ACTION PLAN MONITORING TOOL

Sector : LGAS-E, Negros Oriental 1
Team : R7-05
Agency Audited : Municipality of Valencia
AAR Date : June 26, 2025

Prepared by : T. Jan Q. Bustillo Date :
Reviewed by : Janice Veriña Sarita Date :
Approved by : Katherine Z. Velez Date :

Ref.	Audit Observation and Recommendation	Agency Action Plan			COA Monitoring				
		Action Plan/ Remarks	Person/Dept. Responsible	Target Implem. Date	Date of follow-up	Implem. Status (Full, Partial, Ongoing, Non-implementation	Actual Implem. Date	Reason for Delay/ Non-implementation (if applicable)	Comments/ Action Taken
AAR 2024	1. At least 38 completed projects in CY 2024 under the General Fund and Special Education Fund, totaling ₱58,898,662.36, were erroneously retained under the Construction in Progress (CIP) account instead of being transferred to the appropriate Property, Plant and Equipment (PPE) accounts, due to insufficient monitoring and improper documentation, contrary to Section 50 of the NGAS Manual for LGUs, Volume I and IPSAS No. 17, resulting in an overstatement of the CIP account and an understatement of related PPE and depreciation expense accounts. We recommended that the Municipal Accountant:		Accounting			Partially Implemented		Some of the completed projects still had to be verified before transfer.	The Accountant had already transferred some of the completed projects to their proper asset accounts.

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	Coordinate with the Municipal Engineer in identifying the projects that have been completed but remained recorded under the CIP accounts; Record the transfer of the costs of the completed projects from the CIP accounts to the respective PPE accounts once these are identified; Record the corresponding depreciation expenses for the current and prior years; and Determine the status of implementation of the projects recorded under the CIP–Land Improvements account and prepare the necessary adjusting entries accordingly. We further recommended that the Municipal Accountant and the Municipal Engineer establish a regular monitoring process of the Municipality's CIP accounts to ensure the timely transfer of completed projects to the appropriate PPE accounts.								

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AAR 2024	2. The Accounts Payable balances of ₱25,680,544.86 was not fairly presented due to the inclusion of undocumented unpaid obligations amounting to ₱2,084,423.19, of which ₱1,761,964.63 remained outstanding for more than two years and were neither reverted to the unappropriated surplus, contrary to Section 98 of Presidential Decree No. 1445 and Section 9, Volume I, of the New Government Accounting System (NGAS) Manual, thus, may no longer represent valid claims. We recommended that the Municipal Accountant coordinate with the Municipal Budget Officer and the Municipal Treasurer to determine whether the Accounts Payable totaling ₱2,084,423.19, aged from over one year to more than 10 years, were recorded based on obligation requests duly supported by supplier bills/invoices and accomplished Inspection and Acceptance Reports, to ensure the	Management checked all the accountable departments to see where the outstanding Accounts Payable were.	Accounting			Fully Implemented			Management reverted the Accounts Payable to unappropriated surplus amounting to ₱1,761,964.63 through SB Resolution No. 216.

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	validity and accuracy of the liability account presented in the financial statements. We further recommended that, henceforth, the Municipal Accountant recognize liabilities only at the time goods and services are accepted or rendered and supplier or creditor bills are received, based on valid claims that are adequately supported by sufficient and appropriate evidence.								
AAR 2024	3. Inconsistent with Sections 246 and 248 of Republic Act (RA) No. 7160 and Section 20 of the Manual on the New Government Accounting System (NGAS), Volume I, the Real Property Tax (RPT) Receivable and Special Education Tax (SET) Receivable for CY 2024, each amounting to ₱53,232,192.80, were recorded only in November 2024 due to the unavailability of the assessment roll at the beginning of the year, compromising the matching principle thus, collections may		Accounting			Ongoing			Recording for the year still needs to be substantially evaluated.

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	not align with recorded receivables. We recommended that Management coordinate with the iTax System Technician to determine whether the amounts of RPT and SET Receivables established in November 2024, based on the assessment roll received by the Municipal Treasurer on November 12, 2024, would have been the same had the assessment roll been generated and made on or before December 31, 2023. We further recommended that the Municipal Accountant prepare the necessary adjusting entries, if warranted. We furthermore recommended that Management adhere to Sections 246 and 248 of Republic Act (RA) No. 7160 and Section 20 of the Manual on the New Government Accounting System (NGAS), Volume I, to ensure the timely and reliable establishment of RPT and SET Receivables.								

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AAR 2024	4. Inconsistent with Section 127 of International Public Sector Accounting Standards (IPSAS) No. 1, the Notes to Financial Statements (FS) for CY 2024 did not correctly present the current appropriation for the Local Disaster Risk Reduction and Management Fund (LDRRMF), resulting in incomplete disclosure of vital information in the financial statements. We recommended that, henceforth, the Municipal Accountant take into account the budget revisions made during the year to ensure that the current year appropriations for the LDRRMF are accurately disclosed in the Notes to FS as of December 31.		Accounting			Ongoing			Notes to FS for the year still needs to be evaluated.
AAR 2024	5. The Municipality inappropriately invested a total of ₱89,492,517.47 in time deposits without proper compliance with COA Circular No. 92-382, as the funds under	The Municipal Treasurer mentioned that despite their efforts to locate the necessary documents, they could only	Treasurer			Not Implemented			Action on the time deposits to be evaluated at year end.

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	the General Fund (GF) did not qualify as idle and documentary support for Land Bank of the Philippines (LBP) placements was lacking, thereby rendering its propriety doubtful. We recommended that Management: Cease the placement of funds in time deposits unless properly supported by a detailed computation showing excess funds beyond the Municipality's normal operating and financial requirements, in accordance with Sections 21 and 22 of COA Circular No. 92-382; and Instruct the Municipal Treasurer to retrieve and submit complete supporting documents for all existing time deposit accounts, particularly those under LBP, to validate the legality and appropriateness of such investments.	submit those related to bank accounts opened during his term, as the other accounts were opened by the previous Municipal Treasurer. He added that the deposits earn the Municipality substantial interest income due to higher interest rates compared to a regular savings account. He further explained that they considered these funds idle, as they are under protest and remain unutilized pending resolution. Nevertheless, he agreed to comply with the termination of the time deposits and the transfer of these to regular savings accounts once they mature.							
AAR 2024	6. Delinquent Real Property Taxes (RPT) and Special Education Taxes (SET) including penalties	The Municipal Treasurer said that they did their best to	Treasurer			Ongoing			The Municipal Treasurer explained that as

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	accruing thereon which accumulated to ₱18,374,734.90 remained uncollected as of December 31, 2024, depriving the Municipality of substantial amount of income which could have been utilized to finance the implementation of various development projects or other major programs/projects/ activities (PPAs). We recommended that the Municipal Treasurer strengthen efforts to collect delinquent real property taxes by conducting intensive tax campaigns in each barangay and issuing updated Notices of Delinquency to all delinquent taxpayers, ensuring that these notices include the information mandated under Section 254(b) of RA No. 7160. We also recommended that Management consider applying the remedies for the collection of real property taxes, in accordance with the pertinent provisions of RA No. 7160.	send RPT Delinquency Notices and attended various meetings around the Municipality to inform taxpayers. He added that they had already conducted tax information campaigns through social media, radio programs, tarpaulin postings, and leaflet distribution. He mentioned that although they were eager to collect the delinquencies, it ultimately depended on the willingness of taxpayers to settle their delinquent taxes.							the president of the Negros Oriental Local Treasurers Association, he had already pointed out to the Provincial Government the need to avail of judicial and administrative remedies for RPT delinquencies. However, his recommendation was not given preferential attention.
AAR	7. Due to Management's oversight		Engineer			Ongoing		There is an	

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2024	in conducting proper detailed engineering works and adequately monitoring and evaluating project implementation, the road concreting project in Barangay Balili, reported as fully completed with a contract cost of ₱1,391,537.64, was constructed in a location different from that specified in the approved Program of Work and the original and as-built plans, resulting in the irregular and unauthorized disbursement of public funds. We recommended that Management ensure compliance with detailed engineering requirements under the IRR of RA No. 9184 by conducting thorough investigations, including site validation and verification of right-of-way availability, prior to preparing and approving the Program of Work and before initiating the bidding and award process for infrastructure projects. We further recommended and the Municipal Planning and		MPDC					ongoing disallowance for this transaction.	

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	Development Coordinator agreed to strengthen monitoring and evaluation efforts to ensure that all development projects are implemented in accordance with the approved plans, specifications, and designated locations.								
AAR 2024	8. The completion of two infrastructure projects, both titled "Installation of Solar Street Lighting for Various Barangay," with contract amounts of ₱2,712,000.00 and ₱2,929,287.00, respectively, was reported at 100% completion in CY 2022. However, upon inspection by a COA Technical Audit Specialist, it was determined that the actual physical accomplishments were only 75.61% and 77.06%, respectively, resulting in a total overpayment of ₱1,333,500.00. We recommended that the Municipal Mayor and the Municipal Engineer inform the contractor of the deficiencies noted and require them to either undertake the necessary corrective		Engineer			Partially Implemented			Transactions for the year still need to be substantially examined to determine compliance. Management had informed the contractor.

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	works or to refund the amount corresponding to the uncompleted and non-compliant items, totaling ₱1,333,500.00. We further recommended and Management agreed to strengthen its monitoring and validation procedures by ensuring that all work items are physically verified and accounted for prior to certifying project completion and processing of final payment.								
AAR 2024	9. The Municipality's Local Disaster Risk Reduction and Management Council (LDRRMC) and the LDRRM Officer (LDRRMO) did not include in the CY 2024 LDRRM Fund Investment Plan (LDRRMFIP) the list of projects and activities to be funded from the unexpended LDRRMF from prior years amounting to ₱17,370,413.35, which is inconsistent with COA Circular No. 2012-002 dated September 12, 2012, thereby risking delays in fund utilization during the year due to the absence of prior appropriation		LDRRMO			Ongoing			Transactions for the year still need to be substantially examined to determine compliance.

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	and approval. We recommended and the LDRRMC and LDRRMO agreed to review and update the LDRRMFIP annually to include projects and activities chargeable to prior years' unexpended LDRRMF in accordance with COA Circular No. 2012-002 dated September 12, 2012, to ensure the availability of funds for the timely implementation of LDRRM programs, projects, and activities.								
AAR 2024	10. Out of the total available Local Disaster Risk Reduction and Management Funds (LDRRMF) for the 70% Mitigation Fund, Continuing Appropriations, and unexpended LDRRMF from previous years totaling ₱51,085,135.04 for CY 2024, only ₱19,653,991.38 or 38.47% was utilized for the implementation of LDRRMF programs/projects/activities (PPAs). Thus, the use of the fund was not maximized to strengthen the capacity of the Municipality to reduce and manage the adverse effects in		LDRRMO			Ongoing			Transactions for the year still need to be substantially examined to determine compliance.

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	times of disasters or calamities. We recommended that Management maximize the utilization of the LDRRMF by promptly implementing the planned programs, projects, and activities aimed at eliminating flood risks, reducing the adverse impacts of hazards and calamities, and enhancing the capacity of the LGU, communities, and individuals to effectively anticipate and manage all types of emergencies, thereby ensuring an orderly transition from response to sustained recovery.								
AAR 2024	11. Because programs, projects, and activities in the CY 2024 GAD Plan and Budget were either not implemented or only partially implemented by year-end, the amount appropriated was not fully utilized, leaving an unexpended balance of ₱8,666,817.03, representing 60.80 percent of the total annual GAD appropriations of ₱14,255,045.35, defeating the intent of the program to advance women's empowerment and		GAD Focal Person			Ongoing			Transactions for the year still need to be substantially examined to determine compliance.

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	gender equality. We recommended and the GAD Focal Point agreed to ensure the effective implementation of GAD programs, projects, and activities as planned, in order to achieve the GAD objectives. We further recommended and Management agreed to maximize the utilization of GAD funds to ensure that the intended outcomes are fully realized and that beneficiaries receive the appropriate support and services.								
AAR 2024	12. The GAD Plan and Budget (GPB) and GAD Accomplishment Report (AR) were not submitted to the PPDO, DILG Provincial Office, and the concerned Audit Team within the prescribed period, for the alignment of the Municipality's GAD PPAs to the priorities of the Province and for review and endorsement, respectively, contrary to Section 4.0 of the PCW, DILG, DBM and NEDA JMC No. 2016-01 dated January		GAD Focal Person			Ongoing			Submission for the year still needs to be substantially examined to determine compliance.

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	12, 2016 and COA Circular No. 2014-001 dated March 18, 2014, thus, gender responsiveness of the programs and activities was not assured. We recommended and Management agreed to submit the GPB and AR to the PPDO and DILG Provincial Office within the prescribed period in accordance with Section 4.0 of PCW-DBM-DILG-NEDA JMC No. 2016-01 dated February 12, 2016. We also recommended and Management agreed to strictly adhere to Item V of COA Circular No. 2014-001 dated March 18, 2014, for the timely submission of the said reports to the COA Audit Team. We further recommended and Management agreed to ensure that the GAD AR is accompanied by the required reports listed under Section C.8 (5) of the PCW-DILG-DBM-NEDA JMC No. 2013-01.								
AAR 2024	13. The Local School Board (LSB) was not able to furnish copies of					Ongoing			Submission for the year still

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	the CY 2024 SEF Annual Budget to the Municipal Accountant, Municipal Budget Officer, and Municipal Treasurer within the indicative timeline and has not fully complied with the required posting of the Quarterly SEF Utilization Reports and its submission to DepEd and other relevant authorities as stipulated in Item 6.1 of the DepEd-DBM-DILG JC No. 1, s. 2017 dated January 19, 2017, thus hindering effective monitoring, transparency, and accountability in the allocation and utilization of the SEF. We recommended and Management agreed for the LSB to ensure proper documentation and timely dissemination of the approved SEF Budget to the Municipal Budget Officer, Municipal Accountant, and Municipal Treasurer, in accordance with the requirements of Item 6.1 of DepEd, DBM, and DILG Joint Circular No. 1, s. 2017. We further recommended and the								needs to be substantially evaluated to ensure compliance.

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	Municipal Accountant agreed, in coordination with the LSB, to ensure the prompt and regular posting of the quarterly and annual SEF Utilization Reports in at least three conspicuous places. Additionally, we recommended and Management agreed that these reports be furnished to the Sangguniang Bayan, and submitted to the DBM and the DILG Regional Offices as mandated by the same Circular. Lastly, we recommended and Management agreed for the LSB to implement a monitoring system to track the timely submission of the required reports to avoid future delays.								
AAR 2023	14. The Municipality did not take advantage of the one-time cleansing of Property, Plant, and Equipment (PPE) due to non-compliance with the guidelines and procedures of COA Circular No. 2020-006 dated January 31, 2020, thus adversely affecting the fairness of the presentation of the PPE accounts with a net book value	The Chairman of the Inventory Committee had already considered recommending to the Municipal Mayor to temporarily relieve them from their regular duties to do a full-time physical inventory, subject to	Inventory Committee			Ongoing		The Inventory Committee had already made initial steps in conducting and completing the physical count of the Municipal properties. However, due to the enormous	

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	of ₱724,325,491.00 as of December 31, 2023, and may deprive Management of reliable and useful information in decision-making and accountability for these assets. We recommended that Management prioritize the implementation of the one-time cleansing of PPE accounts by strictly following the guidelines and procedures provided in COA Circular No. 2020-006 dated January 31, 2020, to have reliable PPE balances that are verifiable as to existence, condition, and accountability.	the approval of their respective department heads.						volume of PPE items, the Committee struggled to complete the task.	
AAR 2023	15. The recording of construction materials worth ₱4,021,407.50 used in infrastructure projects lacked necessary documentation, inconsistent with the pertinent provisions of the NGAS Manual for LGUs, Volume I, thus, proper monitoring and accounting for these materials were not assured. As a result, the balance of the Construction Materials Inventory account in the	Management will review their current procedures for recording construction materials used as components in infrastructure projects by using the prescribed forms provided in the NGAS Manual, designating personnel	Accounting			Not Implemented		Management had yet to implement the recommendation.	

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	financial statements as of December 31, 2023, was rendered unreliable. We recommended that Management observe the requisition procedures for materials and the reporting on their issuance as contained in the NGAS Manual for LGUs, Volume I, to ensure proper monitoring and accounting thereof, as well as to establish a reliable balance of the inventory account in the financial statements at year-end.	who will be responsible for recording and monitoring the construction materials and conducting regular reconciliations of materials issued to projects against the inventory records.							
AAR 2023 AAR 2022	16. Collections amounting to ₱296,042.38 as of December 31, 2023, were not deposited with the authorized government depository bank (AGDB) daily or not later than the next banking day, contrary to Section 69(4) of Presidential Decree (PD) No. 1445 and Section 32 of the NGAS Manual for LGUs, Volume I, thus, exposing government funds to the risk of misuse or loss through defalcation.		Treasurer Accountant			Not Implemented			Collections for the year still need to be substantially validated.

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	We reiterated our recommendation that the Municipal Treasurer ensure that all collections are deposited intact with the AGDB daily or not later than the next banking day pursuant to Section 69(4) of PD No. 1445 and Section 32 of the NGAS Manual for LGUs, Volume I.								
AAR 2023	17. The Municipality did not close its checking accounts with the Landbank of the Philippines (LBP) which had a total balance of ₱183,610.12, even though the accounts had already become dormant as of December 31, 2023, thus affecting the efficiency of utilizing such funds for their operations. We recommended and Management agreed to close their TEEP checking account with LBP and return the remaining balance of the Trust Fund to the DepEd to avoid incurring future dormancy fees on the dormant bank account. We also recommended that		Treasurer			Partially Implemented		The TEEP account had yet to be closed.	For the PhilHealth's Health Care Institution (HCI) Charges and Professional Fee Pooling, Management insisted on maintaining the accounts because claims of the Municipality's RHU for Philhealth share are credited to these accounts.

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	Management immediately close their two checking accounts for Philhealth and appropriate the money for the implementation of programs and projects that benefit the municipality's constituents, subject to the usual budgeting and accounting rules and regulations.								
AAR 2023	18. Disbursing Officers (DOs) were allowed to draw multiple cash advances in one day to pay for electric subsidy refund, prizes, overtime services, hazard pay, allowances, gratuity pay, honoraria, and other similar payments, which contradicts Section 4.1.2 of COA Circular No. 97-002 dated February 10, 1997, resulting in overlapping cash advances and unnecessarily exposing government funds to the risk of loss through misapplication. We reiterated our recommendation that the irregular procedure for granting cash advances, such as multiple cash advances to DOs in one day, be immediately stopped.	They are considering adopting payment of salaries and wages through ATMs, so these will no longer be done through cash advances.	Treasurer			Not Implemented			The Treasurer had already set the cut-off date for the processing of payrolls. Cash advances for the year still need to be substantially validated.

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	We also recommended that no additional cash advances be granted to the DOs until their previous advances are settled or properly accounted for. We further recommended that Management consider appointing or designating additional DOs to avoid granting multiple cash advances to the incumbent DOs. We furthermore recommended that the Municipal Treasurer set a cut-off date for the submission of approved payrolls by the different municipal offices every pay period, and require strict adherence thereto.								
AAR 2023	19. The Municipality appointed an employee for the position of Municipal Government Department Head I (Municipal Planning & Development Coordinator), even though the candidate did not meet the necessary experience required for the position, contrary to the provisions of the 2017 ORAOHRA, revised 2018.	Management will comply with the provisions of the 2017 ORAOHRA, revised 2018 to avoid disapproval/ invalidation of appointments in the future.	HRMO-Designate			Ongoing		The HRMO-Designate commented that the concerned personnel filed an appeal with the CSC Region VII on March 13, 2024 and they are still waiting for the decision.	

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	Thus, there is a risk that the appointing authority may have to refund the payment of the appointee's salary if the appointment is finally disapproved. We recommended that to avoid disapproval/invalidation of appointments, the HRMO-Designate ensure the following: a) Issue appointment under a permanent status only to a person who meets all the qualification requirements of the position to which he/she is being appointed, including the appropriate eligibility, in accordance with the provisions of law, rules, and standards promulgated in pursuance thereof; and b) The accuracy, authenticity, and completeness of all the requirements and supporting papers in connection with all cases of appointments are thoroughly reviewed and checked before they are submitted to the CSC.								

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AAR 2022	20. The cashbooks maintained by the accountable officers were neither updated and balanced daily, ruled and footed, nor closed at the end of each month, while the required certifications were not accomplished either, contrary to the pertinent provisions of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume II, resulting in the non-reconciliation with the accounting records in violation of the pertinent provisions of the Local Treasury Operations Manual (LTOM), 2nd Edition. Thus, early detection of errors and corrections thereof could not be made, affecting the reliability and accuracy of the cash and cash equivalent account balances amounting to ₱656,926,239.69 as of December 31, 2022. We recommended that the		Treasurer Accountant			Not Implemented		The cashbooks have yet to be fully reconciled with Accounting.	The Municipal Treasurer's Office called for a meeting to process the reconciliation of cash balances.

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	Local Chief Executive require the Municipal Treasurer to promptly update, balance, and certify the collections, deposits, and disbursements on the cashbooks, ensure the correctness and accuracy of entries recorded therein, and henceforth adhere to the existing regulations on the handling, custody, and disposition of the cashbooks. We further recommended that the Municipal Accountant and the Municipal Treasurer closely coordinate and regularly reconcile their respective records for the early detection and correction of errors to ensure the fairness of the presentation of the cash and cash equivalent account balances in the financial statements.								
AAR 2022	21. The accuracy and reliability of the Road Networks account totaling ₱122,228,850.63, net of Accumulated Depreciation, could not be ascertained due to (a) non-conduct of inventory of		Inventory Committee			Not Implemented			Documents showing a physical inventory count of the road networks have

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	local roads and non-preparation of the Report of the Local Road Network (RLRN) and Report on the Physical Count of Local Road Network (RPCLRN); (b) non-segregation of the cost of each road component of the local road projects in the books of accounts; (c) non-maintenance of the Local Road Network Ledger Card (LRNLC) by the Municipal Accountant and Local Road Inventory and Road Map and Local Road Network Property Card (LRNPC) by the Property Officer; and (d) non-disclosure of the total road networks in the Notes to the Financial Statements (FS), contrary to COA Circular No. 2015-008 dated November 23, 2015, thereby, affecting the fair presentation of the account in the financial statements. We recommended that Management strictly comply with the accounting and reporting guidelines on the local roads asset management system and earnestly perform their								yet to be submitted. Preparation of Road Network Plan is still ongoing.

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	respective duties and responsibilities set forth under COA Circular No. 2015-008 dated October 23, 2015. We further recommended that, henceforth, the Inventory Committee conduct an annual physical count of all its Local Road Networks and the results thereof reported in the RPCLRN to be submitted to the Auditor and Accounting Unit not later than January 31 of each year. The RPCLRN shall be reconciled with the accounting records, and the necessary adjusting entries be prepared before the statement date.								
AAR 2022	22. The ambulance purchased by the Municipality in CY 2022 for ₱2,597,897.00 was not covered by a Department of Health (DOH)-License to Operate as required under DOH Administrative Order (AO) No. 2018-0001 dated January 26, 2018. Thus, the assurance that the ambulance operates with competent personnel and		MHO			Ongoing		Management had encountered a problem with the availability of the TESDA schedule for competency assessment and training in First Aid for ambulance drivers and selected health	The Municipality had already complied with the TESDA Competency Assessment and Standard First Aid Training for 2 batches and are closely

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	appropriate equipment to respond to medical emergencies, provide quality care, and ensure patient safety may not be attained. We recommended that Management take immediate action to comply with the requirements stated in DOH AO No. 2018-001 dated January 28, 2018, to obtain the required license for the ambulance. This will enable the Municipality to rectify the existing non-compliance and ensure that the ambulance operates in accordance with the necessary standards and regulations established by DOH.							workers.	coordinating with the Regional Regulation, Licensing and Enforcement Division for the assessment.
AAR 2022	23. The Municipality procured two pick-up vehicles using the Local Disaster Risk Reduction and Management Fund (LDRRMF). However, these vehicles were not converted or fitted into rescue vehicles with the necessary equipment and apparatus, as required under the typology, classification, and specifications of motor vehicles		LDRRMO			Partially Implemented		The LDRRMO has yet to convert the two pick-up vehicles into rescue vehicles based on their intended functions.	Management had already provided photographic evidence of the two pick-up rescue vehicles marked with the appropriate labels.

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	specified in the Department of Budget and Management (DBM) Budget Circular (BC) No. 2017-1 dated April 26, 2017. Thus, the vehicles may not be effectively utilized for their intended purpose of responding to rescue-related activities, impeding the Municipality's ability to respond efficiently and effectively during rescue operations. Moreover, both vehicles were not marked "FOR OFFICIAL USE ONLY" contrary to the regulations outlined under COA Circular No. 77-61 dated September 26, 1977, thus exposing the vehicles to risk of abuse and misuse by the Municipal officials and employees. We recommended that Management immediately convert the two pick-ups into rescue vehicles equipped with the necessary equipment and apparatus in accordance with the typology, classification, and specifications of motor vehicles indicated in DBM BC No.								

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	2017-1 dated April 26, 2017. We further recommended that Management require Toyota Mabolo Cebu, Inc. to mark the vehicles "For Official Use Only" (3 inches), under which should be written the corresponding name of the Office operating or using the same in compliance with COA Circular No. 77-61 dated September 26, 1977, without additional cost to the Municipality.								
AAR 2022	24. Local Disaster Risk Reduction and Management (LDRRM) motor vehicles and heavy equipment were used for purposes other than disaster/calamity response and rescue/relief operations, contrary to Section 5.2.1.1.1 of the Department of the Interior and Local Government (DILG) Memorandum Circular (MC) No. 2021-004 dated January 18, 2021, subjecting the motor vehicles and heavy equipment to wear and tear which could result in their unavailability		LDRRMO			Not Implemented			Trip tickets for the year still need to be substantially evaluated.

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	during an actual calamity or disaster, thereby negating the purpose for which the vehicles and heavy equipment were purchased. We recommended that Management ensure that the LDRRM motor vehicles and heavy equipment be exclusively used for disaster/calamity response and rescue/relief operations in conformity with DILG MC No. 2021-004 dated January 18, 2021. Otherwise, refund or replenish the LDRRMF for the cost of the subject motor vehicles and heavy equipment, the appropriations for which shall be taken from the General Fund.								
AAR 2021	25. Fund transfer of ₱150,000.00 to the Metropolitan Inter-Local Health Zone (MILHZ) was not supported with the documentary requirements provided under Section 3.1.1 of COA Circular No. 2012-001 dated June 14, 2012, hence, the propriety and validity of the transaction could not be ascertained.		MHO			Partially Implemented		Management still failed to submit the Sangguniang Bayan Resolution authorizing the grant of assistance for specific projects of the MILHZ as required in the	Management submitted the following documents: 1. Copy of MOA/Trust Agreement from the Metropolitan Inter-Local

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	We recommended that Management strictly observe the documentary requirements on fund transfers in accordance with Section 3.1 of COA Circular No. 2012-001 and require the MILHZ to furnish the LGU District Health Board a copy of the financial statement including a narrative report on the utilization of the revolving fund as required under Item III of the MOA.							COA Circular mentioned. This is still needed even though it is already included in the Annual Budget under the Municipal Head Office under MOOE- ILHZ Municipal Counterpart.	Health Zone 2. Authorization from the Local Sanggunian for the Local Chief Executive to enter into a contract 3. Approved Project Expenditures or Estimated Expenses in the form of Work and Financial Plan from MILHZ for CY 2021 4. MILHZ Common Health Fund Utilization Report as of December 31, 2021 from the Office of the City Accountant, City of Dumaguete
AAR	26. The payment of two units of		BAC			Not Implemented		The mere	

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2021	reconditioned garbage compactor truck amounting to ₱4,499,000.00 was not supported by a certification/documentation of the general obsolescence, the availability of spare parts, the quality, degree and extent of repair and the maintenance requirements of the heavy equipment, as required under Section 4.5 of the National Budget Circular (NBC) No. 446-A dated January 30, 1998, thus, it could not be determined whether the purchase was the most advantageous to the government. We recommended that Management immediately submit to the Auditor the certification/documentation for the acquired two units of heavy equipment containing the required information stated under Section 4.5 of NBC No. 446-A dated January 30, 1998. We further recommended that, henceforth, Management adhere strictly to the prescribed policy guidelines on the purchase of							Certification prepared by the MENRO Designate could not be considered compliant with the required certification/ documentation of the general obsolescence, the availability of the spare parts, the quality, degree, and extent of the repair done, and the maintenance requirements of the acquired heavy equipment.	

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	"secondhand/ reconditioned" transport and heavy equipment.								
AAR 2021	27. The Municipality of Valencia transferred funds amounting to ₱185,000.00 to various Non-Government Organizations as their financial support for its operations without fully substantiating the disbursements with the documentary requirements prescribed under Section 2.0 of COA Circular No. 2012-001 dated June 14, 2012 and Section 4(6) of Presidential Decree No. 1445, thus, the propriety and regularity of the transactions could not be ascertained. We recommended that the Municipal Accountant submit the lacking supporting documents as required under Section 2.0 of COA Circular No. 2012-001 dated June 14, 2012 to enable the Audit Team to properly evaluate the propriety and regularity of the fund transfers. We also recommended that, henceforth, the Municipal Accountant		Accounting			Partially Implemented		The concerned NGOs still lack some supporting documents such as the Audited financial reports for the past three years (CYs 2020, 2019, and 2018) of Bata ng Calabnugan, Inc. and the signed project proposal and sworn affidavit of the secretary of Casa Miani-Arvedi Foundation, Inc.	

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	ensure the completeness of the supporting documents for every transaction of the Municipality before payment/transfer is made in compliance with Section 4(6) of PD No. 1445.								
AAR 2021	28. Expenditures amounting to ₱6,515,760.00 were improperly charged to the Local Disaster Risk Reduction and Management Fund (LDRRMF) contrary to Section 5.0 of the National Disaster Risk Reduction and Management Council (NDRRMC), Department of Budget and Management (DBM) and Department of the Interior and Local Government (DILG) Joint Memorandum Circular (JMC) No. 2013-1 dated March 25, 2013, and Section A of DILG Memorandum Circular (MC) No. 2012-73 dated April 17, 2012, hence, substantially reducing the funds available for DRRM programs, projects, and activities. We recommended that Management appropriate the amount of ₱4,499,000.00 (cost		LDRRMO			Partially Implemented		The Municipality has yet to convert their brand new pick-up into a rescue vehicle equipped with the necessary equipment and apparatus and used exclusively for rescue and response activities.	The Municipality had already allocated funds to replenish ₱4,553,428.00 to the LDRRM Fund per approved SB Res. No. 208 under Appropriation Ordinance No. 6 Series of 2022 and also the amount of ₱17,760.00 per SB Res. No. 266 Under Appropriation Ordinance No. 8 series of 2022.

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	of garbage trucks) and ₱17,760.00 (cost of operating expenses) from the 20% Development Fund and the General Fund, respectively, to replenish the LDRRMF. We further recommended that the brand-new motor vehicle (Toyota Pick-up) be converted into a rescue vehicle equipped with the necessary equipment and apparatus and used exclusively for rescue and response activities, otherwise, Management shall reimburse the LDRRMF for the cost of the vehicle from the General Fund. We furthermore recommended that Management refrain from charging the expenditures mentioned above to the LDRRMF and, henceforth, utilize it for programs, projects and activities authorized under NDRRMC, DBM and DILG Joint Memorandum Circular No. 2013-01 dated March 25, 2013 and DILG Memorandum Circular No. 2012-73 dated April 17, 2012, to strengthen the capacity of the Municipality to								

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	avoid or mitigate the adverse effects of disasters or calamity.								
AAR 2020	29. Despite the failure to secure prior approval from the Secretary of the Interior and Local Government or his duly authorized representative, the Municipality still proceeded to purchase a brand new rescue vehicle (Toyota Hilux 4WD Pickup) costing ₱1,999,000.00. At the same time, the required written report on the acquisition was not submitted to the concerned DILG office within 30 days from the completion of the procurement process, contrary to the pertinent provisions of DILG Memorandum Circular (MC) No. 2021-004 dated January 18, 2021, thus, resulting in irregular disbursement of government funds. We recommended that Management immediately submit to the DILG Regional Office No. VII the required written report on the acquisition of the brand new rescue vehicle		BAC			Not Implemented		Management failed to attach to the written report a copy of the documentary requirements stated under Sections 5.4.1.1 to 5.4.1.5 of the DILG MC No. 2021-004.	The BAC Secretariat, noted by the BAC Chairman, submitted to the Regional Director of DILG Region VII through the DILG Municipal Local Government Operations Officer (MLGOO), detailing the type, brand, engine displacement, quantity, price, and seller of the purchased vehicle. Also attached to the written report submitted were the Purchase Order, Acceptance and

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	which shall contain the details regarding the type, brand, engine displacement, quantity, price and seller of the purchased vehicle. We further recommended that, henceforth, Management strictly comply with the existing rules and regulations on the purchase/acquisition of government motor vehicles.								Inspection Report, Delivery Receipt, Certificate of Registration, and Official Receipt. The MLGOO duly received the said report on June 17, 2022.
AAR 2020	30. The purchase of radio communication equipment amounting to ₱214,800.00 was not supported by valid permits to purchase and possess from the National Telecommunications Commission (NTC), contrary to the pertinent provisions of NTC Memorandum Circular (MC) No. 2-05-88, NTC MC No. 11-21-88, and COA Circular No. 2012-003 dated October 29, 2012, thus, creating doubt on the propriety and legality of the procurement. We recommended that Management submit		LDRRMO			Not Implemented		Documentary requirements for the application still had to be complied with.	The LDRRM Officer submitted a letter dated June 21, 2022, to the OIC Regional Director of NTC Region VII indicating the Municipality's intent to apply for Permits to Purchase and Possess another radio frequency exclusive to the LDRRM as the Municipality is using the

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	immediately to the Audit Team the required NTC permits to purchase and possess the subject radio communication equipment in compliance with NTC Memorandum Circular Nos. 2-05-88 and 11-21-88. We further recommended that, henceforth, Management adhere strictly to the abovementioned rules and regulations governing the acquisition of base and portable radio communication equipment.								existing frequency. The said letter was duly received by the NTC-Negros Oriental on June 24, 2022.
AAR 2020	31. The payroll covering the payment of COVID-19 Special Risk Allowance (SRA) to nine public health workers (PHWs) in the total amount of ₱68,309.00 was not substantially supported with complete documents contrary to Section 4(6) of Presidential Decree (PD) No. 1445, thus, the propriety and regularity of the grant during the period of the implementation of the Enhanced Community Quarantine (ECQ) could not be ascertained.		MHO			Partially Implemented		Verification of the documents submitted showed that some of 2019-nCOV Contact Tracing Sign and Symptom Log Form for the PUMs and PUIs lacked vital information such as, Confirmed Case ID, Close Contact Name, Date of Last Exposure, and	Management submitted the following documents: a) Authority from the head of agency/ office to render service during the period of the ECQ; b) Individual approved daily time record; c)Daily status/

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	We recommended that Management require the Municipal Health Officer to submit to the Auditor the following documents to substantiate the grant of SRA to the nine PHWs: a) Inter-Agency Task Force for the Management of Emerging Infectious Diseases Resolution of the Risk Certification in the workplace; b) Authority from the head of agency/office to render service during the period of the ECQ stating the prescribed official working hours as well as the entitlement of the SRA; c) Individual approved daily time record or daily report of attendance indicating the dates and time they physically reported for work; and d) Daily status/monitoring report on COVID-19 patients, PUIs or PUMs quarantined in the Municipality's COVID-19 facility, in the homes, and in other isolation facilities covering the same period of the ECQ.							Date of Voluntary Quarantine Period Ends. According to Management, they were not oriented thus, only filled up data they believed were needed for observation and monitoring.	monitoring report on COVID-19 patients, PUIs or PUMs; and d) IATF Resolution of the Risk Certification in the workplace.

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AAR 2020	32. Owing to the absence of a validated list of affected families, there is doubt whether the various donations in-kind and relief goods which the Municipality received from private institutions were distributed to qualified beneficiaries as required under Item II.2.b of COA Circular No. 2020-009 dated April 21, 2020, thus possibly reducing the available donations in-kind and relief goods which could have been distributed to the most affected, especially indigent families. We recommended that Management ensure that donations in-kind and relief goods are distributed to qualified beneficiaries based on a validated list of affected individuals pursuant to Item II.2.b of COA Circular No. 2020-009 dated April 21, 2020. We also recommended that Management submit an		MSWDO			Partially Implemented		There was still no validated list of affected individuals used as basis for distribution.	Management had sent a letter to COA with the corrected summary distribution.

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	explanation for the unaccounted balance of four packs of milk.								
AAR 2020	33. The Municipality spent ₱1,349,200.00 out of the Local Disaster Risk Reduction and Management Fund (LDRRMF) for the purchase of food items and payment of catering services for meals provided to frontliners assigned in checkpoints and 24 barangays due to COVID-19 emergency, contrary to Sections 5.1 to 5.4 of NDRRMC-DBM-DILG Joint Memorandum Circular (JMC) No. 2013-1 dated March 25, 2013 and pertinent provisions of DBM Local Budget Circular (LBC) No. 124 dated March 26, 2020, thus, reducing the funds available for disaster risk management, relief, rehabilitation and recovery programs. We recommended that Management strictly utilize the LDRRMF for programs/projects/ activities authorized under DILG Memorandum Circular No.		LDRRMO			Not Implemented			LDRRM expenditures still need to be substantially evaluated as of year-end.

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	2012-73 dated April 17, 2012 and NDRRMC-DBM-DILG Joint Memorandum Circular No. 2013-1 dated March 25, 2013 and in accordance with DBM LBC No. 124 dated March 26, 2020. We also recommended that Management submit an explanation stating the reasons for the following deficiencies: a) Provision of meals to PHWs who were receiving subsistence allowance; b) At least 19 frontliners were present and given meals in two checkpoints at the same time while at least 13 frontliners were given two meals at the same meal time in one and the same checkpoint; and c) Inconsistencies in name spellings, mismatched or different signature strokes and frequent erasures on dates and names in the distribution lists.								
AAR 2020	34. The difference of ₱101,424,940.45 between the balances of accounts Real		Treasurer Accountant			Not Implemented		As of the present, the linkage of the iTax System is	

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	Property Tax (RPT) Receivable and Special Education Tax (SET) Receivable as of December 31, 2019 per records of the Municipal Accounting Office (MAO) and Municipal Treasurer's Office (MTO) could not be reconciled because the MAO and MTO did not maintain subsidiary ledgers and RPT Account Registers/Taxpayer's index cards, respectively, contrary to Section 20 of the Manual on the New Government Accounting System (NGAS), Volume I, and Section 10, Volume II of the same Manual, thus, the RPT/SET Receivable and Deferred RPT/SET Income accounts might not have been fairly presented in the financial statements. We recommended that: a. The Municipal Accountant and Municipal Treasurer reconcile the difference between the RPT and SET balances totaling ₱101,424,940.45 and,							only between the Offices of the Municipal Treasurer and Municipal Assessor. There is no linkage to the Accounting Office yet. Hence, maintaining subsidiary ledgers manually and reconciliation of the difference between the RPT and SET balances would entail a lot of work which the Municipality could not perform yet due to lack of manpower.	

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	henceforth, conduct, together with the Municipal Assessor, a periodic reconciliation of the balances of Basic and Special Education Tax dues and RPT Receivable and SET Receivable accounts to immediately detect and rectify any discrepancies; b. The Municipal Treasurer maintain Real Property Tax Account Register/Taxpayer's index card and furnish the Municipal Accountant a duly certified list of taxpayers with the amount due and collectible for the current year as basis for recording the RPT Receivable and SET Receivable accounts in accordance with Section 20 of the NGAS Manual for LGUs, Volume I; and c. The Municipal Accountant maintain subsidiary ledgers for control accounts RPT Receivable and SET Receivable in accordance with Section 10 of the NGAS Manual for LGUs, Volume II.								
AAR	35. The project Rehabilitation/		Engineering			Not Implemented		Failure of bid/	At present, the

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2019	Improvement of Industrial Park in Palinpinon, Valencia, Negros Oriental, which was reported to be 100% completed with a total cost incurred of ₱934,780.95 as of December 31, 2019, was found to be unoperational for lack of electrical connection and some uninstalled materials costing at least ₱81,068.10, resulting in the waste of government funds. We recommended that Management cause the immediate completion of the project at no additional cost to the government so that it can be used for its intended purpose. We further recommended that the Municipal Engineer submit proper accounting for the construction materials already procured but were not installed and desist from certifying as 100% completed any project unless he or his representative has conducted an inspection of the project.		Accountant					non-bidder, delay of deliveries, and revision of POW due to changes of price and additional materials. On the other hand, the Municipal Engineer was not able to submit to the Auditor the proper accounting for the construction materials already procured but not installed.	Industrial Park is being used as a quarantine facility and satellite office of the Municipality.
AAR 2019	36. The Municipal Engineer did not conduct detailed engineering		Engineering			Not Implemented		The current POWs still lacked	

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	works prior to the preparation and subsequent approval of program of work (POW), contrary to Section 17.6 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, causing prolonged delay in project implementation. We recommended that the Municipal Engineer ensure that detailed engineering is conducted before any POW is prepared and subsequently approved to refrain from making revisions which are not necessary in order that projects will be completed on schedule, so that the desired benefits can be immediately enjoyed by the intended beneficiaries as well as reduce the risk that programmed funds may no longer be sufficient due to price increases in construction materials and labor or changes in economic conditions.							detailed engineering works.	
AAR 2019	37. Because Management was not aware of the existing regulations, copies of perfected		BAC			Not Implemented		The submission was still beyond the reglementary	

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	contracts together with the supporting documents of at least 11 completed infrastructure projects in CY 2019 with a total project cost of ₱31,573,000.00 were not submitted to the Auditor for review, as required under COA Circular No. 2009-001 dated February 12, 2009, hence, the reasonableness of contract prices and whether or not the contractual covenants were advantageous to the Municipality could not be determined. We recommended that, henceforth, Management furnish the Auditor with copies of contracts together with the supporting documents within the reglementary period of five working days from perfection, in accordance with Sections 3.1.1 and 3.1.2 of COA Circular No. 2009-001 dated February 12, 2009, to allow timely review.							period and not all POs were submitted.	
AAR 2019	38. Due to lack of stringent internal policies on the preparation of payrolls, the Disbursing		Treasurer Accounting Budget			Not Implemented		DOs had still been granted multiple cash advances in	

		Agency Action Plan			COA Monitoring				
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	Officers (DOs) were allowed to draw multiple cash advances in one day for the payment of salaries and wages, honoraria and other similar payments to employees and other personnel, contrary to Section 4.1.2 of COA Circular No. 97-002 dated February 10, 1997, resulting in the overlapping of cash advances, unnecessarily exposing government funds to risk of loss through misapplication. We recommended that the irregular procedure in the grant of cash advances, such as the grant of multiple cash advances to DOs in one day be immediately stopped. We also recommended that the Municipal Treasurer set a cut-off date for the submission of approved payrolls by the different Offices of the Municipality every pay period and require strict adherence thereto.		Engineering Mayor's Office					one day for the payment of salaries and wages, honoraria, and other similar payments to employees and other personnel.	
AAR	39. The 15 applicants who were		VOCTEC			Not Implemented		Records showed	

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2019	admitted to the technical and vocational scholarship program in CY 2019 were neither out-of-school youths nor of school age, contrary to Section 447(5)(xi) of Republic Act (RA) No. 7160 and pertinent provisions of Sangguniang Bayan Resolution No. 229, depriving the poor but deserving students residing within the Municipality of the benefits of the program. We recommended that, henceforth, the Municipality thru the Administrative Council strictly adhere to the primary purpose of the technical and vocational scholarship program of the Municipality by limiting the grant of scholarship to out of school youths residing within the Municipality pursuant to the provisions of Sangguniang Bayan Resolution No. 229, series of 2019. We further recommended that the Council thoroughly review the individual credentials of the applicants to determine if they are eligible to be admitted to the							that the Municipality's technical and vocational scholarship program had not been granted solely to out of school youths.	

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	scholarship program. We finally recommended that Management submit a letter of explanation stating the reason(s) for a) admitting scholars who were neither out-of-school youths nor of school age; and b) accepting barangay certifications with altered dates of issue and submitting these as part of the supporting documents to the disbursement vouchers.								
AAR 2019	40. The Municipality paid term membership fee/dues to the Vice Mayors' League of the Philippines (VMLP), Inc. and Philippine Councilors League (PCL), Inc.-Negros Oriental Federation totaling ₱94,000.00 but were issued only printed receipts instead of official receipts (ORs) as required under Section 42, Chapter 7, Title I (B), Book V of the Administrative Code of 1987, hence, the accuracy of the transactions made could not be ascertained.		Treasurer SB			Not Implemented			Payment for the year still needs to be validated.

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	We recommended that the Municipal Treasurer require the issuance of ORs from the VMLP, Inc. and PCL, Inc. - Negros Oriental Federation for the payments made for membership dues/fees in CY 2019. We further recommended that the Municipality withhold future payments until the leagues comply with this requirement.								
AAR 2019	41. Management did not submit the Agency Action Plan and Status of Implementation (AAPSI) within 60 days from the date of receipt of the 2018 Annual Audit Report (AAR) contrary to Section 93 of the General Provisions of Republic Act (RA) No. 10964 dated December 29, 2017 for Fiscal Year (FY) 2018, precluding the Auditor from monitoring and validating the actions taken to implement audit recommendations, hence, the risk that deficiencies may continue to exist and, thus, affect the fairness of the presentation of the		Mayor's Office			Fully Implemented			

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	Municipality's financial statements as well as its operational efficiency. We recommended that the Local Chief Executive direct all department heads concerned to submit their respective duly accomplished AAPSI on the CY 2018 AAR, and assign a personnel to consolidate the same for submission to the Auditor. Henceforth, Management should strictly comply with the submission of the AAPSI within 60 days upon receipt of the AARs for the succeeding years.								
AAR 2019	42. Inventory of Breeding Stocks and other biological assets including the prevailing market price of each stock as of reporting date was not submitted by the Municipal Agriculturist to the Municipal Accountant as required under Section 4.5.1 of COA Circular 2016-004 dated September 30, 2016, hence, the existence and condition of the Biological Assets with total acquisition		Agriculturist			Ongoing		On-going verification by the Municipal Agriculturist (MA) of the former MA's records and tracing of the whereabouts and condition of original breeding stocks and their offspring.	

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	cost of ₱609,877.16 could not be ascertained. Likewise, the account balances were not fairly presented in the financial statements in accordance with paragraph 16 of the Philippine Public Sector Accounting Standards (PPSAS) No. 27. *Balances as of December 31, 2022:* *Breeding Stocks ₱559,887.16* *Work/Zoo Animals 49,990.00* *Total ₱609,877.16* We recommended that the Municipal Agriculturist establish the actual status of the breeding stock dispersal program by tracing the whereabouts and condition of the original breeding stocks and their offspring, if any, and render a report to the Municipal Accountant which includes the fair market value of each stock, for proper recording in the book of accounts. In case of death/loss of assets, necessary adjusting entries shall be taken only after the issuance							Reduction or addition of the Work/Other Animals & Breeding Stocks account had not been regularly updated because of the Livestock Inspector's failure to update the Municipal Accountant.	

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	of Credit Notice arising from the result of the evaluation of the relief from accountability, if any. We also recommended that proper disclosure shall be provided in the Notes to the Financial Statements in consonance with PPSAS 27 to provide information that may affect the fairness of the presentation of the financial statements.								
AAR 2018 AAR 2011	43. The Municipality maintained a time deposit of ₱1,000,000.00 with the First Consolidated Bank (FCB), a private bank, in excess of the maximum amount insurable with the Philippine Deposit Insurance Corporation (PDIC) of ₱500,000.00, contrary to Section 311 of Republic Act (RA) No. 7160, thus, exposing public funds to high risk of loss in case of bank closure or bankruptcy. We recommended that the Municipal Treasurer transfer the time deposit with the First		Treasurer			Not Implemented		The ₱1,000,000.00 time deposit with the FCB had been transferred to the Philippine Veterans Bank (PVB) on May 2, 2019, as authorized under Sangguniang Bayan Resolution No. 183 and Department of Finance Circular No. 01-2017 which included	The Auditor would like to emphasize that PVB's authority to accept funds from NGAs/GOCCs/ LGUs was subject to limitations prescribed by the Monetary Board. The said time deposit should have been transferred to either LBP or

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	Consolidated Bank, Dumaguete Branch to either Land Bank of the Philippines (LBP), Dumaguete Branch or Development Bank of the Philippines (DBP), Dumaguete Branch, in compliance with Section 311 of RA No. 7160, DOF Department Order No. 27-05 dated December 9, 2005, and COA Circular No. 92-382 dated July 3, 1992.							PVB as an AGDB.	DBP where the authority to accept deposit from government agencies was absolute.
AAR 2018 AAR 2017	44. Twelve development projects with a total appropriation of ₱13,052,716.00 which represent 67.10% of the CY 2017 appropriations of the 20% Development Fund (DF) were not implemented during the year contrary to Item No. 5 of DILG-DBM Joint Memorandum Circular No. 2017-1 dated February 22, 2017, resulting in the inefficient use of funds and non-realization/delayed enjoyment by the constituents of the benefits that could have been derived from the projects. We recommended that		Engineering			Not Implemented		The delay was due to the late acquisition of road right-of-way, Deeds of Donation and appropriate location or area for the construction. Also, some of the sites were unavailable or there was a need for clearances and permits from concerned NGAs.	

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	Management undertake a concerted effort to fast track the implementation of projects under the 20% DF by addressing the causes of the delay. We further recommended that the Municipality ensure that only projects that are aligned with DILG-DBM Joint Memorandum Circular No. 2017-1 dated February 22, 2017 are charged thereto in order that the desired socio-economic development and environmental management outcomes may be achieved.								
AAR 2018 AAR 2017	45. Out of the total budget appropriations of ₱972,635.80 allocated for the Local Council for the Protection of Children (LCPC) for CY 2017, only 19.57% or ₱190,342.00 was expended for LCPC programs, projects, and activities (PPAs) outlined in the Annual Work and Financial Plan, while leaving a substantial amount of ₱782,293.80 or 80.43% of the total budget appropriations unutilized, disregarding the		LCPC			Not Implemented		Management had not appointed personnel who would focus on complying the recommendations.	Utilization of the fund still needs to be substantially evaluated at year-end.

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	primary purpose of the fund as contemplated under RA No. 9344. We recommended that in the preparation of the Annual Work and Financial Plan, the LCPC allocate more funds to PPAs that are responsive to the objective of providing protection to children against abuse, neglect, exploitation and violence, and promotion of their rights and welfare as envisioned by RA No. 9344. We further recommended that the Council prepare the Local Development Plan for Children and Children's profile as required under DILG Memorandum Circular No. 2012-120 dated July 4, 2012.								
AAR 2018	46. The Municipality continued to practice indiscriminate disposal of solid waste in an open dumpsite in violation of RA No. 9003, thereby posing major public health threat and environmental risks. We recommended that		MENRO			Partially Implemented		The Municipality had purchased a zero-waste Material Recovery Facility instead of opening and maintaining a sanitary landfill.	The controlled dumpsite operated by Management was already closed in CY 2023. Management had not fully

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	Management prioritize the establishment and operation of a sanitary landfill in accordance with Sections 40 and 41 of RA No. 9003 and meantime, take action to convert the existing open dumpsite into a controlled dump and hasten its closure within a specific time frame. We further recommended that all barangays be involved in the implementation of waste reduction and segregation at source.								implemented the recommendation due to their 10-Year Solid Waste Management Plan being approved by the National Solid Waste Management Commission only recently.
AAR 2017	47. The Municipality's appropriations of ₱9,750,000.00 for Gender and Development (GAD) in CY 2017 fell below the required amount while only five gender-related programs, projects, and activities were implemented during the year with a total cost of ₱833,469.86 representing only 8.55% of the total budget appropriations contrary to Joint Memorandum Circular No. 2013-01 of the PCW, DILG, DBM and NEDA, thus adversely affecting the effectiveness of the program. We recommended that		GAD Office			Partially Implemented			Utilization of the fund still needs to be substantially evaluated at year-end. Since CY 2018, the Municipality had been allocating 5% of the Annual Budget for GAD. Management had already assigned a GAD

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	Management properly allocate funds for the implementation of GAD PPAs in accordance with PCW, DILG, DBM and NEDA Joint Memorandum Circular No. 2013-01. We further that Management immediately stop the use of GAD funds for scholarship program and, henceforth, prioritize the implementation of programs and activities which would promote gender equality.								Coordinator to fast track the implementation of GAD projects, programs, and activities.
AAR 2017	48. Three military cargo trucks procured out of the Local Disaster Risk Reduction and Management Fund (LDRRMF) were used in normal day-to-day operations as service vehicles and hauler of construction materials contrary to the guidelines on the use of LDRRMF, particularly DILG Memorandum Circular No. 2014-155 dated December 17, 2014 subjecting them to wear and tear which could result in the unavailability of the vehicles when actual calamity strikes, thereby negating the purpose for which the vehicles		LDRRMO			Not Implemented			Trip tickets for the year still needs to be submitted to see the usage of the LDRRM vehicles.

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	were purchased. We recommended that the use of the three units cargo truck for ordinary, day-to-day operations be minimized in order to preserve the utility of these vehicles for rescue and response activities in times of actual calamity in conformity with DILG Memorandum Circular No. 2014-155 dated December 17, 2014.								
AAR 2017	49. The balance of the land account of the Municipality amounting to ₱68.57 million is unreliable because ₱46.59 million or 67.95% of which are not covered by Transfer Certificate of Title (TCT) contrary to Section 39(2) of Presidential Decree (PD) No. 1445 and property cards as well as subsidiary ledgers thereof are not maintained, contrary to Sections 119 and 120 of New Government Accounting System (NGAS) Manual, Volume 1. We recommended that		Treasurer Accountant			Ongoing		Some lots still have yet to be titled.	The Local Chief Executive had created a team from the Municipal Legal Office to take charge of titling the Municipal real properties. The processing of transfer of title is ongoing. The Office of the Municipal Treasurer had already been maintaining

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	Management prioritize the filing of application for titling of the recorded properties to hasten the issuance of Certificates of Title in favor of the Municipality. We further recommended that the Municipal Treasurer and the Municipal Accountant maintain their respective property records for each real property.								property records for each real property owned by the Municipality.
AAR 2016	50. The Municipality did not strictly enforce Section 3 of Municipal Ordinance No. 2001-3, series of 2001, on Electrical Installation Loan Program, resulting in uncollected Loans Receivable of ₱1.85 million as of December 31, 2016, thus, exposing government funds to possible loss due to non-payment. *The balance as of December 31, 2022 was ₱1,348,328.29.* We recommended that the Municipal Accountant immediately send demand letters to the beneficiaries with outstanding loans receivable of		Treasurer Accountant			Not Implemented		Some of the beneficiaries could no longer be located.	Demand letters had already been sent to the EILP beneficiaries in CY 2017 thru the Barangay Officials. The Office of the Municipal Treasurer strictly monitored and deducted from the electric subsidy due to beneficiaries to effect deduction from their outstanding

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	more than five years pursuant to Section 3 of Municipal Ordinance No. 2001-3. We further recommended that the Municipal Treasurer deduct from the electric subsidy due the beneficiaries if they still are unable to pay.								EILP payable. Moreover, tax clearance had not been issued if the clients were not cleared from the payment of water bill, real property tax, business tax and EILP payable pursuant to Municipal Ordinance No. 5, Series of 2015.
AAR 2016	51. The Municipality did not procure common-use supplies from the Procurement Service-Department of Budget and Management (PS-DBM) nor submit their Annual Procurement Plan for Common-Use Supplies and Equipment (APP-CSE) to DBM as required under Administrative Order No. 17 dated July 28, 2011 and DBM Circular Letter No. 2011-6 dated August 25, 2011, thus,		BAC			Not Implemented			In CY 2024, the Municipality did not procure any items from the PS-DBM. BAC had received a Certificate of Non-Availability of Stocks, but it was not submitted to the Auditor for verification.

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	failing to ensure transparency and enhance streamlined procurement process. We recommended that the Municipality procure common-use supplies from PS-DBM and, henceforth, comply with the provisions of Administrative Order No. 17 dated July 28, 2011 and DBM Circular Letter No. 2011-6 dated August 25, 2011.								
AAR 2016	52. The land where the multi-purpose center was constructed was owned by private individuals contrary to Section 4 (2) of PD No. 1445 and Section 335 of Republic Act 7160, thus, the risk that the LGU might incur loss equivalent to the cost of the building amounting to ₱1,000,000.00 as right of ownership over the property is questionable. We recommended that Management secure the necessary donation papers or deed of usufruct for the land		Engineering			Not Implemented		Management is still complying with the needed deeds and permits prior to implementing projects.	

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	where the multi-purpose center was constructed, if there is any, otherwise initiate expropriation proceedings before the proper court to acquire the land upon payment of just compensation to protect the interest of the government. Henceforth, ensure the Municipality's ownership over the land before undertaking any construction or introducing any improvement thereon to avoid unnecessary losses.								
AAR 2016	53. The existence and reliability of the movable property plant and equipment account balances as of December 31, 2016 which amounted to ₱40,519,708.32 or 13.80% of the total property, plant and equipment account could not be ascertained due to incomplete conduct of physical count and the non-maintenance of property cards as required in Section 124 of the NGAS Manual, Volume I. *As of December 31, 2022, movable property, plant, and equipment amounted to*		Mayor's Office			Partially Implemented		Property cards had already been maintained especially for newly acquired properties but there was no reconciliation between the physical count and the related property and accounting records.	The current Inventory Committee is still conducting the physical count.

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	₱76,804,297.28 which comprises 12.09% of total PPE or 4.79% of total assets. The Inventory Committee be required to complete the conduct of the physical count of properties and reconcile the same with related property and accounting records and for the municipal treasurer's office to maintain property cards in accordance with existing regulations.								
AAR 2016	54. The Local Government Unit of Valencia entered into a Memorandum of Agreement (MOA) with the Valencia Community Development Cooperative, a non-government organization, as the Operator of the Barangay Bagsakan (BB) project, contrary to Section 2.a of Article III of the MOA between the LGU and the Department of Agriculture Regional Field Unit No. 7, so that the purpose of the project may not be effectively achieved. We recommended that:		VCDV Manager Agriculturist			Not Implemented		The operator had already been informed in writing regarding the MOA termination. Management is still seeking legal advice regarding the contract termination.	

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	a. Management terminate the MOA with the Valencia Community Development Cooperative; b. Management should operate the Barangay Bagsakan and train its staff to manage the same.								
AAR 2016	55. The Municipality did not prepare and submit the required financial evaluation and monitoring reports on the operation of the Barangay Bagsakan Project, in violation of items 2.p and 2.q of Article III of the Memorandum of Agreement between the Local Government Unit of Valencia and the Department of Agriculture Field Unit No. 7, which could possibly result to failure in the attainment of the objectives of the project. We recommended that the LGU: a. Prepare and submit immediately to the auditor the		Agriculturist			Not Implemented		Management had already informed the operator about the recommendation but had yet to receive a formal response prior for them to take action. There had only been a partial submission of financial statements because the Manager submitted only the annual financial statements instead of the monthly	

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	income statement and balance sheet on the operation of the Barangay Bagsakan Project as of December 31, 2012, by requiring the operator to submit to the Office of the Municipal Accountant the necessary data/information and records. Thereafter, the financial reports shall be prepared and submitted every 5th of each month. b. Furnish the auditor a copy of the required monitoring and evaluation reports as well as the report on the marketing strategies and management system aimed to ensure project sustainability measures and the achievement of the purpose of the BB Project.							report as required by the MOA. The Manager of the Bagsakan had also failed to submit the monitoring and evaluation reports, including the marketing strategies.	
AAR 2016	56. Absence of proper recording in the receipt and issuance of supplies and materials, lack of adequate control, as well as lack of sufficient storage and proper care thereof, exposed undetermined amount of supplies and materials to possible losses or wastage due to pilferage, unauthorized use,		Treasurer Supply Officer			Not Implemented		The existing stockroom of the Municipality did not have enough space to accommodate all items procured by the Municipality.	

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	and deteriorating effects of weather, thereby not ensuring efficiency and economy in the operations of the Municipality, in violation of Section 2 of Presidential Decree No. 1445 and other existing regulations. We recommended that: a. The Municipality maintain a single stockroom with adequate storage space for all materials and a responsible storekeeper be assigned thereat. The stockroom should be secured against pilferage, unauthorized use and protected from deteriorating effects of the elements; b. The materials in the stockroom should be properly arranged in such a way as to facilitate retrieval when needed and ensure that fresh usable items are always available. Materials should be issued on first in, first out basis; c. The storekeeper should keep bin cards for each type of article								

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	and hang on shelves or bins where the articles are stored. Reconcile bin cards with the stock/property cards maintained by the stock clerk and with the physical count of stocks on hand; d. The Office of the municipal treasurer should maintain stock cards for each class of article. All receipts, issuances and balances on hand of supplies and materials should be kept up-to-date. The stock cards serve as guide in preparing estimates of the quantity and description of articles needed to avoid overstocking. These also facilitate physical inventory-taking; and e. Conduct an immediate inventory-taking of all the items, prepare and submit inventory report to the auditor.								