Municipality of Jimalalud+
AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION
Audit Observations and Recommendation
For the Calendar Year 2024
As of November 30, 2025

Ref.	Audit Observation	Recommendation	Agency Action Plan				Status of Implementation	Reason for Partial/Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
AAR 2024	1. The valuation and accuracy of PPE with a net book value of ₱295,064,476.35 could not be relied upon due to: (a) discrepancy between the PPE Lapsing Schedule and the Financial Statements; (b) non-application of the five percent residual value on some items; and (c)non-recognition of depreciation expense on some PPE accounts, inconsistent with PAG 4 and 6 of IPSAS 17, thereby misstating the depreciation expense and PPE balance by an undetermined amount in the financial statements.	We reiterated our recommendation that the Municipal Accountant verify, review, and analyse its depreciation schedule, taking into consideration the provisions provided under PAG 4 and 6 of IPSAS 17 to arrive at an accurate and reliable carrying balance of the PPE, and thereafter prepare the appropriate adjusting entries. COA Circular No. 2020-006 dated January 31, 2020.	Verify and reconcile PPE balances in the ledger and FS, prepare adjusting journal entries for unrecorded/misstated depreciation and reassess PPE items and ensure compliance with IPSAS 17 depreciation rules.	Accounting Office					The Accounting Office awaits for the results of the Inventory count of the Inventory Committee. Adjusting journal entries are prepared for the unrecorded depreciation.

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AAR 2024	2.The existence, validity, and correctness of the Inventory account totalling ₱6,702,224.00 as of December 31, 2024, have not been established due to (a) non-conduct of the year-end physical count, (b) non-compliance with the Perpetual Inventory System Method, and (c) non-maintenance of supplies ledger and stock cards by the office of the Municipal Accountant and Municipal Treasurer, respectively, which goes against the provision set forth in the NGAS Manual for LGUs, Volume 1, thereby, affecting the fairness of the presentation of these accounts in the financial statements.	We recommend that the: a. Municipal Mayor create the Inventory Committee comprised of members who can be relieved of their regular duties to devote full time to conducting the physical inventory taking until the same is completed; b. Inventory Committee prepare and submit a copy of the inventory reports to the Auditor to verify compliance with Section 124 of the NGAS Manual for LGUs; c. Municipal Accountant and Municipal Treasurer maintain the supplies ledger cards and stock cards, respectively; and d. Municipal Accountant strictly follow the Perpetual Inventory Method for recording purchases of supplies and materials as required in the NGAS Manual.	Municipal Mayor to create an Inventory Committee to conduct physical count and prepare Inventory Report.	Mayor' Office, Accounting Office & Treasurer's Office					The Municipal Mayor has already issued an EO for the creation of the Inventory Committee. The committee has started in their physical count by inventory class/group.

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AAR 2024	3.The accuracy and reliability of the Local Road Network (LRN) account totalling ₱83,317,942.62 could not be ascertained due to various deficiencies noted, contrary to COA Circular No. 2015-008 dated November 23, 2015, thereby affecting the fairness presentation of the account in the financial statements.	We recommend that the Local Chief Executive create an Inventory Committee to focus on the physical count of local roads and direct the Municipal Engineer, Municipal Accountant, and Municipal Treasurer to strictly comply with the accounting and reporting guidelines on the local roads asset management system pursuant to COA Circular No. 2015-008 dated October 23, 2015. We further recommend that the Local Chief Executive enjoin: a. Municipal engineer provide thee Municipal Accountant and Municipal Treasurer with a complete description and segregation of road components for road projects; and b. The Municipal Accountant disclose the total road network system in the Notes to FS.	Municipal Mayor to create an Inventory Committee to conduct physical count and prepare Inventory Report. Municipal Engineer to provide detailed description and segregation of all road projects and components. Municipal Accountant to disclose total road network system in the Notes to FS	Mayor' Office, Accounting Office & engineering Office					The Municipal Mayor has already issued an EO for the creation of the Inventory Committee. The committee has started in their physical count by inventory class/group. The Engineering department has submitted a report of Road Network as of Dec. 31, 2023.

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AAR 2024	4. Biological Assets valued at ₱1,715,503.00 that have been in the books for more than five years, were not stated at fair value as of the reporting date due to the non-submission of a complete Inventory Report of Breeding Stocks and the prevailing market price for each item by the Municipal Agriculturist to the Municipal Accountant, contrary to Section 4.5.1 of COA Circular 2016-004 dated September 30, 2016, and the pertinent provisions of the IPSAS 27, thus, rendering the existence and valuation of the account presented in the financial statements doubtful and unreliable.	We recommend that the Municipal Agriculturist: a. Conduct an inventory of breeding stocks as of the end of each year and thereafter render a report including the fair market value of these items to the Municipal Accountant, for proper recording in the books of the LGU; and b. Keep a systematic record of the Municipality's breeding stocks, reporting births, deaths, and disposal, and in case of death and disposal, facilitate request for relief of accountability in accordance with COA Circular No. 92-386 dated October 20, 1992, to appropriately drop the amount from the books. We further recommend that the Municipal Accountant disclose the composition of the Biological Asset account in the Notes to Financial Statements in	The Municipal Agriculture office will conduct inventory of breeding stocks and maintain and update systematic records of breeding stocks. Municipal Accountant to record adjustments and ensure fair valuation of biological assets and disclose biological assets in the Notes to FS for transparency	Municipal Agriculture office and Accounting Office					The Agriculture department has reviewed, updated and verified the Biological Assets and submitted a report thereof. The accounting department has prepared adjusting entries to revalue the biological assets based on the report given by the Agriculture Department.

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		accordance with IPSAS 27 to provide relevant information that may affect the fairness of the presentation of the financial statement.							
AAR 2025	5. The Municipality of Jimalalud did not effectively follow the guidelines and procedure specified in COA Circular No. 2020-006 dated January 31, 2020, regarding one-time cleansing of PPE, thus affecting the fairness of presentation of the PPE accounts amounting ₱401,762,927.72 in the financial statements at year-end and depriving the government's access to reliable and useful information fir decision-making and accountability for these assets.	We recommend that the Municipal Mayor issue an Office Order creating the Inventory Committee with adequate members, including at least one member from each of the Accounting and Property Division/Units, and temporarily relieve them of all their regular duties until the physical inventory process is complete. We further recommend that once created/reconstituted, the Inventory Committee: a. Strictly follow the guidelines and procedures for conducting the physical count of PPE. This includes recognizing PPE items found at the station and disposing of items that are non-existent or missing. The Accountant and Property Officer should reconcile their	Municipal Mayor to create an Inventory Committee to conduct physical count and prepare Inventory Report.						The Municipal Mayor has already issued an EO for the creation of the Inventory Committee. The committee has started in their physical count by inventory class/group.

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		records based on the result of the actual physical count and make any necessary adjustments; and b. Adopt a uniform numbering system for PPE property numbers and require the Property Unit to update the property stickers according to the prescribe format and include all necessary information as specified in Section 5.6 and 5.7 of the COA Circular No. 2020-006 dated January 31, 2020; and c. Prepare the PIP for approval of the Municipal Mayor and submit the same to COA at least 10 calendar days before the scheduled start of inventory activities.							
AAR 2024	6. Management conducted a planning workshop for the preparation of its CY 2025 GAD Plan and other GAD-related activities in Baguio City, spending a total amount of ₱758,007.52 for travel,	We recommend that Management desist from conducting training, meetings, seminars, workshops, or similar activities outside the geographical island and henceforth observe the principle	Management will ensure future meetings, seminars, workshops, and trainings are conducted	Mayors Office					Management conducts its training, meetings, seminars, workshops, or similar

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	airfare, and hotel function expenses, in contravention of DILG MC No. 2011-59 and COA Circular No. 2012-003, thus incurring significant expenses that could have been reduced had the workshop been conducted within its territorial jurisdiction, indicating extravagant expenditures.	of prudent use of scarce financial resources of the government as prescribed in DILG MC No. 2011-59 and COA Circular No. 2012-003. We recommend that Management submit the remaining 14 liquidation reports and the Capacity Development Plan for Audit team's appropriate audit action.	within the LGU or nearby areas, in compliance with DILG MC No. 2011-15 and COA Circular No. 2012-003 and submit pending liquidation reports and update the Capacity Development Plan						activities only in the geographical area and pending liquidations are already submitted.
AAR 2024	7.Registration fees paid to the Philippine Councilor's League (PCL) totalling ₱156,000.00 for the attendance of Sangguniang Bayan (SB) members to the 1st Quarterly Provincial Assembly were issued with personalized non-VAT Official Receipt (OR) registered with the Bureau of Internal Revenue (BIR), contrary to Section 4(6) of Presidential Decree (PD) No.	We recommend that Management ensure that future payments to the PCL are properly supported with government official receipt AF No. 51 because they are considerd a government organization subject to compliance with existing rules and regulations.	The Management will require that all future payments to PCL be properly supported with BIR-registered official receipts (AF No. 51)						

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	1445, which may result to unaccounted collection and possible loss of government funds.								
AAR 2024	Pakyaw labor contracts amounting to ₱956,839.50 engaged by the Municipality for its infrastructure projects implemented "By Administration" under 20% Development Fund were not in accordance with the pertinent provisions of RA No. 9184 and its 2016 Revised IRR, casting doubt on the legality of the disbursements.	We recommend that Management ensure strict compliance with the guidelines and provisions of RA No. 9184 and its Revised IRR in implementing infrastructure projects by the administration and submit the following: a. The updated APP approved by the Municipal Mayor and the BAC resolution justifying any changes in the original mode of procurement or the omission of the infrastructure projects undertaken by the administration from the APP; b. A clearer copy of the laborers' identification cards; c. The name of the Project Facilitator per project and the related documents that would prove his/her appointment as such, duly approved by the Municipal Mayor; and	Ensure strict compliance with RA 9184 and its Revised IRR in all pakyaw labor contracts for infrastructure projects. Submit updated APP approved by the Municipal Mayor. Require clear copies of laborers' ID cards. Require supporting documents showing involvement of barangay leaders and community in pakyaw projects.	Mayor's Office & engineering Office					The Engineering office has submitted clearer copies of laborers' ID cards.

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		d. Relevant documents for the formation of the Pakyaw Group showing that the barangay leaders and the community were actively involved.							
AAR 2023	8. The accuracy and reliability of the depreciable Property, Plant, and Equipment with reported total carrying value of ₱240,958,937.73as of December 31, 2023,could not be ascertained due to: (a) non-conduct of actual physical inventory of the PPE; (b)non-recognition of depreciation expenses for the completed and transferred infrastructure assets including recognition of depreciation for new PPE acquisition during the period; (c)discrepancy in the amount of depreciation expenses provided in the lapsing schedule and the amount recorded in the books which is not in accordance with International Public Sector	We recommended that the LCE create an Inventory Committee to conduct an actual physical inventory count of the PPE and report the results thereof in the RPCPPE to be submitted to the Auditor and Accounting Unit not later than January 31 of each year. The RPCPPE shall be reconciled with the accounting records, and the necessary adjusting entries shall be prepared before the statement date. We also recommended that the Municipal Accountant review the records of the affected accounts, including the additional property acquired during the year, determine the correct date of acquisition of the	Create and establish a working Inventory Committee that will prepare reports in the conduct of physical inventory-taking. Seek technical assistance from the commission to train and capacitate the committee.	Mayor's Office, Accounting Office, Treasurer's Office					The Municipal Mayor has already issued an EO for the creation of the Inventory Committee. The committee has started in their physical count by inventory class/group.

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	Accounting Standards (IPSAS) 17 and Section 124, Volume I of the Manual on the New Government Accounting System for LGUs, thus affecting the fair presentation of PPE accounts in the financial statements.	property, and prepare the corresponding adjusting entries, if necessary, to take up the depreciation for the period in accordance with IPSAS 17. We likewise recommended the Municipal Accountant to update the lapsing schedule, reconcile the same with the book balances, and come up with reliable and accurate PPE balances for a fair presentation of the financial statements.							
AAR 2023	9.Deficiencies in preparing and maintaining the General Ledger (GL) and Subsidiary Ledger (SL) were noted. Hence, the purpose of the Books of Accounts, to produce true, honest, accurate, and reliable financial information, was not consistently carried out.	We recommended and the Municipal Accountant agreed to prepare and maintain the required GLs and SLs for every controlling account, as well as fill out the proper and correct information that each column suggests, so that accurate and reliable financial information can be produced. We further recommended and the Municipal Accountant agreed to arrange the GL	Purchase E-NGAS to facilitate and assist in the preparation and production of financial reports more accurately.	Mayor's Office, Accounting Office					The Municipality has appropriated for the purchase of necessary IT hardware anchored in the purchase and implementation of E-NGAS.

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		accounts according to the sequence appearing in the Chart of Accounts and observe the highest standards of honesty, objectivity, and consistency in the keeping of accounts in accordance with Section 111, Chapter 2 of P.D. No. 1445.							
AAR 2023	10. The recorded balance of Biological Assets in the amount of ₱1,715,503.00, which has been in the books for more than five years, could not be relied upon due to the absence of documents and pertinent records evidencing the biological transformation of the assets as provided under Paragraph 16 of IPSAS 27, thus, rendering the existence and valuation of the account presented in the financial statements doubtful and unreliable.	We recommended and the Municipal Accountant agreed to exhaust all available remedies to secure the documents pertaining to the animals as reported in the books, with sufficient documentation of the validation undertaken. We further recommended and the Municipal Agriculturist agreed to verify the status of the animals, their conditions, and the present caretaker, through physical inspection, update the fair market values, and submit the corresponding report, which could also serve as the basis to support a possible request for	Instruct the Municipal Agriculture department in the monitoring and verification on the status of animals through physical inspection and visitation of every individual having their custody.	Mayor's Office, Accounting Office, Agriculture Office					The Municipal Agriculture department commenced their monitoring and status evaluation of the animals.

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		relief, if warranted under the circumstances.							
AAR 2023	11. Out of the total budget of ₱14,884,159.36 appropriated for the LDRRMF Mitigation Fund, only 15.52 percent, or ₱2,309,631.40, was utilized in CY 2023, contrary to RA No. 10121 and the DILG Memorandum Circular (MC) No. 2012-73 dated April 17, 2012, thereby not optimally utilizing the LDRRM funds and compromising the Municipality's preparedness and resilience to disasters and calamities.	We recommended and the LDRRM Council agreed to ensure that the 70% budget allocation for disaster prevention, mitigation, and preparedness is optimally utilized in order to better prepare the Municipality for any calamities that may happen in the future. We further recommended and the LDRRM Council agreed to ensure that the programs and projects included in its LDRRM Plan and AIP are realistic and attainable.	Encourage the LDRRM Officer to facilitate the implementation and utilization of the different PPA's in the LDRRM Fund.	Mayor's Office, LDRRMO					The LDRRM Officer has agreed to implement the PPA's in the Disaster Fund.
AAR 2023	12. Monthly Bank Reconciliation Statements (BRS) for CY 2023 were not prepared and submitted to the Office of the Auditor, which is inconsistent with Section 74 of P.D. No. 1445 and Sections 3.2 and 3.4 of COA Circular No. 96-011, thus, adversely	We recommended that the Municipal Accountant submit the CY 2023 monthly bank reconciliation statements to the Auditor immediately and comply with the provisions of Section 74 of P.D. No. 1445 and Sections 3.2 and 3.4 of COA Circular No. 96-011.	Monitor and prepare the Bank reconciliation of every bank accounts maintained.	Accounting Office				Bank statement of bank account maintained in DBP – Dumaguete was not delivered to our office despite the request sent.	Bank reconciliation statements were submitted except with account maintained in DBP.

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	affecting the prompt audit of the Cash in Bank account of the Municipality.								
AAR 2022 2021 2016	13. The existence, completeness, and accuracy of the movable Property, Plant, and Equipment (PPE) account with a carrying amount of ₱22,069,829.19 as of December 31, 2022, could not be ascertained due to the absence of year-end physical inventory reports, contrary to Section 124, Volume 1 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs).	We recommended the Management to create the Inventory Committee to conduct the required annual physical inventory pursuant to Section 124, Volume 1 of the NGAS Manual for LGUs and to review the guidelines and procedures on inventory taking under COA Circular No. 2020-006 dated January 31, 2020, for the one-time cleansing of the PPE accounts to establish balances that are verifiable and reliable. Discrepancies between the physical inventory, custodial, and accounting records must be verified, investigated and reconciled. We further recommended the Municipal Mayor to ensure that the conduct of physical inventory is regularly	Create and establish a working Inventory Committee that will prepare reports in the conduct of physical inventory-taking. Seek technical assistance from the commission to train and capacitate the committee.	Mayor's Office, Accounting Office, Treasurer's Office				The department heads concern already informed the LCE the importance of Inventory Committee through the issuance of an Office Order	The Municipal Mayor has already issued an EO for the creation of the Inventory Committee. The committee has started in their physical count by inventory class/group.

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		undertaken yearly and reports are submitted accordingly.							
AAR 2022	14. The Long outstanding cash advances and receivables from officers and employees in the total amount ₱23,642,656.92, aged for more than two years, remained unsettled as of December 31, 2022, due to failure to observe the provisions of COA Circular No. 97-002 and Section 89 of Presidential Decree (P.D.) No. 1445 consistently, exposing government funds to risk of possible loss or misappropriation. Moreover, receivable accounts amounting to ₱6,003.00 that have been dormant for ten years or more remain in the books despite prevailing conditions precluding settlement thereof, thus, affecting the fair presentation of the related asset accounts.	We recommended that Management require the Municipal Accountant to: a. issue final Demand Letters to the concerned personnel with unsettled cash advances, including those who have retired from service or transferred to other agencies; and b. review and validate the unreconciled receivables to ascertain if they still represent valid claims to the extent possible. Otherwise, the Municipal Mayor shall file the request for authority to write-off dormant receivable accounts and unliquidated cash advances to the COA pursuant to Section 8.2 of COA Circular No. 2016-005, duly supported with the documentary requirements	Issue Demand Letter to concerned personnel relating to their unliquidated cash advance(s). Review the validity of receivables. The cash advance for Social Amelioration Program granted by DSWD amounting to 18,555,000.00 and was disbursed on the same year was first erroneously posted in the GF and was then						

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	15.	under Section 8.3 of the same Circular. We recommended further that Management strictly adhere to the provisions of COA Circular No. 97-002 dated February 10, 1997, and Section 89 of P.D. No. 1445 in the granting, utilization, and liquidation of cash advances.	reflected in the TF without adjusting the said amount in the GF.						
AAR 2022	16. The labor component of The Tourism Development Project (Phase II) in Barangay Dayoyo with an Approved Budget for the Contract (ABC) of ₱921,786.00 was implemented through pakyaw contract contrary to Section 4.8 of Appendix 1 of the Revised Implementing Rules and Regulations of R.A. No. 9184 which sets a limit of only P500,000.00 per contract, was only 80% completed more than a year after it was commenced allegedly due to lack of laborers to complete	We recommended that Management submit the necessary supporting documents as enumerated above for review and evaluation by the audit team. We further recommended that Management strictly observe the guidelines provided in Appendix 1 of the Revised IRR of RA No. 9184 in the implementation of projects by administration and to desist from implementing projects through pakyaw labor contract if the ABC exceeds the limit of P500,000.00.	Instruct the engineering department, as being the end user of such, to facilitate the completion of the project. Cease from implementing projects through pakyaw labor contract if the ABC exceeds the threshold of P500,000.00.	Municipal Engineer, MPDO			Implemented		The Engineering Department instructed the pakyaw leader to complete the project. The Management ceased to implement project through pakyaw contract when the ABC is

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	the work, thus not yet usable, exposing the implemented portions thereof to deterioration, depriving intended users of the benefits therefrom and may even result in waste of government funds. Moreover, the 10% retention was not withheld from payments to the pakyaw contractor to the disadvantage of the municipal government as it was left with no means to ensure compliance from the contractor.	In addition, we recommended the Municipal Development Coordinator, together with the Municipal Engineer, to supervise and monitor the implementation of the development projects to ensure that these will be completed as scheduled and in accordance with the plans and specifications.							more than P500,000.00.
AAR 2022	17. Monetization of leave credits was allowed despite non-compliance with the conditions stated in the pertinent provisions of the Omnibus Rules on Leave of the Civil Service Commission (CSC) and CSC Resolution No. 34 dated January 5, 2000, and Item 5.14 of COA Circular No. 2012-001 dated June 14, 2012, thus, affecting the	We recommended that Management require the HRMO head to strictly adhere to the provisions of the Omnibus Rules on Leave and CSC Resolution No. 34 on the granting and approval of monetization of leave credits and to adjust the leave credit balances for monetized leave erroneously charged to SL despite the existence of VL credits.	Instruct the HRMO to revisit the Omnibus Rules on Leave and CSC Res. 34 about the granting and approval of monetization of leave benefits. Adjust the SL and VL, exhausting first the VL. Instruct the	HRMO			Implemented		The HRMO adjusted the VL and SL of the personnel who monetized there leave benefits and the HRMO collected the documents concerning the personnel

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	validity of the disbursements incurred. 18.	Moreover, we recommended that Management require the concerned personnel to submit to the auditor for evaluation and review the necessary documents to support their application for monetization pursuant to Item 5.14 of COA Circular No. 2012-001 dated June 14, 2012.	HRMO to collect and submit to the auditor regarding the necessary documents concerning the monetization of leave benefits.						to support their application for monetization.
AAR 2022 2014	19. The Municipal Accountant did not submit the monthly and quarterly reports as well as the year-end financial statements (FS) of the Municipality for CY 2022 within the reglementary period, contrary to Section 41(2) of Presidential Decree (PD) No. 1445, Section 70 of the New Government Accounting Systems (NGAS) Manual for Local Government Units (LGUs), Volume I and Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, thereby, losing their relevance and usefulness for decision-making and	We recommended that the Municipal Accountant fast-track the preparation and submission of the PPSAS-compliant CY 2022 FS to the Audit Team at the soonest possible time. We further recommended that Management closely monitor invariable compliance with the submission of monthly and quarterly financial reports together with the complete schedules in accordance with the requirement of pertinent laws and regulations.							

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	precluding the Auditor from rendering audit opinion on the FS.								
AAR 2021	20. The Municipality's low rate of collection of Real Property Taxes (RPT) compounded by incorrect basis used in recognizing RPT/Special Education Tax (SET) Receivables and failure to implement measures to collect these taxes resulted in the accumulation of uncollected RPT and SET Receivables amounting to ₱3,674,289.51 as of December 31, 2021, thus, depriving the Municipality of regular revenue stream that could have been utilized to finance programs, activities and other major development projects. Moreover, RPT/SET receivables set-up at the beginning of the year were understated by ₱1,121,692.20 since it was based on estimates and not on the certified list of	We recommended that the Municipal Treasurer enforce the collection of delinquent real property taxes by strictly implementing Sections 254 and 256 of RA No. 7160. We further recommended that Management direct the Accounting and Treasurer's Offices to reconcile their records and account for the variance of ₱13,110,459.17 in tax delinquencies. We likewise recommended that Management require the Accountant to prepare a correcting entry to take up the understatement of ₱1,121,692.20 in RPT/SET Receivables for CY 2021, and to ensure henceforth full compliance with the requirement of Section 20 of the MNGAS.	Revisit the COA circular on the computation of depreciation expense of Government PPE and their revised useful life. Establish and maintain a PPE Leger Card for all property and equipment for its proper monitoring.	Accounting Office			Partially Implemented	Useful life and salvage value of the PPE in the books were already adjusted based on the mentioned standards by the commission.	Verify the physical existence of every PPE in the books and maintain the corresponding PPE Ledger Cards to properly monitor their book value.

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	tax collectibles, contrary to Section 20, Volume I of the Manual on the New Government Accounting System for Local Government Units (MNGAS). Further, a difference of ₱13,110,459.17 existed between the accounting and treasurer's records on delinquent taxes due to the lack of appropriate records, contrary to Section 111 (1) of PD No. 1445, affecting the fairness of the balance presented in the financial statements.								
AAR 2021	21. The procurement of four (4) units of motorcycles totaling ₱369,900.00 through negotiated procurement did not adhere to the procedures provided under Sections 35 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184, thereby defeating the purpose of transparency, integrity,	We recommended that Management adhere strictly to the provisions provide under the Negotiated Procurement as an alternative method of procurement pursuant to the pertinent provisions of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 for transparency, effectiveness and efficiency in the procurement process.							

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	effectiveness, economy, and efficiency in the procurement process. 22.	We further recommended that the Bids and Awards Committee (BAC) submit the other supporting documents with a written explanation on the noted discrepancies mentioned above for review and evaluation by the audit team.							
AAR 2021	23. The Purchase Orders issued to suppliers of goods and services by the Municipality did not indicate all the necessary information pertaining to the transactions. In addition, copies of perfected contracts with supporting documents were not furnished to the Office of the Auditor within the prescribed period as required under COA Circular Nos. 2009-001 and 96-010 dated February 12, 2009 and August 15, 1996 respectively, thus, precluding the timely auditorial review in terms of compliance with the requirements of applicable	We recommended that Management (a) furnish the Auditor copies of the contracts, purchase orders, and certificates of acceptance, together with all supporting documents thereto, within the required timeframe; (b) indicate all the basic information in the purchase order as required under COA Circular Nos. 96-010 and 2009-001 to ensure delivery of items that meet the specification.							

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	laws, rules and regulations, completeness of documentary requirements and initial evaluation that the contractual covenants were not disadvantageous to the government.								
AAR 2020	24. The Municipality did not conduct physical count of its Inventory Held for Distribution and other inventory accounts as required in Section 124 of the Manual on the New Government Accounting System for Local Government Units, Volume I, nor did it maintain the necessary stock cards and supplies ledger cards, thus the existence of these properties as well as the reliability of the account balances presented in the financial statements as of December 31, 2020 remained unreliable.	We recommended that the Municipal Inventory Committee conduct the required physical count of the inventory accounts in order to establish the existence and determine the reliability of the account balances shown in the financial statements at year-end. Likewise, we recommended and Municipal Treasurer and Municipal Accountant agreed to maintain the required stock cards and supplies ledger cards for each type of supplies, respectively, pursuant to Section 119 and 120 of the Manual on the New Government Accounting system for Local Government Units, Volume I.	Creating of Inventory Committee that will facilitate in the physical count of inventory whether they still exist or already utilized.	Office of the Mayor, Treasurer's Office and Accounting Office				Inventory account such us supplies has been untouched for quite a period of time and physical inventory of such cannot be traced. The department heads concern already manifested to the LCE on the importance of the creation of Inventory Committee.	

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AAR 2020	25. Disbursement vouchers covering purchases of various food supplies, infrastructure contracts, medicine, vitamins and other medical supplies totaling to ₱9,217,574.40 were not supported with complete documentation contrary to Section 4(6) of P.D. No. 145 and section 6.1 of the Government Procurement Policy Board Circular Number 01-2020, thereby, casting doubt on the propriety, validity and legality of the transactions. Moreover, the Bids and Awards Committee (BAC) did not post the necessary documents in the GPPB Online Portal for Emergency Procurements contrary to Section 9 of the Circular, thus. Adversely affecting the promotion of accountability and transparency in the conduct of Emergency Procurement and the completeness of information	We recommended that the MSWD and the Local Disaster Risk Reduction Management Officer, as the case may be, submit the list bearing the names and corresponding signature of recipients of the food supplies procured and that the BAC submit the Omnibus Sworn Statement of each of the suppliers covered under the BGCM to the Office of the Auditor. We also recommended and the BAC/Municipal Health Officer/Municipal Accountant agreed to submit a Certificate of Product Registration and certification from the manufacturer that the supplier is an authorized distributor/dealer of the drugs and medicines purchased. We further recommended that the Municipal Engineer submit documents labeled 3.a-g above in compliance with Section 4(6) of P.D. No.1445 in order to ensure the validity, propriety	Inform the MSWDO and the LDRRM Officer to submit the acknowledgement receipt of the goods distributed.				Implemented		The MSWD and LDRRM Officer submitted the list bearing the name with corresponding signature of the recipients of food supply. The BAC already submitted the Omnibus Sworn Statement of the suppliers and the Certificate of Product Registration

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	included in the reportorial requirements under the Bayanihan Act.	and legality thereof. Lastly, we recommended that Management submit a written explanation why the posting requirements under Section 9 of GPPB Circular No. 01-2020 were not complied with.							
AAR 2018	26. As a result of the neglect of management to assign specific personnel to monitor and collect repayment of loans granted in CY 2010 to small-scale entrepreneurs as livelihood assistance, loans receivable amounting to ₱560,000.00 remained uncollected more than eight years after they were granted, thus may be difficult to collect, exposing government funds to loss.	We recommended that Management immediately issue demand letters to the borrowers in order to collect the receivables and to thereafter designate an employee to monitor payments, to prepare demand letters, and make personal follow-up on these debtors in order that the loans will be collected.	Send demand letters to the beneficiaries of the said loan since they thought that it was a grant.					Beneficiaries of the said loans can't be identified anymore because the documents pertaining to the loan were damaged during the February 6, 2012 earthquake.	
AAR 2018	27. The accounts Due to GSIS, Due to Pag-IBIG, Due to PhilHealth and Guaranty/Security Deposits Payable showed abnormal balances contrary to generally accepted accounting	We recommended that management investigate the causes of the abnormal balances and effect the necessary correcting entries in order to fairly present the accounts in the							

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	principles, thereby adversely affecting the fairness of presentation of the accounts as of December 31, 2018.	financial statements as of December 31, 2018.							
AAR 2018	28. More than 97% of the CY 2018 appropriations for Gender and Development amounting to 5,128,830.55 were allocated to programs, projects and activities which did not directly address gender issues contrary to Section 4.1.C.1.4 of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-1, leaving nearly nothing for legitimate gender concerns thereby jeopardizing the attainment of GAD goals.	We recommended that the Municipal Social Welfare and Development Officer and the Budget Officer ensure that only those projects/programs/activities which clearly address gender issues are allocated from GAD appropriations in order to ensure the attainment of GAD goals.							
AAR 2017	29. Assets amounting to ₱14,409,716.02 acquired out of trust funds remained recorded in said funds despite completion of the projects or delivery of the equipment, contrary to Section 104, Volume I of the Manual on NGAS, hence misstating the	We recommended that the Office of the Municipal Accountant find all means to retrieve the records pertaining to the sources of the properties in order that assets recorded in the trust fund can be totally transferred to the proper accounts in the general fund for							

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	asset accounts of the General and Trust Funds of the municipality. Moreover, the LGU failed to maintain property/property, plant and equipment ledger cards contrary to Section 114 of the Manual, thus the existence, reliability and accuracy of the recorded property accounts could not be ascertained.	proper presentation of the financial statements pursuant to Section 104 of the Manual on NGAS. Also, we recommended that the Offices of the Municipal Accountant and Treasurer maintain property, plant and equipment ledger cards and property cards, respectively, in accordance with existing regulations. Lastly, we recommended that the Municipality hire additional accounting personnel to augment the present manpower.							
AAR 2017	30. Job order personnel were assigned to perform clerical or administrative duties which are also being performed by the regular personnel of the municipality contrary to Section 1.b of CSC Resolution No. 021480 which could adversely affect the quality of outputs of the offices to which they are assigned considering that they can be easily replaced.	We recommended that the Municipality comply with existing regulations on the hiring and assignment of work to job order personnel, otherwise it should instead create new positions that would best fit the needs of the LGU.							

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AAR 2016	31. The municipal government did not take decisive action to address the long-outstanding accountabilities of four (4) former Disbursing Officers totaling ₱5,561,983.96 and three (3) collectors totaling ₱78,778.73 in violation of Sections 69,89 and 128 of P.D. 1445, thereby adversely affecting the fairness of the related balances presented in the financial statements and precluding the utilization of such funds for other priority programs beneficial to its constituents. 32.	We recommended that the Municipal Mayor: a) Order the incumbent Paymaster/Disbursing Officer to withhold any payments due the said accountable officers until their respective accountabilities are extinguished; b) Direct the Municipal Accountant and Treasurer to desist from processing cash advances unless supported by: b.1) Copy of the payroll or a list of payees with their net payments, for CAs for salaries, wages, allowances and similar payments; b.2) Estimate of expenses, for Cas for petty operating expenses; and b.3) Budget for current operating expenses for the agency field activity;							

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		c) Undertake reforms in the treasury functions, in terms of personnel and procedures, to ensure that disbursements are always based on approved vouchers, cash advances are regularly liquidated, collections are remitted daily and intact and the coffers of the government are of utmost priority; and, d) Direct the Municipal Accountant to monitor closely the timely submission of accounts from the Treasurer's Office and to update regularly their records so that any discrepancies noted can be addressed immediately. We further recommended that a written report on the status of the foregoing accountabilities and the actions taken thereon be submitted to our office for further evaluation.							

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AAR 2016	33. The municipal government did not get the 2016 Seal of Good Local Governance as it was not able to comply with the core element on disaster preparedness nor did it meet all the criteria on environmental management which included access to a sanitary landfill or alternative technology, contrary to the requirements under DILG MC Nos. 2012-79 and 2014-39 as well as R.A. 9003, hence missing the opportunity to receive the award including access to additional funding and incentives, and necessitating effective measuresto address the potential effects of disasters to human life.	We recommended that Management, spearheaded by the MENRO Designate and MPDC, fast-track the preparation of the required plans under the disaster preparedness component to provide effective guidance in the implementation of programs outlined therein, and fully undertake measures to comply with the requirements to pass the SGLG assessment which includes the sanitary landfill in order to gain access to the PCF and the incentives package which could provide essential funding for the LGU's programs in addressing the eventuality of a disaster.							

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AAR 2016 2010	34. The balances of Cash in Local Treasury and Cash in Bank per ledger and per cashbooks showed a variance of ₱9.74million due to the failure of the municipal treasurer to either update postings to her cashbooks and the existence of multiple accounting records for a single bank account, contrary to existing accounting and auditing rules and regulations particularly Section 111 of P.D. 1445, thereby preventing the prompt determination of accountability, which could also hinder the discovery of shortages or errors, if any, while adversely affecting the reliability of the balances presented in the financial statements.	We recommended that the Municipal Mayor: a) Require the Municipal Treasurer to update her cashbooks daily, exercise adequate supervision over any personnel assigned to post the transactions, and ensure that all cashbooks are properly safeguarded against loss or misuse; b) Direct the Municipal Treasurer and the Municipal Accountant to: b.1) account for the differences noted between the ledger and cashbook balances, and henceforth conduct a quarterly reconciliation or as often as necessary; b.2) effect actual transfer of funds in accordance with the balances in the subsidiary ledgers for the two (2) bank							

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		accounts maintained under all the three (3) funds, and henceforth ensure that a bank account is maintained under only one fund; c) Instruct the Municipal Accountant to trace the difference noted in the Cash in Bank accounts per general ledger and per schedule; d) Closely monitor the Municipal Treasurer's compliance to the strict requirements pertaining to the handling and custody of cash and depository accounts.							
AAR 2015 2013 2012 MTO/ MA	35. Additional cash advances were granted to officials and employees aggregating ₱2.97million or 87% of the total cash advances granted in the fourth quarter of CY 2015 even if their previous cash advances were not yet settled, contrary to Section 89 of P.D. 1445, resulting in the	We recommended that: a) The Municipal Mayor, who has overall fiscal responsibility, strictly impose the regulations regarding the grant of cash advances and, together with the Municipal Accountant, desist from approving cash advances							

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	increase of unliquidated cash advances by ₱1.92million at year end.	without requiring liquidation of previously unliquidated advances in accordance with Section 89 of P.D. 1445; and, b) The Municipal Accountant send demand letters and require the immediate liquidation of all cash advances and after due notice, effect the withholding of their salaries or whatever benefits due the concerned officers and employees.							
AAR 2015	36. The municipality neither submitted the monthly Report on Sources and Utilization of DRRMF nor the LDRRMFIP contrary to Sections 5.1.2, 5.1.3.2 and 5.1.5 of COA Circular No. 2012-002, thereby precluding the availability of relevant and useful information vital to decision-making and the timely detection of inappropriate uses thereof.	We recommended that the LDRRM Officer be directed to ensure faithful compliance to COA Circular No. 2012-002 and submit the Report on Sources and Utilization of DRRMF prepared by the Municipal Accountant on or before the 15th day after the end of each month as well as the LDRRMFIP duly incorporated in the AIP.							

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AAR 2014	37. The Municipal Government of Jimalalud paid its officials and employees a Productivity Enhancement Incentive for CY 2014 in excess of the amount of ₱5,000.00 each allowed under EO No. 80 dated July 20, 2012 as implemented by DBM Budget Circular No. 2014-3 dated December 2, 2014, thereby resulting in the disallowance of the total unauthorized payment of ₱629,000.00.	We recommended that the persons liable for the excess payment of the CY 2014 PEI immediately restitute the same to the government, in accordance with Section 11.0 of DBM BC No. 2014-3. Henceforth, Management shall strictly observe the applicable regulations on the grant of any benefits/incentives and verify against double payments to avoid similar disallowances. We further recommended that the Municipal Accountant prioritize the submission of the employment documents of the Barangay Bookkeepers and the financial records showing the sources of funds from the barangays and the corresponding payments therefrom.							

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AAR 2016	38. The existence and validity of bank deposits with PNB amounting to ₱40,008.36 is questionable since these were not confirmed by the bank nor were bank reconciliation statements prepared on these accounts, contrary to pertinent provisions under P.D. 1445 and COA Circular No. 96-011, thus, presenting an unreliable balance in the financial statements.	We recommended that Management instruct the Municipal Accountant to make representations with PNB to seek the necessary evidences/ documentation to provide an accounting trail of transactions that lead to the depletion of the said balances including the abnormal decrease in the time deposit account, determine accountability of the Municipal Treasurer and other accountable officers for the ensuing charges should these be borne out of negligence in the discharge of official functions, and prepare the necessary adjusting entries in the books with the optimum intent of securing the government's rights over the said deposits, furnishing our office with a copy thereof. Henceforth, require the Municipal Accountant to regularly prepare the BRS of all existing bank accounts and							

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		monitor the opening and closure of new and old accounts.							
AAR 2014	39. The Municipality of Jimalalud still maintained time deposit and COMBO accounts with the Philippine National Bank (PNB), a private bank whose authority to accept government deposits has already expired, contrary to Section 311 of R.A. 7160 and DOF D.O. No. 27-05, thus exposing public funds to risk of loss in case of bank closure or bankruptcy.	We recommended Management to immediately effect the closure of the cash balance of the PNB Time Deposit and COMBO accounts, and transfer the same either to LBP or DBP, whichever offers the optimal value for the LGU, in compliance with Section 311 of R.A. 7160, DOF D.O. No. 27-05, COA Circular No. 92-382, and BTr TC No. 01-2013.							
AAR 2014	40. The Municipality is still operating an open dump site for solid waste at Barangay Bala-as, contrary to Sections 17 (h) and 37 of Republic Act (R.A.) No. 9003, hence continually exposing the inhabitants living in the surrounding areas to health risks/hazards and the environment to further deterioration.	We recommended that Management thru the Municipal Solid Waste Mgt. Board: a) Concretize methods and procedures for the phase-out and the eventual closure of existing open and/or controlled dumps within a specific time frame; b) Request the members of the Sangguniang Bayan to							

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		prioritize the allocation of funds for the establishment and operation of a sanitary landfill in accordance with Sections 40 and 41 of R.A. 9003; and c) Advocate for a full-time MENRO with its own office and staff to focus and spearhead the implementation of the approved Integrated Solid Waste Management Plan which was painstakingly formulated.							
AAR 2014	41. The Municipal Government approved and paid ₱1.495 million for one (1) unit backhoe charged to the 2011 LDRRMF despite non-compliance to the technical specifications contained in the bidding documents and the contract, in violation of pertinent provisions of R.A. 9184, thereby posing a risk to the validity and regularity of such disbursement, which was clearly detrimental to the government.	We recommended that Management submit a written explanation for the discrepancies noted above to enable us to properly evaluate the transaction. We further recommend that the BAC, Inspectorate Team and other officers involved in the approval of the subject disbursement be made accountable for lapses in the performance of their functions, as warranted.							

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AAR 2012	42. The lot purchased by the Municipality of Jimalalud under TCT No. FT-5263 lacked sufficient documentation and did not have the requisite Certificate of Title under the name of the LGU in violation of Section 148 of COA Circular No. 92-386 and Section 449 of the Government Accounting and Auditing Manual (GAAM), Volume I, thus casting doubt on the legality of the said transaction amounting to P6,000,000.00.	We recommended that management require the OIC-Municipal Treasurer, the OIC-Municipal Accountant and the Municipal Assessor to submit the required documents and to secure the Transfer Certificate of Title to the lot purchased as an indispensable requirement.							
AAR 2012	43. Receivables amounting to P150,243.28 as of December 31, 2010 have remained outstanding in the books for more than two years and have not been reviewed as to validity or recommended for write-off as required under Sec. 64 of GAAM, Volume 1 and COA Circular No. 76-27, thus the reported asset	We recommended that management notify the concerned individuals or entities to settle their accounts or initiate appropriate actions to recover the amounts and to request authority from the Commission on Audit through the Sanguniang Bayan to write off the amounts determined to be no longer valid.							

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AAR 2012	33. The absence of subsidiary records for the land account recorded in the books at ₱3,154,476.21 as of December 31, 2010 makes it difficult to determine the proper composition thereof. Moreover, various parcels of land acquired from previous years up to the present are not yet covered by transfer certificates of title in favor of the Municipality of Jimalalud thus the Municipality still has no tangible evidence of ownership on these properties.	We recommended that Management instruct the Municipal Treasurer and Municipal Accountant-Designate to maintain their respective property records for each real property and the Municipal Assessor to prioritize the filing of application for titling of all real properties acquired by the Municipal government so that transfer certificates of title in favor of the Municipality of Jimalalud can be issued to establish the Municipality's ownership thereto.							

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