ACTION PLAN MONITORING TOOL

Sector : LGAS-E Negros Oriental 1

Team : R7-05

Agency Audited : Municipality of Bacong
AAR Date : June 27, 2025

Prepared by : Tyra Jan R. Bustillo — Date :

Reviewed by : Janice Veriña Sarita — Date :

Approved by : Katherine Z. Velez — Date :

		Agency Action Plan			COA Monitoring				
Ref.	**Audit Observation and Recommendation**	**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 186 completed infrastructure projects, comprising 33 projects under the Trust Fund (₱207,195,565.98) and 153 under the General Fund (₱42,292,425.04), were not properly reclassified from Construction in Progress (CIP) to the appropriate Property, Plant, and Equipment (PPE) accounts upon completion, contrary to Sections 50 and 104(1.i) of the NGAS Manual for LGUs and IPSAS No. 17, resulting in significant overstatements in CIP balances and understatements in PPE and depreciation expense accounts in the financial statements. We recommended that the	For projects booked under the CIP account, coordination between the Accounting and Engineering Office to identify completed projects. Transfer costs from to CIP account to the appropriate PPE accounts. Projects under Trust Fund will be transferred to the General Fund and corresponding depreciation will be recorded for the current and prior years.	Municipal Engineer Municipal Accountant	Sept. 1, 2025	Dec. 31, 2025	Ongoing		Coordination is still being made between the Accounting and Engineering Office for the projects completed 2021 and prior.	Projects from CY 2022 onwards had already been transferred to the appropriate PPE accounts.

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	Municipal Accountant: -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 transfer of the PPE accounts from the Trust Fund to the General Fund and subsequently record the receipt thereof; -Record the corresponding depreciation expenses for the current and prior years; 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								

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	accounts.								
AAR 2024	2. Entries for the Special Education Tax (SET) totaling ₱9,589,520.80 were recorded in the General Fund's books instead of the Special Education Fund's books, which is inconsistent with Section 235 of RA No. 7160 and Section 88 of the NGAS Manual for LGUs, Volume I, thus affecting the fair presentation of the SET Receivable and Deferred SET Income accounts in the financial statements at year-end. We recommended and the Municipal Accountant agreed to reclassify the SET Receivable and Deferred SET accounts recorded in the books of the General Fund to the books of the Special Education Fund (SEF). We also recommended and the Municipal Accountant agreed, to henceforth accrue and record the SET exclusively in the books of the SEF, in accordance					Ongoing			Entries for the year to be examined to determine compliance.

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	with Section 235 of RA No. 7160 and Section 88 of the NGAS Manual for LGUs, Volume I.								
AAR 2024	3. The Accounts Payable balance of ₱14,059,061.35 was not fairly presented due to the inclusion of unpaid obligations amounting to ₱2,465,908.11, of which ₱2,232,423.11 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 ₱2,465,908.11, aged from over one year to more than 10 years, were	Details of the transactions in the accounts payable account to be examined to determine validity of reversion to the unappropriated surplus.	Municipal Accountant Municipal Treasurer Municipal Budget Officer			Ongoing		Examination of payables is still ongoing	Ongoing coordination with suppliers to determine claims.

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	recorded based on obligation requests duly supported by supplier bills/invoices and accomplished Inspection and Acceptance Reports, to ensure the 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	4. The cost of 12,644 bags of 10-kilogram rice, amounting to ₱7,143,860.00, procured using the prior years' unexpended LDRRMF, was incorrectly recorded as a direct debit to the Trust Liabilities – DRRMF account instead of the Welfare Goods Expenses account, contrary to the accounting treatment					Ongoing			Entries for the year to be examined to determine compliance.

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	prescribed under COA Circular Nos. 2012-002 and 2015-009, thus affecting the reliability of financial reporting and the accurate presentation of expenses related to disaster response. We recommended and the Municipal Accountant agreed to strictly adhere to the illustrative accounting entries prescribed under COA Circular Nos. 2012-002 and 2015-009 in recording the utilization of the unspent LDRRMF to ensure proper accounting and accurate financial reporting of trust fund transactions.								
AAR 2024	5. The Municipality's recording of various medicines and medical supplies worth ₱2,235,426.25 used for GAD programs and projects, without the proper documentation of actual issuance, specifically the Requisition and Issue Slip (RIS) and Summary of Supplies and Materials Issued (SSMI), was not in					Ongoing			Transactions for the year to be examined to determine compliance.

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	accordance with the NGAS Manual for LGUs, Volume I, thereby compromising the accuracy of expense recognition and rendering the balances of the Drugs and Medicines Inventory and Medical, Dental and Laboratory Supplies Inventory accounts unreliable as of December 31, 2024. We recommended that Management observe the requisition procedures for materials and the reporting of their issuance, as prescribed in the NGAS Manual for LGUs, Volume I. This will help ensure proper monitoring and accounting, as well as establish reliable inventory account balances in the financial statements at year-end.								
AAR 2024	6. Inconsistent with COA Circular No. 2015-009, penalties from Real Property Tax (RPT) and Special Education Tax (SET) collections totaling ₱1,934,234.14 in CY 2024					Ongoing			Entries for the year to be examined to determine compliance.

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	were erroneously recorded in the books of accounts as Real Property Tax - Basic (4-01-02-040) instead of Tax Revenue - Fines and Penalties - Property Taxes (4-01-05-020), hence, both income accounts were overstated and understated, respectively, as of December 31, 2024. We recommended and the Municipal Accountant agreed to: Prepare the necessary adjusting entries to effect the corrections in the financial statements and ensure accurate financial reporting; and Henceforth, ensure that all penalties collected from RPT and SET are properly recognized as Tax Revenue - Fines and Penalties - Property Taxes (4-01-05-020) at the time of collection, in compliance with COA Circular No. 2015-009.								

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AAR 2024	7. The Notes to Financial Statements (FS) of the Municipality for the year ended December 31, 2024, did not provide sufficient disclosures on several key accounts, including advances, other receivables, accounts payable, due to officers and employees, trust liabilities, other deferred credits, and other payables, contrary to Sections 127 and 129 of IPSAS No. 1, thereby diminishing the transparency and usefulness of the FS for users and stakeholders. We recommended that the Municipal Accountant ensure full compliance with the disclosure requirements of Sections 127 and 129 of PPSAS No. 1 by providing comprehensive and relevant explanatory notes for all significant account balances in the financial statements.					Not Implemented			Notes to FS for the year to be examined to determine compliance.

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AAR 2024	8. Delinquent Real Property Taxes (RPT) and Special Education Taxes (SET) including penalties accruing thereon which accumulated to ₱23,751,277.85 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					Ongoing		Municipal Treasurer's Office exerted efforts to collect the delinquent taxes. However, they depend on the willingness of the delinquent taxpayers to settle their tax dues. She added that they regularly submit a list of delinquent taxpayers to the Provincial Government for appropriate action since the task is a Provincial imposition.	

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	the remedies for the collection of real property taxes, in accordance with the pertinent provisions of RA No. 7160.								
AAR 2024	9. Out of the total available LDRRMF for the 70% Mitigation Fund, Continuing Appropriations, and unexpended funds from previous years amounting to ₱50,978,434.04 for CY 2024, only ₱7,143,860.00 or 14.01% was utilized for rice purchase while the province was under a state of calamity due to the adverse effects of the El Niño Phenomenon. Thus, the use of the fund was not maximized to strengthen the capacity of the Municipality to reduce and manage the adverse effects during 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					Ongoing		Nationally funded projects related to mitigating risks were given priority over locally funded projects.	

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	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 transitions from response to sustained recovery.								
AAR 2024	10. 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 ₱4,880,659.51, representing 47.62 percent of the total annual GAD appropriations of ₱10,250,000.00, defeating the intent of the program to advance women's empowerment and gender equality. We recommended that the GAD Focal Point ensure the effective implementation of GAD programs, projects, and activities as planned, in order to					Ongoing			Transactions for the year to be examined to determine compliance.

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	achieve the GAD objectives. We further recommended that Management 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	11. Procurement of various medicines and medical supplies totaling ₱2,235,426.25 charged against the GAD Fund were split into several requisitions and procured through either Shopping or Small Value Procurement (SVP), contrary to Sections 10 and 54.1 of the 2016 Revised Implementing Rules and Regulations (IRR) of R.A. No. 9184, thereby bypassing the requirement for competitive bidding and casting doubt on whether the prices obtained were the most reasonable and advantageous to the Municipal Government. We recommended that the BAC					Ongoing			Transactions for the year to be examined to determine compliance.

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	conduct proper procurement planning by consolidating similar or related requirements from various departments to avoid splitting of contracts, and to ensure compliance with Sections 10 and 54.1 of the 2016 Revised IRR of R.A. No. 9184, which mandates competitive bidding as the default method of procurement. We further recommended that the BAC issue a resolution justifying the use of any alternative mode of procurement, ensuring that such justification is well-documented, legally valid, and supported by the conditions set forth under Rule XVI of the IRR to promote transparency, efficiency, and economy in government spending.								
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	Timely submission of the required documents.	GAD Focal Person	Jan. 1, 2026	Mar. 31, 2026	Not Implemented		The required documents have yet to be prepared.	

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	alignment the Municipality's GAD PPAs with the Province's priorities and for review and endorsement, respectively, contrary to Section 4.0 of the PCW, DILG, DBM and NEDA JMC No. 2016-01 dated January 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 that Management ensure the timely submission of the Municipality's GPB and AR to the PPDO and the DILG Provincial Office, as required under Section 4.0 of PCW-DBM-DILG-NEDA Joint Memorandum Circular No. 2016-01, and obtain official "Received" stamps from the receiving agencies as proof of compliance with submission requirements. We further recommended that Management promptly submit copies of the approved GPB								

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	within five working days of receipt, and the GAD AR within five working days after the end of January of the following year, to the COA Audit Team in compliance with Item V of COA Circular No. 2014-001. Lastly, we recommended that Management 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 2023	13. 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 of ₱1,158,210,327.45 as of December 31, 2023, and may deprive Management of reliable and	Management will create an Inventory Committee who will conduct the Physical Inventory of PPE. After that, guidelines and procedures provided in COA Circular No. 2020-006 relative to the one-time cleansing of PPE accounts will be followed.	Municipal Treasurer/ Property Custodian	June 1 to June 30, 2024		Not Implemented		The Inventory Committee is still crafting the Physical Inventory Plan which will be the basis for the conduct of the physical count of PPE.	EO No. 5 s.2024 was issued regarding the creation of an Inventory Committee who will conduct the physical count of PPE in LGU Bacong.

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	useful information in decision-making and accountability for these assets. We recommended and Management agreed to 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.								
	14. The Disbursing Officer (DO) was allowed to draw multiple cash advances in one day for the payment of social pension, financial assistance, lot registration, allowances, gratuity pay, honoraria, and other similar payments, going against Section 4.1.2 of COA Circular No. 97-002 dated February 10, 1997, resulting in the overlapping of cash advances, unnecessarily	To control the drawing of multiple cash advances, the Management will designate an additional DO to avoid granting multiple cash advances to the incumbent DO.	Municipal Treasurer			Partially Implemented			Per verification of records, the incumbent DO was still able to draw more than one cash advance in a day.

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	exposing government funds to risk of loss through misapplication. We also recommended that no additional cash advances be granted to the DO unless the previous cash advance is settled or properly accounted for.								
	15. Management has not yet taken tangible and substantial steps toward compliance with the pertinent provisions of CSC-COA-DBM JC No. 1, s. of 2017 as amended by CSC-COA-DBM JC No. 1, s. of 2018, COA-DBM JC No. 2, s. of 2020, and COA-DBM JC No. 2, s. of 2022 on: (a) review of the agency functions, systems and procedures, organizational structure, and staffing pattern to identify any needs and gaps and determine the appropriate human resource complement for the Municipality's PPAs; and (b) prioritization of qualified COS/JOs in hiring to	The Municipality will update its plantilla positions taking into consideration the functions, systems, and procedures, organizational structure, and staffing pattern aligning to the municipality's PPAs. After this, management will conduct an evaluation and assessment of all COS and JOs to identify who are best suited to fill the vacant plantilla positions.	MCR/HRMO-designate Municipal Budget Officer			Ongoing		Management had yet to update its plantilla positions, taking into consideration the functions, systems and procedures, organizational structure, and staffing pattern, in alignment with the Municipality's PPAs.	

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	existing vacant plantilla positions. Moreover, payment of wages to COS/JOs equivalent to salary of comparable government positions and up to 20% premium had not been implemented, as required in the aforesaid JC. We recommended that Management review the Municipality's functions, systems and procedures, organizational structure, and staffing pattern to address any needs and gaps in the human resource complement. We also recommended that Management comply with all the provisions of the JC and consider existing qualified COS/JO workers when filling all its vacant plantilla positions, and provide for wages of COs/JOs at a rate equivalent to a comparable position in the government plus premium if funds are available.								

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AAR 2022	16. 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 ₱640,654,777.55 as of December 31, 2022.	Records are updated and reconciliation with the Accounting Office are made periodically to ascertain the accuracy and reliability of the cash and cash equivalent account balances.	Municipal Accountant Municipal Treasurer			Partially Implemented			Inspection of the cashbooks showed that not all of them were fully updated and promptly certified. The Municipal Treasurer and Municipal Accountant had already started coordinating to reconcile their records.

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	We recommended that the 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	17. The accuracy and reliability of the Road Networks account totaling ₱5,540,462.63, net of	The total length of the road networks is 766 meters and width of 5 meters and 4 meters as	Municipal Accountant Property			Not Implemented		Some accounting and reporting guidelines still needed to be	The LRNLC had already been maintained by the Accounting

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	Accumulated Depreciation, could not be ascertained due to (a) non-conduct of inventory of 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	per program of work prepared by the Municipal Engineer to account the ₱4,282,488.19 amount of road network recorded in the General Fund. As for the difference, the Municipal Engineer is still retrieving the files to account the total length, width and cost of the road network system. Not all road projects undertaken by the DPWH and Provincial Officer were properly turned over to the LGU. As agreed during the exit conference, the Municipal Engineer will update her records on the inventory of local road network system and prepare a report segregating the cost of each road component (i.e. road lot, road pavements, drainage and slope	Officer Municipal Engineer					implemented. No physical count of the total road networks was conducted as the LGU cannot ascertain the total road networks within the Municipality due to the lack of turnover of projects undertaken by the DPWH and Province. Management has yet to request a proper turnover for the said projects. The only basis available for the physical count is the record of municipality-funded projects.	Office and total road networks booked had already been disclosed in the Notes to FS.

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	Management strictly comply with the accounting and reporting guidelines on the local roads asset management system and earnestly perform their 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.	protection structures and other miscellaneous structures). After which, the report shall be forwarded to the Municipal Accountant for proper recording. The Municipal Accountant will then prepare and maintain separate subsidiary ledgers for each road projects with a complete description and cost segregation as per records of the MEO.							
AAR 2022	18. The procurement of supplies for the programs implemented under the Municipal Agriculture	The BAC will strictly comply with the pertinent provisions stipulated in the	BAC Chairperson Head of BAC			Ongoing			Other suppliers transacted with by the Municipality

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	Office amounting to ₱396,301.00 in CY 2022 was done through shopping despite the absence of the conditions specified under Section 52.1 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184. Moreover, the subject procurement is not included in the line of business of the supplier. Hence, validation of the legal capability of the supplier as required under Section 34 of the Revised IRR of RA No. 9184 was not complied with, rendering the legality of the transactions questionable. We recommended that Management require the BAC to judiciously validate the eligibility of the suppliers in accordance with the pertinent provisions of the Revised IRR of RA No. 9184 and stop the practice of procuring supplies from a supplier whose goods or services that are the subject of procurement are not	Revised IRR of RA No. 9184.	Secretariat Municipal Agriculturist						still need to be verified.

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	included in the "line of business" of the supplier's BIR CoR and Mayor's Permit. We further recommended that, henceforth, Management undertake their procurements through Competitive Bidding in accordance with Section 10, Rule IV of the Revised IRR of RA No. 9184, except as provided in Rule XVI of the Revised IRR.								
AAR 2021	19. Payments of seed capital assistance granted as a loan to the beneficiaries of the backyard cattle fattening project amounting to ₱9,550,000.00 were recorded to either a liability account or an expense account instead of the asset account "Other Receivables" (1-03-06-990), thus total liabilities and total assets were understated by at least ₱9,550,000.00 as of December 31, 2021. We recommended that the					Partially Implemented		Management had not yet completed all the documents needed for verification to support the adjustments to be made in the books of accounts. Management already started recording the subsequent payments as	

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	Municipal Accountant reclassify the amount granted as seed capital fund to the farmer's associations recorded to expense or liability accounts to the proper asset account "Other Receivables" (1-03-06-990) by making the following adjusting entry: Other Receivables ₱9,550,000.00 Prior Period Adjustment ₱100,000.00 Trust Liabilities ₱4,300,000.00 Trust Liabilities – DRRMF ₱2,100,000.00 Due to NGAs ₱3,050,000.00 We further recommended that Management make the necessary adjustments in the books of accounts for the seed capital assistance granted as a loan to the beneficiaries of the backyard							Other Receivables.	

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	cattle fattening project in CY 2020 and prior years when the Municipality started to appropriate funds for the said project from its own Internal Revenue Allotment.								
AAR 2021	20. Purchases of various welfare goods, drugs and medicines, and other supplies and materials amounting to ₱6,461,055.80 out of the General Fund (GF) Proper and Local Disaster and Risk Reduction and Management Fund (LDRRMF) were directly recorded to the related expense accounts upon payment contrary to Section IV of COA Circular No. 2014-002 dated April 15, 2014 and Section 114 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume I, thus, eliminating the required accounting of the receipt and utilization established through the use of Requisitions and Issue Slips (RIS) and Summary of					Partially Implemented		Procedures regarding RIS and SSMI will be examined during the year to determine compliance.	The Municipality had stopped recording the purchases as outright expense and started using RIS and SSMI.

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	Supplies and Materials Issued (SSMI), which could result in the misstatement of inventory and expense accounts at the end of the year. We recommended that Management install internal control mechanisms by using the RIS to request and issue supplies and materials carried in stock and to consolidate the same in the SSMI, which shall be submitted to the Municipal Accountant for recording to the appropriate expense accounts for the supplies consumed. Further, we recommended that Management direct the Municipal Accountant to stop the practice of recording purchases of supplies and materials directly to expense accounts and henceforth, to record purchases and utilization of supplies and materials in accordance with Section 114 of the NGAS Manual for LGUs, Volume I								

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	and Section IV of COA Circular No. 2014-002 dated April 15, 2014, to fairly present the expense and inventory accounts in the financial statements.								
AAR 2021	21. Various procurements of rice for distribution to affected families during the Modified Enhanced Community Quarantine (MECQ) totaling ₱5,234,000.00 were made through Shopping despite the absence of the conditions specified under Section 52.1 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184 and the related Government Procurement Policy Board (GPPB) issuances, thus defeating the State's declared policy of economical procurement while possibly depriving the Municipality of obtaining the most advantageous prices. We recommended that Management undertake their					Ongoing			Transactions for the year still need to be evaluated for compliance with the recommendation

		Agency Action Plan			COA Monitoring				
Ref.	**Audit Observation and Recommendation**	**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**
	procurements through Competitive Bidding in accordance with Section 10, Rule IV of the IRR of R.A. No. 9184, except as provided in Rule XVI of the IRR. We also recommended that Management observe the judicious application of Shopping as the alternative mode of procurement when the conditions provided under Section 52.1 of the Revised IRR of R.A. No. 9184 are established.								
AAR 2021	22. Disbursements amounting to at least ₱1,234,367.37 for repairs and maintenance of motor vehicles and heavy equipment were not supported with pre-repair and post-repair inspection reports, reports of waste materials, copy of documents indicating the history of repair, and other documentary requirements enumerated under Section 9.1.3.4 of COA Circular No. 2012-001 dated June 14, 2012. Thus, it could not be					Partially Implemented		There was still a lack of requirements for these disbursements.	Management had already started supporting the disbursement vouchers covering payments for repairs and maintenance of motor vehicles with the Pre-inspection Report, Waste Materials Report; and

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	ascertained whether the extent of the damage and necessity of repair were determined, the scope of work specified in the Job Order was accomplished, and the required replacement parts were installed, thereby impeding the effective and efficient monitoring of the periodic repairs and preventive maintenance of all motor vehicles and heavy equipment owned by the Municipality. We recommended that before any repairs and maintenance of motor vehicles and heavy equipment are undertaken, Management require the personnel in charge to prepare the following reports, namely: a) pre-repair evaluation report and approved detailed plans showing in sufficient detail the scope of work/extent of repair to be done, b) report of waste materials, c) document indicating the history of repair, and d) post-								Post-inspection Report but still lacked the History of Repair.

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	inspection report. We further recommended that the Municipal Accountant ensure that disbursements for the repairs and maintenance of motor vehicles and heavy equipment are supported with the required documents enumerated under Section 9.1.3.4 of COA Circular No. 2012-001.								
AAR 2021	23. The Municipality paid additional honoraria to the Barangay Health Workers (BHWs) and Barangay Nutrition Scholars (BNS) of its 22 component barangays contrary to Section 4.2 of DBM Local Budget Circular (LBC) No. 63 dated October 22, 1996, Section 95 of R.A. No. 7160 and Section 8, Article IX-B of the 1987 Philippine Constitution, prohibiting double compensation, thus, resulting in illegal expenditures of ₱542,500.00. We recommended that					Not Implemented		The Municipality, through the Mayor, entered into a Memorandum of Agreement with the BHWs and BNSs to pay a monthly honorarium for the services rendered. The component barangays of the Municipality had transferred their budget allocation for the payment	

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	Management stop the payment of additional honoraria to the Barangay Health Workers (BHWs) and Barangay Nutrition Scholars (BNS) pursuant to DBM Local Budget Circular No. 63, Section 95 of R.A. No. 7160 and Article IX-B of the 1987 Philippine Constitution to avoid incurring illegal expenditures.							of honoraria of the BHWs and BNSs to the Municipality. The recommendation was for the opposite, for the Municipality to provide funds to the Barangay.	
AAR 2021	24. Payments of ₱1,847,150.00 for the purchase of three parcels of land out of the 20% Development Fund (DF) were not sufficiently supported with complete documentary requirements contrary to Sections 4(6) and 39(2) of Presidential Decree (PD) No. 1445 and Section 13.1 of COA Circular No. 2012-001 dated June 14, 2012, hence, the propriety and regularity of such payments could not be ascertained while the interest of the government was not fully protected because the certificates of title were not yet in the name of the					Not Implemented		Time constraints and the tedious process caused delays in the titling of lots since the Municipality has to depend on other Agencies in order to proceed. Management submitted Some transactions still had some lacking documentary requirements.	Management submitted a certification from the municipal treasurer in CY 2021 that two of the three lots mentioned have no real property tax arrearages as of the date of purchase, but not for the third lot.

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	Municipality. We recommended that Management submit the aforementioned lacking documents as required under Section 13.1 of COA Circular 2012-001 to enable us to properly evaluate the propriety of the disbursements. We further recommended that the Municipal Treasurer submit a certification that there are no arrearages in Real Property Taxes on the acquired properties as of the date of purchase. We furthermore recommended that, henceforth, the Municipal Accountant ensure the completeness of the supporting documents for every transaction of the Municipality before payment is made in compliance with Section 4.6 of PD No. 1445.								
AAR 2020	25. As of December 31, 2020, the Municipality maintained					Not Implemented			There is still a need to check

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	a deposit of ₱617,142.89 with the Rural Bank of Bacong, Inc. (RBBI), a private bank, contrary to Section 311 of Republic Act (RA) No. 7160 and Department of Finance (DOF) Department Circular No. 01-2017 dated May 11, 2017, which amount exceeded the maximum insurable amount of ₱500,000.00 with the Philippine Deposit Insurance Corporation (PDIC), thus, exposing public funds to high risk of loss in case of bank closure or bankruptcy. We recommended that the Municipal Treasurer transfer the depository account maintained with the RBBI to either Land Bank of the Philippines, Dumaguete Branch or Development Bank of the Philippines, Dumaguete Branch, in compliance with Section 311 of RA No. 7160 and DOF Department Circular No. 01-2017 dated May 11, 2017.								the year-end balance of the Municipality in RBBI whether it is still more than the insured amount of PDIC.

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AAR 2020	26. The propriety and validity of disbursements amounting to ₱45,870,000.00 under the Social Amelioration Program (SAP) of the Department of Social Welfare and Development (DSWD) were rendered doubtful due to the inclusion of personnel under casual, job order (JO) or contract of service and incomplete documentary requirements prescribed under DSWD Memorandum Circular No. 09 series of 2020. We recommended that Management ensure systematic procedures while strictly adhering to existing guidelines set forth under DSWD Memorandum Circular No. 09 series of 2020 in the implementation of SAP.					Not Implemented			The issue with the previous disbursements had yet to be resolved.
AAR 2020	27. The Municipality paid at least ₱20,554,755.63 for purchases of goods and					Partially Implemented		Management had not submitted the Procuring	

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	services from various suppliers in response to the COVID-19 pandemic despite the lack of required supporting documents contrary to GPPB Circular No. 01-2020 dated April 6, 2020, GPPB Resolution No. 18-2020 dated September 16, 2020 and Section 4(6) of Presidential Decree (PD) No. 1445, thus, it could not be established whether the suppliers were legally, technically and financially capable and whether the subject goods and services were procured at the most advantageous price. We recommended that Management submit to the Auditor copy of the Mayor's/Business Permit, original OSS of the suppliers, duly notarized, using the form prescribed under RA No. 11469 and RA No. 11494, and PE certification stating that it exerted all efforts to secure the most advantageous price to the government.							Entity Certification stating that they exerted all efforts to secure the most advantageous price for the government.	

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AAR 2020 AAR 2016	28. The reasonableness of the prices of medical supplies, welfare goods and other items purchased by the Municipality in response to the declaration of State of Public Health Emergency throughout the country due to the Coronavirus Disease 2019 (COVID-19) amounting to ₱7,894,318.75 and ₱9,249,714.00 charged against the Bayanihan Grant to Cities and Municipalities (BGCM) and Local Disaster Risk Reduction and Management Fund (LDRRMF), respectively, could not be ascertained because the detailed specifications including brand names of the items were not indicated in the Purchase Orders (POs), contrary to Item B of COA Circular No. 96-010 dated August 15, 1996, making it difficult to compare the prices of these supplies and goods with the prevailing					Partially Implemented			Purchase Orders for the year still need to be evaluated.

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	market price and in establishing its compliance with Section 5 of the Government Procurement Policy Board (GPPB) Circular No. 01-2020 dated April 6, 2020. We recommended that Management require the personnel concerned or the end-user duly authorized by the Head of the Procuring Entity to completely and properly fill up the relevant and required information in the PO pursuant to Item B of COA Circular No. 96-010 dated August 15, 1996.								
AAR 2020	29. Procurements of various relief goods totaling ₱16,214,736.00 under the Bayanihan Act were neither supported with Omnibus Sworn Statement (OSS) nor a warranty clause included in the purchase orders (POs) contrary to Sections 3.5 and 4.3 of the Government Procurement Policy Board (GPPB) Circular No. 01-2020 dated April 6, 2020 and					Partially Implemented		Management had not yet submitted the OSS of Royal Star Trading and New Merry Mart Corporation.	Management had submitted the OSS of New Bian Yek Commercial, ACME Traders, and Payalin Trading, Inc. only. Similar transactions during the year

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	Section 1 of GPPB Resolution No. 18-2020 dated September 16, 2020, hence, putting the Municipality at a disadvantage in case of uncorrected defects and nonconformity with quality standards and specifications of delivered goods. We recommended that the BAC require the suppliers to submit the original notarized OSS before or after award of contract but before payment is made and include a warranty clause in the contract or POs for procurements through emergency purchase in accordance with GPPB Circular No. 01-2020 dated April 6, 2020.								still need to be examined to determine compliance.
AAR 2020	30. Competitiveness and transparency were not assured in the Municipality's procurement of 28 catering services totaling ₱2,059,700.00 for the meals provided to frontliners and persons under monitoring							Management did not submit the breakdown of each caterer's menu offering and the rectified Inspection and Acceptance	Management had already submitted the list of menu served to the PUMs. Transactions for

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	(PUMs) because the caterers who participated in the canvass were able to come up with their bids despite the lack of a menu, thus, there is doubt whether the procedures provided under Republic Act (RA) No. 9184 were satisfactorily adhered to. We recommended that Management: a. Submit the following: i. An explanation for proceeding with the canvass on the basis of a purchase request which lacked details and specifications and with bids which were unusually too similar, and despite the lack of details; ii. An explanation as to why the caterers who participated in the canvass were able to come up with their bids despite the lack of							Report.	the year still need to be examined to determine compliance.

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	a menu; iii. A breakdown of each caterer's menu offering; and iv. A corrected Acceptance and Inspection Report specifying the items inspected. b. Ensure that the procedures for Shopping under Section 52.1(a) of the 2016 RIRR of RA No. 9184 are satisfactorily adhered to.								
AAR 2020	31. The prices of procured medical supplies charged against the Bayanihan Grant to Cities and Municipalities (BGCM) and Local Disaster Risk Reduction and Management Fund (LDRRMF) were above the highest suggested retail price (SRP) of the Department of Health (DOH) under Circular No. 2020-0133 dated March 12, 2020 and					Partially Implemented			Purchases of medicines for the year still need to me evaluated to see if the medicines are purchased at the most reasonable price.

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	Memoranda Nos. 2020-0250 and 2020-0250-A dated May 24, 2020 and June 2, 2020, respectively, contrary to GPPB Circular No. 01-2020 dated April 6, 2020, resulting to a price variance of ₱51,979.00 which could have been made available for other COVID-19 related expenses. We recommended that Management require the Bids and Awards Committee to submit justification for the procurement of the items above the highest suggested retail price of the DOH. We further recommended that Management procure medical supplies based on the SRP set by appropriate government agencies to ensure that the Municipality get the most advantageous prices.								
AAR 2020	32. The Municipality granted COVID-19 Hazard Pay to its 170 personnel who physically reported for work at their respective offices or					Partially Implemented		The approved contracts of personnel under COS and JO scheme still had	Management had submitted the authority from the head of agency/ office

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	work stations during the implementation of the Enhanced Community Quarantine (ECQ) in the total amount of ₱1,561,250.00 without the supporting documents necessary to determine compliance with the pertinent provisions of DBM Budget Circular No. 2020-1 dated March 24, 2020. Thus, the propriety and regularity of the grant could not be ascertained. We recommended that Management submit copy of the approved contracts of personnel under COS and JO scheme.							to be submitted.	requiring employees and workers to physically report to work during the ECQ, as well as the IATF Resolution certifying the risks in the workplace.
AAR 2020	33. The failure of Management to comply with the reporting guidelines for in-kind donations as required under pertinent provisions of COA Circular No. 2020-009 dated April 21, 2020, resulted in the delayed transmittal of data/information to the Office of the Civil Defense (OCD), thus, affecting the					Not Implemented		The Certification submitted only included a list of LSIs but lacked details on the goods received duly acknowledged by the recipients. Also, there was	Management had submitted the following documents to the NDRRMC: a. Acceptance of Donation Form on the donations received by the Municipality

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	accuracy of the consolidated report prepared by that Office which could have an adverse impact on the National Disaster Risk Reduction and Management Council's (NDRRMC's) ability to respond to disaster scenarios. Moreover, we could not validate actual distribution and the balances of the various donations in-kind and relief goods which the Municipality received from private institutions. We recommended that Management prepare a one-time report to the National Disaster Risk Reduction and Management Council (NDRRMC), through the Office of the Civil Defense (OCD) on all donations received by the Municipality and furnish the Auditor a copy of the (a) Acknowledgement Receipts of the Donations In-Kind; (b) Proof of receipt by and distribution to the beneficiaries; and (c) Inventory of remaining							no inventory for the undistributed goods, if any.	from the NGCP; and b. Certification from the RHU on the distribution of relief goods and food packs to LSIs with the attached list of beneficiaries.

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	undistributed items, if any, in accordance with the provisions of COA Circular No. 2020-009 dated April 21, 2020.								
AAR 2020	34. Disbursements for the purchase of various relief and welfare goods, catering services and payments to public utility vehicle drivers were not duly substantiated with official receipts and other supporting documents contrary to Section 4(6) of Presidential Decree (PD) No. 1445, thus, the propriety and regularity of the payments could not be ascertained. We also recommended that Management submit the following documents or a written explanation why the same could not be submitted: a. Relief distribution sheets for the relief and welfare goods showing the names of the beneficiaries with their signatures, kind and quantity of items received by each beneficiary, and					Partially Implemented		Management had not submitted the recommended documents.	

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	the date of receipt; b. List of frontliners and persons under monitoring who were catered with meals during ECQ and GCQ, duly signed by them; and c. List of passengers who availed of the free transport service during the implementation of ECQ, duly signed by them.								
AAR 2020	35. The Municipality spent at least ₱943,300.00 out of the Local Disaster Risk Reduction and Management Fund (LDRRMF) for the payment of printing of Enhanced Community Quarantine (ECQ) passes, cremation of PUI and catering services for meals provided to frontliners on duty in response to COVID-19 emergency, contrary to Section 5.0 of NDRRMC-DBM-DILG Joint Memorandum Circular (JMC) No. 2013-1 dated March 25, 2013, DILG					Not Implemented		Management believes that the expenses listed were responses to COVID-19 to answer the quarantine requirements and other health protocols at the time of the declaration of a State of Public Health Emergency. These were also covered by the documents as	Transactions during the year for LDRRMF still need to be fully verified.

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	Memorandum Circular No. 2012-73 dated April 17, 2012 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 appropriate/realign ₱876,500.00 in the 20% Development Fund and ₱66,800.00 in the General Fund Proper and reimburse the LDRRMF for the cost of the catering services, printing of home quarantine/ECQ passes and cremation of one PUI.							required in Section 2.5.6 of the LBC No. 124 dated March 26, 2020.	
AAR 2019	36. The Municipality made some adjustments to the Property, Plant, and Equipment (PPE) - Land account for a net credit amount of ₱11,634,391.19, contrary to the pertinent provisions of Philippine					Not Implemented		Verification of records for the subject lots had been ongoing.	Management maintained that the appraisal should be taken up as part of the Notes to Financial Statements (FS)

<table>
<tr><th rowspan="2">Ref.</th><th rowspan="2">Audit Observation and Recommendation</th><th colspan="3">Agency Action Plan</th><th colspan="5">COA Monitoring</th></tr>
<tr><th>Action Plan/ Remarks</th><th>Person/Dept. Responsible</th><th>Target Implem. Date</th><th>Date of follow-up</th><th>Implem. Status (Full, Partial, Ongoing, Non-implementation</th><th>Actual Implem. Date</th><th>Reason for Delay/ Non-implementation (if applicable)</th><th>Comments/ Action Taken</th></tr>
<tr><td></td><td>Public Sector Accounting Standard (PPSAS) No. 17, affecting the accuracy and reliability of the account balance amounting to ₱3,842,754.46 as of December 31, 2019, thus, the financial statements were not fairly presented.

We recommended that Management prepare the following reversal entry:

<table>
<tr><th>Account Title</th><th>Account Code</th><th>Debit</th><th>Credit</th></tr>
<tr><td>Land</td><td>1-07-01-010</td><td>₱11,677,081.19</td><td></td></tr>
<tr><td>Government Equity</td><td>3-01-01-010</td><td></td><td>₱11,677,081.19</td></tr>
</table>
We also recommended that Management exhaust all means to determine the acquisition costs of Lot Nos. 1840, 1841, 1851-B, 1852, 1855, 1856, 1894, and 3181 so that appropriate adjustment in the recorded costs may be made accordingly.

Lastly, we recommended that, henceforth,</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>only to conform to the basic accounting principles of materiality and conservatism.

However, our verification of the Notes to FS showed that a narrative statement regarding the adjustments was not included therein. It is reiterated that there were no circumstances that would warrant the subject adjustments. It greatly affected the accuracy and reliability of the PPE–Land account balance. Thus, the Municipality's financial statements were</td></tr>
</table>

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	Management adhere to the provisions set forth under PPSAS No. 17 for the accounting treatment for property, plant, and equipment to present fairly the financial statements.								not fairly presented.
AAR 2019	37. The Municipal government availed of a loan from Land Bank of the Philippines (LBP) amounting to ₱27,022,591.63 to finance expansion of motor pool through acquisition of three units brand new heavy equipment, with longer payment terms beyond the term of incumbent officials, agreed to terms disadvantageous to the Municipality, which was not fully supported with the requisite certifications and documents to justify the necessity of contracting the said amount, and lastly, the loan proceeds as well as the related expenditures were not reported in the Statement of Comparison of Budget and Actual Amounts, affecting the validity and					Partially Implemented		Renegotiation on the imposition of quarterly repricing of interest rates is currently underway. Management had also requested LBP to reconstruct the loans availed of by the LGU. Payments made by the LGU to the LBP in 2023 were marked “Under Protest” pending resolution of the matters.	The documents submitted were not certified true copies. Also, the certification of the MBO, Accountant and Treasurer duly noted by the LCE, and pertinent Promissory Note and other collateral documents, had not yet been submitted to the Audit Team.

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	propriety of the undertaking. We recommended that Management: a. Submit the loan agreement together with the certified true copy of the SB Resolution bearing the signatures of all concurring SB members, BSP Opinion of the Monetary Board together with the requisite documents, BLGF-DOF certifications, certification by the Municipal Budget Officer, Municipal Accountant and Municipal Treasurer noted by the LCE, the pertinent Promissory Note and other collateral documents, and the supplemental AIP; and Renegotiate on a fixed interest rate, with primordial consideration of the Municipality's capability to repay the loan within the incumbency of the officials' 3-year term in office.								
AAR 2019	38. Copies of perfected contracts together with the supporting					Not Implemented		Copies of contracts	The copies of contracts were

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	documents of at least 13 infrastructure projects started in CY 2019 with a total contract cost of ₱66,516,602.89 were not submitted to the Auditor for review, as required under Section 3.1.1 of 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 a copy of contracts together with the supporting documents within the reglementary period of five working days from perfection, in accordance with Section 3.1.1 of COA Circular No. 2009-001 dated February 12, 2009.							submitted were those part of the supporting documents to the disbursement vouchers.	not submitted within the reglementary period.
AAR 2019	39. The Municipality paid a total of ₱956,800.00 for the					Partially Implemented		The required documents had	The Capital Gains Tax and

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	purchase of seven parcels of land to be used as sites for the construction of water tanks, barangay health stations, and Early Childhood, Care and Development (ECCD) center, despite incomplete documentary requirements as enumerated under Section 4(6) of Presidential Decree (PD) No. 1445 and Section 13.1 of COA Circular No. 2012-001 dated June 14, 2012, hence, the propriety and regularity of such payment could not be established. We recommended that Management submit the aforementioned lacking documents as required under Section 13.1 of COA Circular 2012-001 to enable us to properly evaluate the propriety of the claim.							yet to be submitted to this office.	Estate Tax for lots 5126 and 1515 had already been paid.
AAR 2019	40. The Municipality paid registration and term membership fees/dues to the Vice Mayors' League of the Philippines (VMLP), Inc.					Not Implemented			The payments for 2024 still need to be evaluated if they had already

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	and Philippine Councilors League (PCL), Inc.-Negros Oriental Federation totaling ₱116,100.00 but were issued only customized printed receipts instead of official receipts (Accountable Form No. 51) as required under Section 42, Chapter 7, Title I (B), Book V of the Administrative Code of 1987, hence, the propriety and accuracy of the transactions made could not be ascertained. We recommended that the Municipal Treasurer require the issuance of ORs (AF No. 51) 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.								started issuing the AF No. 51.
AAR 2018	41. The balance of accounts Real Property Tax (RPT)							Reconciliation had been stalled	The LGU is currently

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	Receivable and Special Education Tax (SET) Receivable as of December 31, 2018 per records of the Municipal Accounting Office (MAO) and Municipal Treasurer's Office (MTO) showed a difference of ₱18,359,226.24 because the accounts were not established based on Real Property Tax Account Register/Taxpayer's index card and no subsidiary ledgers were maintained by the MAO 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, RPT Receivable/SET Receivable and Deferred RPT/SET Income accounts might not have been fairly presented in the financial statements. We recommended that: 1. The Municipal Accountant and Municipal Treasurer reconcile the difference between the RPT and SET							due to the voluminous work in the offices concerned and unavailability of some documents. The Municipal Treasurer's Office had maintained the Taxpayer's Index Card but was not able to furnish the Office of the Municipal Accountant a duly certified list of taxpayers with the amount due and collectible for the year.	moving toward digitalization, which will ease the reconciliation of the total collectibles from the Basic and Special Education Tax with the balances of the Receivables. The Subsidiary Ledgers will also be maintained for each barangay.

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	Receivables account balances totaling ₱18,359,226.24 and henceforth, conduct periodic reconciliation, together with the Municipal Assessor, of the total collectibles from the Basic and Special Education Tax with the balances of the RPT Receivables and SET Receivables accounts to avoid accumulation of unreconciled differences; 2. The Municipal Assessor prepare and submit to the Municipal Treasurer an assessment roll containing a list of all persons whose real properties have been newly assessed or reassessed and the values of such properties on or before the thirty-first (31st) day of December each year; 3. 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								

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	and SET Receivable accounts in compliance with Section 20 of the NGAS Manual for LGUs, Volume I; and 4. The Municipal Accountant maintains subsidiary ledgers for accounts RPT Receivable and SET Receivable in accordance with Section 10 of the NGAS Manual for LGUs, Volume II.								
AAR 2018	42. Disbursement vouchers (DVs) covering the payment for the purchase of lots and payrolls covering payment of services relative to the implementation of various projects totaling ₱1,894,000.00 charged against the appropriations of the Local Disaster Risk Reduction and Management Fund (LDRRMF) and 20% Development Fund (DF), respectively, were not duly supported by complete documentary requirements contrary to Section 4(6) of Presidential Decree (PD) No. 1445 and pertinent provisions of COA Circular No. 2012-001 dated June 14,					Partially Implemented		The documents related to the lots had yet to be submitted.	

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	2012, hence, the propriety, validity, and legality of the transactions could not be ascertained. We further recommended that Management immediately submit to the Auditor all common and additional documentary requirements for the purchase of lots enumerated under Section 13.1 of COA Circular No. 2012-001 dated June 14, 2012.								
AAR 2018 AAR 2017	43. Out of the total appropriations for the Local Disaster Risk Reduction and Management Fund (LDRRMF) amounting to ₱5,850,000.00, only ₱80,940.00 or 1.38% was utilized, of which, ₱74,640.00 was used as payment of services for post-planting maintenance under the Tree Planting Program which was not properly chargeable to the Fund, while the rest of the annual appropriation was left unutilized at year end,					Partially Implemented			The utilization for the year still needs to be evaluated as of year-end.

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	leaving the other programs, projects, activities for disaster preparedness, prevention and mitigation unimplemented. We recommended that Management train and equip volunteers as well as residents to be able to respond to any disaster or calamity.								
AAR 2018	44. The Municipality did not develop and maintain a Gender and Development (GAD) Database, contrary to Section 37(D), Rule VI of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9710 and Section 4.1.B(1) of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-1, thus, gender gaps and/or differences within the locality could not be fully identified and analyzed, defeating the purpose of having GAD-responsive Programs/Projects/ Activities (PPAs).					Partially Implemented		The data for family profiling which is needed for the GAD Database had been collected. Management had already appropriated funds for the Community-Based Monitoring System but had not yet started implementing the project.	The turnover of gathered data began in June 2025

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	We recommended that Management direct the Municipal Planning and Development Officer to establish the GAD database storage of necessary information in aid of effective gender-responsive planning, programming and policy formulation in accordance with PCW-DILG-DBM-NEDA JMC No. 2013-1 to ensure that the PPAs are aligned with GAD-related undertakings so that the intended beneficiaries are assured of the services, protection, and other assistance that may be provided.								
AAR 2017	45. Out of the total budget appropriations of ₱848,090.17 allocated for the Local Council for the Protection of Children (LCPC) for CY 2017, none was expended for child protection services, while 45.45% or ₱385,449.00 was					Partially Implemented			The actions could not be validated as the relevant documents needed for validation were not submitted.

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	spent for the honoraria of Day Care Workers (DCWs), disregarding the primary purpose of the fund as contemplated under RA No. 9344. We recommended that the Council prepare the Local Development and Investment Plans for Children, and Local State of Children's Report as required under DILG Memorandum Circular No. 2012-120 dated July 4, 2012.								
AAR 2017	46. The Municipality continued to practice disposal of solid waste in an open dumpsite and allowed dumpsite scavenging in violation of Republic Act 9003, thereby posing major public health threat and environmental risks. We recommended that Management prioritize the establishment and operation of a sanitary landfill in accordance with Sections 40 and 41 of RA No. 9003 and					Partially Implemented		The Municipality had not yet established and operated a sanitary landfill due to limited financial resources.	The Municipality entered into a Memorandum of Agreement with the City of Bayawan for the disposal of residual waste effective April 1, 2021. Management imposed upon the residents of the Municipality to compost their

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	meantime, take action to convert the existing open dump site into a controlled dump and hasten its closure within a specific time frame. We further recommended that the municipal ordinance on solid waste management be strictly enforced and all barangays be involved in the implementation of waste reduction and segregation at source in accordance with RA No. 9003.								bio-degradable wastes. Only residual wastes were collected and deposited in the dumpsite.
AAR 2017	47. The Municipality did not include in its Local Disaster Risk Reduction Management Financial Investment Plan (LDRRMFIP) for CY 2017 the list of projects and activities charged to the unexpended LDRRMF of previous years and failed to submit the Monthly Report on Sources and Utilization of the fund, contrary to the pertinent provisions of COA Circular No. 2012-002 dated September 12, 2012, thus, preventing timely validation and monitoring of programs, projects and activities					Not Implemented		Reports had been prepared by the Municipality but not submitted to the Auditor.	Utilization of the unexpended amounts still needs to be evaluated at year-end.

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	(PPAs) under the LDRRMF. We recommended that the MDRRM Council include in its LDRRMFIP the PPAs to be funded by the unexpended LDRRMF. We further recommended that the LDRRM Officer submit the Monthly Report on the Sources and Utilization of DRRM on or before the 15th day after the end of each month to the Office of the Auditor pursuant to Section 5.1.5 of COA Circular No. 2012-002 dated September 12, 2012.								
AAR 2016	48. The balance of the Land account of the Municipality amounting to ₱14.23 million is unreliable because ₱13.98 million or 98.25% of which were not covered by Transfer Certificate of Title/Original Certificate of Title (TCT/OCT) contrary to Section 39(2) of Presidential Decree (PD) No. 1445. Moreover, property cards were not maintained by the Municipal Treasurers Office,					Ongoing		The Municipal Assessor's Office lacked personnel to focus on the filing of applications for the titling of the recorded properties. Also, the Office did not to maintain property cards.	The title for Lot No. 1581 had already been awarded to the Municipality. Updating and reconciling of records was still ongoing.

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	while property ledger cards, although maintained by the Municipal Accountants' Office were not regularly reconciled with the records of the Municipal Assessor's Office, contrary to Sections 119 and 120 of New Government Accounting System (NGAS) Manual, Volume 1. We recommended that 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 the Municipal Treasurer maintain property cards and the Municipal Accountant to update their records and reconcile with the Office of the Municipal Assessor.							The titling of other lots was not completed due to time constraints. Also, the tedious process caused delays, as the Municipality has to rely on other government agencies to proceed.	
AAR 2016	49. The Municipality did not record in the books of accounts 17 parcels of land amounting to ₱19.78 million and did not conduct a					Not Implemented		Management had still been in the process of drafting the Physical	The Municipality's conduct of physical inventory still

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	physical count of its land account as required in Sections 111 and 112 of PD 1445, and Section 124 of the NGAS Manual, Volume I, thus understating the land and government equity account balances in the financial statements as of December 31, 2016 by the same amount. We recommended that the OIC-Municipal Accountant draw a journal entry voucher to record all lots owned by the Municipality. We also recommended that the Municipal Mayor require the Inventory Committee to conduct a physical count thereof and reconcile the same with related records maintained by the Offices of the Municipal Treasurer, Municipal Accountant and Municipal Assessor in accordance with existing regulations.							Inventory Plan, which shall serve as the basis for the one-time cleansing of PPE. The Municipal Accountant will record the necessary accounting entries once the one-time cleansing is completed.	needs to be evaluated at year-end.
AAR 2016	50. The Bids and Awards Committee (BAC) awarded the procurement of One Unit					Not Implemented			Transactions for the year still need to be

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	KIA single cab costing ₱1.20 million to an unauthorized dealer, contrary to Section 34, Rule X of the 2016 Revised Implementing Rules and Regulations of RA No. 9184 which could possibly result in overpricing. We recommended that, henceforth, the members of the BAC/TWG allow only eligible prospective bidders to participate in the public bidding for the procurement of goods and services. We further recommended that the BAC/TWG should conduct post-qualification in accordance with Section 34, Rule X of the 2016 Revised Implementing Rules and Regulations of RA No. 9184.								substantially evaluated.
AAR 2016	51. Had the Municipality procured cattle under the Cattle Fattening Project thru competitive public bidding, instead of uniformly extending ₱20,000.00 to each of the farmer beneficiaries, in accordance					Not Implemented		According to Management, it was not possible to procure the cattle through public bidding because the Municipality had	

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	with Item C.6 of the Memorandum of Agreement (MOA) entered into by and between the Municipality and the Department of Agriculture Regional Field Office 7, more farmers could have benefited from the project. We recommended that, henceforth, the Municipality conduct competitive bidding in the procurement of cattle in accordance with Section 10 of the Revised IRR of RA No. 9184 to ensure that the most advantageous price is obtained and more farmer beneficiaries are benefited. We also recommended that the farmer beneficiaries be required to return the excess grant of capital assistance.							a previous experience where the cattle acquired and given to the farmers were of inferior quality. They mentioned that the Department of Agriculture is aware that there is no qualified supplier in the province thus the method of releases was converted to giving cash to farmer beneficiaries for them to personally buy cattle on their own. The amount loaned included the purchase price of each cattle with the remaining used for feeds and	

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								other needs in cattle fattening. Management mentioned that the beneficiaries did not fail to pay their obligation so a next batch of beneficiaries could avail of the loan.	
AAR 2016	52. The Local Government Unit maintained two non-interest earing deposits with private banks contrary to Section 311 of RA No. 7160 and Section 5.2 of Department of Finance (DOF) Circular No. 001-2015 dated June 1, 2015, thus, funds might not be totally safeguarded against loss while depriving the Municipality from earning additional interest on bank deposits to fund projects and programs. We recommended that the Municipality close its deposit accounts with the PVB and RBB and deposit					Not Implemented		Management had opted to maintain their deposits with the RBBI for convenience and security purposes, and to help the local economy of the Municipality.	The Municipality had already closed the account it maintained with PVB.

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	the same to a government financial institution granting high interest rates.								
AAR 2016	53. 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, 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,					Not Implemented		Management had resorted to Shopping to procure common-use supplies and might consider procuring from the depot if it is no longer impractical due to distance, cost, and time constraints. The LGU had noted that the supplies in PS_DBM depot were of inferior quality or in stock for a long time due to their physical appearance.	

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	2011.								
AAR 2015	54. Procurements of submersible pumps totaling ₱610,114.00 were done through Shopping contrary to Section 52.1 of the Revised Implementing Rules and Regulations of RA No. 9184, thereby, making the transactions irregular. We recommended that the Bids and Awards Committee strictly observed Section 52.1 of the Revised Implementing Rules and Regulations of RA No. 9184 in the procurement of goods.					Not Implemented			Procurements for the year still need to be substantially evaluated after year-end.
AAR 2015	55. The Municipality failed to deduct 10% warranty security from the total contract price of medicines procured contrary to Section 62.1 of the Revised Implementing Rules and Regulations of RA No. 9184, thus, there is a risk that defective drugs and medicines may not be					Not Implemented			Implementation still needs to be validated after submission of transactions for the year.

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	replaced or the LGU may not be able to recover the cost thereof. We recommended that the OIC-Municipal Accountant see to it that 10% warranty security is deducted from the amount claimed to protect the interest of the LGU pursuant to 62.1 of the Revised Implementing Rules and Regulations of RA No. 9184.								
AAR 2015	56. The OIC-Municipal Treasurer did not examine the books of accounts of business taxpayers nor conduct confirmation of the declared gross receipts in their application for renewal of business licenses with other government agencies contrary to Section 171 of RA No. 7160, thus depriving the LGU from collecting additional income. We recommended that the OIC-Municipal Treasurer require the taxpayers to submit an Income					Not Implemented		Not all business taxpayers had been examined due to lack of manpower.	

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	Statement/Statement of Receipts and Expenditures when applying for renewal of business taxes to ascertain the accuracy of the declared gross receipts subject to tax. If the examination of the books could not be conducted immediately, the taxpayers may be required to submit their preceding year's financial statements as temporary bases in computing the business taxes.								
AAR 2015	57. The Municipality of Bacong has no approved 10-year Solid Waste Management Plan for CYs 2015-2024 contrary to Section 16 of RA No. 9003, thus providing no concrete guidelines for the effective implementation of programs and activities on solid waste management. We recommended that the Solid Waste Material Board immediately revise the Solid Waste Management Plan following the Annotated Outlined prescribed by the					Ongoing		Management had still been effecting the changes of the 10-year SWMP that was returned by the National Solid Waste Commission due to some corrections.	The amended SWM had already been submitted to the NSWMC for approval.

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	National Solid Waste Management Commission and submit the same to the National Solid Waste Commission for approval pursuant to Section 16 of RA No. 9003 for an effective solid waste collection and disposal.								
AAR 2014	58. The Municipality did not conduct a physical count of its movable property plant and equipment account as required in Section 124 of the NGAS Manual, Volume I, thus the existence as well as the reliability of the account balances in the financial statements as of December 31, 2014 which amounted to ₱25,672,580.96 or 31.77% of the total asset accounts could not be ascertained. a. The Mayor to strictly require the Inventory Committee to conduct the physical count of properties and reconcile the same with related property and accounting records and for the					Not Implemented		The Accountant will still make the adjustments after conduct of the physical inventory count. Management had still been in the process of drafting the Physical Inventory Plan, which shall serve as the basis for the one-time cleansing of PPE. The reconciliation shall be done once the one-time PPE cleansing is	The Municipality's conduct of physical inventory still needs to be evaluated at year-end.

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	municipal treasurer's office to maintain property cards in accordance with existing regulations. b. The Accountant to reclassify the fully depreciated and unserviceable assets from the Property Plant and Equipment to Other Asset account and to look into the disbursement vouchers and other documents pertaining to the unbooked assets and record the same in the book of accounts. c. The Municipal Treasurer to locate the missing hand held radio issued to the former barangay captain of Barangay Calangag and the Iwata Time Recorder amounting to ₱24,642.50 and ₱14,950.00, respectively. Also, locate the engine previously installed in the LGU owned patrol boat and get back the 70CC, Econo, power Honda kept in a private residence and henceforth, refrain from storing government							completed. The items had yet to be located.	

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	properties in a private residence/place.								
AAR 2013	59. Failure to comply with the rules and regulations on the grant, utilization and liquidation of cash advances prescribed in COA Circular No. 97-002 resulted to unliquidated cash advances amounting to ₱970,903.35 as of June 30, 2013, of which 22.34% is unsettled ranging for more than one year to ten years and above. The related receivable and expense accounts in the financial statements are therefore not fairly presented while government funds left in the possession of the accountable persons is exposed to the risk of loss or unauthorized use. If the employees concerned still fail to settle their cash advances after due notice, we recommended that Management instruct the municipal treasurer to withhold the payment of their salaries.					Not Implemented		The accountable officer with an unliquidated cash advance was no longer in service due to a transfer. The accountable officer with overdue cash advances did not have their salary withheld but liquidated only after the due date.	The cash advances for as of year-end still need to be validated.

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AAR 2012	60. Various properties amounting to ₱25,686,423.74 funded out of trust funds remained recorded in said funds despite completion of the various projects contrary to Section 104, Volume I of the NGAS, hence, misstating the financial position of the Agency. We recommended that Management: a. Conduct a Physical Inventory of all involved properties to determine the existence and physical condition of these assets. b. Settle the Due to NGAS account by submitting Liquidation Reports to the grantors so that the latter's books are also adjusted accordingly, before effecting the transfer to the General Fund. c. Based on the physical					Not Implemented		Completed projects had not been transferred yet. The PPELCs had not been updated due to lack of manpower.	The Municipality's conduct of physical inventory still needs to be evaluated at year-end.

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	inventory, require that properties, plant and equipment under the trust fund be immediately transferred to the specific account of general fund for proper presentation of the financial statements pursuant to Section 104 of NGAS. d. Require the LGU to maintain and regularly update a properly accomplished Property, Plant and Equipment Ledger Cards (PPELC) for easy verification and reference both by the auditee and auditor.								
AAR 2012	61. An ineligible bidder was qualified and awarded the contract by the Bids and Awards Committee (BAC) to participate in the public bidding for the procurement of construction materials amounting to ₱499,796.00 contrary to Sections 23 and 34.3 of the Implementing Rules and Regulations of RA No. 9184 and payment was effected despite incomplete					Not Implemented			Transactions for the year still need to be substantially evaluated.

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	documentation contrary to Section 138 (f) of the Government Accounting and Aiding Manual, Volume I. Thus, casting doubt on the regularity of the transaction. We recommended that: a. Members of the Bids and Awards Committee/ Technical Working Group should conduct thorough evaluation and review eligibility requirements for the Procurement of Goods and Infrastructure Project. b. The BAC allows only eligible prospective bidders to participate in the public bidding for the procurement of goods and services. c. In the post qualification, the BAC/TWG should verify, validate, and ascertain the genuineness, validity and accuracy of the legal, technical and financial documents submitted by the bidder with the LCB before awarding the same.								

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	d. Personnel preparing the purchase orders should strictly indicate the basic data on the PO pursuant to Section B.1 of COA Circular 96-010 dated August 15, 1996. e. The agency should submit the lacking documents pursuant to Section 138 (f) of the Government Accounting and Auditing Manual, Volume 1.								
AAR 2010	62. The Municipality has been very delayed in the submission of the monthly trial balances and financial statements with the related supporting schedules in violation of Section 70 of the Manual on NGAS for LGUs, thus, precluding users of these reports from making informed judgments and from validating the fairness of presentation of the financial statements. We recommended submission of the monthly trial balances and financial					Not Implemented		Reports were not submitted within the reglementary period. The Municipality is gearing towards digitalization and is aiming be able to generate financial reports within the reglementary period by then.	

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	statements within the reglementary period in accordance with Section 70 of the Manual on NGAS for LGUs, otherwise, we shall be constrained to withhold the salary of concerned officials and implement other sanctions and penalties as provided for under our laws.								
AAR 2009	63. Bank Reconciliation Statements for the General, Special Education and Trust funds were not prepared and submitted by the accountant as required under COA Circular No. 96-011 dated October 12, 1996, thus the reliability and accuracy of the cash balance per books of the three funds could not be ascertained. Required the Municipal Accountant to assign specific personnel to prepare and submit the monthly bank reconciliation statements to COA and the depository bank so that timely verification and review can					Not Implemented		The Municipal Accountant had already prepared the monthly bank reconciliation statements; however, these had not been submitted to the Auditor.	

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	be made and discrepancies immediately identified and corrected.								
AAR 2008	64. Low rental rates and high operating cost resulted to unprofitable operations of the municipality's economic enterprises namely, the Agricultural Training Institute, the Public Market, and the Waterworks Systems, thereby resulting to a deficit totaling ₱2,565,009.03 for 2008. Consider increasing rental rates or implement measures to reduce operating costs of the municipality's economic enterprises, and require the municipal treasurer to accelerate the collection of unpaid rentals by sending bills of collection to delinquent stall or space lessees, invoking the sanctions provided under the Contract of Lease to make the collection more effective. In addition, look for additional revenue sources, such as charging minimal fees for the use of the					Not Implemented		The Municipality had already drafted its revised revenue code subject for review and approval.	

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	market's comfort rooms.								