



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

Dr. REXTON F. CHAKAS
College President
Mountain Province State Polytechnic College
Bontoc, Mountain Province

Qualified Opinion

We have audited the accompanying financial statements of the Mountain Province State Polytechnic College, which comprise the statement of financial position as at December 31, 2019, 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 financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Mountain Province State Polytechnic College as at December 31, 2019, and its financial performance, its cash flows, its changes in net assets/equity, its comparison of budget and actual amounts for the year then ended and its notes to financial statements in accordance with the International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

Several of the Agency's Property, Plant and Equipment (PPE) accounts are not adequately supported by their respective Property, Plant and Equipment Ledger Cards (PPELCs) resulting in a variance of ₱63,309,062.73 when compared against the General Ledger balances. This constitutes a departure from Section 42, Chapter 10 of Volume I of the Government Accounting Manual (GAM) for National Government Agencies (NGAs).

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our 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 opinion.

Key Audit Matters

Except for the matter described in the Basis 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 Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 does not guarantee that an audit conducted in accordance with ISSAIs will always detect material misstatement when it exists. Misstatement 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 decision of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:


ISIDORA E. FERNANDEZ
State Auditor IV
OIC, Supervising Auditor

May 19, 2020