CITY OF CANLAON
Province of Negros Oriental

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2024
As of August 31, 2025

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken / Action to be taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
2024 ML, Par. 6, page 2	Monthly trial balances, quarterly, and year-end FS were not submitted by the City Accountant within the prescribed timelines, contrary to the provisions of Section 70 of NGAS for LGUs, Item 4 of COA Circular No. 2010-001, and Paragraph 7 of COA Circular No. 2009-006, thus, restricting stakeholders' access to accurate financial information necessary for informed decision-making and raising concerns about transparency and accountability in the City's financial management practices.	1. We recommended that the City Mayor ensure that the City Accountant perform her mandated function in accordance with R.A. No. 7160, review the tasks assigned to the personnel in the accounting office, and implement corrective measures to address the bottle necks that hamper the timely preparation of the financial statements and reports. 2. Moreover, we recommended that the City Mayor suspend the payment of salaries and other emoluments until the City Accountant has complied with submission of the required reports.	The City Accountant, as head of the concerned department, submitted a response to the AOM stating that the Office acknowledges its mandate to prepare financial reports and is working to address existing delays, which are primarily caused by the consolidation and review of disbursement journals. The response also noted the submission of a proposed organizational structure to add additional Accountant positions due to the current workload, the lack of a computerized accounting system, and a pending request for enrolment in the ECPAC Financial Management Information System (FMIS), along with a request for assistance from the COA Auditor in following up on the scheduling of face-to-face training.	Office of the City Accountant			Ongoing	Lack of personnel to handle specific functions, compounded by manual workload due to the absence of a computerized accounting system and pending enrolment in the ECPAC FMIS.	Disbursement journals were distributed among staff, additional positions proposed, and requests submitted for ECPAC FMIS enrolment and COA-assisted training.
2024 ML,	The financial assistance to cooperatives or NGOs/POs totalling	3. We recommended that the Accounting Office should properly	The concerned department heads met on June 3, 2025, to reconcile	COOP			Ongoing		*CCO in coordination with the Accounting Office has

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Par. 19, page 5	₱25,902,562.15 as of June 30, 2024, of which ₱22,052,352.15 remained outstanding for more than five years, were recorded under Loans Receivable – Others account which is not in accordance with COA Circular No. 2015-009 dated December 1, 2015, thus affecting the fair presentation of the Loans Receivable account in the Statement of Financial Position and suggesting lapses in monitoring and follow-up of unpaid balance.	classify financial assistance extended to cooperatives and NGOs/POs in accordance with COA Circular No. 2015-009 to reflect a fair and accurate presentation of the Loans Receivable account in the Statement of Financial Position. Moreover, the Accounting Office and the City Cooperative Office conduct a thorough reconciliation of balances to ensure reliability of the stated balance. 4. We further recommended that Management should strengthen the monitoring and follow-up mechanisms for repayment, establishing clear accountability, and considering legal or administrative remedies for delinquent accounts.	the balances of the Loans Receivables. The City Cooperatives Office forwarded the ledger of releases and repayments to the City Accountant's Office for proper identification and classification. Both parties agreed to meet during the first working week of every month for continuous monitoring and follow-up of unpaid balances. Second and third demand letters for delinquent beneficiaries, as of June, have already been printed and are ready for distribution. To fast-track and strengthen monitoring and collection efforts, the City Cooperatives Office will request additional field personnel through the Office of the City Mayor.						formulated measures to reconcile all livelihood project releases and payments. *Continued sending Collection letters to delinquent beneficiaries. As a result, they responded in the settlements to recover at least a portion of their obligations.
2024 ML, Par. 38, page 10	The City Government granted financial assistance to cooperatives and various organization totaling ₱4,296,000.00, which is inconsistent with COA Circular Nos. 2007-001 dated October 25, 2007, because the requisites and procedures for the entitlement and availment of funds were not complied with, thus exposing public funds to potential misuse or irregularity.	5. We recommended that Management strictly comply with the guidelines and procedures established under COA Circular No. 2007-001 in the availment, release and utilization of all funds released to non-governmental organizations and/or people's organizations, hence, non-compliance may result to the issuance of a Notice of Disallowance by this Office.	The current procedure at the City Cooperatives Office only requires the Certificate of Compliance from the CDA for renewals. Moving forward, the office commits to follow COA Circular No. 2007-001 by complying with the guidelines for the availment, release, and use of funds. This includes attaching and submitting the six required documents listed in Section 4.4 of the circular.	COOP			Ongoing		In adherence to Submission of COA prescribed specific requirement for NGO's/PO's per COA Circular No. 2007-001 and to preclude recurrence of such lapses, the following measures have been instituted: A mandatory checklist of requirements the COA has been implemented to ensure all required documents, including CDA certifications, annual audited financial statements, and project plans, are secured prior to fund disbursement. Require all Registered NGO/PO to submit a copy of all documents (as specified under COA Circular No. 2007-001) The CCO will conduct quarterly reviews of beneficiary.

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2024 ML, Par. 52, page 13	Various disbursements such as food allowance in connection with Pasayaw Festival, supplies for the prevention of epidemic disease and anti-rabies vaccine, among others, amounting to ₱1,380,227.75 were improperly charged to LDRRMF inconsistent with Section 5.0 of 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 NDRRMC-DBM-DILG JMC No. 2013-1 dated March 25, 2013, thereby reducing the funds available for disaster risk reduction and management activities.	6. We recommended that the City Disaster Risk Reduction and Management Council, strictly comply with existing regulations on the appropriation and utilization of LDRRMF, ensuring that such funds are utilized solely for disaster risk management, making the City well-prepared to respond to calamities which may occur.	In response to AOM No. Canlaon 2025-09 (2024), the City justified several expenses related to disaster preparedness and public health. The ₱265,800 food allowance during the Pasayaw Festival was for activating the Incident Command System (ICS) to ensure effective emergency response. The ₱276,203 spent on epidemic prevention supplies supported public education through IEC materials. Additionally, during the declared state of calamity due to a volcanic eruption, the City incurred expenses for medicines (₱73,695) for chronic diseases, rabies immunoglobulin (₱195,080), expansion of the TB-DOTS facility (₱242,220), and water supply improvements (₱327,230) to address urgent health needs and ensure safe water access. All expenditures complied with relevant laws and guidelines governing the use of disaster response funds.	LDRRMO, CHO			Fully Implemented		*Incident Command System (ICS) was activated through Executive Order No. 17 Series of 2024 . *Justification signed by DRA. JOYCELYN C. CALANZA, City Health Officer II as the Implementing Agency. • Supplies for the prevention of Epidemic Diseases • Medicines for the Prevention of Non-Communicable Diseases • Procurement of Berirab Human Rabies Immunoglobulin • Expansion of TB DOTS Facility The above-mentioned items were utilized during the state of calamity of the City of Canlaon. For the prevention of Epidemic disease outbreak, we procured chemicals and supplies for the control of Dengue cases in the evacuation camps, as well as the affected barangays, and conducted Integrated Vector Management Campaign and training of barangay health staff and officials.
2024 ML, Par. 60, page 15	Unexpended balances of LDRRMF of prior years transferred to the Special Trust Fund (STF) amounting to ₱20,504,543.68 were not considered and integrated into the LDRRMFIP) for CY 2024, deviating from Sections 5.1.2 and 5.1.15 of COA Circular No. 2012-002, thus, limiting the amount of usable funds to the current year's appropriation.	7. We recommended that the LDRRMC and LDRRMO review and update the LDRRMFIP annually and include in a separate caption the projects and activities chargeable to prior years' unexpended LDRRMF in accordance with Sections 5.1.2 and 5.1.15 of COA Circular No. 2012-002 dated September 12, 2012, to maximize the use of the fund and ensure that appropriate measures in	In response to AOM 2005-03 (2025) regarding the unexpended balances of the LDRRM Fund from prior years, the LDRRMO head acknowledged the audit findings and admitted the oversight and non-compliance with the prescribed guidelines. She committed to taking corrective action, including implementing COA's	LDRRMO			Fully Implemented		LDRRMFIP 2025 was corrected and updated.

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		disaster risk reduction and management are implemented.	recommendation to integrate the unexpended balances into the STF, in line with Sections 5.1.2 and 5.1.15 of COA Circular No. 2012-002.						
2024 ML, Par. 68, page 17	Three hundred fifteen volunteers of the LDRRM Office were covered by a Group Yearly Renewable Term Insurance amounting to ₱299,250.00 despite the non-submission of the list of volunteers to the OCD for accreditation and inclusion in the database of community disaster volunteers as required under Section 1, Rule 9 of the IRR of R.A. No. 10121, thereby circumventing established procedures resulting in unauthorized expenditure of public funds.	8. We recommended that the LDRRMO strictly comply with Section 1, Rule 9 of the IRR of R.A. No. 10121 by ensuring that all volunteers are properly accredited and their names duly submitted to the OCD for inclusion in the official database of ACDVs prior to the provision of any benefits, including insurance coverage.	In response to AOM No. Canlaon 2025-07 (2024), the concerned personnel apologized for the non-submission of the volunteer list, explaining it was due to unawareness of the requirement and lack of formal communication. The omission was unintentional, and steps are now being taken to ensure full compliance with Section 1, Rule 9 of the IRR of R.A. No. 10121. The personnel has reviewed the guidelines and is committed to preventing similar oversights in the future.	LDRRMO			Fully Implemented		List of Volunteers are already submitted to the Office of Civil Defense (OCD) R7 for inclusion on the Official Database of ACDVs and duly acknowledged.
2024 ML, Par. 78, page 19	Due to the extensive requirements to secure a DOH-License to Operate land ambulances, the seven vehicles owned by the City were operating as a Patient Transport Vehicle instead of ambulances as marked on its body contrary to DOH Administrative Order (AO) No. 2018-0001, dated January 28, 2018, thus, the assurance that the ambulances operate with competent personnel and appropriate equipment to respond to medical emergencies, provide quality care, and ensure patient safety may not be fully attained.	9. We recommended that Management secure the DOH-LTO for the seven vehicles marked with "AMBULANCE" otherwise, register them as Patient Transport Vehicle (PTV) and change the labels accordingly pursuant DOH AO No. 2018-001 dated January 28, 2018.	The City Government of Canlaon responded to AOM No. Canlaon202506(2024), acknowledging the observation that seven vehicles marked as ambulances are being used as Patient Transport Vehicles (PTVs), which is not compliant with DOH AO No. 2018-0001. Due to current limitations in meeting DOH requirements for ambulance licensing, the vehicles are used as PTVs. As a corrective measure, the City will re-label the vehicles accordingly. The City also expressed its commitment to improving emergency medical transport services and is working	GSO, CHO, CMO			Fully Implemented		Due to the extensive requirements to secure a DOH-License to Operate land ambulances, the above-mentioned vehicles cannot be registered as "AMBULANCE". Hence, the vehicles were changed, registered, and marked with "Patient Transport Vehicle" pursuant to DOH AO No. 2018-001 dated January 28, 2018. * GSO began its corrective action by re-labelling the vehicle as "Patient Transport Vehicle" in adherence to COA recommendation as the City has not acquired the necessary DOH License to operate land ambulances. As of this writing, GSO already re-labelled two vehicles.

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			toward full compliance with DOH standards in the future.						
2024 ML, Par. 87, page 21 2023 AAR AO No. 10 page 54	Management failed to submit the AAPSI form as prescribed under COA Memorandum No. 2014-002 and Section 99 of the General Provisions of Republic Act (RA) No. 11975, otherwise known as General Appropriations Act for Fiscal Year (FY) 2024, thus, the extent of compliance and actions taken by the Management to implement the prior years' audit recommendations were not duly monitored.	10. We recommended that the local chief executive direct the department heads and other officials concerned to prioritize the formulation of an action plan to implement the audit recommendations and submit immediately the duly accomplished AAPSI form to the Audit Team, copy furnished the DBM, the House Committee on Appropriations and the Senate Committee on Finance, as mandated by Section 99 of RA No. 11975.	The concerned personnel submitted a response to the AOM, stating that the Agency Action Plan and Status of Implementation (AAPSI) had been compiled but, due to the high volume of daily transactions and election-related delays, was finalized and submitted after the election, with a request for each department to provide their respective replies or actions to ensure completeness.	City Accounting Office			Ongoing	The submission of the consolidated Agency Action Plan and Status of Implementation (AAPSI) was delayed because some departments had not yet fully implemented their respective action plans or provided complete updates on the status of compliance with audit recommendations. Since the AAPSI requires comprehensive inputs from all concerned offices to ensure accuracy and completeness, the consolidation process was held in abeyance until the necessary information could be gathered. This situation contributed to the delay in the finalization and submission of the report.	To strengthen compliance and ensure timely submission of the Agency Action Plan and Status of Implementation (AAPSI), Management has designated two personnel as focal persons specifically tasked with the compilation, consolidation, and monitoring of responses to Audit Observations. These focal persons are responsible for coordinating with the different departments to secure their respective replies and supporting actions, as well as for tracking the progress of implementation. This measure is intended to improve efficiency, maintain consistency, and ensure that all audit recommendations are properly addressed and reported within the prescribed timelines.
2023 AAR AO No. 1 page 34	The Local Government Unit (LGU) was not able to take advantage of the one-time cleansing of Property, Plant, and Equipment (PPE) due to various deficiencies inconsistent with COA Circular No. 2020-006. Thus, the fairness of the presentation of the PPE accounts cannot be reasonably ascertained.	We recommended that Management observe the guidelines and procedures provided in COA Circular No. 2020-006 dated January 31, 2020, for the one-time cleansing of PPE account balances to have reliable PPE balances that are verifiable as to existence, condition, and accountability as follows: 11. Strictly follow the guidelines and procedures in the conduct of the physical count of PPE, recognition of PPE items found at the station, and disposition of non-existing or missing PPE items, and require the Accountant and Property Officer to reconcile	To address the deficiencies, the Local Government Unit has formally constituted an Inventory Team tasked with the responsibility of conducting a complete and accurate physical inventory of all PPEs owned by the LGU. The General Services Office (GSO) has likewise prepared and submitted the required Property Inventory Plan (PIP) to the Commission on Audit as an initial step toward rectification. The Inventory Team has already commenced partial	CMO, GSO, Inventory Committee			Ongoing	There are some setbacks in the conduct of Physical Count for the One-Time Cleansing due to unforeseen volcanic eruption and other functions of the members if the inventory team. However, the ream remains committed in accomplishing this before the year ends.	An Inventory Team was already created and started the conduct of Physical Count last April 2025. A copy of the Physical Inventory Plan was also e-mail to Ms. Marife Alcala's email address sometime in March 2025. The conduct of Physical Inventory is on-going.

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		their records based on the results of the actual physical inventory and effect necessary adjustments; 12. Adopt the uniform numbering system for property numbers of PPE and require the Property Unit to update the property stickers based on the prescribed format and to include the required information under Sections 5.6 and 5.7 of COA Circular No. 2020-006 dated January 31, 2020; 13. Submit the approved PIP to the COA Audit Team within the prescribed period; 14. Conduct the required preliminary activities prior to inventory taking; 15. Record or document the physical count daily in a standard ICF prescribed in Annex A of COA Circular No. 2020-006 dated January 31, 2020; and 16. Require the Accounting and Property Units to maintain or update the respective PPELCs and PCs and undertake collaborative procedures to ensure that all PPEs in the RPCPPE are duly recorded in their respective records and that the PCs maintained by the Property Unit and the PPELCs maintained by the Accounting Unit are reconciled.	inventory-taking across various offices. However, the process was temporarily halted due to the unforeseen Mt. Kanlaon Volcano eruption, which significantly affected regular operations and access to certain areas. Despite this setback, the LGU remains committed to completing the full inventory. Once the physical count is finalized, the Property Unit, in coordination with the Accounting Office, will implement the necessary adjustments and follow all recommendations as prescribed under the applicable COA guidelines to ensure fair presentation and proper valuation of PPE accounts.						

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<tr><td>2023 AAR AO No. 2 page 38</td><td>The accuracy and reliability of the Local Road Network (LRN) account totaling ₱192,461,004.67 could not be ascertained due to: (a) non-conduct of inventory of local ro
ads and non-preparation of the Report on the Physical Count of Local Road Network (RPCLRN); and (b) non-maintenance of the Local Road Network Ledger Card (LRNLC) and Local Road Network Property Card (LRNPC), contrary to COA Circular No. 2015-008 dated November 23, 2015, thereby affecting the fair presentation of the account in the financial statements.</td><td>17. We recommended that Management enjoin the concerned department heads to 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.

18. We further recommended that the Inventory Committee through the General Services Offices conduct an annual physical count of all LRN and report the results thereof 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 will be prepared before the statement date.</td><td>Management concurs with the Commission on Audit's recommendations and commits to full compliance with the prescribed accounting and reporting standards. As an initial step, the Inventory Committee, in coordination with the General Services Office (GSO), City Engineer's Office and City Planning Office, are currently undertaking the physical inventory of the Local Road Network. Upon completion of this activity, the LGU will prepare and submit the RPCLRN in accordance with the timeline set forth each year. This report will be reconciled with the accounting records to ensure the correctness of reported figures.</td><td>GSO, CEO, CPDO, Accounting Office, Inventory Committee</td><td></td><td></td><td>Ongoing</td><td></td><td>General Services Office has already received some documents pertaining to the Local Road Networks and is currently creating a database for this purpose. A local road network inventory committee also been created through EO No. 2025-09-25 series of 2025. The team will conduct physical count of local road networks as soon as possible.</td></tr>
<tr><td>2023 AAR AO No. 3 page 40</td><td>PPE under the Trust Fund-Local Government Support Fund (LGSF) totaling ₱31,557,827.28 were not transferred to the General Fund nor provided with depreciation allowances, contrary to Sections 97 and 104(i) on the NGAS Manual for LGUs, Volume I, Paragraph 71 of IPSAS 17, and COA Circular No. 2015-008 dated November 23, 2015, thus resulting in the understatement</td><td>19. We recommended that the City Accountant record the transfer of the various completed projects under the Trust Funds-LGSF to the General Fund and compute the corresponding depreciation expenses for these PPE accounts.</td><td>In response, the Trust Fund-in-charge has initiated the necessary steps to rectify the noted deficiency. The preparation of all supporting documents required for the transfer of applicable PPE to the General Fund is currently ongoing. Once the transfer process is completed and properly documented, the corresponding depreciation</td><td>Accounting Office</td><td></td><td></td><td>Ongoing</td><td>The full transfer of PPE from the Trust Fund to the General Fund has been delayed due to the volume of projects requiring verification and the time needed to compile and validate supporting documents for each asset.</td><td>Part of the Trust Fund projects has already been transferred to the General Fund, with corresponding depreciation to be recorded upon full completion of the process.</td></tr>
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	of the PPE accounts and depreciation expenses in the General Fund.		expenses—already computed in accordance with applicable accounting standards—will be recorded under the General Fund to ensure accurate presentation of asset values and related expenses.						
2023 AAR AO No. 4 page 42	Time Deposits maturing in less than 90 days, totaling ₱200 million, were erroneously classified as Cash in Bank- Local Currency Savings Account instead of Cash in Bank-Local Currency Time Deposits under Cash and Cash Equivalents, while accounts with a 358-day maturity term amounting to ₱50 million were incorrectly presented under Cash and Cash Equivalents instead of Investments, contrary to IPSAS 1 and 2, resulting in the overstatement of Cash and Cash Equivalents by ₱150 million.	20. We recommended that Management prepare a correcting entry debiting Cash in Bank-Local Currency, Time Deposits, and crediting Cash in Bank-Local Currency Savings Account amounting to ₱250 million for the total amount placed under time deposits and direct the City Accountant to present investments in Time Deposits with maturities of 90 days or less amounting to ₱200 million as Cash and Cash Equivalents while account with a maturity term of more than 91 days as Investments in accordance with IPSAS 2.	While management concurs with the audit recommendation to reclassify the accounts in accordance with IPSAS guidelines, the City has temporarily deferred the recording of the reclassification to the Investments account. This is due to the potential impact on the City's Cash Flow Statement, which may reflect a negative balance if the reclassification is immediately carried out. The funds in question are designated as back-up funding for ongoing and forthcoming projects and are therefore still considered available for short-term liquidity purposes.	Accounting Office			Fully Implemented		Management has already made the necessary accounting adjustments as of January 2025 to address the audit observation. The reclassification of the accounts has been properly recorded in accordance with IPSAS guidelines, ensuring compliance with audit requirements while maintaining the integrity of the City's financial statements.
2023 AAR AO No. 5 page 45	The Real Property Tax (RPT) and Special Education Tax (SET) receivables were understated by ₱3,207,934.17 because the amounts established at the beginning of the year were based on estimates rather than on a duly certified list of taxpayers, contrary to Section 20 of the NGAS Manual for LGUs, Volume I. Moreover, the difference of	21. We recommended that the City Treasurer provide the City Accountant with a copy of the RPT records for CY 2023 and prior years to establish the beginning balance for CY 2024. Henceforth, furnish the City Accountant at the beginning of each year a certified list of taxpayers with the amount due and		City Treasurer's Office, Accounting Office			Fully Implemented		In compliance with the Commission on Audit's recommendations, the Office of the City Accountant has already established and is now maintaining subsidiary ledgers for both RPT and SET receivables. This will allow for more accurate tracking and reconciliation of receivables and help ensure alignment between accounting records and the City Treasurer's data. The City Accountant further notes that the establishment of accurate beginning

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	₱19,394,988.42 between the balances in the Certified List of RPT Delinquencies and RPT and SET receivable could not be reconciled because subsidiary ledgers were not maintained, thus affecting the reliability of the said accounts in the financial statements.	collectible for the current year as the basis for the recording of the RPT and SET receivables in compliance with Section 20 of the NGAS Manual for LGUs, Volume I. 22. We further recommended that the City Accountant maintain RPT and SET receivables subsidiary ledgers and reconcile the accounts with the City Treasurer's records.							balances for Calendar Year 2024 will depend on the submission by the City Treasurer's Office (CTO) of the certified list of taxpayers and their corresponding RPT records for CY 2023 and prior years. Continuous coordination is being carried out with the CTO to secure these records and ensure proper recording and reconciliation moving forward.
2023 AAR AO No. 6 page 48, 2021 AAR, AO No. 9, page 46	The City failed to submit to the Office of the Auditor the Report on Sources and Utilization of the Local Disaster Risk Reduction and Management Fund (LDRRMF) within 15 days after the end of each month as required under Section 5.1.5 of COA Circular No. 2012-002, thus preventing effective monitoring of the use of the fund that could adversely affect its disaster risk reduction, preparation, and mitigation efforts.	23. We recommended and the City Accountant agreed to prepare the Monthly Report on Sources and Utilization of DRRMF with the required information and submit the report on or before the 15th day after the end of each month through the LDRRMO to the COA Auditor.		Accounting Office, LDRRMO			Fully Implemented		In compliance with the COA recommendation, the Office of the City Accountant, in coordination with the Local Disaster Risk Reduction and Management Office (LDRRMO), has taken the necessary corrective actions. The preparation and submission of the Monthly Report on Sources and Utilization of the LDRRMF are now being done regularly, and all required information is included. Reports are being submitted to the Office of the Auditor on or before the 15th day following the end of each month, as prescribed by the circular.
2023 AAR AO No. 7 page 49	The monthly net take-home pay of 55 City personnel fell below the mandated minimum amount of ₱5,000.00 contrary to Section 55, General Provisions of RA No. 11936 or the General Appropriations Act (GAA) for Fiscal Year 2023, thus defeating the general intent of the law which is to boost employees' morale and self-esteem and to promote efficiency and effectiveness in public service.	24. We recommended that the City Accounting Office ensure that the net take-home pay of employees shall not be less than ₱5,000.00 by prioritizing deductions in the order of preference mandated under Section 55 of the 2023 GAA.		Accounting Office, HRMDO			Fully Implemented		In response, the City Accounting Office has implemented corrective measures to ensure compliance with the mandated minimum net take-home pay. Deduction priorities are now strictly observed based on the order of preference specified under Section 55 of the GAA. Employees have been consistently informed of these guidelines to promote awareness and responsible financial planning.

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2023 AAR AO No. 8 page 50	Monetization of 50% of leave credits was allowed even without the required supporting documents to justify the same, inconsistent with Section 23 of Rule XVI of the Omnibus Rules Implementing Book V of Executive Order (E.O.) No. 292 and COA Circular No. 2012-001 dated June 14, 2012, while in some cases regular monetization was granted more than once a year contrary to CSC and DBM Joint Circular No. 2-97 dated June 25, 1997, thereby resulting in irregular expenditures.	25. We recommended that the City Accountant ensure that the monetization of 50% of leave credits is properly supported with valid documents to justify the grant in compliance with Section 23 of the Omnibus Rules on Leave and COA Circular No. 2012-001, before processing the payment. 26. We further recommended that monetization of leave credits be done only once a year pursuant to CSC and DBM Joint Circular No. 2-97.		Accounting Office, HRMDO			Fully Implemented		In response to the findings and in full compliance with the COA recommendations, the City has already implemented corrective measures. The City Accounting Office now ensures that all requests for the monetization of 50% of leave credits are strictly evaluated and processed only upon submission of complete and valid supporting documents, as required by existing rules and regulations.
2023 AAR AO No. 9 page 52	The fidelity bond of the four Accountable Officers (AOs) is insufficient to cover their accountabilities, thus unnecessarily exposing the government to the risk of inadequate indemnification from the Fidelity Fund in cases of defalcation, shortages, and unrelieved losses in the accounts of the AOs.	27. We recommended that Management revisit the computation of the AOs' accountabilities and increase their fidelity bond in accordance with Treasury Circular No. 1-2022 dated May 30, 2022.		City Treasurer's Office			Fully Implemented		In compliance with the recommendation of the Commission on Audit, the City has reviewed and reassessed the accountabilities of the concerned AOs. As a result, the fidelity bonds of said officers have already been increased and are now set to their maximum required levels, as prescribed under existing regulations.
2022 ML, Par. No. 7, page 2 2021AAR, AO No. 5 page 37 2017 AAR,	Official receipts (ORs), disbursement vouchers (DVs), payrolls, liquidation documents, monthly trial balances (TBs), quarterly financial statements (FS) [for the 1st, 2nd, 3rd and 4th quarters], and year-end FS have not been submitted within the prescribed timelines, contrary to the provisions of Section 347 of RA No. 7160, Section 70 of New Government Accounting System (NGAS) Manual for LGUs, Item 4 of COA Circular No. 2010-01, and Paragraph 7 of COA Circular No. 2009-006, thus, the regularity,	28. We recommended that the City Accountant submit immediately the DVs, payrolls, ORs, and other liquidation documents of the General Fund from July to December, quarterly FS for all quarters, monthly TBs from January to December, and year-end FS for CY 2022. 29. Henceforth, ensure the submission of accounts and FS within the prescribed periods pursuant to Section 347 of RA No. 7160,	Official receipts, disbursement vouchers, payrolls and liquidation documents will be submitted after recording.	Journal Keepers: Nancy Delubio, Celeste Aloba Pater Lambo Cepre Fernandez Ma. Liezel Yaco Gregel Anggoy Marcial Maboloc			Fully Implemented		Transaction vouchers for SEF and Trust Fund have been forwarded to the COA upon receipt of the copy of the 1st demand last dated March 28, 2023. It was noted that the submission of voucher, payrolls, receipts were submitted all together upon demand. For general fund, transactions have been forwarded except on the liquidations, adjustments and on the Check Disbursements. The personnel in charge of all the reports are working on it and have been reminded again after the meeting with the City Mayor. The journal keepers are then instructed to have their source documents be

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			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
AO No. 15, page 54 2016 AAR, AO No. 9, page 41	validity, completeness, and accuracy of recorded transactions could not be immediately established, preventing the Audit Team from conducting the mandatory audit thereof and consequently informing Management of the defects and/or deficiencies that may be noted in audit.	Section 70 of NGAS Manual for LGUs, Item 4 of COA Circular No. 2010-01, and Paragraph 7 of COA Circular No. 2009-006.		Apolonia C. Montero Rowena F. Oralde					submitted to COA on a monthly basis as required after their journals are done as agreed during the meeting.
2022 ML, Par. No. 18, page 4 2019 AAR, AO No. 1, page 28 2015 AAR, AO No. 4, page 30 2013 AAR	Cash advances totaling ₱12.285 million remained unliquidated as of September 30, 2022, of which ₱8.069 million or 65.68 per cent had been outstanding for 1 year to over 10 years, contrary to COA Circular No. 97-002 dated February 10, 1997, thus, expenses were not properly recognized on periods these were incurred, affecting the fair presentation of the FSs. *Balance as of December 31, 2023 (GF):* *Advances for Operating Expenses* *₱512,112.50* *Advances for Payroll* *110,071.55* *Advances to Special DO* *559,143.72* *Advance to Officers and Employees* *3,019,675.76*	30. We recommended that the City Mayor instruct the City Accountant to demand the immediate liquidation of all outstanding CAs by issuing final demand letters direct to the AOs concerned, otherwise, if no liquidation is made, impose the sanction of withholding the salaries of those who still fail to settle their accounts after due notice.	To address this issue, the Office of the City Accountant has consistently reminded all Accountable Officers (AOs) of their obligation to promptly liquidate their cash advances within the prescribed period. Regular follow-ups are being made as part of ongoing efforts to reduce the backlog. Additionally, a formal demand letter was issued to the previous Local Chief Executive (LCE) specifically for the liquidation of his outstanding cash advance.	Accounting Office, CMO			Ongoing	Some AOs were unable to fully liquidate their cash advances within the prescribed period due to incomplete supporting documents and financial constraints, resulting in delays in the full settlement.	The Office of the City Accountant has consistently issued reminders to all Accountable Officers (AOs) to settle their cash advances, with some employees opting to make partial payments. A formal demand letter was also issued to the previous Local Chief Executive (LCE) for his outstanding cash advance.

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					From	To			
	Other Receivables <u>*4,520,483.72*</u> *Total* <u>*₱8,676,704.98*</u>								
2022 ML, Par. No. 26, page 6	Completed infrastructure projects in the Trust Fund amounting to ₱13.779 million were not transferred to the appropriate asset accounts in violation of Section 50 of the NGAS Manual for LGUs, Volume 1, resulting in the overstatement of CIP accounts and the understatement of certain asset accounts, as well as the overstatement of the asset and equity accounts by the amount of depreciation that should have been provided from the time the projects were completed and transferred to the General Fund, thereby affecting the fairness of the presentation of the FSs.	31. We recommended that the City Mayor instruct the City Accountant to verify the CIP accounts, close to the appropriate infrastructure asset account the cost directly attributable to the completed projects, transfer the recording of all completed projects under the Trust Fund to the General Fund, and subsequently provide the same with depreciation to arrive at an accurate and reliable carrying balance of the PPE, pursuant to Section 50 of the NGAS Manual for LGUs, Volume I. 32. We further recommended that the City Accountant prepare the necessary adjusting entries to reclassify the transactions erroneously recorded under the CIP accounts to their appropriate accounts, and to henceforth, recognize CIP based on progress billings and other acceptable and appropriate supporting documents which will properly substantiate its balance.	Completed infrastructure projects in the Trust Fund amounting to P13.779million has been transferred to the appropriate asset accounts and revised FS was submitted tp COA already.	Venancia Vergara, Ma. Liezel Yaco Apolonia Montero Rowena F. Oralde			Ongoing		The City Accountant will review the CIP accounts as stated in the AOM and do necessary adjustments including provision of depreciation upon its transfer and to start computation from its completion.
2022 ML, Par.	Unpaid RPTs amounting to ₱20.672 million since CY 1974 were not collected due to the property owners'	33. We recommended that the City Treasurer's Office intensify the collection of the delinquent RPTs	House-to House campaign	City Treasurer's Office			Ongoing	Refusal of landowners to pay the tax bills	Please be informed that this office will adhere to the recommendations to intensify collections of the delinquent real property taxes b conducting tax

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No. 33, page 8	unknown addresses, disputes among heirs of common/undivided properties, and non-transfer of ownership of inherited properties, contrary to Sections 2A.01, 2A.02, and 2A.07.6 of City Ordinance No. 118 dated November 29, 2017, thereby reducing the City's actual income and depriving the LGU of the amount which could have been used to finance basic services and facilities.	by conducting tax campaigns and issuing demand letters, utilizing the assistance of barangay officials in the distribution thereof. 34. We also recommended that Management institute legal remedies as provided in the City's Revenue Code.	Delivery of tax bills and demand letters for tax delinquencies Make a promissory note to landowners who are willing to pay but no available cash during campaign. Barangay Tax Campaign -Attend Barangay Assembly -Meet Barangay officials and convince them to help in Realty Tax collection program as their 30% Barangay share rely on their barangay's real property tax collection. Set dialogue with landowners together with the actual occupant to pinpoint who will be paying the RPT Tax obligations.						campaigns and issuing demand letters, utilizing the assistance of barangay officials in the distribution thereof. As of this date, the office has delivered 280 demand letters to 5 barangays namely Brgy. Bayog, Brgy. Bucalan, Brgy Linothangan, Brgy Masulog and Bry. Mabigo. Andto intensify out Tax Collection campaign and on May 2023 during the Association of Barangay Captains's (ABC) meeting. , the undersigned asked the assistance of the Barangay captains taht they will call upon the delinquent real property tax owners and heirs of the common/undivided properties and non-transfer of ownership of inherited properties in their respective barangays so that they may come up with an agreement in the payment and inform them that the city may avail of remedies by administrative action through levy on real property and sale of real property by public auction or by judicial action.
2022 ML, Par. No. 42, page 10 2015 AAR, AO No. 7, page 35	The balance of the account Due to NGAs of ₱56.024 million as of December 31, 2022 is unreliable due to the inclusion of dormant accounts and abnormal (negative) balances of ₱6.165 million and ₱9,739.98, respectively, unrecorded liquidation of completed projects totaling ₱4.976 million, and the absence of SLs for each project under Trust Fund, all of which are not in accordance with Paragraph 27 of International Public Sector Accounting Standards (IPSAS) No. 1, thereby affecting the fair presentation of the account in the FSs.	We recommended that the City Mayor instruct the City Accountant to: 35. Prepare without fail the required SLs for the account Due to NGAs to substantiate the details of the General Ledger balance; and 36. Return to the Bureau of the Treasury the unused funds downloaded from various NGAs for PPAs that can no longer be implemented.	Management clarifies that a portion of these balances represents long-standing entries that have remained in the books since the creation of the City Accounting Office in 1994. As such, many of the supporting documents required for proper validation, reclassification, or return of funds are no longer readily available. Efforts are currently underway to locate any existing documents or alternative records that can substantiate these accounts. Due to the lack of complete supporting documentation, the City is presently unable to promptly return the unused	CMO, Accounting Office			Ongoing	The delay is primarily due to the age of the balances, many of which date back to the establishment of the City Accounting Office in 1994. Supporting documents and source records required for validation, reclassification, or refund are either incomplete, misplaced, or no longer readily available. This lack of documentation has made immediate resolution difficult, thus	Management, through the City Accounting Office, has begun reconstructing Subsidiary Ledgers for the affected projects to trace and validate the balances. Parallel efforts are being made to locate any existing supporting documents from available files and alternative records. Partial reconciliations have already been initiated, and once documentation is confirmed, appropriate reclassification entries will be made, and any unutilized funds will be returned to the Bureau of the Treasury in compliance with national guidelines.

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			balances to the Bureau of the Treasury. Nonetheless, the City Accounting Office is committed to gradually reconstructing the Subsidiary Ledgers for each identified project and reconciling the accounts. Once documentation is validated, appropriate reclassification and necessary actions, including the return of unutilized funds, will be undertaken in accordance with applicable accounting standards and national guidelines.					extending the timeline for addressing the balances.	
2021 AAR, AO No. 1. page 28 2020 AAR, AO No. 2, page 30 2018 AAR, AO No. 1, page 27 2017 AAR, AO No. 1, page 26 2016 AAR,	The validity, correctness and existence of PPE account of ₱1,225,490,281.57 as of December 31, 2021, have not been fully established at year-end because: (a) the PPE ledger cards were incomplete and not updated by the Accounting Unit, and (b) report of the physical inventory taking was submitted beyond the prescribed period, resulting in non-reconciliation of the Report on the Physical Count of PPE (RPCPPE) and balances per accounting records, contrary to Sections 120 and 124 of the Manual on the New Government Accounting System (NGAS) for Local Government Units (LGUs), Volume I and Section 6.3 of COA Circular No. 2020-006 dated January 31, 2020, thus, affecting the fair presentation of the financial statements.	37. We recommended that Management require the City Accountant to update the Ledger Cards/Subsidiary Schedule of PPE and direct the Property and Accounting Units to reconcile the results of the inventory count with the related property and accounting records in accordance with the pertinent provisions of COA Circular No. 2020-006 dated January 31, 2020 to ensure the accuracy of the reported PPE balances in the financial statements. Any discrepancies noted in the reconciliation shall be adjusted in accordance with Sections 7.0 and 8.0 of the same Circular as one-time cleansing of the PPE account balances.	Ledger Cards/Subsidiary Schedule of PPE has yet to be reconciled with the results of the inventory count with the related property and accounting. Prior years properties were still to be determined since no subsidiary ledgers were on file before NGAS.	City Accounting Office, Inventory team			Ongoing		The Inventory Team has already commenced partial inventory-taking across various offices. However, the process was temporarily halted due to the unforeseen Mt. Kanlaon Volcano eruption, which significantly affected regular operations and access to certain areas. Despite this setback, the LGU remains committed to completing the full inventory. Once the physical count is finalized, the Property Unit, in coordination with the Accounting Office, will implement the necessary adjustments and follow all recommendations as prescribed under the applicable COA guidelines to ensure fair presentation and proper valuation of PPE accounts.

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					From	To			
AO No. 1, page 25									
2021 AAR, AO No. 3, page 34	Payment of Hazard Pay in the total amount of ₱180,000.00 to barangay officials and tanods who are not considered personnel of the City or are workers engaged through contract of service (COS)/ Job Order (JO) by the City is contrary to DBM Budget Circular No. 2020-1 and Administrative Order No. 26, series of 2020, casting doubt as to the propriety and legality of the disbursements.	38. We recommended that Management require the concerned Barangay thru their respective Sangguniang Barangays to enact ordinances to include in their respective budgets and to refund the City Government the amounts granted to them; otherwise, all payments to barangay officials and employees will be disallowed in audit. 39. Moreover, require the barangay elective officials to refund the hazard pay as they are not entitled to it.	In compliance with the Commission on Audit's recommendation, the City Government has formally instructed the concerned barangays, through their respective Sangguniang Barangays, to enact ordinances reflecting the appropriation of funds for the refund of the amounts granted as hazard pay. This action will ensure that the obligation to refund is properly recognized in their local budgets and accounted for in accordance with legal and audit requirements. Management is actively coordinating with the barangay officials to facilitate the refund process. Follow-ups are being conducted to monitor compliance, and appropriate measures will be taken in case of continued inaction.	CMO			Ongoing	Some barangays have yet to enact the required ordinances and adjust their local budgets due to internal scheduling and financial limitations, causing delays in the refund process.	The City Government has directed the concerned barangays to record the refunded hazard pay as payables to the City to ensure proper accounting and recognition of the obligation. Continuous coordination and follow-ups with barangay officials are being carried out to facilitate compliance.
2021 AAR, AO No. 8, page 43 2020 AAR, AO	Expenditures totaling ₱1,935,331.00 which were not related to relief and recovery operations were charged to the Quick Response Fund (QRF) of the Local Disaster Risk Reduction and Management Fund (LDRRMF) contrary to Section 4.3 of COA Circular No. 2012-002 dated September 12, 2012 and Section 5.0	40. We recommended that the City DRRM Council, through the City Mayor as Chairperson, strictly comply with existing regulations on the appropriation and utilization of LDRRMF and ensure that such funds are utilized solely for disaster risk management, making the City		LDRRMO			Fully Implemented		In compliance with the Commission on Audit's recommendation, Management has taken corrective action by transferring the total amount of ₱1,935,331.00 from the LDRRMF to the City's General Fund. This reclassification ensures that the LDRRMF remains dedicated exclusively to disaster risk reduction and response activities, and that

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					From	To			
No. 8, page 41	of NDRRMC, DBM and DILG JMC No. 2013-001 dated March 25, 2013, thus reducing the funds intended for disaster relief and recovery projects and activities.	well-prepared to respond to calamities which may occur. 41. We further recommended that the procurement of diesel and gasoline fuel, meals for frontliners and supplies used for the operation of the Incident Command Post shall be sourced from the General Fund of the LGU and refund the LDRRMF for the amount expended.							general operational expenses—such as fuel, meals for frontliners, and supplies for the Incident Command Post—are properly charged to the appropriate funding source.
2019 AAR, AO No. 2, page 31 2015 AAR, AO No. 5, page 31	Cash advances for Intelligence/ Confidential Funds of the former City Mayor from CYs 2011 to 2018 totaling ₱5,114,000.00 remained unliquidated as of December 31, 2019 contrary to Section 6.2.2 of DBM-DILG-DND-GCG-COA Joint Circular No. 2015-01 thereby creating the impression that the funds may have been put to unauthorized use which may eventually lead to loss of government funds.	42. We recommended that the City Accountant demand from the former City Mayor the immediate settlement/ liquidation of the unliquidated cash advances for confidential and intelligence expenses and follow up with the Intelligence and Confidential Funds Audit Unit of the COA the credit notice for liquidation reports already submitted.	In line with the recommendation of the Commission on Audit, a formal demand letter was issued to the former Local Chief Executive (LCE), requiring the immediate settlement or liquidation of the said confidential and intelligence cash advances. Management remains committed to ensuring accountability and is undertaking all necessary steps to resolve the matter in compliance with applicable rules and regulations governing the use of confidential and intelligence funds.	CMO, Accounting Office			Ongoing	The settlement has been delayed because the former LCE has not yet complied with the demand, and the process requires further coordination and possible legal remedies to enforce liquidation.	Demand letters were formally issued to the former City Mayor for the immediate settlement or liquidation of the confidential and intelligence cash advances. A copy of the said demand letters was also furnished to the Commission on Audit for reference and monitoring.
2019 AAR, AO No. 6, page 42	The concentration of bookkeeping duties in only one employee resulted in the continued delay in the submission of the financial statements of the City and failure of the City Accountant to submit the statements for the period January to June 2019, contrary to Sections 70 and 73 of the Manual on NGAS for LGUs, Volume I, thereby reducing the relevance and usefulness of the financial information needed by Management for decision-making and the conduct of timely audit by the COA.	43. We recommended that Management instruct the City Accountant to assign the bookkeeping jobs not just to one employee but to several employees to hasten the recording of transactions and preparation of financial statements.	In response to the audit recommendation, the City Accounting Office has since distributed the bookkeeping responsibilities among several accounting personnel to ensure a more efficient workflow and faster turnaround in the recording of financial transactions and preparation of reports. Additionally, the City has initiated coordination with the Commission on Audit's ASDOSO (Accounting Systems Development and Other Services Office) regarding its application for the implementation of the Electronic New Government Accounting System (eNGAS).	Accounting Office			Ongoing	The full implementation of the eNGAS has been delayed due to the absence of a scheduled face-to-face training from ASDOSO, which is necessary to equip personnel with the technical knowledge and skills required for proper system adoption.	In the meantime, the City Accounting Office has distributed bookkeeping responsibilities among available personnel to ease the workload and improve efficiency in financial reporting. Management has also formally coordinated with ASDOSO to follow up on the conduct of the required training, while continuing to prepare the office for eventual transition to the eNGAS.

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			Adoption of the eNGAS is anticipated to further streamline accounting processes and strengthen internal controls through digital recordkeeping and automation of accounting functions.						
2018 AAR, AO No. 2, page 28	The lack of regular monitoring and supervision on the payment of granted loans has resulted in the accumulation of unpaid loans receivable from cooperatives, small business operators and individuals who availed of livelihood development loans from the City Government thus exposing government funds amounting to ₱21,851,337.15 to the risk of loss due to the City's failure to collect repayment thereof.	We recommended the following: 44. The City Mayor designate one or two personnel to focus on the monitoring and collection of the loans, to issue demand letters within a reasonable time after due dates when no payment has been received, and to refer to the City Legal Officer those who refuse to pay for the purpose of instituting legal action pursuant to the terms of the loan agreement.	In response to the recommendation of the Commission on Audit, the City Cooperative Office (CCO) has taken action by issuing formal collection letters to loan recipients with outstanding balances. These notices serve as official reminders to fulfil their repayment obligations under the terms of the loan agreement. Furthermore, the City is currently assessing the designation of dedicated personnel who will be tasked with the regular monitoring of loan repayments and prompt issuance of demand letters after due dates. These steps are aimed at improving collection efficiency, safeguarding public funds, and ensuring the sustainability of the City's livelihood support programs.	COOP			Ongoing		* The CCO is conducting Strict Implementation of written letter to seek payment of their unsettled obligation, they will face demand. * Pursuant to the recommendation of the Commission on Audit (COA) relative to the monitoring and collection of loans granted by the City Government under Livelihood Development Program and in order to safeguard government funds from the risk of loss, the LCE designated personnels to perform such functions: 1. Maria Gina Solinap, 2. Rowena F. Oralde, 3. Maria Liezel Yaco
2017 AAR, AO No. 18, page 61 2016 AAR, AO No. 5, page 33	Two PPAs under the Bottom-Up Budgeting (BUB) Program with appropriations totaling ₱1,700,000.00 have yet to be implemented despite the availability of cash for their immediate implementation while one project amounting to ₱4,360,000.00 remained unfinished owing to inherent LGU capacity constraints and problems encountered during project implementation, thereby defeating the purpose of accelerated service delivery of programs that seek to reduce poverty. *Note: CY 2016 – Four projects totaling ₱4,610,000.00.*	45. We recommended that the LPRAT, through the BUB Focal Person, intensify efforts to fast-track the implementation of the BUB program for the LGU to achieve its target of reducing poverty and likewise avoid any repercussions that may result from its non-utilization of BUB Funds as well as delayed implementation of related programs/projects by assigning technical personnel who will focus on BUB projects and by closely monitoring progress thereon.	In response to the audit observation, the LGU, through the BUB Focal Person and the Local Poverty Reduction Action Team (LPRAT), will intensify efforts to fast-track the implementation of the remaining BUB projects by assigning dedicated technical personnel to focus solely on BUB-related activities, ensuring close coordination with implementing offices. Regular monitoring and progress tracking will be conducted to promptly address any bottlenecks or capacity constraints encountered during implementation. The LGU is committed to maximizing the utilization of BUB funds to achieve timely and effective delivery of poverty reduction programs and avoid any negative implications due to delays or non-implementation.	DSWD, CEO			Ongoing	The implementation of BUB projects was delayed due to LGU capacity constraints, lack of technical personnel, and unforeseen issues during procurement and coordination with implementing partners.	Dedicated technical staff have been assigned to oversee BUB projects, with strengthened coordination and regular monitoring now in place to ensure timely completion and full utilization of funds.

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					From	To			
2015 AAR, AO No. 2, page 26	Land Improvements, Buildings and Other Structures accounts totaling ₱355.20 million as of December 31, 2015 include properties constructed on a private lot without adequate documents to support the turnover of said properties to the government, contrary to Section 4(2) of PD No. 1445 and Section 335 of RA No. 7160. Meanwhile, individual project cost of said properties could not be ascertained due to the absence of property and ledger cards in the City General Services and Accounting Offices, respectively, in violation of Section 114 of the NGAS Manual, Volume I.	46. We recommended that Management secure from the owner of the private lot the Transfer Certificate of Title (TCT) and Deed of Donation in favor of the government, if any, otherwise, initiate expropriation proceedings before the proper court to acquire the land upon payment of just compensation to the owner.	To address the audit observation, the City Government commits to securing the necessary legal documents, specifically the Transfer Certificate of Title (TCT) and Deed of Donation from the private lot owner, to legitimize government ownership of the properties in question. Should these not be obtainable, we will coordinate with the City Legal Office to initiate expropriation proceedings in accordance with applicable laws. At the same time, we'll work closely with the City General Services and Accounting Offices to update and maintain complete property and ledger records, ensuring compliance with existing accounting and auditing rules moving forward.	Assessor CEO, GSO, Accounting Office			Ongoing		The LGU will exercise its inherent Power of Eminent Domain under Section 19 of the Local Government Code of 1991 (RA 7160). The Local Government Unit (LGU) has already published the Legal Officer Position to strengthen its legal capacity, once appointed, the City Assessor's Office will coordinate with the Legal Officer to pursue expropriation proceedings and represent the LGU in court.
2014 AAR AO No. 11, page 33	Special accounts for Waterworks System and Cemetery Operations were not maintained in the General Fund contrary to Section 313 of RA No. 7160 and Sections 105 and 107 of the NGAS Manual for LGUs, Volume I, thus the financial condition and results of operations of these two economic enterprises could not be determined.	47. We recommended that the City record separately the transactions of the waterworks system and cemetery operations by maintaining special accounts in the General Fund in accordance with Section 313 of RA No. 7160, Sections 105 and 107 of the NGAS Manual for LGUs, Volume I.	As of reporting date, there is currently no legislation enacted by the Sangguniang Panlungsod that formally establishes the Waterworks System and Cemetery Operations as economic enterprises of the City Government. In the absence of such a legal basis, the City has not yet been able to create and maintain separate special accounts under the General Fund as required by law. Management is aware of the need for proper financial monitoring of these operations and will initiate steps to coordinate with the Sangguniang Panlungsod for the passage of the necessary ordinances. Once legislative authority is in place, the City Accounting Office will begin the separate recording and reporting of the financial transactions related to these enterprises in accordance with	GSO, Water Works			Ongoing	The delay is due to the absence of a Sangguniang Panlungsod ordinance formally creating the Waterworks System and Cemetery Operations as economic enterprises, which is a legal prerequisite before separate special accounts can be maintained under the General Fund.	Management has initiated coordination with the Sangguniang Panlungsod to push for the enactment of the necessary ordinances, after which the City Accounting Office will proceed with the establishment of separate special accounts and proper financial reporting.

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					From	To			
			applicable accounting rules and standards.						
2013 AAR, AO No. 8, page 32	No depreciation was recognized for all land improvements, buildings, and other structures of the City with an aggregate balance of ₱391,793,517.37 as of December 31, 2013. *Note: As of December 31, 2021, still no depreciation was recognized for all land improvements, buildings and other structures amounting to ₱798,382,842.89.*	We recommended that: 48. The City Accountant maintain PPE Ledger Cards to facilitate the computation of depreciation expenses and henceforth compute and record, at the end of the year, depreciation of properties whose costs and acquisition dates are available. 49. The City Accountant trace the cost of depreciable immovable properties and take up current and prior years' depreciation expense in order to reflect the correct balance of PPE in the financial statements.	In compliance with the COA recommendation, the City Accounting Office has already initiated the proper recording of depreciation expenses for all PPE acquired from Calendar Year 2022 up to the present. Depreciation for these assets is now being computed annually based on the available cost and acquisition date data, in accordance with applicable accounting rules and guidelines. However, for PPEs acquired prior to 2022, the City is currently facing difficulties in tracing the historical costs and acquisition dates due to the unavailability or loss of supporting documents. As a result, the computation of depreciation expenses for these older assets remains a challenge. Efforts are ongoing to recover any possible records, validate asset information through physical inventory, and explore alternative documentation sources that may support retrospective computation.	Accounting Office			Ongoing	Depreciation for pre-2022 PPEs has been delayed due to missing or incomplete records of acquisition costs and dates.	The City Accounting Office is already recording depreciation for assets acquired from 2022 onwards and is conducting inventory and document tracing to establish reliable data for older PPEs.
2011 AAR	Several lots of the City with a total market value of ₱58,412,500.00 could not be determined if these were recorded in the books of accounts or the amount of land which is ₱43,384,529.15 as recorded in the books, could not also be ascertained if it were issued with tax declarations and TCT because of the absence of real property ledger cards. Moreover, lots owned by the LGU have no certificates of title.	50. We recommended that Management require the City Assessor, as well as the City Treasurer, to convene the City Appraisal Committee to act immediately in the determination of the value of the unrecorded lots. 51. Also, direct them to process the titling of the lots owned by the City and for the City Budget Officer to allocate funds for the titling thereof. 52. Likewise, instruct the City Accountant to review the land	In response to the Commission on Audit's recommendations, Management has expressed full agreement and has committed to implement the required corrective measures. The City Assessor and City Treasurer have been tasked to convene the City Appraisal Committee to immediately determine the value of all unrecorded lots. This will serve as the basis for proper recognition in the City's books of accounts. Furthermore, the City Budget Office will also be instructed to allocate funds necessary to support	Assessor's Office, CTO, CBO, Accounting Office			Ongoing		The LGU will exercise its inherent Power of Eminent Domain under Section 19 of the Local Government Code of 1991 (RA 7160). The Local Government Unit (LGU) has already published the Legal Officer Position to strengthen its legal capacity, once appointed, the City Assessor's Office will coordinate with the Legal Officer to pursue expropriation proceedings and represent the LGU in court.

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken / Action to be taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
		account and record in the books of accounts those lots that are owned by the City. Moreover, the value of the lots which will be determined by the City Appraisal Committee shall also be recorded in the books of accounts to avoid understatement of assets. However, attention is also directed pertaining to the recording of the value of the lot as provided in Paragraph 46 of the IPSAS (Ba), Volume II and Paragraph 7 of the same regulation.	the land titling activities, in line with the audit recommendation. The City Accountant has likewise been directed to review the Land account and ensure that all lots owned by the LGU are properly recorded. The valuation of these lots, as determined by the City Appraisal Committee, will be recognized in the accounting records, subject to the provisions of Paragraph 46 and Paragraph 7 of the International Public Sector Accounting Standards (IPSAS), to ensure compliance with appropriate asset valuation and financial reporting standards.						
2009 AAR	Despite the lapse of over two years, the lot purchased by the City of Canlaon lacked sufficient documentation and still did not have the requisite Certificate of Title under the name of the LGU, thus casting doubt on the legality of the said transaction amounting to ₱5,033,000.00.	53. To protect the interest of the City, we recommended that Management facilitate the transfer of the ownership of the 10,066 square meters of the lot purchased as soon as possible, otherwise the same shall be disallowed in audit.	In response to the recommendation of the Commission on Audit, the City Government has taken steps to rectify the issue. The City Assessor has been tasked to lead and facilitate the processing and transfer of ownership of the subject property. Coordination with the original owner, the Registry of Deeds, and other relevant government agencies is currently ongoing to secure and register the Certificate of Title in the name of the City of Canlaon.	Assessor's Office			Ongoing		The LGU will exercise its inherent Power of Eminent Domain under Section 19 of the Local Government Code of 1991 (RA 7160). The Local Government Unit (LGU) has already published the Legal Officer Position to strengthen its legal capacity, once appointed, the City Assessor's Office will coordinate with the Legal Officer to pursue expropriation proceedings and represent the LGU in court.

No.	Ref	Audit Observation	Recommendation	Agency Action Plan		Status of Implementation	Reason for Partial/Delay/Non-Implementation, if Applicable	Action Taken/ Action to be Taken
				Action Plan	Person/Department Responsible			
35	2007AAR	Advance payment of registration fees of nine delegates who failed to attend the Conference on the City Development Asia 2007 held in Marina Mandarin Hotel, Singapore on January 22-23, 2007 amounting to P877,500.00 were not refunded by the sponsor, thus resulted in losses to the government in the amount of P877 500.00.	54. We recommended that Management request the City Legal Officer to communicate with the sponsoring organization demanding the refund of the advance payment of registration fees for the Conference on City Development Asia 2007 in Singapore, otherwise, require the officials concerned to refund the amount to paid.	In response to the Commission on Audit's recommendation, Management is currently in the process of referring the matter to the City Legal Officer for appropriate action. The City Legal Officer will be requested to formally communicate with the sponsoring organization and initiate a demand for the refund of the registration fees that were paid in advance. Should the sponsoring organization fail to refund the amount despite due notice, Management will explore legal remedies, including requiring the officials concerned to settle the disallowed amount in accordance with applicable rules and procedures. The City remains committed to recovering public funds and upholding the principles of fiscal accountability.	City Councilor's Office	Ongoing	Action was deferred pending referral to the City Legal Officer, as other urgent legal concerns were prioritized.	Management has asked the previous City Prosecutor to act as City Legal Officer to pursue the demand for refund and is now preparing documents for endorsement.

Note: Status of Implementation may either be (a) Fully Implemented, (b) On-going, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed

JOSE CHUBASCO B. CARDENAS
City Mayor
Name and Position of Agency Officer

9/9/25
Date