amount (P)	CIP balance as of December 31, 2025 (P)
GF			
1	Construction of School Building Component for the Infrastructure and Smart Campus Development, Operationalization on Face-to-Face Classes and Upgrading Procurement of Equipment	4,549,846.32	4,276,855.54
2	Construction of the Technopreneurship Development Center Building	20,118,294.17	19,957,406.96
3	Upgrading of Primary Feederline and Secondary Distribution Line from Single Phase to Three Phase Line	14,958,031.89	14,778,535.52
Total of SLs per project			39,922,798.02
Total per SL for GF			78,906,699.70
Unaccounted difference			(38,983,901.68)
STF			
4	Repair of Perimeter Fence at WMSU Campus A and B	2,597,882.63	2,531,441.73
5	Upgrading of the R and D of the Facilities of the DOST-PCAARRD WMSU Agri-Aqua Technology Business Incubator	7,614,666.26	7,614,666.26
6	Enhancement of Native Chicken Processing Facility	4,745,148.10	4,745,148.10
7	Enhancement of Artificial Insemination for ZamPen Native Chicken Research and Development Center	911,280.36	906,289.13
8	Upgrading of Hatchery, Brooding and Growing Units of ZamPen Native Chicken Breeding Station in the College of Agriculture (Brooding & Hatchery)	1,731,942.83	1,727,341.91
9	Upgrading of Hatchery, Brooding and Growing Units of ZamPen Native Chicken Breeding Station in the College of Agriculture (Growing & Hardening)	2,992,007.86	2,992,007.86
10	Upgrading of Plant Tissue Culture Laboratory at WMSU College of Agriculture (Nursery Area and Water System)	1,951,254.78	1,658,566.56
11	Upgrading of Plant Tissue Culture Laboratory at WMSU College of Agriculture (Tissue Culture Laboratory)	1,637,935.44	1,470,346.35
12	Upgrading of Plant Tissue Culture Laboratory at WMSU College of Agriculture (Nursery Area and Water System)	1,600,153.53	1,296,124.36
13	Upgrading of Plant Tissue Culture Laboratory at WMSU College of Agriculture (Tissue Culture Laboratory)	2,139,795.23	1,690,438.23
Total of SLs per project			26,632,372.49
Add:	Renovation of Zamboanga Normal School Building Azotea – Extra Work	186,004.00	186,004.00
			26,818,376.49
Adjusted Total			25,801,180.07
Total per SL for STF			1,017,196.42
Unaccounted difference			

No.	Project Title	Contract Amount (P)	CIP balance as of December 31, 2025 (P)
IGP			
14	WMSU Water Refilling Station	1,062,863.72	903,434.16
15	Construction of AL FRESCO for UFSC	1,081,824.86	1,076,956.65
Total of SLs per project			1,980,390.81
Total per SL for IGP			1,980,390.81
Unaccounted difference			1,980,390.81
			0.00
Total of SLs per project (All Funds)			67,821,565.32
Total per SLs (All Funds)/Balance per FS			105,788,270.58
Total Unaccounted difference			(37,966,705.26)

WESTERN MINDANAO STATE UNIVERSITY
Timing difference in the recording of acquisition of inventory and PPE items based on DV and IAR
CALENDAR YEAR 2024

Account	Fund	CVR	DV No.	DV Date	Amount	Item	Date of Acceptance (IAR)	Date of Payment (Check Date)	Date Recorded as Inventory/PPE in the books	Time lapsed between Acceptance and processing of payment	Delay in recording
Recorded in CSGJ				a			b	c	d	c-b	Public
Inventory											
		31	03-29-24	18-Mar-24	139,250.00	Book Paper,Xerox/size Paper, White Sticky Glue	08-Apr-24	25-Mar-24	21-Mar-24	17	15
		97	06-01-24	30-Apr-24		Sublimation Mug, Sublimation Paper, Label Bond @18,600.00	13-Mar-24	03-Jun-21	23-Apr-24	48	38
		98	06-02-24	06-May-24	274,400.00	ID Sling (w/ WMSU Hanat) & ID Protector @256,000.00	24-May-24	04-Jun-21	11-May-24	5	12
		82	06-2024-05-075	17-Jul-24		Paper Fastener, Chipboard White Silky Glue, Kraft Paper @49,360.00	30-Jun-24	02-Aug-21	22-Jul-24	27	22
	LRMDS	84	05-2024-05-075	16-Jul-24	409,160.00	UHF CARD for the existing Media XID @359,300.00	30-Jun-24	13-Aug-21	30-Jul-24	29	49
		1094	01-2024-11-0158	18-Oct-24	6,000.00	Representation as Tokens	15-Oct-24	25-Nov-21	11-Aug-24	0	Recorded before acceptance
		947	01-2024-1-1002	17-Sep-24		Various Office supply and materials for Supply Office (137,211.7)	No Attainment	02-Oct-24	23-Sep-24	No IAR	No IAR
		991	01-2024-10-1003	03-Sep-24		Various Office supply and materials for Environmental Legg. (5,850.00)	10-Jul-24	06-Oct-24	23-Sep-24	65	75
		571	01-2024-10-1003	01-Oct-24		Kyocera Toner for Board Sec. (38,000.00)	27-Sep-24	17-Oct-24	03-Oct-24	4	12
		572	01-2024-10-1004	01-Oct-24		Kyocera Toner for Board Sec. (37,000.00)	27-Sep-24	17-Oct-24	08-Oct-24	4	11
	GF	1453	06-2024-10-1018	17-Sep-24	1,388,852.80	Various Office supply and materials for Supply Office (1,088,731.2)	01-Jul-24	06-Oct-24	09-Oct-24	78	100
	LRMDS	111	06-2024-10-104	17-Sep-24	18,500.00	A4 Bond Paper	26-Aug-24	25-Oct-24	27-Sep-24	29	39
Office Supplies Inventory	GF	633	01-2024-12-2214	29-Nov-24	18,800.00	Toner RAA for Board Sec.	31-Oct-24	03-Dec-24	29-Nov-24	25	24
Drugs and Medicines Inventory	DTF	1500	07-1230-24	11-Jul-24	22,520.00	Various Medicine for the University Dental Clinic	19-Jun-24	30-Jul-24	22-Jul-24	30	23
	DTF	1575	09-2024-09-1227	01-Aug-24	69,350.00	Payment of various Towel, Pillow Case and Bedsheets for the College of Nursing	29-Jun-24	21-Aug-24	09-Dec-24	42	155
	GARMENT	91	06-2024-04-017	01-Jul-24	24,750.00	Detergent Soap, Fabric Conditioner and Gentle Dog	19-Jun-24	12-Aug-24	09-Aug-24	38	48
	STF	1651	06-2024-09-1168	15-Aug-24	12,000.00	3x Toner Tfr 3kAA for the VP,Research Generation Office	05-Jun-24	05-Sep-24	02-Sep-24	71	89
		551	01-2024-10-1003	13-Sep-24		Various Office supply and materials for Environmental Legg. (8,190.00)	10-Jul-24	06-Oct-24	23-Sep-24	65	75
		1499	01-2024-10-1006	05-Sep-24		Various Office supply and materials for Supply Office (205,419.50)	01-Jul-24	06-Oct-24	09-Oct-24	66	100
		1760	06-2024-10-1008	17-Sep-24		Various Hardware Supplies and Materials for Physical Plant & Engineering Services @83,882.50	05-Sep-24	02-Oct-24	24-Sep-24	12	18
		1794	06-2024-10-1010	17-Sep-24		Various Construction Materials for Garage Fence for the Administration @142,361.20	28-Aug-24	03-Oct-24	25-Sep-24	22	30
		1830	05-2024-10-1004	04-Oct-24		Various Hardware Supplies for the FPO @221,748.00	18-Sep-24	10-Oct-24	03-Oct-24	15	25
		1886	05-2024-10-1010	01-Oct-24	143,419.20	Various Electrical Materials for Physical Plant. @109,890.00	19-Sep-24	28-Oct-24	09-Oct-24	11	21
		2011	06-2024-11-1060	11-Oct-24	2,000.00	Various Office supply for the University Library	27-Sep-24	11-Nov-24	06-Nov-24	30	42
	STF	2217	05-2024-12-1060	16-Oct-24	124,080.00	Toner for IMB D1450/Ribbon	16-Apr-24	10-Dec-24	18-Nov-24	183	216
	Review	58	06-2024-12-04	03-Oct-24	72,220.00	Various Office Supplies for the CGC	03-Jun-24	03-Dec-24	10-Oct-24	121	129
PPE											
Office Equipment	STF	2018	05-2024-11-1051	03-Oct-24	163,765.00	3TR FloorMounted Airconditon for the University Museum	26-Jul-24	11-Nov-24	28-Nov-24	68	127

Account	Fund	CVR	DV No.	DV Date	Amount	Item	Date of Acceptance (RR)	Date of Payment (Check Date)	Date Recorded as Inventory/PPE in the books	Time lapsed between Acceptance and processing of payment	Delay in recording
Printing Equipment	UPREB	84	05-2024-08-87	22-Aug-24	510,000.00	Multi-Function Colored Copier for the UPREB	03-Jun-24	30-Aug-24	30-Aug-24	80	80
	GTF	1751	10-2024-10-1504	17-Sep-24	510,000.00	Multi-function Colored Copier for the University Registrar Office	05-Jul-24	02-Oct-24	03-Oct-24	74	69
Technical and Scientific Equipment	F101	665	01-2024-03-1460	21-Jul-24	704,000.00	Various Forensic Equipment - College of Criminology Justice Education	25-Jun-24	15-Aug-24	15-Aug-24	38	31
	F101	631	11-2212-24	14-Nov-24	3,600,000.00	Various Forensic Equipment -CCJE	08-Nov-24	09-Nov-24	20-Nov-24	0	11
Recorded in General Journal											
Biosafety											
Merchandise Inventory	GTF	1231	06-2045-24	30-Nov-24	180,800.00	Livestock purchased from Agribusiness	28-Jul-23	10-Jan-24	31-Mar-24	491	310
PPE											
Office Equipment	F101	222	04-778-24	11-Apr-24	368,200.00	1 unit photocopier machine for the college of nursing (24-101-0014) AP2023	25-Mar-24	03-May-24	31-Jan-24	17	Recorded before acceptance
	F101	150	04-831-24	06-May-24	63,000.00	1 unit copier machine 24-101-0006 (D.Silotero)	23-Feb-24	12-Apr-24	31-Jan-24	12	Recorded before acceptance
	GTF	641	Not Indicated	19-Mar-24	203,050.06	Airconditioning units for the LCRC AP2023 (24-STF-0001(2-1) 24-STF-0001(2-2)	08-Feb-24	29-Mar-24	31-Jan-24	42	Recorded before acceptance
Information and Communication Technology Equipment	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-1 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-2 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-3 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-4 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-5 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-6 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-7 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	221	04-725-24	11-Apr-24	73,000.00	1unit RAM 24-101-001329-8 (MARK FLORES) ADD. AP2023	19-Mar-24	30-Apr-24	31-Jan-24	23	Recorded before acceptance
	F101	420	01-2024-08-1420	29-Jul-24	1,812,914.22	1lot Audio Visual Equipment (MSTO)	10-Jun-24	02-Aug-24	31-Aug-24	40	52
	F101	421	01-2024-08-1421	29-Jul-24	1,443,027.47	1lot Voice IP Telephone System (MSTO)	10-Jun-24	02-Aug-24	31-Aug-24	40	52
	F101	429	10-1982-24	26-Jul-24	977,217.78	1lot Networking Devices (F.Guardo) 24-101-0038	10-Jun-24	19-Aug-24	31-Aug-24	44	62
	F101	426	10-1457-24	26-Jul-24	960,211.78	1lot Computer Equipment for Enrollment Center (F.Guardo) 24-101-0035	10-Jun-24	29-Aug-24	31-Aug-24	46	62
Communication Equipment	GTF	1355	07-1145-24	13-Jun-24	267,300.00	1set Mixer Soundcraft Ui24R (32 Channel Recording Mixer (Multi License) 24-STF-0012	15-Apr-24	04-Jul-24	31-Jul-24	91	107
Medical Equipment	F101	203	05-841-24	26-Mar-24	1,950,000.00	1Unit adult manikin w/ electronic tablet/PC & software for nursing skills add. AP2023	07-Mar-24	10-Jun-24	31-Jan-24	19	Recorded before acceptance
	F101	203	05-841-24	26-Mar-24	430,000.00	1 Unit pediatric manikin w/ electronic tablet/PC & software for nursing skills add. AP2023	07-Mar-24	10-Jun-24	31-Jan-24	19	Recorded before acceptance
	F101	203	05-841-24	26-Mar-24	370,000.00	1 unit infant cardiopulmonary resuscitation (CPR) training manikin w/ electronic tablet/PC & software Document multipurpose newborn add AP2023	07-Mar-24	10-Jun-24	31-Jan-24	19	Recorded before acceptance
	F101	706	05-813-24	11-Apr-24	175,200.00	1 unit black health monitor 24-ei0800b3-1 add. AP2023	12-Feb-24	05-Jun-24	31-Jan-24	50	Recorded before acceptance
	F101	706	05-813-24	11-Apr-24	175,200.00	1 unit black health monitor 24-ei0800b3-2 add. AP2023	12-Feb-24	05-Jun-24	31-Jan-24	50	Recorded before acceptance
	F101	390	06-1002-24	18-May-24	280,200.00	2 units Adult CPR Training Manikin @ 28K each 24-101-0032(2-1 & 24-101-0032(2-2 AP2023	19-Apr-24	10-Jun-24	30-Jun-24	33	68
	F101	390	06-1002-24	18-May-24	560,200.00	5 units automated hospital bed @80k each 24-101-0024(5-1 24-101-0024(5-2 24-101-0024(5-3 24-101-0024(5-4 24-101-0024(5-5 (Hashim Abrol) AP2023	19-Apr-24	10-Jun-24	30-Jun-24	33	68
	F101	341	06-1150-24	28-May-24	432,200.00	4 units hydraulic hospital transfer stretcher @108k each 24-101-0015(4-1 24-101-0015(4-2 24-101-0015(4-3 24-101-0015(4-4 (Mohammad Khasim Abrahmsa)d) AP2023	19-Apr-24	27-Jun-24	30-Jun-24	42	73
	F101	340	1218-24	11-Jun-24	340,500.00	2 units intravenous injection training arm model w/ automatic pump @180,250 each 24-101-0018(2-1 24-101-0018(2-2 (Hashim Abrol) AP2023	27-May-24	27-Jun-24	30-Jun-24	13	34
	F101	940	01-2024-09-1614	26-Sep-24	5,600,000.00	1u Adult Patient Simulator with Electronic Tablet/Monitor and Software for Clinical Skills 24-101-0005	16-Jun-24	01-Oct-24	31-Aug-24	184	76
	F101	940	01-2024-09-1614	26-Sep-24	315,000.00	3u Head Model for Oral and Nasal Swab Simulator @105 each 24-101-0046	16-Jun-24	01-Oct-24	31-Aug-24	184	76
	F101	940	01-2024-09-1614	26-Sep-24	1,100,000.00	5u Peripheral Anatomical Model of Brain and Cranial Nerves @220k each 24-101-0047	16-Jun-24	01-Oct-24	31-Aug-24	184	76

Account	Fund	CVR	DV No.	DV Date	Amount	Item	Date of Acceptance (IAR)	Date of Payment (Check Date)	Date Recorded as Inventory/PPE in the books	Time lapsed between Acceptance and processing of payment	Delay in recording
	F101	540	01-2024-09-1014	26-Sep-24	771,000.00	3u Plastinated Anatomical Model of Male with Medial Sagittal Section @155k each 24-101-0048	14-Jun-24	01-Oct-24	31-Aug-24	184	78
	F101	540	01-2024-09-1014	26-Sep-24	230,000.00	2u Plastinated Anatomical Model of Arteries supplying the Cerebral Hemisphere @115k each (Human Details) 24-101-0049	14-Jun-24	01-Oct-24	31-Aug-24	184	78
	F101	602	01-2024-10-1065	11-Sep-24	100,000.00	1u Portable Operating Room Light with wheels (Coil of Nursing Heaters Alone Jr.)24-101-0064	13-Jul-24	08-Oct-24	31-Aug-24	81	58
Printing Equipment	STF	1044	05-151-24	02-May-24	280,000.00	1U PAPER COLLATOR 24-STF-0018 M.S.BUROL	02-Jan-24	18-May-24	31-Mar-24	121	89
	STF	1044	05-151-24	02-May-24	930,000.00	1U DIGITAL DUPLICATING MACHINE 24-STF-0020 M.S.BUROL	02-Jan-24	18-May-24	31-Mar-24	121	89
	STF	1044	05-151-24	02-May-24	440,000.00	1U PRINTER 24-STF-0021 MS. BUROL	02-Jan-24	18-May-24	31-Mar-24	121	89
Other Equipment	F101	344	05-1152-24	19-Jun-24	1,278,000.00	One (1) lot Commissioning and Training of Outdoor Led Wall Display - MSTO	09-May-24	27-Jun-24	30-Jun-24	41	52
	F101	605	01-2024-11-2091	27-Sep-24	403,538.80	CCTV set with Monitoring System for MSTO	03-Jun-24	08-Nov-24	31-Aug-24	119	89
	F101	605	01-2024-09-1749	05-Sep-24	260,000.00	2u Oven @130k each for the CHR (Louis Series) 24-101-0043	22-Jul-24	23-Sep-24	23-Sep-24	45	63
Motor Vehicles	STF	854	04-775-24	15-Mar-24	2,441,000.00	1U Hi-ACE TOYOTA GRANDIA FOR THE VPAF 23-STF-0013(A.MARCELINO) AP0025	01-Oct-23	29-Apr-24	31-Jan-24	304	120
	F101	532	Reimbursal	27-Sep-24	8,660,000.00	Intercity Bus - POWERTRAC, INC	23-Aug-23	27-Sep-24	27-Sep-24	401	401
Furniture and Fixtures	STF	1101	05-808-24	15-May-24	17,800.00	1 Lot Conference Table 24-STF-0029 (Al-Ghani Mohammad)	17-Oct-23	03-Jun-24	31-May-24	306	198

WESTERN MINDANAO STATE UNIVERSITY
COMPUTATION OF DAYS DELAYED IN CONTRACT SIGNING
DECEMBER 31, 2025

A. PURCHASE ORDERS

No.	PO No.	Amount (P)	PR No.	Mode of Procurement	PO Date	Conforme Date in PO	NOA Date	Conforme date in NOA	Days Between PO Conforme and NOA Conforme	Excess from 10 days/ Delay
						A		B	C=A-B	D=C-10
1	25-038	11,000.00	25-01-010	Small Value	2/21/2025	3/19/2025	2/14/2025	2/17/2025	30	20
2	25-032	1,346,000.00	25-01-001	Public Bidding	3/26/2025	4/3/2025	3/19/2025	3/20/2025	14	4
3	25-053	121,239.50	25-02-097	Small Value	4/22/2025	6/10/2025	4/4/2025	4/10/2025	61	51
4	25-057	5,400.00	25-03-154	Small Value	5/13/2025	6/19/2025	5/6/2025	5/9/2025	41	31
5	25-058	216,800.00	25-03-115	Small Value	5/14/2025	6/19/2025	5/6/2025	5/9/2025	41	31
6	25-077	49,250.00	25-03-139	Small Value	5/22/2025	7/3/2025	5/16/2025	05/20/2025	44	34
7	25-081	14,820.00	25-03-140	Direct Contracting	5/22/2025	7/4/2025	5/15/2025	5/20/2025	45	35
8	25-082	24,500.00	25-04-183	Small Value	5/23/2025	6/19/2025	5/16/2025	4/20/2025	60*	50*
9	25-088	39,895.00	25-03-136	Small Value	7/1/2025	8/1/2025	09/23/2025	08/25/2025	37	27
10	25-111	10,671.00	25-04-165	Small Value	7/8/2025	8/1/2025	8/23/2025	7/4/2025	28	18
11	25-117	515,155.00	25-02-079	Small Value	7/10/2025	08/28/2025	7/3/2025	7/7/2025	52	42
12	25-174	29,165.95	25-09-313	Small Value	9/16/2025	10/3/2025	9/2/2025	09/16/2025	17	7
13	25-010	39,422.25	25-01-023	Small Value	2/24/2025	4/30/2025	2/14/2025	2/21/2025	68	58
14	25-020	8,750.00	25-02-074	Direct Contracting	10/3/2025	4/4/2025	3/6/2025	3/7/2025	28	18
15	25-027	159,000.00	25-01-017	Public Bidding	3/21/2025	4/11/2025	4/8/2025	4/11/2025	0	-10*
16	25-037 B	21,490.00	25-02-053	Small Value	4/2/2025	5/26/2025	3/28/2025	3/28/2025	59	49
17	25-041 B	11,246.00	25-03-138	Small Value	4/7/2025	4/15/2025	4/4/2025	4/7/2025	8	-2*
18	25-044 C	4,020.00	25-01-021	Small Value	4/22/2025	5/5/2025	4/7/2025	4/10/2025	60	50
19	25-046	924,600.00	25-01-003	Public Bidding	4/10/2025	5/22/2025	5/02/2025	5/22/2025	0	-10*
20	25-048	419,800.00	25-01-008 REBID	Public Bidding	4/11/2025	no date	4/4/2025	4/10/2025	N/A	N/A
21	25-065	665,217.45	25-04-307	Small Value	5/7/2025	5/8/2025	5/8/2025	5/8/2025	1	-9*
22	25-122	14,500.00	25-05-230	Small Value	7/18/2025	7/31/2025	7/17/2025	7/18/2025	13	3
	TOTAL	4,938,957.10								

Notes:

Negative values indicate execution within the 10-day period or inconsistencies that prevent proper computation.
"N/A" indicates that the Conforme date was missing or could not be verified.

B. CONTRACT AGREEMENTS (INFRASTRUCTURE PROJECTS)

No.	Project/Contract Agreement	Amount (P)	PR No.	Mode of Procurement	Contract Date	NOA Date	Conforme date in NOA	Days Between PO Contract and NOA Conforme	Excess from 10 days/ Delay
23	Construction of the College of Science and Mathematics Academic Infrastructure/Edifice	13,422,091.62	24-09-456 INFRA	Public Bidding	5/5/2025	5/13/2025	5/16/2025	20	10
24	Upgrading of Plant Tissue Culture Laboratory at Western Mindanao State University College of Agriculture (Tissue Culture Laboratory)	2,139,795.23	25-03-121 INFRA	Public Bidding	5/9/2025	5/23/2025	5/26/2025	14	4
25	Upgrading of Plant Tissue Culture Laboratory at Western Mindanao State University College of Agriculture (Nursery Area and Water System)	1,600,153.53	25-03-122 INFRA	Public Bidding	6/9/2025	5/23/2025	5/26/2025	14	4
26	Upgrading of Hatchery, Brooding and Growing Units of Zampen Native Chicken Breeding Station in the College of Agriculture (Brooding and Hatchery)	1,951,254.76	25-03-123 INFRA	Public Bidding	6/9/2025	5/23/2025	5/26/2025	14	4
27	Upgrading of Hatchery, Brooding and Growing Units of the ZAMPEN Native Chicken Breeding Station in the College of Agriculture (Growing and Hardening)	1,837,933.44	25-03-124 INFRA	Public Bidding	6/9/2025	5/23/2025	5/26/2325	14	4
28	Construction of School Building Component for the Increase in Carrying Capacity of the College of Medicine	79,951,378.45	25-10-457 INF	Public Bidding	12/19/2025	12/16/2025	12/17/2025	2	0
29	Renovation of University Health Services Center with Provision for Furnitures and Fixtures	6,906,408.70	25-08-309 INF	Public Bidding	11/13/2025	10/23/2025	10/24/2025	20	10
30	Improvement of the Western Mindanao State University College of Medicine	4,467,847.55	25-08-279 INF	Public Bidding	11/13/2025	10/23/2025	10/27/2025	17	7
31	Renovation of College of Home Economics Laboratory, Function Room with Provision for Furnitures and Fixtures	6,775,389.58	25-08-278 INF	Public Bidding	11/13/2025	10/23/2025	10/24/2025	20	10
32	Repair and Renovation of University Library, Roof, Second Floor and Third Floor	10,002,275.57	25-03-135 INF	Public Bidding	11/13/2025	10/23/2025	10/24/2025	20	10
	TOTAL	129,074,519.46							

Western Mindanao State University
Liquidations Lacking Attachments
June 1, 2024 to January 2, 2025

FUND	Check			Particulars	Lacking Documents
	Check No.	Date	Amount (₱)		
STF	531403	9/15/2024	65,000.00	Payment of Financial Assitance to Participate in the Philippine ROTC Games 2024 National Championship.	Certificate of Attendance or Participation of the students in the said event.
STF	531447	9/30/2024	6,200.00	Refund of Tuition & Other School Fees, Officially withdrawn for 1st sem SY2024-25.	Budget Utilization Request and Status (BURS)
STF	531602	10/1/2024	2,640.00	Financial Assistance to attend and participate in the 2024 HACKFORGOVFINALS Competition Oct. 3-5, 2024	1. Copy of memorandum authorizing attendance to such event. 2. Certificate of Attendance or Participation of the students in the said event.
STF	531606	10/9/2024	6,000.00	Financial Assistance to attend & participate in the 2024 Zambo. Hamosa Womens Volleyball Tournament, Oct 1-4 & 7-9, 2024	Certificate of Attendance or Participation of the students in the said event.
STF	531607	10/9/2024	6,500.00	Financial Assistance to attend & participate in the 2024 Zambo. Hamosa Womens Volleyball Tournament, Oct 1-4 & 7-9, 2024	Certificate of Attendance or Participation of the students in the said event.
STF	531580	10/15/2024	7,500.00	Financial Assistance to attend and participate in the National Championship of the Metro Pacific Health Battle of Nightingales on October 17-19, 2024	Certificate of Attendance or Participation of the students in the said event.
STF	531831	11/8/2024	60,000.00	Payment of Financial Assistance to attend & Participate in the IECEP National Student Summit Interscholastic Quiz Show 2024 Nov. 13-16, 2024.	Certificate of Attendance or Participation of the students in the said event.
STF	531867	11/14/2024	10,000.00	Payment of Financial Assistance to attend and participate in the 3rd Kabataang Organic Agriculture Quiz Bee. Nov 4-5, 2024.	Certificate of Attendance or Participation of the students in the said event.
STF	531877	11/15/2024	60,000.00	Financial Assistance to attend & Participate in the Mindanao Industrial Engineering Student Summit 2024 Nov 14-16, 2024.	Certificate of Attendance or Participation of the students in the said event.
STF	531880	11/18/2024	91,000.00	Financial Assistance to participate in the 28th Annual Mindanao Wide Convention of Philippine Society of Agriculture & Bioeystems Engineers Pre-Professional Group. Nov 18, 2024.	Certificate of Attendance or Participation of the students in the said event.
STF	531924	11/21/2024	1,027,900.00	Financial Assistance to attend and participate in the MASTS Culture and Arts Festival 2024.	Certificate of Attendance or Participation of the students in the said event.
STF	531947	11/21/2024	1,036,800.00	Financial Assistance to attend and participate in the MASTS GAMES 2024.	Certificate of Attendance or Participation of the students in the said event.
STF	531999	11/26/2024	40,000.00	Payment of Financial Assistance to attend and participate in the Rubarlow Hackfest, Impact Challenge.	Certificate of Attendance or Participation of the students in the said event.
STF	532005	12/5/2024	116,000.00	Cash Prize during the Christmas Decoration Contest 2024, Dec 6, 2024.	Scoresheets or certification for the declaration of winners
STF	532090	12/5/2024	14,250.00	Honorarium of the Judge for the Christmas Decoration Contest 2024, Dec 5, 2024.	Scoresheets or certification for the declaration of winners
STF	532129	12/12/2024	25,200.00	Financial Assistance to attend and participate in the Intercollegiate Invitational Basketball Tournament Dec 2-6, 2024.	Certificate of Attendance or Participation of the students in the said event.
Project Rae	479776	10/14/2024	53,963.44	Payment of Financial Assistance to attend & Participate in the 2024 DOST-SEI Scholars Leadership Camp Oct. 22-26, 2024.	Certificate of Attendance or Participation of the students in the said event.
VATF	511135	12/26/2024	35,000.00	For payment of services rendered for the period November 16 to December 31, 2024 chargeable against the institutionally funded research project	OTRs
TOTAL			2,696,553.44		