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STATE UNIVERSITY

OFFICE OF THE
PRESIDENT



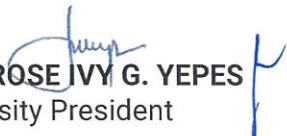
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Memorandum No. 950
Series of 2024

TO: All Vice Presidents
All Chancellors
Other Members of the UADCO

RE: Annual and Semiannual Monitoring and Review of Agency Performance

FROM: 
DR. PROSE IVY G. YEPES
University President

DATE: November 29, 2024

This office received the directive from the Department of Budget and Management (DBM) regarding the conduct of the annual and semiannual monitoring and review of agency performance, specifically focusing on the utilization of government funds vis-à-vis plans and targets.

In line with this, we kindly request your office to ensure the timely accomplishment of all commitments and targets set for the year 2024. Your cooperation is crucial in maintaining alignment with our institutional objectives and fulfilling our obligations.

Please cascade this directive to the relevant units under your supervision to facilitate coordinated efforts and effective monitoring.

For your information and usual support.

OFFICE OF THE PRESIDENT

2/F Administration Building, Visayas State University
PQWW+RJM, Baybay City, Leyte, Philippines 6521
Email: op@vsu.edu.ph | Website: www.vsu.edu.ph
Phone: +63 53 565 0600 Local 1000



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FM-OOP-01
V05 06-06-2024
No. 24-950



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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

PRESIDENT PROSE IVY G. YEPES

Visayas State University
Baybay City, Leyte



Dear **President Yepes**:

In compliance with the provisions under Book VI of the Executive Order No. 292 (Administrative Code of 1987) dated July 25, 1987, as cited in Chapter 2 - Budget Policy and Approach (Section 9) and Chapter 6 - Budget Accountability (Sections 55 and 56), the Department of Budget and Management (DBM) conducts annual and semi-annual monitoring and review of agency performance, particularly agency utilization of government fund vis-à-vis plans/targets.

Relative thereto, after due coordination with your staff to clarify/secure documentary support, we have completed the review of your agency's performance covering the physical, financial and income performance for the period January to June of CY 2024, with findings and recommendations, as shown in the attached individual agency performance report (APR), for your University, summarized as follows:

Assessment of Agency Performance:

- **Commendable Performance**

VSU is commended for surpassing the annual targets of all four (4) key performance indicators under the Higher Education Program as early as the first semester of the year.

The University is likewise lauded for conducting early procurement activities which facilitated the timely awarding of contracts for some projects.

Additionally, VSU achieved an impressive 100.00% utilization rate in terms of disbursements over disbursement authorities received. This reflects efficient management of the available funds (notice of cash allocation) as evidenced by the absence of lapsed cash allocations.

- **Highlights of the Major Programs**

The University is commended for its impressive physical accomplishments in its core program, the Higher Education Program. VSU excelled in achieving a high passing percentage for first-time takers of licensure examinations, demonstrated strong employability of its graduates, and achieved high enrollment in CHED and RDC-identified priority programs. Although no accreditation activities were undertaken in the first semester, it is noteworthy that all programs have existing accreditation.

- **Explanation/Major Reasons for Deviations from the Targets**

The overall obligation rate was relatively high at 53.76%, with majority of the unobligated allotments under current appropriations representing current operating requirements due for obligation in the second semester. However, a significant portion of unobligated allotment, amounting to ₱34.399M is intended for the procurement of power generator, which is currently on hold due to the absence of the building where it is intended for its placement. The construction of the building is yet to be undertaken by the DPWH District Engineering Office as stipulated under Special Provision (SP) No. 5 Applicable to SUCs of the FY 2024 General Appropriations Act. It is noteworthy that VSU had undertaken early procurement activities last year for the said project; however, the contract award was not finalized because the funding for the purpose was transferred to the DPWH in accordance with SP No. 5 of the 2024 GAA.

Additionally, the allocation for Research, Exploration and Development expenses amounting to ₱18.730M remains unutilized. This primarily supports the University's internationalization plan, which is still in progress.

Obligations under continuing appropriations, specifically for Capital Outlay (CO) was very low at 1.55%. A substantial amount of ₱11.921M remains to be obligated by VSU, which ideally should have been utilized in the previous year. This primarily pertains to the project "Increase in Carrying Capacity of Nursing and Allied Health Programs (approximately ₱10M)", which is awaiting Board approval to award the contract to the winning supplier.

Furthermore, a considerable amount of unpaid obligations totaling ₱58.553M was recorded against current and continuing appropriations. The unpaid obligations primarily concern Maintenance and Other Operating Expenses (MOOE) for research, exploration and development, as well as equipment, due to incomplete or delayed delivery of items by the supplier.

- **Analysis of Income Performance**

The overall collection rate of 44.41% was relatively low due to underperformance in collecting tuition, other school fees, and grants and donations, which are at 38.66%, 40.22%, and 33.86%, respectively, all below the ideal 50% mark. It is important to note that a significant portion of the 2024 Free Higher Education (FHE) allocation was only released in August, so the collection rate for tuition and other school fees is expected to improve in the next reporting period. The collection rate for grants and donations will largely depend on the funds provided by various funding agencies and VSU's ability to liquidate previously received funds, which are mainly allocated for research-related projects.

- **Other Observations/Findings**

VSU is commended for the complete submission of the required Budget Execution Documents (BEDs) as well as Budget and Financial Accountability Reports (BFARs). However, it was observed that not all reports were submitted on time per existing guidelines. In addition, similar to the previous years' findings, FAR No. 6 (Statement of Approved Budget, Utilizations, Disbursements, and Balances for Trust Receipts) was manually prepared rather than submitted through the Unified Reporting System (URS).

This Office also appreciates VSU's submission of the identified strategies and catch-up plans aimed at improving agency performance in the subsequent reporting period. The plans should be implemented and regularly monitored to ensure the attainment of targets.

Recommendation:

On Physical Performance

- Given that VSU has consistently used sample size to determine the employability of its graduates, this method must be clearly disclosed in its accomplishment reports submitted to the Commission on Higher Education (CHED). As CHED is responsible for validating the physical accomplishments of SUCs for Performance Based Bonus purposes, such transparency is necessary to ensure alignment with the formula or parameters set by the Commission and to promote consistency in application across SUCs. This will also serve as an input in the upcoming updating of the indicators and target setting being facilitated by the Commission; and
- Adjustments must be made in subsequent reports to accurately reflect the actual accomplishment for the indicator "Percentage of undergraduate students enrolled in CHED-identified and RDC-identified priority programs," using the enrollment data from the 1st semester of the current academic year (AY 2024-2025).

Therefore, the actual accomplishment for this indicator in 2024 should be reported in the 3rd quarter of the Physical Report of Operations.

On Financial Performance

- Regular coordination with the concerned DPWH District Engineering Office is necessary for the implementation of projects under SP No. 5 of the FY 2024 GAA. Additionally, continuous communication with suppliers and contractors is essential to expedite project delivery, work completion, and the timely submission of billings, to address the substantial amount of unpaid obligations;
- Efforts to fill vacant positions must be significantly enhanced, highlighting particularly those positions created last year in line with the implementation of the Revised Organization and Staffing Standards for SUCs – Phase I, as outlined in National Budget Circular No. 589, dated May 25, 2022. As of August 15, 2024, only 21.58% or 30 out of 139 newly created positions have been filled. Improving this process will also lead to increased utilization of funds under Administration of Personnel Benefits;
- Regarding the implementation of identified research, exploration, and development activities with significant allocations from current and continuing appropriations, the University must regularly monitor their progress to ensure full utilization within the year. It is worth noting that similar findings of low utilization under the research, exploration, and development expenditure item were highlighted in previous years' agency performance review reports;
- Early procurement activities should consistently be undertaken, not only for capital outlay projects but also for MOOE items with significant budget allocations that require approval from the Board of Regents or exceed the President's approving authority. This practice helps prevent delays in implementation, such as in the procurement of supplies, materials, and the execution of repairs and maintenance;
- Expedite the preparation and submission of the complete documentary requirements for the allocation under FHE which requires approval from the DBM Secretary; and
- While the validity to release, obligate and disburse the 2024 MOOE and CO allocation is until next year, the University must not be complacent and still ensure extra effort to fully implement the projects and correspondingly utilize the funds within the year. The University must also be reminded that the continuing appropriations under the FY 2023 GAA are valid for release, obligation, and disbursement only until December 31, 2024.

On Income Performance

- Given that the 2024 allocation for FHE is already included under the Agency Specific Budget and categorized as "For Issuance of SARO," the University must expedite the preparation of the necessary documentary requirements to facilitate the release of the remaining FHE subsidy before year-end. Since a significant portion of the University's income comes from this allocation, any delay in its receipt could negatively impact the implementation of programs and projects. Therefore, it is crucial that the full allocation be released to the University within the year;
- Identify and resolve the bottlenecks causing delays in the submission of liquidation reports to various funding/donor agencies. Additionally, maintain constant coordination with the concerned agencies and promptly submit the necessary documentation to expedite the liquidation of previously received funds and the release of research-related grants and allocations; and
- Continue to pursue the operation of income-generating projects to further boost collections from revolving funds and increase income from other sources.

Lastly, the University must always ensure the timely, accurate, and complete submission of all required reports pursuant to COA and DBM issued guidelines, in particular the signed copy of URS generated BEDs and BFARs, for an effective reporting, monitoring and evaluation of the agency's performance. VSU must also coordinate with funding agencies to ensure the submission of a URS-generated FAR No. 6, as only a manually prepared report is currently being submitted.

The government appreciates the efforts of your agency in delivering its commitments in terms of the performance indicators reflected in Volume II of the FY 2024 GAA.

The DBM shall be pleased to provide any clarification/additional information on the findings contained in this letter as needed.

We hope the results of this review will guide you in ensuring a fruitful performance for the rest of the year.

Very truly yours,



ROLANDO U. TOLEDO

Undersecretary

Budget Preparation and Execution Group

AGENCY PERFORMANCE REPORT**PERIOD COVERED:**

January to June 2024

DEPARTMENT:

State Universities and Colleges

AGENCY:

Visayas State University (VSU)

PART A - FINANCIAL PERFORMANCE

(Amounts in Thousand Pesos)

PARTICULARS	CURRENT	CONTINUING	AUTOMATIC APPROPRIATIONS (RLIP & SAGF)	Special Purpose Funds (SPFs)	OTHERS (e.g. SUPPLEMENTAL APPROPRIATIONS)	Total
1	2	3	4	5	6	7=2+3+4+5+6
Appropriations	1,129,282	70,109	48,367	-	-	1,247,758
Allotments	875,192	70,109	48,367	-	-	993,668
Obligation Program (BED No. 1)	1,129,282	70,109	48,367	-	-	1,247,758
Actual Obligations	458,917	50,068	25,230	-	-	534,215
Disbursement Program (BED No. 3)	1,129,282	70,109	48,367	-	-	1,247,758
Actual Disbursements	404,065	46,367	25,230	-	-	475,662
Unobligated Allotment	416,275	20,041	23,137	-	-	459,453
Unpaid Obligation	54,852	3,701	-	-	-	58,553
<i>Budget Utilization Rate:</i>						
Obligation vs. Allotment	52.44%	71.41%	52.16%	-	-	53.76%
Obligation vs. BED No. 1	40.64%	71.41%	52.16%	-	-	42.81%
Disbursement vs. Obligation	88.05%	92.61%	100.00%	-	-	89.04%
Disbursement vs. BED No. 3	35.78%	66.14%	52.16%	-	-	38.12%

A.1 Details of the unobligated allotments:

Program/Activity/Project (PAP)	Purpose	Unobligated Allotments	Reason/Agency Justification
1	2	3	4
TOTAL		459,453	
Of which: Major programs			
CURRENT		439,412	
1. General Administration and Support	Mostly allocation for 2nd semester operating requirements	69,758	Majority of the amount represents the regular PS and MOOE requirements for July to December 2024. The items for procurement already have purchase request ready for procurement while some are for BOR approval. The breakdown of unobligated allotment are as follows: a) P274.226M - Regular PS requirement for July to December 2024; Portion of the PS is the APP-TLB (P8.643M) of which some of the retirees are yet to comply with the needed documentary requirements.
2. Support to Operations		50,817	b) P103.040M - MOOE for July to December 2024, the bulk of which represent the following : i) Research, Exploration and Development Expenses (P18.730M) - This mostly covers the internationalization plan of the University of which its implementation is still on going. Specifically, the unobligated amount would still cover the requirement for the research assistants among others for the remaining months of the year.
3. Higher Education Program		257,329	This line item also includes two (2) locally funded projects namely, Capacity Development on Future Thinking and Strategic Foresight (P2M) and Rootcrops Genomic: Securing Rootcrops Genetic Diversity and Enhancing Crop Improvement for Climate Smart Agriculture (P10M) which are already for procurement. ii) Supplies and Materials (P18.053M) - 2nd semester requirement iii) Utility Expenses (P16.401M) - 2nd semester requirement iv) General Services (P12.526M) - For job order employees deployed in various offices/departments to support the four (4) core programs of the University
4. Advanced Education Program		3,415	v) Professional Services (P9.144M) - 2nd semester requirement vi) Other MOOE (P6.834M) - represent the advertising, printing, representation and subscription expenses for 2nd semester vii) Repairs and Maintenance (P5.755M) - Some purchase requests are still on process; failed bidding for other items, hence the conduct of rebidding activities are on-going and some are already for issuance of award.

Program/Activity/Project (PAP)	Purpose	Unobligated Allotments	Reason/Agency Justification
1	2	3	4
5. Research Program	Mostly allocation for 2nd semester operating requirements	28,564	viii) Communication (P4.774M) - 2nd semester requirement ix) Labor and Wages (P3.680M) - 2nd semester requirement Other items, such as for travelling, training, awards/rewards, taxes, insurance premiums, and other fees, posted unobligated allotments for the said items of expenditure which are quite minimal. The same however would still be utilized for the remaining months of the year.
6. Technical Advisory Extension Program		6,392	Per VSU, a substantial amount was already obligated this 3rd quarter. c) P34,399 - CO intended for the procurement of power generator which is currently on hold due to the absence of the building where it is intended to be placed. The construction of the building is yet to be undertaken by the DPWH due to the Special Provision No. 5 of the FY 2024 GAA. d) P4,610 - CO equipment already for procurement
Special Purpose Funds		-	
Automatic Appropriations		23,137	For July to December RLIP requirements
CONTINUING		20,041	
1. General Administration and Support	Locally Funded Projects (LFPs) under MOOE; Infrastructure projects and equipment	-	The breakdown of unobligated allotments are as follows: a) P8.120M (MOOE) - This mostly covers the requirement for two (2) LFPs under Higher Education Program, namely, Capacity Development on Futures Thinking and Strategic Foresight (P2M) as well as Higher Education Research and Innovation Project (P3M) which would cover the payment for job order personnel for July to December 2024. There were also items that are already in the procurement stage. b) P11.921M (CO) - Mostly pertains to the project Increase in Carrying Capacity of Nursing and Allied Health Programs (around P10M) under Higher Education Program, which is already awaiting Board approval to award the contract to the winning supplier Other unobligated allotments are savings from bidding of various items/projects which the VSU intend to utilize this second semester for other needed equipment.
2. Support to Operations		705	
3. Higher Education Program		17,240	
4. Advanced Education Program		264	
5. Research Program		542	
6. Technical Advisory Extension Program		1,290	
Special Purpose Funds		-	
Automatic Appropriations			

A.2 Details of unpaid obligations:

PAP	Purpose	Unpaid Obligations	Reason/Agency Justification
1	2	3	4
TOTAL		58,553	
Of which: Major programs			
CURRENT		54,852	
1. General Administration and Support	Regular operating requirements and equipment outlays	7,084	The breakdown of unpaid obligations are as follows: a) P2.621M - Mostly pertains to the remittances for faculty scholars who are on study leave; Portion of the amount also pertains to the TLB of retiree due to lacking requirements, but already paid in July b) P34.679M - MOOE (Current P31.166M; Continuing P3.513M) mosly due to non-delivery of items by the supplier. Portion of the amount also pertains to the payment of Job Order personnel that were paid in July. c) P21.253M - CO (Current P21.065M; Continuing P188K) - This mostly pertains to various equipment which are yet to be delivered specially highly technical equipment Per VSU, a substantial amount was already disbursed/paid this 3rd quarter for the above-mentioned items.
2. Support to Operations		2,167	
3. Higher Education Program		38,286	
4. Advanced Education Program		173	
5. Research Program		5,180	
6. Technical Advisory Extension Program		1,962	
Automatic Appropriations		-	
SPF		-	
CONTINUING		3,701	
1. General Administration and Support		30	
2. Support to Operations		189	
3. Higher Education Program		3,371	
4. Advanced Education Program		-	
5. Research Program		99	
6. Technical Advisory Extension Program		12	

PART B. PHYSICAL ACCOMPLISHMENT (Key Performance Indicators only)

Performance Indicators	TARGET	ACTUAL	VARIANCE	Accomp Rate	Remarks/Justification*
1	2	3	4=2-3	5=3/2	6
OO 1: Relevant and quality tertiary education ensured to achieve inclusive growth and access of poor but deserving students to quality tertiary education increased					
HIGHER EDUCATION PROGRAM					
Outcome Indicators					
1. Percentage of first-time licensure exam-takers that pass the licensure exams	60.00%	89.78%	-29.78%	149.63%	This refers to the licensure examination for: Civil Engineering - 75.68% (28/37) Nursing - 100.00% (1/1) ElemEd - 87.07% (256/294) SecEd - 93.11% (365/392) Total - 89.78% (650/724) As of the reporting period, the target was already highly attained by VSU obtaining 89.78% (650/724). All programs posted above 60% passing percentage which is remarkable.
2. Percentage of graduates (2 years prior) that are employed	80.00%	87.87%	-7.87%	109.84%	There are 587 out of 668 sample size of graduates or 87.87% that were employed as of the reporting period. It is to be noted that in the past years up to this reporting period, VSU employed the use sample size as to the number of graduates to be monitored which was also the same figures reported for Performance-Based Bonus (PBB) purposes which are being validated by the Commission on Higher Education, among others performance indicators.
Output Indicators					
1. Percentage of undergraduate students enrolled in CHED-identified and RDC-identified priority programs	85.00%	95.11%	-10.11%	111.89%	The reported accomplishment for this indicator was based on the enrolment for 2nd semester of Academic Year (AY) 2023-2024 at 14,252 out of 14,985 total number of enrollees. The University is however reminded of the agreement during the FY 2022 Mid-Year APR consultation that the accomplishment to be reported should cover the 1st semester of the current AY (i.e. 1st semester AY 2024-2025). Thus, the 2024 actual accomplishment for this indicator should be reflected in the 3rd quarter of the Physical Report of Operations. Necessary adjustments must be made in the subsequent reporting.
2. Percentage of undergraduate programs with accreditation	90.00%	100.00%	-10.00%	111.11%	There was no accreditation undertaken as of the reporting period, nonetheless, all 39 undergraduate programs still have valid accreditation.

PART C. Revenue Performance

Income (per BESF)	TARGET	ACTUAL	VARIANCE	Accomp Rate	Remarks/Justification*
1	2	3	4=2-3	5=3/2	6
OFF-BUDGET ACCOUNTS	372,628	165,494	207,134	44.41%	
Retained Income					
Tuition Fees	78,806	30,464	48,342	38.66%	Collection rate under retained income, particularly for tuition and other school fees was relatively low since since portion of the FY 2024 FHE Program allocation was only requested late part of June, hence funding for the purpose was only released this 3rd quarter.
Income Collected from Students	70,953	28,539	42,414	40.22%	
Income from Other Sources	40,126	38,763	1,363	96.60%	Meanwhile, income from Other Sources was relatively high at 96.60% which was attributed to the service income which includes VSU Apartelle and Cottages.
Revolving Fund					
Income from Revolving funds	18,826	12,228	6,598	64.95%	Also, the collection under income generating projects was relatively good at 64.95% considering the operation of VSU's various IGPs such as VSU Pavilion, VSU Hostel and VSU Printing Press.
Custodial Funds					
Grants/donations	163,917	55,500	108,417	33.86%	Grants/donations mostly represent funding for research projects which were not yet downloaded pending liquidation of previous funds transferred, hence the low collection.

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FINANCIAL PERFORMANCE

[/]	Commendable Financial Performance
[/]	Obligation rates below targets
[/]	Disbursement rates below targets
[/]	Justification and reasons for low utilization beyond agency control
[/]	Justification and reasons for low utilization within agency control

Other remarks:

• VSU has total appropriations amounting to ₱1.248B, with released allotments of ₱993.668M. The unreleased allotments, totaling ₱254.090M, include ₱149.759M allocated for the Free Higher Education (FHE) Program and ₱104.331M for the lump-sum for filling positions under Administration of Personnel Benefits (APB). These unreleased allotments are classified as "For Issuance of SARO," and a portion of this amount was requested by and released to VSU only in the late part of June and August of this year, respectively.

• Of the ₱993.668M total released allotments, ₱534.215M was obligated, resulting in an overall obligations BUR of 53.76%.

For the current year appropriations, Personnel Services (PS) obligations stand at 51.61%, covering the first semester requirements of VSU.

Similarly, Maintenance and Other Operating Expenses (MOOE) has a utilization rate of 53.72%, reflecting the first semester's current operating requirements. The unobligated allotments are for various expenditure items as detailed in Item A.1.

For Capital Outlay (CO), VSU achieved a relatively good utilization rate of 54.85%, in view of the early procurement activities. However, a significant portion of the unobligated allotment, ₱34.399M, is allocated for the project "Replacement of the University Power Generator to Support Instruction, Research and Development." This project is currently on hold due to the absence of the building intended for the generator, which is yet to be implemented by the DPWH in view of Special Provision No. 5 of the FY 2024 GAA.

Meanwhile, obligations under continuing appropriations are relatively strong at 86.00% for MOOE, but very low at 1.55% for CO. A significant amount of ₱11.921M remains to be obligated by VSU, which ideally should have been utilized in the previous year.

• The actual obligations for the first semester, compared to the total obligation program in the financial plan, reached 42.81%. As noted earlier, the majority of the unobligated amount pertains to the 2nd semester's current operating requirements. VSU also did not attain its first-semester obligation target of ₱654.339M by achieving only total obligations of ₱534.215M.

• On the other hand, VSU achieved an overall disbursement rate of 89.04% (disbursement as a percentage of obligation). Among the allotment classes, PS had the highest disbursement rate at 99.10%, while CO had the lowest rate at 55.55% under current appro. while zero under continuing. Notably, there is a significant amount of unpaid obligations totaling ₱58.553M.

• The recorded disbursement as a percentage of the total disbursement program was only 38.12%. The MDP encompasses both current and continuing appropriations, including items categorized as "For Issuance of SARO." Evaluation indicates that VSU's actual disbursement of ₱475.662M was significantly lower than its first-semester disbursement program of ₱608.465M. As previously noted, the low accomplishment rate is due to the funding for the FHE and the lump sum for filling positions not being released or utilized by the University as of the reporting period.

• The actual disbursement over disbursement authorities received achieved a 100.00% utilization rate, which is highly commendable. Additionally, there were no reported instances of lapsed cash allocations.

PHYSICAL ACCOMPLISHMENTS

[/]	Commendable Performance
[/]	Physical Accomplishments below targets
[/]	Justification and reasons for low accomplishment beyond agency control
[/]	Justification and reasons for low accomplishment within agency control

Other remarks:

• Although VSU has four major programs—Higher Education, Advanced Education, Research, and Technical Advisory Extension Programs—this performance review focuses solely on the evaluation of key indicators under the Higher Education Program, in line with instructions from the DBM Central Office.

• It is noteworthy that VSU exceeded all its targets across the four indicators under the Higher Education Program. This includes surpassing goals for the passing percentage of licensure examinations, enrollment in CHED and RDC-identified priority programs, employability of graduates, and programs with accreditation.

INCOME PERFORMANCE

[/]	Commendable Income Performance
[/]	Income accomplishments below targets
[/]	Justification and reasons for low accomplishment beyond agency control
[/]	Justification and reasons for low accomplishment within agency control

Other remarks:

- The overall collection rate of 44.41% is relatively low, primarily due to the underperformance in collecting tuition, other school fees, and grants and donations, which stand at 38.66%, 40.22%, and 33.86%, respectively, all below the 50% ideal mark. However, it is important to note that a significant portion of the 2024 FHE allocation was only released in August, so the collection rate for tuition and other school fees is expected to improve in the next reporting period. For grants and donations, the collection rate will largely depend on the funds provided by various funding agencies, subject to VSU's liquidation of previously received funds, which are primarily allocated for research-related projects.
- Collections from other sources and income-generating projects under the revolving fund were relatively high, with rates of 96.60% and 64.95%, respectively.

OTHER ISSUES/CONCERNS**On Reportorial Requirements**

- VSU is commended for the complete submission of the required Budget Execution Documents (BEDs) and Budget and Financial Accountability Reports (BFARs). However, it was observed that not all reports are submitted on time according to existing guidelines. Additionally, FAR No. 6 (Statement of Approved Budget, Utilizations, Disbursements, and Balances for Trust Receipts) was manually encoded rather than submitted through the Unified Reporting System (URS). It was clarified with VSU that some source agencies had not encoded the corresponding funds allocated or transferred to the University into the URS, hence the manual report submission.

OVERALL FINDINGS/RECOMMENDATIONS

Given the assessment period, VSU is commended for its notable accomplishments across the three aspects of performance evaluation:

Physical Performance: VSU is lauded for exceeding the annual targets for four performance indicators under the Higher Education Program as early as the first semester of the year.

Financial Performance: VSU demonstrated a commendable overall obligation rate of 53.76% relative to total allotments, partly due to early procurement activities. The University also achieved a 100.00% utilization rate for disbursements relative to disbursement authorities received, indicating efficient fund management with no lapsed cash allocations. However, the disbursements BUR as a percentage to total obligations remains a concern for both current and prior year appropriations.

Income Performance: Despite an overall collection rate of 44.41%, improvements are anticipated. The collection rate for tuition and fees should improve in the subsequent reporting period with the substantial release of FHE allocation and the requirement for newly filled positions under APB. Collections from grants and donations will depend on funding allocated by various agencies, subject further to VSU's submission of liquidation reports.

The Office also appreciates VSU's submission of identified strategies and catch-up plans as part of the agency performance review report. These strategies must be implemented and regularly monitored to ensure the attainment of targets.

Given the overall performance results and noted issues, challenges, and concerns, the following recommendations are made:

On Physical Performance

- Given that VSU has consistently used sample size to determine the employability of its graduates, this method must be clearly disclosed in its accomplishment reports submitted to the Commission on Higher Education (CHED). As CHED is responsible for validating the physical accomplishments of SUCs for Performance Based Bonus purposes, such transparency is necessary to ensure alignment with the formula or parameters set by the Commission and to promote consistency in application across SUCs. This will also serve as an input in the upcoming updating of the indicators and target setting being facilitated by the Commission; and
- Adjustments must be made in subsequent reports to accurately reflect the actual accomplishment for the indicator "Percentage of undergraduate students enrolled in CHED-identified and RDC-identified priority programs," using the enrollment data from the 1st semester of the current academic year (AY 2024-2025). Therefore, the actual accomplishment for this indicator in 2024 should be reported in the 3rd quarter of the Physical Report of Operations.

On Financial Performance

- Regular coordination with the concerned DPWH District Engineering Office is necessary for the implementation of projects under Special Provision No. 5 of the FY 2024 GAA. Additionally, continuous communication with suppliers and contractors is essential to expedite project delivery, work completion, and the timely submission of billings, in order to address the substantial amount of unpaid obligations.
- Regarding the implementation of identified research, exploration, and development activities with significant allocations from current and continuing appropriations, the University must regularly monitor their progress to ensure full utilization within the year. It is worth noting that similar findings of low utilization under the research, exploration, and development expenditure item were highlighted in previous years' agency performance review reports.
- Early procurement activities should consistently be undertaken, not only for capital outlay projects but also for MOOE items with significant budget allocations that require approval from the Board of Regents or exceed the President's approving authority. This practice helps prevent delays in implementation, such as in the procurement of supplies, materials, and the execution of repairs and maintenance.
- Expedite the preparation and submission of the complete documentary requirements for the allocation under Free Higher Education (FHE) which requires approval from the DBM Secretary.
- Efforts to fill vacant positions must be significantly enhanced, highlighting particularly those positions created last year in line with the implementation of the Revised Organization and Staffing Standards for SUCs – Phase I, as outlined in National Budget Circular (NBC) No. 589, dated May 25, 2022. As of August 15, 2024, only 21.58% or 30 out of 139 newly created positions have been filled. Improving this process will also lead to increased utilization of funds under APB.
- The University must be regularly reminded of the validity of appropriations. Continuing appropriations under the FY 2023 GAA, in accordance with R.A. No. 11936 (MOOE and CO items), are valid for release, obligation, and disbursement only until December 31, 2024. Meanwhile, appropriations under the FY 2024 GAA are valid for release, obligation, and disbursement until December 31, 2024 for PS, and until December 31, 2025 for MOOE and CO allocations.

However, despite the validity for the 2024 MOOE and CO funds until 2025, the University must not become complacent and should continue to make every effort to fully implement the projects and utilize the allocated funds within the year.

On Income Performance

- Given that the 2024 allocation for FHE is already included under the Agency Specific Budget and categorized as "For Issuance of SARO," the University must expedite the preparation of the necessary documentary requirements to facilitate the release of the remaining FHE subsidy before year-end. Since a significant portion of the University's income comes from this allocation, any delay in its receipt could negatively impact the implementation of programs and projects. Therefore, it is crucial that the full allocation be released to the University within the year; and
- Continue to pursue the operation of income-generating projects to further boost collections from revolving funds and increase income from other sources; and
- Identify and resolve the bottlenecks causing delays in the submission of liquidation reports to various funding/donor agencies. Additionally, maintain constant coordination with the concerned agencies and promptly submit the necessary documentation to expedite the liquidation of previously received funds and the release of research-related grants and allocations.

On Reportorial Requirements

- Ensure the timely and accurate submission of BFARs in accordance with COA-DBM Joint Circular (JC) No. 2019-1, dated January 1, 2019, and as reiterated in Circular Letter (CL) No. 2024-5 dated February 27, 2024. Also, submit BEDs in line with DBM CL No. 2016-9, dated October 27, 2016, as amended by DBM CL No. 2017-12, dated October 19, 2017, and DBM CL No. 2018-10, dated November 18, 2018.

Additionally, adhere to yearly reminders from the DBM regarding the submission of reports, including BEDs for 2023 and beyond, as outlined in CL 2022-14, dated October 28, 2022.

Finally, VSU must coordinate with funding agencies to ensure the submission of a URS-generated FAR No. 6.

Prepared by:


MYLENE G. DE VEYRA
SBMS

Reviewed by:


FLORITA M. LACDO-O
CBMS

Recommending Approval:


ALELI N. HERNANDEZ
DIRECTOR III

Approved by:


IMELDA C. LACERAS, CESO III
DIRECTOR IV

ANALYSIS OF FINANCIAL PERFORMANCE FOR THE PERIOD JANUARY 1 TO JUNE 30, 2024

Department/Agency: SUC-VISAYAS STATE UNIVERSITY

In Thousand Pesos

Particulars	Adjusted Appropriation	Adjusted Allotment	Obligation	Disbursement	Financial Plan (BED No. 1)	Monthly Disbursement Program (BED No. 3)	Obligation Rate		Disbursement Rate *	
							Obligation vs Allotment (h = d / c)	Obligation vs Financial Plan (i = d / f)	Disbursement vs Obligation (j = e / d)	Disbursement vs MDP (k = e / g)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h = d / c)	(i = d / f)	(j = e / d)	(k = e / g)
Appropriations	1,293,358									
Transfer From	-									
Transfer to	45,600									
Adjusted Appropriations	1,247,758									
Current Appropriations	1,129,282	875,192	458,917	404,065	1,129,282	1,129,282	52.44%	40.64%	88.05%	35.78%
PS	670,467	566,136	291,910	289,289	670,467	670,467	51.56%	43.54%	99.10%	43.15%
MOOE	372,415	222,656	119,617	88,450	372,415	372,415	53.72%	32.12%	73.94%	23.75%
Capital Outlay	86,400	86,400	47,390	26,326	86,400	86,400	54.85%	54.85%	55.55%	30.47%
Automatic Appropriations	48,367	48,367	25,230	25,230	48,367	48,367	52.16%	52.16%	100.00%	52.16%
RLIP	48,367	48,367	25,230	25,230	48,367	48,367	52.16%	52.16%	100.00%	52.16%
Special Purpose Funds	-	-	-	-	-	-	-	-	-	-
PGF	-	-	-	-	-	-	-	-	-	-
MPBF	-	-	-	-	-	-	-	-	-	-
Contingent Fund	-	-	-	-	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-	-	-	-
Continuing Appropriations	70,109	70,109	50,068	46,367	70,109	70,109	71.41%	71.41%	92.61%	66.14%
PS	-	-	-	-	-	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
MOOE	58,000	58,000	49,880	46,367	58,000	58,000	86.00%	86.00%	92.96%	79.94%
Capital Outlay	12,109	12,109	188	-	12,109	12,109	1.55%	1.55%	0.00%	0.00%
Others (i.e. Supplemental Appropriation)	-	-	-	-	-	-	-	-	-	-
PS	-	-	-	-	-	-	-	-	-	-
MOOE	-	-	-	-	-	-	-	-	-	-
Finex	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	1,247,758	993,668	534,215	475,662	1,247,758	1,247,758	53.76%	42.81%	89.04%	38.12%

* Additional information:

Total Disbursement (FAR No. 4) (1) 511,526
 Total Disbursement Authorities Issued (m) 511,526
 Disbursement Rate (n = 1 / m) 100.00%