



**Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. VIII
Candahug, Palo, Leyte**

ANNUAL AUDIT REPORT

ON THE

**MUNICIPALITY OF BASEY
Province of Samar**

For the Year Ended December 31, 2024



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. VIII
PROVINCE OF SAMAR
PROVINCIAL SATELLITE AUDITING OFFICE
Catbalogan City, Samar



March 25, 2025

Hon. LUZ CHU-PONFERRADA
Mayor
Municipality Basey
Province of Samar

Madam:

Pursuant to Section 2, Article IX-D of the Constitution of the Republic of the Philippines and Section 43(2) of Presidential Decree No. 1445, otherwise known as the "Government Auditing Code of the Philippines," and in line with this Commission's efforts toward informing management on how fiscal responsibility had been discharged, we are pleased to transmit the report of our Auditors on the audit of the accounts and operations of the Municipality of Basey (the Municipality), Province of Samar for the year ended December 31, 2024.

The audit was conducted to ascertain the propriety of financial transactions and compliance of the agency to prescribed laws, rules and regulations. It was also made to ascertain the accuracy of financial records and reports, as well as the fairness of the presentation of the financial statements.

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements due to the audit exceptions noted as indicated in the Independent Auditor's Report.

We request that the audit observations and recommendations contained in Part II and those which remain unimplemented as shown in Part III of the attached report be appropriately acted upon and we will appreciate being informed of the actions taken thereon by submitting the duly accomplished Agency Action Plan and Status of Implementation (AAPSI) form, within sixty days upon receipt hereof.

We acknowledge the cooperation and support extended to our Audit Team during the audit.

Very truly yours,

FOR THE COMMISSION ON AUDIT

By:



ATTY. JOSELITA M. POTICANO

Attorney V

OIC – Supervising Auditor

Copy furnished:

The Regional Director, BLGF Region VIII, Tacloban City

The Regional Director, COA Regional Office No. VIII, Candahug, Palo, Leyte



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. VIII
PROVINCE OF SAMAR
PROVINCIAL SATELLITE AUDITING OFFICE
Catbalogan City, Samar

March 25, 2025

**The Honorable Presiding Office
and Members of the Sangguniang Bayan**
Municipality of Basey,
Province of Samar



Ladies and Gentlemen:

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FOR THE COMMISSION ON AUDIT

By:

A handwritten signature in black ink, appearing to read "J. Poticano", is positioned above the printed name.

ATTY. JOSELITA M. POTICANO

Attorney V

OIC – Supervising Auditor

EXECUTIVE SUMMARY

Introduction

The Municipality of Basey was founded and created by virtue of the Royal Spanish proclamation. It is composed of fifty-one (51) barangays and presently classified as a 1st class municipality.

An audit was conducted on the accounts and operations of the Municipality for CY 2024 in accordance with International Public Sector Standards on Auditing with emphasis on the audit thrusts for the Local Government Sector on the audit of Financial Statements of the following accounts - Cash & Cash Equivalents, Advances for Payroll, Property, Plant and Equipment, Prepaid Insurance, Due to NGAs, Due to BIR, Due to Philhealth, Pag-ibig and GSIS, Consultancy Services. Other General Services and other significant and material accounts identified in the materiality thresholds.

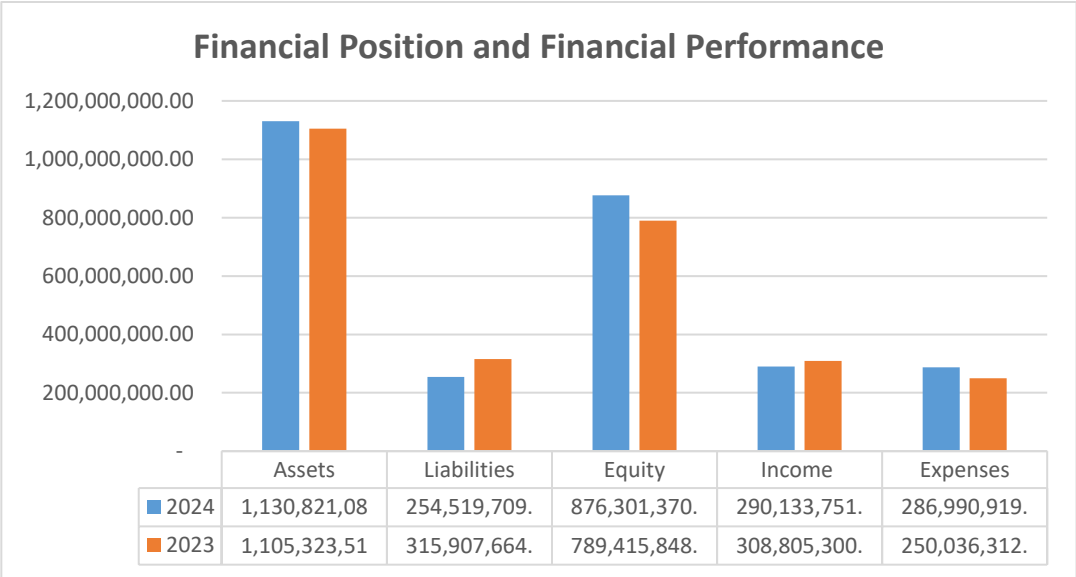
To determine the extent of implementation of the programs and projects, compliance with the budget/allocation, procurement regulations, terms and conditions, we likewise conducted a performance and compliance audit on the following:

1. Fund Transfers from National Government Agencies (NGAs) - Local Government Support Fund- Support to Barangay Development Program of the National Force to End Local Armed Conflict (NTF-ELCAC);
2. Utilization of 20% Development Fund;
3. Utilization of Local Disaster Risk Reduction Management Fund; and
4. Gender and Development Fund

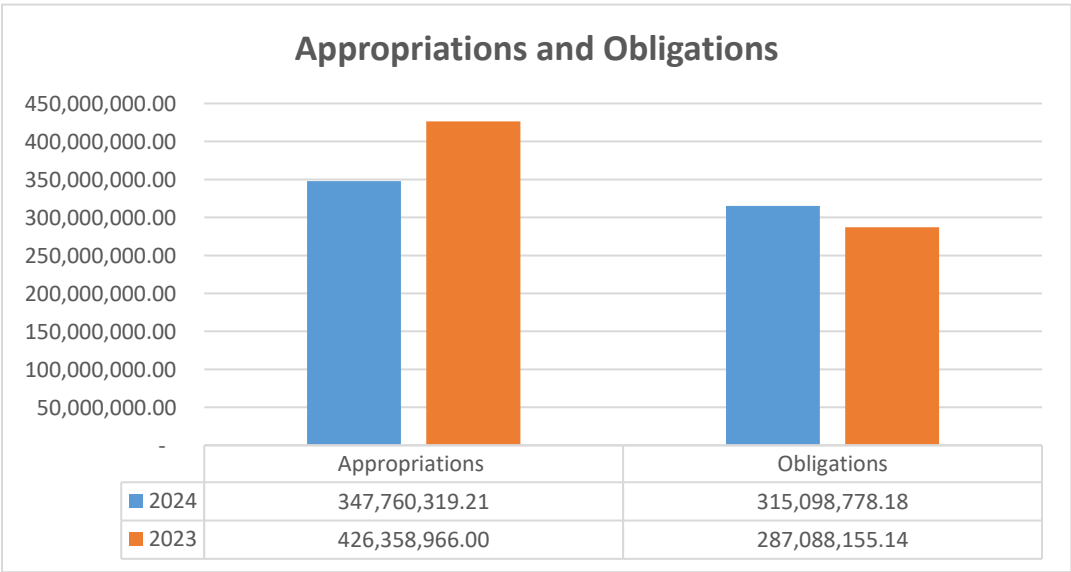
The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management; verification, reconciliation and analysis of financial accounts; as well as evaluating the overall presentation of the financial statements. It also involved ocular inspection of infrastructure projects undertaken; interview with officials/employees concerned; and other audit procedures and techniques considered necessary under the circumstances.

Financial Highlights

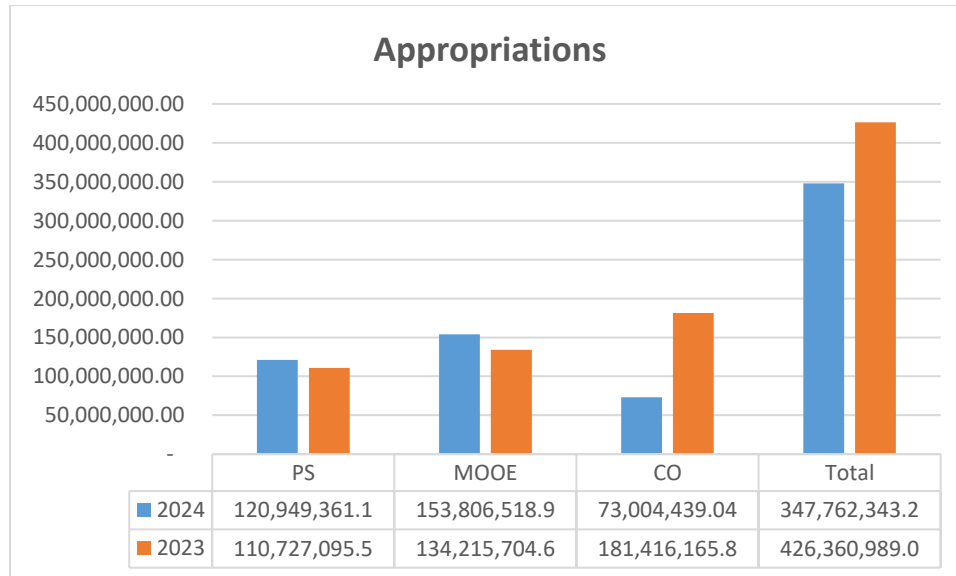
Comparative analysis of the Municipality's total assets, liabilities, equity, income and expenses for CY 2024 and the immediately preceding year showed an increase of the Assets, Equity and Expenses and a decrease in Liabilities and Income, as seen in the graphical presentation. The increase in the Asset and Equity account is due to the increase in the procurement of capital outlays.



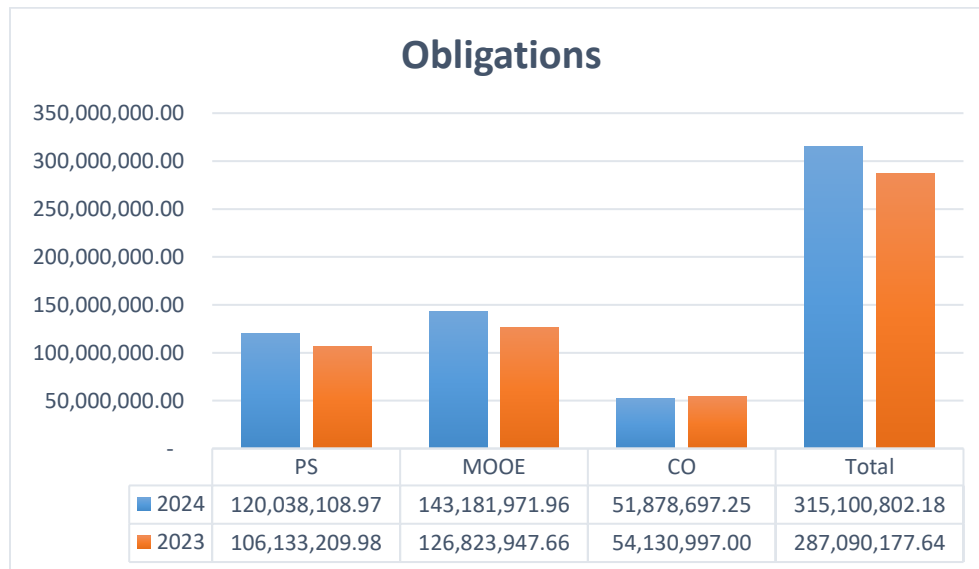
The following graph also illustrates the changes in appropriation and obligations during the year which shows a decrease in CY 2024 appropriations and increase of obligations in comparison to CY 2023 data.



While the succeeding graphical presentations details the changes in the appropriations and obligations according to the classes of expenditures for CY 2024 and 2023.



The unexpended capital outlays of Programs, Projects and Activities (PPA's) for CY 2023 will form part of the continuing appropriations in CY 2024.



Significant Accomplishments

The significant PPAs accomplished by the Municipality in CY 2024 were reported and certified complete and on-going by the Management, as follows:

No.	Project Name
	COMPLETED PROJECTS
	Supplemental Budget 2023
1	Improvement/ Reblocking/ Rehabilitation of Municipal Roads
2	Construction of Municipal Slaughter House (AA Type)
3	Installation of Brgy. and Municipal Streetlights/Solar Lights
4	Improvement of Waste Water Treatment Facility
5	Construction of MHO 2 (Phase 1) at Brgy. Tingib, Basey, Samar
6	Construction of Covid 19 Concrete Facility at Brgy. Sawa, Basey, Samar
7	Construction of Legislative Building
8	Improvement of Old Town Hall
9	Improvement of New Town Hall
	CIVIL WORKS FOR THE CONSTRUCTION OF EVACUATION CENTER (PHASE 3)
10	Construction of Evacuation Center (Phase 3) at So. Bangon, Brgy. Canmanila
11	Construction of Evacuation Center (Phase 3) at Brgy. Del Pilar
12	Construction of Evacuation Center (Phase 3) at Brgy. Anglit
13	Construction of Evacuation Center (Phase 3) at Brgy. Magallanes
14	Construction of Dryer Shed
15	Concrete Fencing of Balay Silangan at So. Bangon at Brgy. Canmanila
	20% Development Fund 2024
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 01) OF 2024, BASEY, SAMAR
16	Improvement / Construction of Brgy. Road at Brgy. Guintiguia
17	Road Improvement/Widening at Brgy. Mongabong
18	Construction/Improvement of Sawa-Buenavista Farm to Market Road (FMR) at Brgy. Buenavista
19	Improvement/ Maintenance of Loog to Rawis FMR
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 02) OF 2024, BASEY, SAMAR
20	Improvement and Reblocking / Rehabilitation of Municipal Roads
21	INFRES Road Maintenance 2024
22	Improvement / Concreting of Canmanila to San Antonio (CanBatiSan)Road
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 03) OF 2024, BASEY, SAMAR
23	Improvement/Repair of Covered Court/Civic Center at Brgy. Buenavista
24	Improvement/Repair of Covered Court/Civic Center in Brgy. Guintiguan
25	Improvement/ Repair of Civic Center (Covered Court) at Brgy. May-it
26	Improvement/ Repair of Civic Center (Covered Court)in Brgy. Bulao
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 04) OF 2024, BASEY, SAMAR
27	Improvement/ Maintenance of Brgy. Old San Agustin FMR (So. Manilaay to So. Rono)
28	Construction/Improvement of Inuntan-So. Agimet FMR at Brgy. Inuntan, Basey, Samar

No.	Project Name
	COMPLETED PROJECTS
29	Improvement of Access Road in So. Calbang Breeding Center at Brgy. Tinaogan, Basey, Samar
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 05) OF 2024, BASEY, SAMAR
30	Improvement/ Repair of Municipal Gymnasium
31	Construction/Establishment of Solar Streetlights at Poblacion, Basey, Samar
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 06) OF 2024, BASEY, SAMAR
32	Improvement of Brgy. Wharf at Brgy. Baybay, Basey, Samar
33	Improvement of Basey Public Market & Terminal at Brgy. Palaypay, Basey, Samar
34	Concreting of Wharf Road at Brgy. Amandayehan
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 07) OF 2024, BASEY, SAMAR
35	Construction of Evacuation Center (Phase 1) at Brgy. Binungtuan
36	Civil Works for the Installation of Solar Streetlights Along Municipal Road from Brgy. New San Agustin to Brgy. Bulao, Basey, Samar
	CIVIL WORKS FOR THE BARANGAY WIDE DEVELOPMENT PROJECTS (BATCH 08) OF 2024, BASEY, SAMAR
37	Improvement of Multi-Purpose Hall in Brgy. New San Agustin
38	Extension of Brgy Wharf Area in Brgy. San Antonio
39	Construction of Day Care Center in Brgt. Tingib (Pabahay Area)
40	Improvement of Health Center in Brgy. Old San Agustin
41	Construction of Waiting Shed in Brgy. Tingib
42	Construction of Waiting Shed in Brgy. San Antonio-Seco Junction
	ON-GOING PROJECTS as of December 31, 2024
43	Construction of Sanitary Cell 2 at So. Gamba, Brgy. Roxas, Basey, Samar
44	Installation of CCTV at Municipal Buildings (Phase 2)
45	Construction of Youth Empowerment Center

The LGU is also a recipient of various awards, citations and recognitions during the year 2024, to wit:

1. DILG Provincial Award on High Functional) Anti-Drug Abuse Council
2. DILG Provincial Award on Peaceful, Orderly, and Safe LGU
3. DOLE Regional Winner on the Search for Best PESO (SBP) (1st Class Municipality Category)
4. DTI National Category Most Improved Rankings (1st to 2nd Class Municipalities)
5. Philippine Red Cross Diploma of Service
6. National Authority for Child Care Plaque of Recognition (National Congress on Adoption and Alternative Child Care 2024)

7. DILG Regional Award of Excellence to Sangguniang Bayan of Basey (Regional Finalist- 1st to 3rd Class Municipalities Category)
8. DILG National – The 2024 Seal of Good Local Governance
9. DSWD National Sustainable Innovation Award
10. OCD National Gawad KALASAG for Local Disaster Risk Reduction Management Councils and Offices (LDEEMCOs)
11. DSWD Regional Tara! Basa! Tutoring Program Awardee
12. 802nd Infantry Brigade 8th Infantry Provincial MTF-ELCAC Reintegration Program Awardee
13. DILG Eastern Visayas DAGYAW Open Awardee

Independent Auditor's Report on the Financial Statements

The Auditor rendered a qualified opinion on the combined financial statements of the Municipality of Basey, Province of Samar for the year ended December 31, 2024 due to the exceptions as stated in the Independent Auditor's Report and as discussed in Part II of the report.

Summary of Significant Observations and Recommendations

The significant observations and the corresponding recommendations for the Calendar Year (CY) 2024 audit of the Municipality's accounts and operations are as follows:

1. Insufficient disclosures in the Notes to Financial Statements on the reported balances of the Receivables, Inventories, Property, Plant and Equipment (PPE) and Biological Asset accounts amounting to ₱1,012,776,538.24, and failure to disclose relevant Reconciliation Statements both contrary to Paragraph 127 of the International Public Sector Accounting Standards (IPSAS) No. 1 and Section 80.2, Volume 1 of NGAS Manual for Local Government Units, had limited the user's understanding of the financial statements.

We recommended that the Local Chief Executive (LCE) direct the Municipal Accountant to supply the required disclosures in the Notes to Financial Statements on the reported accounts to aid the user's understanding of the financial statements.

2. Failure to include the data in Continuing Appropriations section of the Statement of Comparison of Budget and Actual Amounts, rendered the statement incomplete and unreliable.

We recommended that the LCE direct the Municipal Accountant to immediately supply the required information in the Statement of Comparison of Budget and Actual Amounts for a complete and reliable presentation of the financial statements.

3. The accuracy of Cash in Bank, Local Currency Current Account balance of ₱111,348,807.21 cannot be ascertained due to failure to observe the recording of disbursement process by the Municipal Accountant, contrary to Section 74 and 111 of Presidential Decree (P.D.) No. 1445 and non-adherence to Section 43 and 44, Volume I of the New Government Accounting System Manual for Local Government Units, thus 19 unreleased checks amounting to ₱2,294,313.33 and 4 cancelled checks amounting to ₱20,125.00 were not reverted back to Cash in Bank, and thereby affecting the fair presentation of the financial statements.

We recommended that the LCE direct the Municipal Accountant to:

Revert back the entries for the unreleased checks and cancelled disbursements to the CIB-LCAA; and to

Strictly observe the disbursement process, recording and reporting to maintain the reliability of the CIB-LCAA account balance.

4. The recording of the Rice Processing I (Building) funded by the Department of Agriculture Regional Office No. VIII amounting to ₱2,712,092.67 was retained in the Construction in Progress Account despite its completion, along with the purchased Multi-purpose Rice Mill totaling ₱1,105,500.00 due to an unpaid amount of ₱246,411.15 as of December 31, 2024. Thus, such building was not transferred to the General Fund account for proper recognition and depreciation of asset account contrary to COA Circular 2015-009, Philippine Application Guidance (PAG) to International Public Sector Accounting Standards (IPSAS) 17, and IPSAS 1 thereby affecting the fair presentation of the Property, Plant and Equipment (PPE) in the financial statements.

We recommended that the LCE require the Municipal Accountant to prepare adjusting entries to:

a. reclassify CIP in their proper asset account titles; and

b. recognize the accounts payable and the depreciation on these assets.

5. The Municipality erroneously recorded as Donations the ₱1,500,000.00 of livelihood assistance sourced from 20% Development Fund, even without submission of Liquidation Reports in contravention to certain provisions specified on its Memorandum of Agreement and COA Circular 2015-009, thus, affecting the fair presentation of the financial statements.

We recommended that the LCE direct the Municipal Accountant to:

a. Reclassify the account recorded in the books as Debit to Due from NGO/ PO for the grant of livelihood assistance to the registered associations, and

recognized it as expense until Liquidation Reports and supporting documents are submitted and conditions outlined in the MOA were fulfilled; and

b. Effect the adjustment of cancelled checks which were recorded in the books as payment to the accredited association and submit the lacking two (2) disbursement vouchers that are still unsubmitted as specified in Appendix E.

6. Fund transfers from the Department of Tourism Regional Office No. VIII covering the period CY 2017-2019 totaling ₱1,848,820.00 were not yet liquidated despite the release of funds, not adherent to COA Circular No. 94-013 and Circular No. 97-002, thus overstating the Due to NGAs account by the same amount.

We recommended that the LCE require the:

a. Municipal Accountant to:

1. make the necessary adjustment entry to correct the balance of the Due to NGAs account; and

2. submit the FUR pertaining to the abovementioned financial assistance;

b. Municipal Treasurer to cause the return of the unutilized balance of the YCRRP fund amounting to ₱423,245.00.

7. Management's leniency in the enforcement of Section 22 of Executive Order No. 77 on the rendition of account on cash advance, and the provisions of COA Circular No. 97-002 on the liquidation of cash advances granted for travel, resulted in the accumulation of unliquidated cash advances by 84 personnel, amounting to ₱4,158,275.54, thus, a substantial amount of travelling expenses were unrecorded and exposed the government funds to risk of loss and misuse.

We recommended that the LCE:

a. refrain from approving the grant of additional cash advances to an employee with existing unliquidated cash advance;

b. direct the Municipal Accountant to issue demand letters addressed to concerned personnel with outstanding cash advances; and

c. enforce withholding of salary of non-compliant personnel.

8. The insurable properties of the municipality, valued at ₱258,233,195.28, were not insured with the General Insurance Fund (GIF) administered by the Government Service Insurance System (GSIS), as mandated by Republic Act (RA) No. 656 and COA Circular 2018-02, due to incomplete data on the Property Inventory Form

(PIF), thus exposing the properties to the risk of not being indemnified for any damage or loss caused by fortuitous events.

We recommended that the LCE direct the:

a. The Property Officer and the Municipal Treasurer to ensure all insurable LGU properties are covered under the GIF of the GSIS;

b. Inventory Committee to conduct a complete Physical Count of all PPE including all properties subject to disposal, to have a more accurate basis on the number of properties to be included and excluded in the PIF; and

c. Property Officer to submit the consolidated PIF to the Audit Team not later than April 30 of each year.

9. The Municipality appropriated ₱4,000,000.00 and obligated ₱1,260,000.00 of livelihood assistance charged against the 20% DF not adherent to Sections 3.2 & 4.0 of Department of Budget and Management (DBM), Department of Finance (DOF), Department of Interior and Local Government (DILG) No. 1 dated November 4, 2020, and certain provisions of specified on its Memorandum of Agreement, COA Circular No. 2007-001 dated October 25, 2007, and thus casting doubts on the validity and regularity of the appropriation, grant and utilization of such funds.

We recommended that the LCE direct the finance personnel:

a. Stop distributing the 20% as financial assistance to association without proper and adequate evaluation, monitoring and documentation provided for in COA Circular No. 2007-001. Otherwise, specifically demand from the NGO/POs the following:

- 1. Financial reports, audited by an independent Certified Public Accountant, for the past three years preceding the date of project implementation, to ensure that it has a stable financial condition and that the funds provided by the GO shall not be its sole source of funds. For NGO/PO which has been in operation for less than three (3) years, report of accomplishment or any equivalent proof certified by its President and Secretary that it had previously implemented similar projects shall be required, in addition to financial reports for the years it has been in operation.**
- 2. WFP, and Sources and Details of Proponents Equity Participation in the Project.**

3. **Complete project proposal approved/ signed by its officers which shall include the objectives, target beneficiaries, feasibility studies, risk assessment, designs, plans, blueprints, charts, etc.**
4. **List and/or photographs of similar projects previously completed by the NGO/PO, if any, indicating the source of funds for their implementation.**
5. **A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the GO authorized to process and/or approve the proposal, the MOA and the release of funds. Relationship of these nature shall automatically disqualify the NGO/PO from the beginning granted the fund.**

b. Apply the following procedures that shall be strictly complied with:

1. **Identify the priority projects under its WFP which may be implemented by the NGO/PO, their purposes, specifications and intended beneficiaries as well as the time frame within which the projects are to be undertaken. Xx**
2. **For each project proposal, the Municipality shall accredit the NGO/PO partners through the BAC or a committee created for the purpose, which shall formulate the selection criteria. Xx**
3. **Upon proper evaluation, the Municipality, thru the Committee, shall award the project to the NGO/PO which meets the minimum qualification xxx. The project shall be covered by a MOA which shall embody the terms of reference such as.**

10. Fund transfer from DOLE Regional Office VIII amounting to ₱3,734,458.00 was distributed as livelihood assistance to fifteen (15) workers association despite insufficiency of documentation, contrary to Presidential Decree (P.D.) No. 1445, DOLE-Department Order No. 239-23, and Commission on Audit (COA) Circular No. 2012-001 dated June 14, 2012, thus casting doubts on the validity and regularity of the utilization of such funds.

We recommended that the LCE refrain from distributing livelihood assistance to association without proper documentation and compliance with the procedural requirement provided for in COA Circular No. 2012-001 and the guidelines stated in the Memorandum of Agreement.

11. Accounting and reporting guidelines for the receipt and utilization of CY 2024 LDRRMF and LDRRMF-Special Trust Fund totaling ₱37,342,155.42 were inadequately met, contrary to COA Circular Nos. 2012-002 dated September 12, 2012 and 2014-002 dated April 15, 2014 and other relevant laws and rules, thereby affecting the fair presentation of affected amounts in the financial statements, the capability of the Municipality to effectively and efficiently prevent losses and alleviate the impacts of disasters, and exposing its resources to risk of loss, wastage, mishandling and misappropriation.

We recommended that the Local Chief Executive direct the:

a. the MDRRMO to utilize the LDRRMF in accordance with the approved LDRRMFIP;

b. the Municipal Budget Officer to:

- 1. support any changes in the LDRRMFIP with augmentation, re-alignment, supplemental budget, or ordinances, if any; and**
- 2. be vigilant in the charging of disbursements to avoid illegal utilization of funds;**

c. the Municipal Accountant to:

- 1. utilize the LDRRMF in accordance with the approved LDRRMFIP; and**
- 2. prepare the necessary adjusting entries;**

d. the Municipal Treasurer to:

- 1. cause the complete transfer of the amount disbursed in General Fund from the LDRRMF – Special Trust Fund account; and**
- 2. be cautious in issuing checks to avoid unlawful transfer and utilization of funds.**

12. The Municipality achieved a commendable 100% utilization rate of its ₱23,142,064.25 Gender and Development (GAD) Fund for CY 2024, effectively supporting its intended objectives in compliance with PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01, as amended by JMC No. 2016-01. However, the GAD Accomplishment Report was not properly aligned with the approved GAD Plan and Budget (GPB), and the changes were likewise not covered by an ordinance authorizing the LCE to augment items in the Approved Annual Budget, contrary Article 454, Rule XXXVI of the Implementing Rules and Regulation (IRR) of Republic Act (R.A.) No. 7160, resulting in the failure to achieve the intended objectives of the attributed funds and exposing its resources to risk of loss, wastage, mishandling and misappropriation.

We commended the efforts made by the Municipality in the efficient and effective accomplishment of identified priority Gender and Development programs in CY 2024.

Henceforth, we recommended that the Local Chief Executive direct the:

a.the Municipal Budget Officer to support any changes in the GAD Fund with augmentation, re-alignment, supplemental budget, or ordinances, if any, and be cautious in the charging of disbursements to avoid illegal utilization of funds; and

b.the MSWDO/GAD Focal Person to strictly adhere to the provisions of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01, as amended, to ensure that all programs, projects, and activities reported in the GAD Accomplishment Report are aligned with the approved GAD Plan and Budget, thereby achieving the intended objectives of the attributed funds.

13. The Municipality failed to remit intact the full amount withheld as premiums and contributions and loan amortizations to GSIS and Pag-IBIG for CY 2024 and the prior year's balance of ₱2,572,807.50 contrary to Sec 69(1) of P.D. No. 1445 and Section 36 of COA Circular No. 92-382, and IPSAS No. 1; thus showing a net under remittance of ₱1,599,753.97 for the year and unremitted balance of ₱4,172,561.47 as of year-end, hence, causing disadvantage to member-employees and affecting the accuracy and reliability of account balances presented in the Financial Statements.

We recommended and the LCE agreed to oblige the Municipal Accountant and Municipal Treasurer to:

a.reconcile the discrepancies totaling ₱1,599,753.97 between the amount withheld and the amount remitted for the current year;

b.reconcile the previous years' total outstanding balance of ₱2,572,807.50; and

c.remit immediately the reconciled balance of Due to GSIS and Pag-IBIG accounts as of December 31, 2024.

14. A total of ₱28,895.13 and ₱47,093.21 for CY 2024 and prior year, respectively, remain unremitted as at December 31, 2024, contrary to Section 69 of P.D. No. 1445 and Bureau of Internal Revenue (BIR) Revenue Regulations No. 2-98, dated April 17, 1998, thus depriving the government of additional income and the utilization thereof and exposes the responsible persons to penalties/ surcharges for delayed remittance of the withheld amount.

We recommended that the LCE require the Municipal Accountant and Municipal Treasurer to:

- a. Identify the details of the prior years' outstanding balance of ₱47,093.21; and**
 - b. remit immediately the unremitted balance for CY 2024 of ₱28,895.13 along with the identified balance of Due to BIR account as of December 31, 2024.**
15. Payment of overtime services amounting to ₱255,135.22, for services rendered by personnel with Municipal Department Head I positions were made contrary to Section 6.0 and 7.0 of the Civil Service Commission (CSC) and Department of Budget and Management (DBM) Joint Circular (JC) No. 02, s. 2015, thus rendering the transactions irregular.

We recommended that the LCE direct the finance committee to stop the payment of overtime services to department heads of the municipality.

Status of Implementation of Prior Years' Unimplemented Audit Recommendations

Of the 62 audit recommendations embodied in CY 2024 and prior years' Annual Audit Reports, 29 were implemented and 33 were not acted upon by management.

Summary of Audit Suspensions, Disallowances and Charges

The total audit suspensions, disallowances and charges found in the audit of various transactions of the Municipality of Basey, Samar as of December 31, 2024, was ₱14,726,562.97 based on the Notices of Suspensions, Disallowances and Charges issued by this Commission.

The balances of audit suspensions, disallowance and charges as of December 31, 2024 are summarized as follows:

Particulars	Balance	January to December 2024		Balance
	Jan. 1, 2024	NS/ND/NC	NSSDC	Dec. 31, 2024
Notice of Suspension	₱14,420,531.08	₱0.00	₱0.00	₱14,420,531.08
Notice of Disallowance	306,031.89	0.00	0.00	306,031.89
Notice of Charge	0.00	0.00	0.00	0.00
Total	₱14,726,562.97	₱0.00	₱0.00	₱14,726,562.97

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PART I

AUDITED FINANCIAL STATEMENTS



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. VIII
PROVINCE OF SAMAR
PROVINCIAL SATELLITE AUDITING OFFICE
Catbalogan City, Samar

INDEPENDENT AUDITOR'S REPORT

Hon. LUZ CHU-PONFERRADA

Mayor
Municipality of Basey
Province of Samar

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the Municipality of Basey, Province of Samar which comprise the Statement of Financial Position as of December 31, 2024 and the Statement of Financial Performance, Statement of Changes in Net Asset/Equity, Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the *Bases for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality of Basey, Samar, as at December 31, 2024, and its financial performance, its cash flows and its comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Bases for Qualified Opinion

As discussed in Part II of this Report, the existence, completeness, accuracy and valuation, and presentation and disclosure of the balances of the accounts affected were not established due to:

1. Insufficient disclosures in the Notes to Financial Statements on the reported balances of the Receivables, Inventories, Property, Plant and Equipment (PPE) and Biological Asset accounts amounting to ₱1,012,776,538.24, and failure to disclose relevant Reconciliation Statements, had limited the user's understanding of the financial statements;

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2. Failure to include the data in Continuing Appropriations section of the Statement of Comparison of Budget and Actual Amounts, rendered the statement incomplete and unreliable;
3. The accuracy of Cash in Bank, Local Currency Current Account balance of ₱111,348,807.21 cannot be ascertained due to failure to observe the recording of disbursement process by the Municipal Accountant, thus 19 unreleased checks amounting to ₱2,294,313.33 and 3 cancelled checks amounting to ₱20,125.00 were not reverted back to Cash in Bank, and thereby affecting the fair presentation of the financial statements;
4. The recording of the Rice Processing I (Building) funded by the Department of Agriculture Regional Office No. VIII amounting to ₱2,712,092.67 was retained in the Construction in Progress Account despite its completion, along with the purchased Multi-purpose Rice Mill totaling ₱1,105,500.00 due to an unpaid amount of ₱246,411.15 as of December 31, 2024. Thus, such building was not transferred to the General Fund account for proper recognition and depreciation of asset account, thereby affecting the fair presentation of the Property, Plant and Equipment (PPE) in the financial statements;
5. The Municipality erroneously recorded as Donations the ₱1,500,000.00 livelihood assistance sourced from the 20% Development Fund, without submission of Liquidation Reports, thus, affecting the fair presentation of the financial statements; and
6. Fund transfers from the Department of Tourism Regional Office No. VIII covering the period Calendar Year 2017-2019 totaling ₱1,848,820.00 were not yet liquidated despite the release of funds, thus overstating the Due to NGAs account by the same amount.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibility under those standards is further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Except for the matters described in the *Bases for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Those Charged with governance are responsible for overseeing the LGU's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:



VANESSA ANN CRISTIN C. GABUTIN

State Auditor II

OIC-Audit Team Leader

March 24, 2025

LGS E – Samar Province

Provincial Satellite Auditing Office

Catbalogan City, Province of Samar



Republic of the Philippines
Province of Samar
Municipality of Basey
BASEY, SAMAR

Statement of Management Responsibility
For Financial Statements

The management of the Municipality of Basey is responsible for all information and representations contained in the accompanying Statement of Financial Position as of DECEMBER 31, 2024 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the period then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


IVAN KIM T. TALBO, CPA
Municipal Accountant

Date signed


HON. LUZ CHU PONFERRADA
Municipal Mayor

Date signed



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

COMBINED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024
(With Comparative Figures for CY 2023)

	NOTE	2024	2023
ASSETS			
<i>CURRENT ASSETS</i>			
Cash	4	119,601,319.84	222,979,149.84
Investments	5	1,600.00	1,600.00
Receivables	6	111,505,379.05	117,914,374.66
Inventories	7	12,413,996.39	11,742,442.39
Prepayments and Deferred Charges	8	2,688,212.32	9,409,531.37
Total Current Assets		246,210,507.61	362,047,098.26
<i>NON-CURRENT ASSETS</i>			
Investments		-	-
Receivables		-	-
Investment Property		-	-
Property, Plant and Equipment	9	881,193,508.92	739,859,351.64
Biological Assets	10	3,417,063.50	3,417,063.50
Intangible Assets		-	-
Total Non-Current Assets		884,610,572.42	743,276,415.14
TOTAL ASSETS		1,130,821,080.03	1,105,323,513.40
LIABILITIES			
<i>CURRENT LIABILITIES</i>			
	11		
Financial Liabilities		18,443,078.29	24,578,924.77
Inter-Agency Payables		139,906,703.29	205,133,797.12
Intra-Agency Payables		2,493,267.19	2,503,602.06
Trust Liabilities		30,142,364.95	25,031,263.81
Total Current Liabilities		190,985,413.72	257,247,587.76
<i>NON CURRENT LIABILITES</i>			
	12		
Financial Liabilities		-	-
Deferred Credits/Unearned Income		61,552,264.88	56,602,851.01
Provisions		-	-
Other Payables		1,982,030.86	2,057,226.06
Total Non-Current Liabilities		63,534,295.74	58,660,077.07
TOTAL LIABILITIES		254,519,709.46	315,907,664.83
EQUITY		876,301,370.57	789,415,848.57
TOTAL LIABILITIES AND EQUITY		1,130,821,080.03	1,105,323,513.40



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

COMBINED STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

		2024	2023
REVENUE			
Tax Revenue	13	5,227,344.76	3,440,115.01
Share from Internal Revenue Collections		306,991,792.00	288,966,942.00
Service and Business Income	14	6,535,017.12	6,424,367.60
Shares, Grants and Donations	16	154,691.52	223,734.54
TOTAL REVENUE		318,908,845.40	299,055,159.15
CURRENT OPERATING EXPENSES			
Personnel Services	17	120,428,844.45	108,623,423.59
Maintenance and Other Operating Expenses	18-24	149,754,362.42	134,222,953.26
Financial Expenses	25	600.00	-
Non-Cash Expenses	26	16,807,112.48	7,189,935.95
TOTAL CURRENT OPERATING EXPENSES		286,990,919.35	250,036,312.80
SURPLUS (DEFICIT) FROM OPERATIONS		31,917,926.05	49,018,846.35
Add: Transfers, Assistance and Subsidy From	15		9,750,141.43
Deduct: Transfers, Assistance and Subsidy To		3,142,831.83	-
SURPLUS (DEFICIT) FOR THE PERIOD		28,775,094.22	58,768,987.78



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

COMBINED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

(With Comparative Figures for CY 2023)

	2024	2023
Cash Flows from Operating Activities		
Cash Inflows		
Collection from taxpayers	7,162,929.90	5,026,437.57
Share from Internal Revenue Allotment	306,991,792.00	288,966,942.00
Receipts from business/service income	7,084,533.82	6,540,433.94
Interest Income	76,925.82	121,845.95
Dividend Income	-	-
Grants	63,436,375.31	41,464,350.66
Other Receipts	9,495,117.86	15,956,013.48
Total Cash Inflows	394,247,674.71	358,076,023.60
Cash Outflows		
Payment of expenses	41,971,896.31	40,057,705.64
Payments to suppliers and creditors	85,756,742.75	71,741,267.19
Payments to employees	124,728,854.36	109,479,867.19
Interest Expense	-	-
Other Expenses	112,750,838.00	100,059,461.22
Total Cash Outflows	365,208,331.43	321,338,301.24
Net Cash Flows from Operating Activities	29,039,343.29	36,737,722.36
Cash Flows from Investing Activities		
Cash Inflows		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflows	-	-
Cash Outflows		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant and Equipment	132,417,173.29	138,968,619.00
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflows	132,417,173.29	138,968,619.00



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

COMBINED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

(With Comparative Figures for CY 2023)

	2024	2023
Net Cash Flows from Investing Activities	(132,417,173.29)	138,968,619.00)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflows	-	-
Cash Outflows		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of debt securities	-	-
Payment of loan amortization	-	-
Total Cash Outflows	-	-
Net Cash Flows from Financing Activities	-	-
Total Cash Provided by Operating, Investing and Financing Activities	(103,377,830.00)	(102,230,896.64)
Add: Cash at the Beginning of the Year	222,979,149.84	325,210,046.48
Cash Balance at the End of the Year	119,601,319.84	222,979,149.84



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

COMBINED STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the Year Ended December 31, 2024

(With Comparative Figures for CY 2023)

	2024	2023
Balance at January 1	789,415,848.57	730,504,090.36
Add (Deduct):		
Change in Accounting Policy	-	-
Prior Period Errors	32,359,920.68	142,770.43
Restated Balance	821,775,769.25	730,646,860.79
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	25,750,507.10	-
Surplus (Deficit) for the period	28,775,094.22	58,768,987.78
Total changes during the year	54,525,601.32	58,768,987.78
Balance at December 31	876,301,370.57	789,415,848.57



Republic of the Philippines
Municipality of Basey
Province of Samar

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Period Ended December 31, 2024

Particulars	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
	Original	Final			
Revenue					
A. Local Sources					
1. Tax Revenue					
a. Tax Revenue - Property	500,000.00	500,000.00	-	1,578,598.21	1,078,598.21
b. Tax Revenue - Goods and Services	2,130,000.00	2,130,000.00	-	3,580,401.78	1,450,401.78
c. Other Local Services	1,000,000.00	1,000,000.00	-	68,344.77	(931,655.23)
Total Tax Revenue	3,630,000.00	3,630,000.00	-	5,227,344.76	1,597,344.76
2. Non-Tax Revenue					
a. Service Income	2,550,000.00	2,550,000.00	-	5,143,684.45	2,593,684.45
b. Business Income	2,320,000.00	2,320,000.00	-	1,390,839.94	(929,160.06)
c. Other Income and Receipts			-	154,691.52	154,691.52
Total Non-Tax Revenue	4,870,000.00	4,870,000.00	-	6,689,215.91	1,819,215.91
B. External Sources					
1. Share from the Internal Revenue Taxes (IRA)	307,022,645.00	307,022,645.00	-	306,991,792.00	(30,853.00)
2. Share from GOCCs					
3. Other Shares from National Tax Collections					
a. Share from Ecozone					
b. Share from EVAT					
c. Share from National Wealth					
d. Share from PCSO					
e. Share from Tobacco Excise Tax					
4. Other Receipts					
a. Grants and Donations					
b. Subsidy Income					
5. Inter-Local Transfer					
6. Capital/Investments Receipt					
a. Sale of Capital assets					
b. Sale of Investments					
c. Proceeds from Collections of Loans Receivable					
C. Receipts from Borrowings					
TOTAL REVENUES AND RECEIPTS	315,522,645.00	315,522,645.00	-	318,908,352.67	3,385,707.67
CURRENT APPROPRIATION					
Expenditures					
General Public Services					
Personal Services	67,484,412.60	71,359,146.41	(3,874,733.81)	70,854,719.73	504,426.68
Maintenance and Other Operating Expenses	91,229,506.73	115,988,365.73	(24,758,859.00)	114,544,088.88	1,444,276.85
Capital Outlay	8,319,976.04	14,917,234.04	(6,597,258.00)	3,856,697.00	11,060,537.04
Education					
Personal Services					

	Maintenance and Other Operating Expenses					
	Capital Outlay					
	Health, Nutrition and Population Control					
	Personal Services					
	Maintenance and Other Operating Expenses					
	Capital Outlay					
	Labor and Employment					
	Personal Services					
	Maintenance and Other Operating Expenses					
	Capital Outlay					
	Housing and Community Development					
	Personal Services					
	Maintenance and Other Operating Expenses					
	Capital Outlay					
	Social Services and Social Welfare					
	Personal Services	30,998,900.38	29,563,998.30	1,434,902.08	29,307,913.84	256,084.46
	Maintenance and Other Operating Expenses	12,685,000.00	11,746,321.00	938,679.00	11,483,152.65	263,168.35
	Capital Outlay	985,000.00	762,515.00	222,485.00	750,410.00	12,105.00
	Economic Services					
	Personal Services	19,332,688.00	20,026,216.48	(693,528.48)	19,875,475.40	150,741.08
	Maintenance and Other Operating Expenses	6,149,500.00	5,593,700.00	555,800.00	5,151,295.20	442,404.80
	Capital Outlay	1,055,000.00	520,161.00	534,839.00	406,329.34	113,831.66
	Other Purpose:					
	Debt Service					
	Financial Expenses					
	Amortization					
	LDRRMF					
	Maintenance and Other Operating Expenses	15,776,132.25	15,776,132.25	-	8,501,635.23	7,274,497.02
	Capital Outlay			-		-
	20% Development Fund					
	Maintenance and Other Operating Expenses	4,600,000.00	4,600,000.00	-	3,399,800.00	1,200,200.00
	Capital Outlay	56,804,529.00	56,804,529.00	-	46,865,260.91	9,939,268.09
	Share from National Wealth					
	Maintenance and Other Operating Expenses					
	Capital Outlay					
	Allocation for Senior Citizen and PWD					
	Personal Services			-		-
	Maintenance and Other Operating Expenses			-		-
	Capital Outlay			-		-
	Others			-		
	Personal Service					
	Maintenance and Other Operating Expenses	102,000.00	102,000.00	-	102,000.00	-
	Capital Outlay					
	TOTAL CURRENT APPROPRIATIONS:	315,522,645.00	347,760,319.21	(32,237,674.21)	315,098,778.18	32,661,541.03
	CONTINUING APPROPRIATIONS:					
	General Public Services					
	Capital Outlay					
	Education					
	Capital Outlay					
	Health, Nutrition and Population Control					
	Capital Outlay					

	Labor and Employment					
	Capital Outlay					
	Housing and Community Development					
	Capital Outlay					
	Social Services and Social Welfare					
	Capital Outlay					
	Economic Services					
	Capital Outlay					
	TOTAL CONTINUING APPROPRIATIONS					
	TOTAL APPROPRIATIONS	315,522,645.00	347,760,319.21	(32,237,674.21)	315,098,778.18	32,661,541.03
	SURPLUS (DEFICIT) FOR THE PERIOD	-			3,809,574.49	



Republic of the Philippines
Municipality of Basey
Province of Samar

NOTES TO COMBINED FINANCIAL STATEMENTS

Note I – Profile

The Municipality of Basey was founded and created by virtue of the Royal Spanish proclamation. It is composed of fifty-one (51) barangays and presently classified as 1st class municipality.

The Municipality serves primarily as general-purpose government for the delivery of basic regular and direct services and effective governance of the constituents within its territorial jurisdiction.

Note 2 – The combined financial statements of the LGU have been prepared in accordance with and in compliance with the Philippine Public Sector Accounting Standards (PPSAS). The combined financial statements are presented in pesos, which is the functional and reporting currency of the Republic of the Philippines. The accounting policies of the PPSAS have been applied starting in the year 2015.

Note 3 – Summary of significant accounting policies

3.1 Basis of accounting

The combined financial statements are prepared on an accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

3.2 Revenue recognition

Revenue from non-exchange transactions

Taxes, fees and fines

The LGU recognizes revenues from taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, liability is recognized instead of revenue. Other non-exchange revenues are recognized when it is improbable that the future economic benefit or service

potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the LGU and can be measured reliably.

Revenue from exchange transactions

Rendering of services

The LGU recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent the expenses incurred.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income of each period.

3.3 Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the LGU recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset.

Depreciation is charged at rates calculated to allocate cost or valuation of the asset less any estimated residual value over its remaining useful life:

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. The LGU derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.4 Impairment of non-financial assets

Impairment of cash-generating assets

At each reporting date, the LGU assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the LGU estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the LGU estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Impairment of non-cash-generating assets

The LGU assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the LGU estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the LGU has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset. In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the LGU determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the LGU estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.6 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- a) Raw materials: purchase cost using the weighted average cost method;
- b) Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the LGU.

3.7 Provisions

Provisions are recognized when the LGU has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the LGU expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Rehabilitation liability

Rehabilitation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current rate that reflects the risks specific to the rehabilitation liability. The unwinding of the discount is expensed as incurred and recognized in the statement of financial performance as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

The LGU does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The LGU does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LGU in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.8 Changes in accounting policies and estimates

The LGU recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The LGU recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

3.9 Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further, borrowing costs are charged to the statement of financial performance.

3.10 Related parties

The LGU regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the LGU, or vice versa. Members of key management are regarded as related parties and comprise the Governor, Mayors, Vice-Governors and Vice-Mayors, Sanggunian Members, Committee Officials and Members, Accountants, Treasurers, Budget Officers, General Services and all Chiefs of Departments/Divisions.

3.11 Budget Information

The annual budget is prepared on the modified cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the LGU. As a result

of the adoption of the Modified cash basis for budgeting purposes, there are basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements; first the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line items.

3.12 Significant judgments and sources of estimation uncertainty

Judgments

In the process of applying the LGU's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The LGU based its assumptions and estimates on parameters available when the consolidated

financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the LGU. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the LGU;
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- c) The nature of the processes in which the asset is deployed; and
- d) Changes in the market in relation to the asset

Note 4 – Cash and Cash Equivalents

	2024	2023
Cash – Local Treasury	466,912.41	219,734.60
Petty Cash	0.00	9,000.00
Cash in Bank – Local Currency Current Account	119,134,407.44	222,750,415.24
Total	119,601,319.84	222,979,149.84

Cash in banks earns interest based on the prevailing bank deposit rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the LGU and earn interest at the respective short-term deposit rate.

The agency opened two new accounts in Landbank Tacloban Branch in 2024. Thus, Cash in Bank - Local Currency Current Account consists of the following accounts:

Bank	Account No.	Fund
Landbank - Tacloban	1732-1012-21	General Fund
Landbank - Tacloban	1732-1065-17	GF - Housing
Landbank - Tacloban	1732-1071-49	GF – Health
Landbank - Tacloban	1732-1138-31	TF – HCI Charges
Landbank - Tacloban	1732-1022-44	Special Education Fund
Landbank - Tacloban	1732-1108-83	Trust Fund
Landbank - Tacloban	1732-1075-05	TF – RAY DILG
Landbank - Tacloban	1732-1144-20	TF – BMTC
Landbank - Tacloban	1732-1073-27	TF – LDRRMF
Landbank - Tacloban	1732-1137-18	TF – ARCP PBGS II
Landbank - Tacloban	1732-1141-53	TF – Local Health Zone
Landbank - Tacloban	1732-1188-09	TF – HBG 09
Landbank - Tacloban	1732-1187-95	TF – PBG 95
Landbank - Tacloban	1732-1157-53	TF – KALAH I
Landbank - Tacloban	1732-1192-10	TF – BASEY 10

Note 5 – Investments

Account	2024	2023
<i>Financial Assets- Others</i>		
Guaranty Deposits	1,600.00	1,600.00
Total	1,600.00	1,600.00

Note 6 – Receivables

The composition of Receivables are as follows:

Account	2024	2023
<i>Loans & Receivable Accounts</i>		
Accounts Receivable	1,603,000.00	2,232,400.00
Real Property Tax Receivable	31,323,611.32	28,848,904.38
Special Education Tax Receivable	30,213,883.53	27,739,176.59
Loans Receivable – others	5,854,785.83	5,854,785.83
Subtotal	68,995,280.68	64,675,266.80
<i>Inter-Agency Receivables</i>		
Due from National Government Agencies	237,405.02	237,405.02
Due from Local Government Units	538,078.10	538,078.10
Subtotal	775,483.12	775,483.12
<i>Intra-Agency Receivables</i>		
Due from Other Funds	10,369,309.50	10,369,309.50
Subtotal	10,369,309.50	10,369,309.50
<i>Advances</i>		
Advances for Payroll	20,260,406.92	32,410,722.15
Advances to Special Disbursing Officer	2,028,047.07	2,028,047.07
Advances for Officers and Employees	6,246,745.27	5,824,989.52
Subtotal	28,535,199.26	40,263,758.74
<i>Other Receivables</i>		
Receivables – Disallowances/ Charges	78,158.43	78,158.43
Due from Officers and Employees	1,317,379.14	1,317,829.14
Due from Non-Government Organizations/People's Organizations	1,000,000.00	0.00
Other Receivables	434,568.93	434,568.93
Subtotal	2,830,106.50	1,830,556.50
Total	111,505,379.05	117,914,374.66

The Due from Officers and employees includes the undeposited collection of the previous Municipal Treasurer.

Note 7 – Inventories

The composition of Inventories are as follows:

Account	2024	2023
Office Supplies Inventory		
Food Supplies for Distribution	6,144,235.80	6,144,235.80
Welfare Goods for Distribution	648,223.00	648,223.00
Drugs and Medicines for Distribution	4,628,621.09	4,628,621.09

Account	2024	2023
Accountable Forms, Plates and Stickers	19,280.00	18,380.00
Drugs and Medicines Inventory	68,252.50	68,252.50
Medical Dental and Laboratory Supplies Inventory	234,730.00	234,730.00
Agricultural and Marine Supplies Inventory	206,430.00	0.00
Other Supplies and Materials Inventory	464,224.00	0.00
Total	12,413,996.39	11,742,442.39

Note 8 – Prepayments and Deferred Charges

The composition of Prepayments and Deferred Charges are as follows:

Account	2024	2023
Advances to Contractors	2,196,175.16	8,919,637.68
Prepaid Registration	33,017.21	33,017.21
Prepaid Insurance	459,019.95	456,876.48
Total	2,688,212.32	9,409,531.37

Note 9 – Property, Plant and Equipment

The composition of Property Plant and Equipment are as follows:

Account	2024	2023
<i>Land and Land Improvements</i>		
Land	26,744,745.27	18,889,345.27
Other Land Improvements	2,792,996.90	2,383,652.60
Subtotal	29,537,742.17	21,272,997.87
<i>Infrastructure Assets</i>		
Road Networks	350,028,968.01	292,324,790.69
Flood Control Systems	14,706,652.54	12,170,154.63
Water Supply Systems	13,985,928.95	10,323,034.56
Power Supply Systems	26,153,836.52	5,909,669.60
Seaport Systems	14,064,825.18	11,572,626.10
Parks, Plazas and Monuments	17,971,058.30	17,052,711.45
Other Infrastructure Assets	3,768,771.02	1,929,262.39
Subtotal	440,680,040.52	351,282,249.42
<i>Buildings and Structures</i>		
Buildings	155,790,368.19	129,444,674.66
School Buildings	16,948,327.95	0.00
Hospitals and Health Centers	18,760,980.03	0.00
Markets	2,827,132.66	110,326.51
Slaughterhouses	23,278,749.68	48,971.15
Other Structures	62,447,029.04	45,514,298.17

Account	2024	2023
Subtotal	280,052,587.55	175,118,270.49
<i>Machinery and Equipment</i>		
Machinery	86,351.02	(75,051.92)
Office Equipment	(1,434,680.12)	(1,577,414.98)
Information and Communication Technology Equipment	6,685,479.59	6,720,402.56
Agricultural and Forestry Equipment	13,926,113.69	13,926,113.69
Communication Equipment	(8,288.87)	(8,288.87)
Construction and Heavy Equipment	1,640,468.90	1,973,333.90
Disaster Response and Rescue Equipment	2,379,225.33	2,409,725.34
Medical Equipment	1,028,524.93	548,317.03
Technical and Scientific Equipment	(1,768.46)	(1,768.46)
Other Machinery and Equipment	427,604.45	466,570.85
Subtotal	24,729,030.46	24,381,939.14
<i>Transportation Equipment</i>		
Motor Vehicles	43,679,613.57	32,232,495.06
Watercrafts	448,071.42	448,071.42
Other Transportation Equipment	1,858,041.78	1,858,041.78
Subtotal	45,985,726.77	34,538,608.26

<i>Furniture, Fixture and Books</i>		
Furniture and Fixtures	4,872,199.57	4,920,805.70
Subtotal	4,872,199.57	4,920,805.70
<i>Construction in Progress</i>		
Construction in Progress – Infrastructure Assets	36,914,017.36	67,220,123.23
Construction in Progress- Buildings & Structures	7,416,168.95	50,075,966.56
Subtotal	44,330,186.31	117,296,089.79
<i>Other Property, Plant and Equipment</i>		
Other Property, Plant and Equipment	11,005,995.57	11,048,390.97
Subtotal	11,005,995.57	11,048,390.97
Total	881,193,508.92	739,859,351.64

Note 10 – Biological Assets

Account	2024	2023
Breeding Stocks	3,417,063.50	3,417,063.50
Total	3,417,063.50	3,417,063.50

Note 11 – Current Liabilities

The composition of Current Liabilities are as follows:

Account	2024	2023
<i>Financial Liabilities</i>		
Accounts Payable	15,755,198.76	23,221,516.45
Due to Officers and Employees	2,687,879.53	1,357,408.32
Subtotal	18,443,078.29	24,578,924.77
<i>Inter-Agency Payables</i>		
Due to BIR	75,988.34	68,651.28
Due to GSIS	3,569,233.59	2,016,907.37
Due to PAG-IBIG	663,025.01	555,900.13
Due to Philhealth	17,715.22	(121,062.52)
Due to NGAs	126,050,870.18	193,671,885.74
Due to GOCCs	1,652,724.26	1,203,628.58
Due to LGUs	7,877,146.69	7,737,886.53
Subtotal	139,906,703.29	205,133,797.11
<i>Intra-Agency Payables</i>		
Due to other Funds	2,343,635.39	2,353,970.27
Due to Special Accounts	67,740.25	67,740.25
Due to Economic Enterprises	81,891.55	81,891.55
Subtotal	2,493,267.19	2,503,602.07
<i>Trust Liabilities</i>		
Trust Liabilities	7,248,058.01	3,505,179.76
Trust Liabilities— Disaster Risk Reduction Management Fund	20,080,267.89	17,137,436.06
Guaranty/Security Deposits Payable	2,814,039.05	4,388,647.99
Subtotal	30,142,364.95	25,031,263.81
Total	190,985,413.72	257,198,287.76

Note 12 – Non-Current Liabilities

Account	2024	2023
Loans Payable- Domestic (Non-current)	0.00	0.00
Deferred Real Property Tax	31,338,381.37	28,863,674.43
Deferred Special Education Tax	30,213,883.52	27,739,176.58
Other Payables	1,982,030.86	2,057,226.06
Total	63,534,295.74	58,660,077.07

Note 13 – Tax Revenue

Account	2024	2023
<i>Tax Revenue-Individual and Corporation</i>		
Community Tax	636,603.74	399,078.81
<i>Tax Revenue - Property</i>		
Real Property Tax Basic	629,653.47	403,164.06

Account	2024	2023
Discount on RPT	(51,448.50)	(25,251.56)
Special Education tax	787,066.84	503,955.07
Discount on SEF	(64,310.62)	(31,564.45)
<i>Tax Revenue – Goods and Services</i>		
Business Tax	2,934,206.43	1,887,818.30
<i>Tax Revenue – Fines and Penalties</i>		
Fines and Penalties- Taxes on Individual and Corporation	9,591.61	17,206.85
Fines and Penalties-Property Taxes	277,637.03	242,403.02
Fines and Penalties- Other Taxes	68,344.77	43,304.91
Total Tax Revenue	5,227,344.76	3,440,115.01
<i>Share from National Taxes</i>		
Share from Internal Revenue Collections (IRA)	306,991,792.00	288,966,942.00
Total	312,219,136.76	292,407,057.01

Note 14 – Service and Business Income

Account	2024	2023
<i>Service Income</i>		
Permit Fees	1,336,943.72	1,084,381.30
Registration Fees	942,775.00	974,370.00
Registration Plates, Tags and stickers Fees	275,045.00	140,300.00
Clearance and Certification Fees	1,289,591.88	1,363,627.17
Inspection Fees	17,000.00	8,600.00
Processing Fees	135,22.18	32,281.34
Fishery Rental Fees	988,486.00	1,582,920.00
Fines and Penalties – Service Income	154,030.67	120,659.13
Other Service Income	126,290.00	183,160.00
<i>Business Income</i>		
Rent Income	69,800.00	114,962.00
Receipt from Market Operations	0.00	
Receipt from Slaughterhouse Operation	64,276.00	77,040.00
Sales Revenue	0.00	
Garbage Fees	284,880.00	170,173.50
Interest Income	77,528.43	114,933.66
Fines & Penalties- Business Income	0.00	809.50
Other Business Income	894,848.24	456,150.00
Total	6,535,017.12	6,424,367.60

Note 15 – Transfers, Assistance and Subsidy

Account	2024	2023
Subsidy from Other Funds	0.00	9,750,141.43
Transfer from General Fund as Project Equity Share	0.00	0.00
Total	0.00	9,750,141.43

Note 16– Shares, Grants and Donations

Account	2024	2023
<i>Share</i>		
Share from PCSO	150,191.52	168,734.54
<i>Grants and Donations</i>		
Grants and Donations in Cash	0.00	40,000.00
Miscellaneous Income	4,500.00	15,000.00
Total	154,691.52	223,734.54

Note 17– Employee Cost

Account	2024	2023
<i>Personnel Services</i>		
Salaries and Wages-Regular	65,556,993.16	60,463,668.41
<i>Other Compensation</i>		
Personnel Economic Relief Allowance	4,033,954.88	3,804,298.59
Representation allowance (RA)	2,834,608.50	2,531,250.00
Transportation Allowance (TA)	2,834,608.50	2,531,250.00
Clothing /Uniform Allowance	1,176,000.00	966,000.00
Subsistence Allowance	464,045.45	401,249.90
Laundry Allowance	29,670.45	25,562.40
Productivity Incentive allowance	860,000.00	799,500.00
Honoraria	1,538,231.43	2,760,252.42
Hazard Pay	2,820,791.19	2,437,724.37
Overtime and Night Pay	766,268.13	696,089.73
Year-End Bonus	10,880,661.00	9,969,132.40
Cash Gift	848,000.00	788,000.00
Other Bonuses and Allowances	0.00	39,017.00
<i>Personnel Benefit Contribution</i>		
Retirement and Life Insurance Premiums	7,468,606.62	6,963,377.18
PAG-IBIG Contributions	378,500.00	188,800.00
PHILHEALTH Contributions	1,549,610.02	1,119,713.31
Employees Compensation Insurance Premiums	207,652.02	188,400.00

Account	2024	2023
<i>Other Personnel Benefit</i>		
Terminal Leave Benefits	5,280,565.86	1,622,800.04
Other Personnel Benefits	10,899,777.24	10,327,337.84
Total	120,428,844.45	108,623,423.59

Note 18 – Maintenance and Other Operating Expenses

Account	2024	2023
<i>Travelling Expenses</i>		
Traveling Expenses-Local	7,145,624.35	5,909,341.96
<i>Training and Scholarship Expenses</i>		
Training Expenses	4,963,164.67	2,698,953.76
Scholarship Grants/Expenses	11,713,000.00	4,236,000.00
<i>Supplies and Material Expenses</i>		
Office supplies Expenses	3,004,030.74	3,012,522.12
Accountable Forms Expenses	292,820.00	198,700.00
Food Supplies Expenses	8,547,557.00	4,322,718.60
Welfare Goods Expenses	0.00	1,944,195.00
Drugs and Medicines Expenses	5,578,954.75	4,037,201.90
Medical, Dental and Laboratory Expenses	307,864.11	196,900.00
Fuel, Oil and Lubricants Expenses	6,313,076.86	5,397,803.68
Agricultural and Marine Supplies Expenses	1,038,408.00	1,870,858.00
Other Supplies and Materials Expenses	5,126,903.10	7,669,998.98
<i>Utility Expenses</i>		
Water Expenses	119,806.85	225,035.98
Electricity Expenses	3,723,355.58	3,716,382.59
<i>Communication Expenses</i>		
Postage and Courier Services	0.00	8,057.00
Telephone Expenses	1,075,754.96	781,284.65
Internet Subscription Expenses	658,588.06	559,225.43
Total	59,608,909.03	46,785,179.65

Note 19 – Contracted Services

Account	2024	2023
<i>General Services</i>		
Environment/Sanitary Services	3,508,721.38	2,820,250.00
Janitorial Services	0.00	0.00
Other General Services	41,434,361.26	27,418,468.81
Total	44,943,082.64	30,238,718.81

Note 20 – Professional Services

Account	2024	2023
Consultancy Services	10,995,000.00	0.00
Total	10,995,000.00	0.00

Note 21 - Repairs and Maintenance

Account	2024	2023
Repairs and Maintenance - Infrastructure Assets	150,470.00	0.00
Repairs and Maintenance - Buildings and Other Structures	1,513,636.68	1,499,272.28
Repairs and Maintenance - Machinery and Equipment	487,335.00	122,814.60
Repairs and Maintenance - Transportation Equipment	1,043,457.48	1,425,595.01
Repairs and Maintenance - Furniture's and Fixtures	116,645.00	0.00
Repairs and Maintenance- Other PPE	0.00	0.00
Total	3,311,544.16	3,047,681.89

Note 22 – Transfers

Account	2024	2023
Transfers of Unspent Current Year DRRM Funds to the Trust Funds	2,942,831.83	17,047,714.74
Transfers for Project Equity Share/ LGU Counterpart	200,000.00	0.00
Total	3,142,831.83	17,047,714.74

Note 23 – Taxes, Insurance Premiums and Other Fees

Account	2024	2023
Taxes, Duties and Licenses	43,260.69	31,339.24
Fidelity Bond Premiums	139,662.75	147,765.00
Insurance Expenses	2,644,535.86	2,155,956.98
Total	2,827,459.30	2,335,061.22

Note 24 – Other Maintenance and Operating Expenses

Account	2024	2023
Advertising Expenses	6,830.00	11,000.00
Printing and Publication Expenses	0.00	0.00

Account	2024	2023
Rent Expenses	361,200.00	
Membership Dues and Contributions to Organizations	113,200.00	36,000.00
Subscription Expenses	0.00	
Donations	10,592,783.75	9,905,300.00
Other MOOE	16,904,353.54	24,786,296.95
Total	27,978,367.29	34,738,596.95

Note 25 – Financial Expenses

Account	2024	2023
Interest Expense	0.00	0.00
Bank Charges	600.00	0.00
Total	600.00	0.00

Note 26 – Non-Cash Expenses

Account	2024	2023
Depreciation –Land Improvements	89,856.00	23,712.00
Depreciation- Infrastructure Assets	9,314,637.24	3,410,032.39
Depreciation -Buildings and other Structures	3,675,552.23	1,521,767.07
Depreciation -Machinery and Equipment	1,339,649.45	986,247.59
Depreciation -Transportation Equipment	2,296,410.40	1,166,372.28
Depreciation -Furniture& Fixtures	48,611.76	39,409.22
Depreciation-Other Property, Plant and Equipment	42,395.40	42,395.40
Total	16,807,112.48	7,189,935.95

Note 27 – LDRRMF (Local Disaster Risk Reduction Management Fund)

The LDRRMF represents the amount set aside by the LGU to support its disaster risk management activities pursuant to R.A. No. 10121 otherwise known as the "Philippines Disaster Risk Reduction and Management Act of 2010." The amount available and utilized during the year totaled P 37,342,155.41 and P8,501,635.23, respectively broken down in the following page.

Particulars	Amount		
	Available	Utilization	Balance
Current Year Appropriation			
Quick Response Fund (QRF)	4,732,839.68	0.00	4,732,839.68
Mitigation Fund (MF)	11,043,292.57	8,501,635.23	2,541,657.34
Special Trust Fund			

Particulars	Amount		
	Available	Utilization	Balance
CY 2018	1,815,988.25	0.00	1,815,988.25
CY 2019	1,996,337.94	0.00	1,996,337.94
CY 2020	114,542.20	0.00	114,542.20
CY 2021	6,084,110.20	0.00	6,084,110.20
CY 2022	7,036,736.15	0.00	7,036,736.15
CY 2023	4,518,308.43	0.00	4,518,308.43
Grand Total	37,342,155.41	8,501,635.23	28,840,520.18

PART II

AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. Financial Audit

Insufficient Disclosures in the Notes to Financial Statements

1. **Insufficient disclosures in the Notes to Financial Statements on the reported balances of the Receivables, Inventories, Property, Plant and Equipment (PPE) and Biological Asset accounts amounting to ₱1,012,776,538.24 by the Municipal Accountant and his failure to disclose relevant Reconciliation Statements both contrary to Paragraph 127 of the International Public Sector Accounting Standards (IPSAS) No. 1 and Section 80.2, Volume 1 of New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), had limited the user's understanding of the financial statements.**

- 1.1 Paragraph 127 of the IPSAS No. 1 requires that the Notes to Financial Statements shall:

- (a) Present information about the basis of preparation of the financial statements and the specific accounting policies used, in accordance with paragraphs 132 to 139;
- (b) Disclose the information required by IPSASs that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assts/equity, or cash flow statement; and
- (c) Provide additional information that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity, or cash flow statement, but that is relevant to an understanding of any of them.

- 1.2 Also, Section 80.2, Volume 1 of NGAS Manual for LGUs provides:

Sec. 80. Notes to the Financial Statements. – The Notes to the Financial Statements (Annex 6) are the accountant's means of amplifying or explaining the items presented in the main body of the statements. These are explanatory notes on the accounts and/or accounting policies which will give additional information value to the financial statements. In the Notes, the accountant is expected to report the economic substance rather than the legal form of the transactions and to make adequate disclosure:

The Notes to Financial Statements include the following:

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2. Narrative descriptions or detailed analyses of amounts shown on the face of the balance sheet, statement of income and expenses, and statement of cash flows;

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- 1.3 In addition, Annex G of COA Circular No. 2016-004 prescribed the format of the Notes to Financial Statements.
- 1.4 Review of the Financial Position as of December 31, 2024 vis-à-vis the Notes to Financial Statements disclosed insufficient disclosures of the reported balances for the Receivables, Inventories, Property, Plant and Equipment (PPE) and Biological Asset accounts, as detailed in Table 1. These four (4) real accounts comprised 89.84% of the total assets as presented in the Statement of Financial Position of the Municipality.

Table 1. *Accounts With Insufficient Disclosures in The Notes To FS*

Account	Amount	Deficiencies
Receivables	₱111,505,379.05	No disclosure of the aging analysis of receivables; recognition of impairment if any.
Inventories	₱12,413,996.39	No disclosure as to the following: 1. Location of Inventories; 2.Total Inventories carried at fair value less cost to sell, if any; 3.Amount of write-down of inventories recognized as expense, if any; and 4.Inventory pledged as a security, if any
PPE	₱885,440,099.30	No Disclosure of the following details: 1. Beginning Balances 2. Additions 3. Disposals, if any 4. Transfers/Adjustments, if any 5. Depreciation for the year 6. Impairments, if any The format of the table for disclosures of PPE is not in

Account	Amount	Deficiencies
		accordance with the prescribed format per Note 9, Annex G of COA circular 2016-004.
Biological Assets	₱3,417,063.50	No disclosure as to its composition and if stated at recoverable value.
Total	₱1,012,776,538.24	

- 1.5 Furthermore, two (2) relevant reconciliation statements were not disclosed in the Notes to Financial Statements, as illustrated in Table 2.

Table 2. Reconciliations Not Disclosed in The Notes To FS

	Name of Reconciliation Required to be Disclosed	Remarks
1	Reconciliation of Net Cash Flows from Operating Activities	No disclosures as to the Surplus or Deficit and Net Cash from Operating Activities
2	Reconciliation Statement of Comparison of Budget and Actual Amounts and the Statement of Financial Performance (General Fund)	No disclosures as to the Actual Amounts per SCABA and Operating Expenses per Financial Performance

- 1.6 The insufficient disclosures in the Notes to Financial Statements on the reported balances of certain accounts and the relevant reconciliation statements had limited the user's understanding of the financial statements.
- 1.7 **We recommended and the Local Chief Executive (LCE) agreed to direct the Municipal Accountant to supply the required disclosures in the notes to financial statements on the reported accounts to aid the user's understanding of the financial statements.**
- 1.8 During the exit conference, the Municipal Accountant committed that he will secure the necessary formats or templates and accordingly revise and supply additional information in the Notes to Financial Statements.
- 1.9 However, as of this report, the Municipal Accountant did not submit a revised Notes to Financial Statements supplied with the necessary narrative information emphasized as deficiencies in our audit observations. We firmly reinforce our

recommendation that the Municipal Accountant should provide the necessary additional information in the Note to Financial Statements.

Non-inclusion of amounts in the Continuing Appropriations Section of the Statement of Comparison of Budget and Actual Amounts

- 2. Failure to include the data in Continuing Appropriations section of the Statement of Comparison of Budget and Actual Amounts, rendered the statement incomplete and unreliable.**
- 2.1 Paragraph 22 of the International Public Sector Accounting Standards (IPSAS) No. 24 requires an entity to present the comparison of budget and actual amounts in separate financial statement, (Statement of Comparison of Budget and Actual Amounts or a similarly titled statement) included in the complete set of financial statements.
- 2.2 Item 3.4.5 of COA Circular 2016-004 dated September 30, 2016 prescribed the presentation of Financial Statements to include the Statement of Comparison of Budget and Actual Amounts (SCBAA) with its corresponding format in Annex F of the Circular. The “Continuing Appropriations” is included as third component of the pro-form SCBAA.
- 2.3 Review of the submitted SCBAA for CY 2024 disclosed that the Continuing Appropriations Section has no entries. During our interview, the Municipal Accountant acknowledged the oversight of the information due to the hasty preparation of their FS. He further averred that reliance on submission of the Statement of Appropriations, Allotment, Obligations and Balances provided by the Municipal Budget Office.
- 2.4 Failure to include the amounts under continuing appropriations and actual amounts charge thereof rendered the SCBAA balances incomplete and unreliable.
- 2.5 We recommend that the Local Chief Executive direct the Municipal Accountant to immediately supply the required information in the SCBAA for a complete and reliable presentation of the financial statements.**
- 2.6 During the exit conference, the Municipal Accountant coordinated with the Municipal Budget Officer and committed on the immediate submission of the revised SCBAA to the audit team. However, as of this report, the Municipal Accountant did not submit a revised SCBAA. The audit team reiterates the recommendation that the Municipal Accountant should provide the necessary additional information in the SCBAA.

Cash in Bank, Local Currency Current Account

3. **The accuracy of Cash in Bank, Local Currency Current Account balance of ₱111,348,807.21 cannot be ascertained due to failure to observe the recording of disbursement process by the Municipal Accountant, contrary to Sections 74 and 111 of Presidential Decree (P.D.) No. 1445 and non-adherence to Section 43 and 44, Volume I of the New Government Accounting System Manual for Local Government Units, thus 19 unreleased checks amounting to ₱2,294,313.33 and 3 cancelled checks amounting to ₱20,125.00 were not reverted back to Cash in Bank, and thereby affecting the fair presentation of the financial statements.**

- 3.1 Section 74 and 111 of PD No. 1445 provides:

Section 74. Monthly reports of depositories to agency head. At the close of each month, depositories shall report to the agency head, in such form as he may direct, the condition of the agency account standing on their books. The head of the agency shall see to it that a reconciliation is made between the balance shown in the reports and the balance found in the books of the agency.

Section 111. Keeping of accounts.

1. The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.
2. The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.

- 3.2 Section 43, Volume I of the New Government Accounting System (NGAS) Manual for Local Government Units requires that checks released to claimants shall be reported in the Report of Check Issued (RCI) which shall be prepared daily by the Treasurer for each fund. It shall be submitted to the Accountant for preparation of a Journal Entry Voucher (JEV) based on individual check issued and recorded in the Check Disbursement Journal (CkDJ). Section 44.j thereof, provides that the JEV based on individual checks/vouchers will be recorded in the Check Disbursement Journal by the Accounting Unit and shall be posted monthly to the General Ledger/Subsidiary Ledgers.

- 3.3 The Cash in Bank - Local Currency, Current Account of the municipality has a balance of ₱111,348,807.21, as of year-end, detailed per fund as follows:

Fund	Amount
General	₱ 76,967,044.97
SEF	742,213.14
Trust	33,639,549.10
TOTAL	₱2,294,313.33

- 3.4 Review of the generated bank statements at year-end vis-a-sis with the Check Disbursement Journal, disclosed nineteen (19) checks totaling ₱11,088,402.44 identified as unreleased in the Report, as summarized in Table 3 and detailed in Table 4 to 6.

Table 3. Summary of Unreleased Checks

Account Name	Account Number	Number of Unrelease Checks	Total Amount
GF	LBP Account No. 173-0000-1732101221	6	₱2,250,274.54
SEF	LBP Account No. 173-0000-1732110883	4	16,837.70
TF	LBP Account No. 173-0000-1732102244	9	27,201.09
Total		19	₱2,294,313.33

Table 4. Unreleased Checks in General Fund Account

No.	Date Issued	Cheque Number	Payee	Amount
1	12/27/24	1422012	Bureau Of Internal Revenue-Basey	₱885,195.29
2	12/27/24	1422107	Bureau Of Internal Revenue - Basey	561,427.28
3	12/27/24	1422109	Bureau Of Internal Revenue - Basey	37,419.96
4	12/27/24	1422110	Bureau Of Internal Revenue - Basey	459,776.91
5	12/27/24	1422148	Bureau Of Internal Revenue - Basey	61,291.50
6	12/27/24	1422149	Bureau Of Internal Revenue - Basey	245,163.60
				₱2,250,274.54

Table 5. Unreleased Checks in Trust Fund Accounts

No	Date	Check NO.	Accountable Officer	Particulars	Amount
1	12/27/24	1385585	Bureau of Internal Revenue-Basey	Payment of remittance on compensation Taxes withheld for BAC honorarium Dec. 2924	₱9,500.00
2	12/27/24	1385586	Bureau of Internal Revenue-Basey	Payment of monthly remittance return of Creditable Income Taxes withheld (expanded) for the month of December 2024	1,997.62
3	12/27/24	1385587	Bureau of Internal Revenue-Basey	Payment of monthly remittance return of VAT -Added Tax withheld for the month of December 2024	3,348.08
4	12/27/24	1385588	Bureau of Internal Revenue-Basey	Payment of monthly remittance return of Other Percentage Taxes withheld for the month of December 2024	1,992.00
					₱16,837.70

Table 6. Unreleased Checks in SEF Account

No.	Date	Check No.	Name of Payee	Particulars	Amount
1	04/11/24	1097497	PLDT	Payment of internet subscription (bill Date 3/17/24) @ Basey I District Office	₱2,862.42
2	05/20/24	1422904	Basey Water District	Payment of water bill @ Basey II District for May 2024	575.67
3	12/10/24	1422960	Samelco II	Payment of electric bill @ Basey II District Office for Nov. 22024	3,614.70
4	12/27/24	1422962	PLDT Inc.	Payment of internet subscription (Bill date 12/17/24) @ Basey I District Office	1,400.40
5	12/27/24	1422963	PLDT Inc.	Payment of internet subscription (bill Date 12/17/24) @ Basey II District Office	3,085.51
6	12/27/24	1422964	Bureau of Internal Revenue-Basey	Payment of monthly remittance return of VAT withheld for the month of December 2024	509.11

No.	Date	Check No.	Name of Payee	Particulars	Amount
7	12/27/24	1422965	Bureau of Internal Revenue-Basey	Payment of monthly remittance return of Creditable Income Taxes withheld for the month of November 2024	153.28
8	12/27/24	1422966	Azil L. Homeres	Reimbursement of registration fee	7,500.00
9	12/27/24	1422967	Joshuan C. Homeres	Reimbursement of registration fee	7,500.00
				TOTAL	₱27,201.09

- 3.5 During our inquiry, the Municipal Treasurer confirmed that various checks remained in the custody of her office as of year-end and were not reported as unreleased checks. The Municipal Accountant justified that these checks were included in the RCI submitted from the MTO. This RCI does not contain appropriate indication in a separate list for the unreleased checks, hence, were all recorded as disbursements.
- 3.6 Had the check disbursement process and reporting been strictly applied and complied with, the transactions should have been recorded in the CkDJ only upon release of the same to the respective payees, if as of year-end, the checks had not been presented to the drawee bank. Further, the unreleased checks from the Municipal Treasurer's Office at the end of the year are deemed not yet paid to the creditors, and should therefore be adjusted, because the obligation of the Municipality still exists, and cash-in-bank has not yet been reduced.
- 3.7 Thus, the recording of unreleased checks as disbursements and inclusion thereof in the total outstanding checks instead of restoring them back to the cash account and recognizing the corresponding liability accounts resulted in an understatement of cash-in-bank account and affected the reliability of its presentation.
- 3.8 On the other hand, perusal with the Check Disbursement Journal, revealed that three (3) cancelled checks were not reverted to the CIB-LCCA Account as of year-end, causing understatement of ₱20,125.00 and overstatement in the corresponding expense, asset accounts, as well as an overstatement in liability account, shown as follows:

Table 7. *Schedule of Cancelled Checks for reversion to CIB-LCCA*

Date	Check No.	Payee	Particulars	Amount
02-26-24	1401406	Mabel Ref & Aircon Service & Metal Work /Leo O. Medalla	Payment of Aircon Installation for MENRO	₱5,625.00

Date	Check No.	Payee	Particulars	Amount
03-25-24	1401708	Marabut Band	Payment of Local Band Performer for SPAA Welcome Night	9,500.00
05-29-24	1402379	Joshua S Castillo	Payment of FA to Basey PNP-SAF	5,000.00
				₱20,125.00

Table 7.1. Misstatement To Accounts Due to Failure to Adjust Cancelled Checks

Account Title	Misstatement	Amount
Cash in Bank	Understated	20,125.00
Due to BIR	Understated	875.00
Donation	Overstated	5,000.00
Other MOOE	Overstated	16,000.00

- 3.9 Scrutiny of the Check Disbursement Journals and General Journals revealed that there were neither entries for reissuance of the cancelled checks nor entries for adjustments to revert and correct the prior entries that debited CIB-LCAA and credited the corollary expense, asset and liability accounts, thus causing misstatement to the CIB-LCAA amounting to ₱20,125.00.
- 3.10 Recording errors are reconciling items in the Bank Reconciliation Statement. These shall be adjusted upon discovery. The bank reconciliation is a basic report that should be prepared regularly to ensure that all erroneous or unrecorded deposits and disbursements are rectified so that cash accounts are presented correctly.
- 3.11 Non-reconciliation of bank balance with the book balance of CIB-LCAA, raises doubt as to the accuracy of the presentation of CIB in the financial statements. Misstatements could have been detected through a monthly bank reconciliation statement prepared by the accountant.
- 3.12 Cash being the most liquid asset has the highest exposure to losses, hence effective internal control system provides that there should be a check and balance between the authority, custody of funds, and record keeping. The deficiencies noted caused understatement of cash affecting the fair presentation of the Financial Statements.
- 3.13 **We recommended, and the LCE agreed to require the Municipal Accountant to prepare adjusting entries to:**
- a. **Revert back the entries for the unreleased checks and cancelled disbursements to the CIB-LCAA; and**
 - b. **Strictly observe the disbursement process, recording and reporting to maintain the reliability of the CIB-LCAA account balance.**

- 3.14 In the exit conference, the Municipal Accountant said he will clarify with the Municipal Treasurer's office those checks that are unreleased and secure the listings thereof. He made clear that these checks are drawn, considered paid in the books, but in actual the checks are still unreleased at year-end. In turn the Municipal Treasurer committed to provide a list of unreleased checks attached to the Reports of Checks Issued the end of the month to the Municipal Accountant.

Improper Classification of Asset Account of Rice Processing Center

4. **The recording of the Rice Processing I (Building) funded by the Department of Agriculture Regional Office No. VIII amounting to ₱2,712,092.67 was retained in the Construction in Progress Account despite its completion, along with the purchased Multi-purpose Rice Mill totaling ₱1,105,500.00 due to an unpaid amount of ₱246,411.15 as of December 31, 2024. Thus, such building was not transferred to the General Fund account for proper recognition and depreciation of asset account contrary to COA Circular 2015-009, Philippine Application Guidance (PAG) to International Public Sector Accounting Standards (IPSAS) 17, and IPSAS 1 thereby affecting the fair presentation of the Property, Plant and Equipment (PPE) in the financial statements.**
- 4.1 Annex B of Commission on Audit Circular No. 2015-009 which prescribes the Revised Chart of Accounts, provides for the following:

1 ASSETS

07 Property, Plant and Equipment

10 Construction in Progress

<i>Account Title</i>	Construction in Progress – Buildings and Other
<i>Account Number</i>	Structures
<i>Normal Balance</i>	1-07-10-030
	Debit

Description

This account is used to record the accumulated cost or other appropriate value of buildings and other structures which are still in the process of construction or development. Credit this account for reclassification to the appropriate Buildings and Other Structures account upon completion.

04 Buildings and Other Structures

<i>Account Title</i>	Buildings
<i>Account Number</i>	1-07-04-010
<i>Normal Balance</i>	Debit
<i>Description</i>	This account is used to record the cost incurred in the purchase or construction or fair value, if acquired through donation or transfers without cost, of buildings, such as: office buildings, research/convention/training centers, agricultural laboratories, warehouses, cold storage and the like, for use in government operations. Credit this account for derecognition of the carrying amount of the replaced portion in major repairs, disposal or reclassification to Investment Property. Subsidiary ledgers shall be maintained for the components of the building depreciated separately from the building.

4.2 Philippine Application Guidance (PAG) to IPSAS 17, provides:

Depreciation

PAG3.Paragraphs 59 to 78 deal with the recognition of depreciation, methods of depreciation, determination of depreciable amount, residual value and useful life of PPE.

Xxx

Initial Recognition of Depreciation

Depreciation of an asset when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, depreciation shall be for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation shall be for the succeeding month.

Xxx

4.3 Moreover, items 7 and 27 of IPSAS 1, provides:

Definitions

7. The following terms are used in this Standard with the meanings specified:

Accrual basis means a basis of accounting under which the transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the period to which they related. The elements recognized under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.

Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Xxx

Liabilities are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Xxx

Fair Presentation and Compliance with IPSASs

27. Financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs. The application of IPSASs, with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.

4.4 At year-end, the Trust Fund Construction in Progress (CIP) accounts have the following balances:

Table 8. Construction in Progress (CIP Account)- Trust Fund Composition

Account Title	Balance
CIP -Infrastructures Assets	₱10,833,411.19
CIP-Buildings and Other Structures	₱7,497,946.82
TOTAL	₱18,331,358.01

- 4.5 Our audit revealed that these amounts include the Rice Processing I at Brgy. Canabay, Basey Samar (warehouse) which remain unpaid for its 9.09% unbilled portion amounting to ₱246,411.15 as of December 31, 2024. The schedule of payments is illustrated in Table 9.

Table 9. Schedule of payment for the Construction of Rice Processing

Date	Check No	Payee	Particulars	Amount	Acct Title	Amount recorded
Contract Cost						₱2,712,092.67
4/2/2022	1007121	CTG Construction & Enterprises	To 1st partial payment of 50. 02% worked accomplishment for the contract: Construction of Rice processing 1 at Brgy. Canabay, Basey, Samar	1,136,045.09	CIP-Building and Other Structures	1,356,471.74
8/18/2023	1007246	CTG Construction & Enterprises	2nd partial payment of 90.91% worked accomplishment for the contract: Construction of Rice Processing I @ Brgy. Canabay, Basey Samar	928,963.19	CIP-Building and Other Structures	1,109,209.78
					Unpaid Balance	₱246,411.15

- 4.6 Further verification of the Report of the Municipal Engineering's Office as of December 31, 2024 disclosed that the project was already completed on December 4, 2023. However, in the books of the Municipality, the project was still retained in the Construction in Progress- Building and Other Structures account despite its completion.
- 4.7 Per inquiry with the Municipal Accountant, he averred that the construction was already completed yet the payment has not been made since the only cash available

intended for this project was for the retention payment. It is noted that the basis for the recording in the books for its completion is if there is statement of work accomplished in relation to the final billing. He added that he did not effect the reclassification of PPE and the transfer to the General Fund account for there was still no turn-over of the said building project from the contractor.

- 4.8 It was stipulated in the MOA that the funds shall be released to the MLGU through progress billing, based on the actual work accomplishment. However, Item no. 7 of IPSAS I provides accrual basis of accounting should applied. Meaning, in the books of the Municipality, regardless if there was cash received or paid, there should have been already a recognition of asset upon completion and recognition of liabilities arising from past events.
- 4.9 Furthermore, the LGU have already requested from the Department of Agriculture (DA) Regional Office VIII for the release of portion of fund intended for the project. However, the sourced agency has not released the fund yet until the remaining equipment covered in the MOA is delivered.
- 4.10 Consequently, non-recognition of payable account distorts the fair presentation of liability account in the financial statement. Also, failure to recognize appropriate account of PPE resulted in non-computation of depreciation expenses, thereby resulting to overstatement of Construction in Progress account and understatement of PPE and its Depreciation Expense.
- 4.11 **We recommended and the LCE agreed to require the Municipal Accountant to prepare adjusting entries to:**
 - a. reclassify CIP in their proper asset account titles; and**
 - b. recognize the accounts payable and the depreciation on these assets.**
- 4.12 During the exit conference, the Municipal Accountant committed to take effect the adjustment during the year 2025. Meanwhile, the Municipal Engineer said that they can only demand the payment of ₱246,411.15 once the necessary equipment or Rice Mill will be delivered to the agency. As of this writing, the equipment is not yet delivered because there still has a missing tool for the rice mill to be operational. As to the structure, it is already completed but with regards to the equipment, it is yet to be completed.

Due from NGO/PO recorded as Donations

- 5. **The Municipality erroneously recorded as Donation the ₱1,500,000.00 livelihood assistance sourced from 20% Development Fund, even without submission of Liquidation Reports in contravention to certain provisions**

specified on its Memorandum of Agreement and COA Circular 2015-009, thus, affecting the fair presentation of the financial statements.

Annex B of Commission on Audit Circular No. 2015-009 which prescribes the Revised Chart of Accounts, provides for the following:

5 ASSETS

07 Property, Plant and Equipment

06 Other Receivables

Account Title	<i>Donations</i>
Account Number	<i>5-02-99-080</i>
Normal Balance	<i>Debit</i>
Description	<i>This account is used to record the amount of aids/assistance to other levels of government/individuals/institutions.</i>

1 ASSETS

03 Receivable Accounts

06 Other Receivables

Account Title	<i>Due from Non-Government Organizations/People's Organizations</i>
Account Number	<i>1-03-06-030</i>
Normal Balance	<i>Debit</i>
Description	<i>This account is used to record amount of advances granted to Non- Government Organizations (NGOs)/ People's Organizations (POs) for implementation of specific projects. Credit this account for liquidation of advances.</i>

- 5.2 The Memorandum of Agreement signed by the Municipal Mayor, and the registered Associations' President / authorized representative for the implementation of the Livelihood Assistance to Different Registered/ Accredited Association in Basey, Samar provides that:

I. Responsibilities of the Parties:

A. The Municipality of Basey, Samar as Proponent/ Lender shall:

X x x

4. Monitor, evaluate and inspect the project implementation together with the recipient/ borrower and verify the financial records and reports of the recipient/ borrower.

5. Create necessary bookkeeping/ recording of the grant, recipients' information, agreement and other document pertaining to the transaction for the purpose of transparency.

B. The Registered/ Accredited Associations as recipient shall:

X x x

2. Procure the necessary raw materials, equipment, tools and jigs indicated in the approved project proposal within 3 months from receipt of fund;

3. Adhere to the provisions stipulated in this Memorandum of Agreement (MOA);

X x x

8. Submit **Liquidation Report** (e.i Fund Utilization Report (FUR) receipts, etc.) to Proponent. Xxx

- 5.3 Review of journal entry vouchers and other related journals revealed that the Municipal Accountant inadvertently recorded the payments as using the account Donation, expensing outright the disbursement, instead of recognizing it as a receivable by debiting Due from Non-Government Organization/ People's Organization.
- 5.4 The payment should not have been recognized as an expense unless the corresponding **Liquidation Reports** and other related supporting documents were submitted and the conditions outlined in the MOA were fulfilled. The recognition of expense instead of asset would allow the organization to liquidate and firmly substantiate the financial assistance.
- 5.5 The outright recognition of the transactions as Donation under the Expenses Account in the books resulted to overstatement of expenses and understatement of the Asset Account Due from NGO/PO thus distorting the fair presentations of the amount in the Financial Statement.

- a. **We recommended that the Local Chief Executive direct the Municipal Accountant to:**
 - a. **Reclassify the account recorded in the books as Debit to Due from NGO/ PO for the grant of livelihood assistance to the registered associations, and recognized it as expense until Liquidation Reports and supporting documents are submitted and conditions outlined in the MOA were fulfilled.**
 - b. **Effect the adjustment of cancelled checks which were recorded in the books as payment to the accredited association and submit the lacking two (2) disbursement vouchers that are still unsubmitted as specified in Appendix E.**

Fund Transfer from Department of Tourism

6. **Fund transfers from the Department of Tourism Regional Office No. VIII covering the period CY 2017-2019 totaling ₱1,848,820.00 were not yet liquidated despite the release of funds, not adherent to COA Circular No. 94-013 and Circular No. 97-002, thus overstating the Due to NGAs account by the same amount.**
- 6.1 COA Circular No. 94-013 dated December 13, 1994 which prescribes the rules and regulations on the granting, utilization, and liquidation of fund transferred to implementing agencies, states the following, among others:

4. GENERAL GUIDELINES

X x x

- 4.6 Within ten (10) days after the end of each month/end of the agreed period for the Project, the IA shall submit the Report of Checks Issued (RCI) and the Report of Disbursement (RD) to report the utilization of the funds. Only actual project expenses shall be reported. The reports shall be approved by the Head of the IA.

X x x

- 6.2 Further, Commission on Audit (COA) Circular No. 97-002 dated February 10, 1997, provides that:

5. LIQUIDATION OF CASH ADVANCES

X x x

- 5.2 The AO shall prepare the Report of Disbursement xxx in three (3) copies and submit the same with duly accomplished vouchers/payrolls and supporting documents to the Accountants. For payments based on receipts and invoices only, he shall also prepare a liquidation voucher which shall be submitted with the report and supporting documents to the Accountant. x x x
- 5.3 Within ten (10) days after receipt of the report and supporting documents from the AO, the Accountant shall verify the report, record it in the books and submit the same with all the vouchers/payrolls and supporting documents to the Auditor. The cash advance shall be considered liquidated upon the recording thereof by the Accountant in the books of accounts although not yet audited by the COA auditor.

X x x

8. RESPONSIBILITY OF THE AGENCY HEAD

It shall be the responsibility of the Head of Agency to ensure the proper granting, utilization, and liquidation of all cash advances in accordance with these rules and regulations.

- 6.3 On December 9, 2024, the Municipality of Basey has received a letter from the Audit Team Leader assigned to examine the transactions of the Department of Tourism Regional Office No. VIII, showing the unliquidated balances of several DOT Projects totaling ₱2,638,820.00 as provided in Table 10.

Table 10. *Unliquidated DOT Projects*

Date	Check/ADA No.	Particulars	Amount
10/17/2014	1848585	2014 BUB	₱280,000.00
11/14/2014	1843599	2014 BUB	120,000.00
11/14/2014		2014 BUB	90,000.00
09/29/2015		2014 BUB	90,000.00
09/29/2015		2014 BUB	210,000.00
12/27/2017		2017 YCRRP	261,900.00
12/27/2017		2017 YCRRP	654,750.00
12/27/2017		2017 YCRRP	305,550.00
12/27/2017		2017 YCRRP	5,238.00
12/27/2017		2017 YCRRP	436,500.00
12/28/2018	0002100524	2017 YCRRP	582.00
12/28/2018	0002100525	2017 YCRRP	33,950.00
12/28/2018	0002100526	2017 YCRRP	72,750.00
12/28/2018	0002100527	2017 YCRRP	29,100.00

Date	Check/ADA No.	Particulars	Amount
12/26/2019	2117485	10% YCRRP	48,500.00
		Total	₱2,638,820.00

- 6.4 Out of the ₱2,638,820.00, we have verified that the YCRRP totaling ₱1,848,820.00 were received by the Municipality in three (3) separate check issuances. However, the audit team failed to track the transfers of 2014 BUB amounting to ₱790,000.00 due to lack of data from the submitted reports.
- 6.5 Review of the cashbooks disclosed that several checks were issued to release the said fund. Details of the transactions related to YCRRP are shown in Table 11.

Table 11. Schedule of YCRRP Transactions

DATE	PAYEE	PARTICULARS	REF NO.	DEPOSIT	WITHDRAWAL	BALANCE
19-Feb-18	Beg. Balance			1,663,938.00		1,663,938.00
14-Nov-18	ARL Commercial	Supply of Equipment/DOT - YCRRP for the Tourism Operation Center	1006890		747,400.00	916,538.00
26-Apr-03	Electronic City and Service Center, Inc.	Hand-held Radio Base radio in go bag), base stations, aerial antennae for radio and accessories under the Contract 5591086/LGUBS-GD-18-976b, Hand Held Radio for the Yolanda Comprehensive Rehabilitation and Recovery Project (DOT-YCRRP)	1006912		328,200.00	588,338.00
DATE	PAYEE	PARTICULARS	REF NO.	DEPOSIT	WITHDRAWAL	BALANCE
22-Mar-19	Check Deposit (local)	DOT: YRRP		136,382.00		724,720.00
22-Jul-19	Ruby Star Enterprises	Uniform for the Tourism Service Providers (DOT-YCRRP)	1006938		331,226.34	393,493.66
07-Aug-19	Bureau of Internal Revenue - Basey	Value-added tax and other percentage taxes withheld (DOT - YCRRP)	1006939		15,623.88	377,869.78
07-Aug-19	Bureau of Internal Revenue - Basey	Creditable Income Taxes withheld (DOT - YCRRP)	1006940		3,124.78	374,745.00
19-Feb-20	Check Deposit (local)	Check Deposit (local): YCRRP		48,500.00		423,245.00
ENDING BALANCE				1,848,820.00	1,425,575.00	423,245.00

- 6.6 Moreover, audit revealed that Fund Utilization Report (FUR) and Report of Disbursement (ROD) were not submitted by the Municipal Accountant to the audit team. These precluded the team from verifying whether or not the funds were used for its intended purpose.
- 6.7 The Audit Team has made several demands requesting for the submission of FUR and ROD for the said fund. Municipal Treasurer claimed to have prepared the report and forwarded the same to the Accounting Office. However, as of this writing, no

liquidation report, together with the supporting documents upon completion thereof, has been submitted.

- 6.8 A liquidation report shows the manner of utilization of the financial assistance. Management review of this report ensures that the fund is used for the intended purpose. It is important that the project and its timetable are well documented and defined to enforce prompt liquidation of the financial assistance within ten days after the project completion based on the Circular.
- 6.9 The non-submission of the management of the required liquidation report resulted in the overstatement of the Due to NGAs account in the amount of ₱1,848,820.00.
- 6.10 **We recommended, and the LCE agreed to require the:**
- a. Municipal Accountant to:**
 - 1. prepare and submit the FUR pertaining to the abovementioned financial assistance;**
 - 2. make the necessary adjustment entry to correct the balance of the Due to NGAs account; and**
 - b. Municipal Treasurer to cause the return of the unutilized balance of the YCRRP fund amounting to ₱423,245.00.**
- 6.11 The Municipal Treasurer said that she will locate the documents and verify previous submissions to the audit team. She committed to submit the necessary documents on or before April 30, 2025.

B. Other Financial Related Issues

Unliquidated Cash Advances

7. **Management's leniency in the enforcement of Section 22 of Executive Order No. 77 on the rendition of account on cash advance, and the provisions of Commission on Audit (COA) Circular No. 97-002 on the liquidation of cash advances granted for travel, resulted in the accumulation of unliquidated cash advances by 84 personnel, amounting to ₱4,158,275.54, thus, a substantial amount of travelling expenses were unrecorded and exposed the government funds to risk of loss and misuse.**
- 7.1 Section 22 of Executive Order No. 77 dated March 15, 2019, provides:

Section 22. Rendition of Account on Cash Advances and Sanction.

(a) xx within one (1) calendar month of his/her return to permanent official station in the case of official local travel, such official or employee shall render an account of the cash advance received in accordance with existing applicable rules and regulations.

7.2 Section 4.1.2 of COA Circular No. 97-002 dated February 10, 1997 provides:

“No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.”

7.3 Section 5.7 and 5.9 of the same COA Circular, provide:

5.7 When a cash advance is no longer needed or has not been used for a period of two (2) months, it must be returned to or refunded immediately to the collecting officer.

xx

5.9 At the start of an ensuing year, a new cash advance may be granted, provided that a list of expenses against the previous cash advance is submitted. However, when no liquidation of the previous cash advance is received on or before January 20, the Accountant shall cause the withholding of the AO's salary.

7.4 The accumulation of cash advances to officers and employees, especially those which are not accounted within 30 days after the return to permanent station may be attributed to the following:

- Approval of the grant of cash advances for travel by the local chief executive despite receipt of notice from the accountant that previous travel was not yet liquidated;
- Non-enforcement of withholding of salary for non-liquidation of cash advances;
- Lack of monitoring of cash advances for travel by the office of the Municipal Accountant; and
- Non-issuance of demand letter to personnel concerned with existing unliquidated cash advances.

7.5 Table 12 shows the names, the number of unliquidated cash advances and the date in which the earliest cash advance was granted to an accountable officer or employee.

Table 12. *List of Personnel with Existing Unliquidated Cash Advance for Travel (as of the Fourth Quarter of 2024)*

No.	Name of Accountable Officer (AO)/Employee	No. of Unliquidated Cash Advance	Date Granted - Earliest CA	Unliquidated Amount	Age of Earliest Cash Advance
1	Abegail M. Porbus	1	10/19/2023	₱19,200.00	Over 1 year
2	Abraham O. Padas Jr.	1	05/20/2024	4,265.00	91-365days
3	Aizie Caberic	1	02/19/2024	11,710.00	91-365days
4	Alma B. Cinco	1	10/14/2024	16,828.00	31-90 days
5	Amelita Q. Tuyak	5	11/02/2022	85,804.00	Over 2 Years
6	Atty. Wilfredo O. Estorninos	7	02/27/2023	169,814.00	Over 1 year
7	Ava Dalyn Adona-Go	4	03/26/2019	108,697.00	3 Years & Above
8	Balbino B. Estorninos	1	02/27/2023	12,224.00	Over 1 year
9	Bernadine Rose R. Ramos	1	09/20/2024	11,880.20	31-90 days
10	Corazon G. Tabucao	1	04/22/2021	7,300.00	3 Years & Above
11	Cristine Jane L. Gravoso	1	04/11/2024	22,815.41	91-365days
12	Daisy C. Dela Cruz	1	02/27/2023	12,224.00	Over 1 year
13	Darlene B. Wong	1	02/23/2023	12,224.00	Over 1 year
14	Dorleen Joy E. Cabantac	6	03/15/2023	191,575.52	Over 1 year
15	Dra. Sheila Ann L. Ayap	3	11/17/2023	48,018.15	Over 1 year
16	Edwin O. Bajen	3	11/09/2023	40,679.00	Over 1 year
17	Engr. Cesario M. Wong	4	10/04/2022	65,990.92	Over 2 Years
18	Engr. Liza T. Jadoc	1	10/17/2022	16,495.00	Over 2 Years
19	Engr. Rowena A. Olfato	1	03/21/2024	18,330.00	91-365days
20	Era L. Ancheta	1	02/17/2020	6,900.00	3 Years & Above
21	Evangelina O. Ritaga	2	04/24/2023	45,934.00	Over 1 year
22	Evelyn E. Cabantac	7	09/20/2024	162,988.52	31-90 days
23	Felipe Dacut	1	08/10/2016	5,780.00	3 Years & Above
24	Fo2 Harry Jhun Manibog	1	02/27/2023	12,224.00	Over 1 year
25	Gener S. Ocena	2	08/19/2024	54,385.52	91-365days
26	Gina B. Adona	2	04/24/2023	26,634.00	Over 1 year
27	Glaire C. Laurina	1	01/31/2023	8,102.00	Over 1 year
28	Glenda D. Colinayo	2	11/13/2024	39,880.00	31-90 days
29	Hon. Aludia C. Duran	6	11/14/2022	151,164.00	Over 2 Years
30	Hon. Ariel P. Duran	5	12/21/2022	111,410.00	Over 1 year
31	Hon. Catalino S. Jadoc	1	07/30/2019	13,824.60	3 Years & Above
32	Hon. Elnora C. Quebec	2	01/26/2023	26,420.00	Over 1 year
33	Hon. Honesto M. Zeta	8	11/09/2022	184,394.00	Over 2 Years
34	Hon. Jeyv Anne M. Lozano	7	01/19/2023	187,774.00	Over 1 year
35	Hon. Luz Chu-Ponferrada	6	01/09/2023	97,274.00	Over 1 year
36	Hon. Pericles L. Cinco	7	01/19/2023	189,774.00	Over 1 year
37	Hon. Vicente C. Labuac,III	10	02/07/2020	281,157.00	3 Years & Above
38	Irish Kae O. Cabuñag	2	04/24/2023	43,080.00	Over 1 year
39	Ivan Kim T. Talbo	6	02/27/2023	116,794.00	Over 1 year
40	Jacqueline Elero	1	02/23/2023	12,224.00	Over 1 year
41	Jay G. Abia	1	09/02/2019	8,653.00	3 Years & Above
42	Joel S. Jadoc	1	04/24/2023	16,544.00	Over 1 year

No.	Name of Accountable Officer (AO)/Employee	No. of Unliquidated Cash Advance	Date Granted - Earliest CA	Unliquidated Amount	Age of Earliest Cash Advance
43	John Neil O. Arcena	2	02/27/2023	47,810.00	Over 1 year
44	Joquint Manuel L. Orejola	5	01/20/2023	112,160.00	Over 1 year
45	Jose Rechel A. Cabiric	1	04/23/2024	13,200.00	91-365days
46	Juliet A. Kiskisan	3	02/13/2023	45,835.00	Over 1 year
47	Juliet G. Regal	1	04/24/2023	16,544.00	Over 1 year
48	Lea B. Capule	2	11/17/2023	49,700.00	Over 1 year
49	Leio Nitho L. Caliba	1	08/23/2019	6,930.00	3 Years & Above
50	Lina P. Gayon	2	02/27/2023	22,314.00	Over 1 year
51	Lita M. Carampatan	1	09/20/2024	11,880.20	31-90 days
52	Lunia G. Abiul	1	02/20/2024	10,090.00	91-365days
53	Ma. Carla M. Orbe	1	03/02/2023	25,883.00	Over 1 year
54	Ma. Corazon C. Canonigo	1	02/20/2023	29,480.00	Over 1 year
55	Ma. Corazon G. Tabucao	4	04/24/2023	39,564.00	Over 1 year
56	Ma. Ivy Y. Odal	1	04/11/2024	22,815.41	91-365days
57	Ma. Leizle T. Advincula	1	04/11/2024	22,815.41	91-365days
58	Ma. Teresita A. Dadale	1	04/11/2024	22,815.41	91-365days
59	Maria Conception R. Afable	1	03/11/2019	11,840.00	3 Years & Above
60	Maricel T. Amascual	1	04/24/2023	16,544.00	Over 1 year
61	Meldy B. Adel	6	02/20/2023	124,874.00	Over 1 year
62	Melsa B. Cabuquit	3	02/27/2023	57,900.00	Over 1 year
63	Mercy G. Caboboy	2	02/20/2024	33,065.52	91-365days
64	Metchelde A. Marabut	1	04/11/2024	22,815.41	91-365days
65	Nilybeth Raquiza	1	09/02/2019	8,653.00	3 Years & Above
66	Norman L. Bateo	1	08/24/2018	5,876.00	3 Years & Above
67	Nuelrico C. Bacayo	1	02/02/2023	17,680.00	Over 1 year
68	Pedrito C. Abiul	2	02/27/2023	22,314.00	Over 1 year
69	Perla Perpetua G. Ponferrada	3	01/20/2023	54,920.00	Over 1 year
70	Rassendyl E. Llenado	1	08/29/2023	25,936.00	Over 1 year
71	Rhosielyn S. Yu	1	02/23/2023	12,224.00	Over 1 year
72	Rhoy O. Avila	10	11/11/2022	174,763.00	Over 2 Years
73	Ricky A. Balinao	2	02/23/2023	35,109.52	Over 1 year
74	Rosabella G. Estonilo	1	03/03/2023	29,480.00	Over 1 year
75	Rosenie B. Malibago	1	11/30/2023	19,160.00	Over 1 year
76	Rubia B. Lugnasin	1	04/11/2024	22,815.41	91-365days
77	Sfo4 Julian D. Cajarop Jr. Bfp	1	08/23/2019	6,930.00	3 Years & Above
78	Shiela Ann B. Legaspi	1	02/27/2023	12,224.00	Over 1 year
79	Tommy Roger M. Ragaodao Jr.	2	09/27/2024	34,980.00	31-90 days
80	Tricia T. Cajarop	1	04/11/2024	22,815.41	91-365days
81	Via C. Busante	2	01/31/2023	43,616.00	Over 1 year
82	Victoria L. Orejola	1	03/02/2023	25,883.00	Over 1 year
83	Welma B. Sacres	5	02/27/2023	76,634.00	Over 1 year
84	Zino V. Llarinas	2	05/24/2022	26,130.00	Over 2 Years
	Total			P 4,158,275.54	

- 7.6 As can be gleaned from Table 12, out of 84, 38 personnel have more than one advance or prepayment of travelling expenses that remained unliquidated at year-end. This shows that management granted additional advances for travel to these 38 personnel, without ensuring that previous cash advance was already settled and fully accounted for, a violation of Section 4.1.2 of COA Circular 97-002.
- 7.7 Accordingly, some personnel have high number of cash advance, some even have reached to 10 counts, with an amount reaching to ₱281,157.00. Moreover, Table 12 would also show that 11 out of 84 personnel, have outstanding cash advance for three years or over. These observations dictate that management is lenient in the enforcement of Section 22 of Executive Order No. 77 on the rendition of account on cash advance, and Section 5.7 & 5.9 of COA Circular No. 97-002 on the liquidation of cash advances granted for travel.
- 7.8 Because of this leniency, a substantial amount of travelling expenses was not recorded, understating the total expenses and eventually overstating the net income for the year. Furthermore, any funds not immediately liquidated or returned to the collecting officer are exposed to risk of loss and misuse.
- 7.9 **We recommended, and the LCE agreed to:**
- a. refrain from approving the grant of additional cash advances to an employee with existing unliquidated cash advance;**
 - b. direct the Municipal Accountant to issue demand letters addressed to concerned personnel with outstanding cash advances; and**
 - c. enforce withholding of salary of non-compliant personnel.**
- 7.10 During the exit conference the management agreed not to grant cash advances for travels, unless otherwise previous cash liquidated, and have already started implementing such process. Municipal Treasurer clarified that most Liquidation Reports were submitted in the accounting yet still no adjustments made in the books. The audit team emphasized that the Municipal Accountant should strengthen the recording of liquidations of these cash advances. The Municipal Accountant is amendable on the audit findings and will do the necessary demand of cash advances. The Municipal Treasurer suggested that those officials with unliquidated cash advances should not be included in the payroll, with their consent, until the cash advance is liquidated. Afterwards, she will issue check for the salary and will also grant the cash advance. She will closely coordinate with the accountant for those officials and employees with unliquidated cash advances.

Property Insurance

8. **The insurable properties of the municipality, valued at ₱258,233,195.28, were not insured with the General Insurance Fund (GIF) administered by the**

Government Service Insurance System (GSIS), as mandated by R.A. No. 656 and COA Circular 2018-02, due to incomplete data on the Property Inventory Form (PIF), thus exposing the properties to the risk of not being indemnified for any damage or loss caused by fortuitous events.

- 8.1 Section 5 of Republic Act No. 656, also known as the “Property Insurance Law” states that:

Section 5. Every government, except a municipal government below first class, is hereby required to insure its properties, with the Fund against any insurable risk herein provided and pay the premiums thereon, which, however, shall not exceed the premiums charged by private insurance companies: Provided, however, That the System reserves the right to disapprove the whole or a portion of the amount of insurance applied for: Provided, further, That such property or part thereof as may not be insurable or acceptable for insurance may be insured with any private insurance company.

- 8.2 Section 5.1 of COA Circular 2018-002 dated July 26, 2018 provides the guidelines to secure a Property Insurance with the GSIS GIF, to wit:

5.1 Heads of government agencies shall direct the pertinent official under his/her supervision to:

- a. Secure directly from the GSIS GIF, all insurances or bonds covering properties, contracts, rights of action, and other insurable risks of their respective offices;
- b. Prepare the Property Inventory Form (PIF) listing of all the insurable properties and other assets, showing their latest appraised values/valuation, appraisal date, location, and other information (Annex A);
- c. Extract from the Report on the Physical Count of Property, Plant and Equipment, as well as from the Report on the Physical Count of Inventories, prepared in accordance with the provisions of the Government Accounting Manual, the data for the PIF pertaining to the insurable assets and interest of the government (excluding impaired properties for disposal);
- d. Cause the appraisal of the insurable properties and other assets of their respective offices. For this purpose, an in-house appraisal shall be sufficient if the property or insurable interest has a value of P10 million and below. Otherwise, an independent appraisal shall be necessary;

- e. Submit the consolidated PIF to the Supervising Auditor/ Audit Team Leader and the GIF, GSIS, not later than April 30 of each year;
- f. Include in the agency annual budget the amount of premiums for the general insurance covering all insurable properties and other assets and ensure its payment to the GSIS; and
Xx

8.3 As of December 31, 2024, the Municipality has recorded insurable properties costing of ₱503,542,210.18, composed of the following:

Table 13. *Insurable Properties as of December 31, 2024*

Insurable Properties	Cost	Accumulated Depreciation	Net Book Value
Buildings and Other Structures			
Buildings	175,324,074.21	25,023,488.99	150,300,585.22
School Buildings	17,472,789.36	496,856.69	16,975,932.67
Hospital and Health Centers	19,128,753.35	348,411.39	18,780,341.96
Markets	5,667,779.01	2,838,940.58	2,828,838.43
Slaughterhouses	24,484,641.26	1,199,744.66	23,284,896.60
Other Structures	82,989,239.33	24,214,147.52	58,775,091.81
Machinery and Equipment			
Machinery	608,450.00	521,961.92	86,488.08
Office Equipment	12,481,113.88	13,994,170.35	-1,513,056.47
Information and Communication Technology Equipment	24,642,560.40	18,407,441.05	6,235,119.35
Agricultural and Forestry Equipment	17,801,279.51	10,270,595.82	7,530,683.69
Construction and Heavy Equipment	20,243,113.00	18,602,644.10	1,640,468.90
Disaster Response and Rescue Equipment	3,394,358.00	1,015,132.67	2,379,225.33
Medical Equipment	1,625,245.41	595,679.63	1,029,565.78

Technical and Scientific Equipment	44,500.00	46,268.46	-1,768.46
Other Machinery and Equipment	623,583.35	195,978.90	427,604.45
Transportation Equipment			
Motor Vehicles	48,439,950.09	14,471,493.64	33,968,456.45
Watercrafts	1,005,904.25	957,332.83	48,571.42
Other Transportation Equipment	3,407,510.56	1,549,468.78	1,858,041.78
Furniture, Fixtures and Books			
Furniture and Fixtures	13,961,041.16	9,151,491.59	4,809,549.57
Other Property, Plant and Equipment	30,196,324.05	29,173,409.45	1,022,914.60
	₱503,542,210.18	₱173,074,659.02	₱330,467,551.16

- 8.4 However, verification of the properties as of December 31, 2024 disclosed that out of the ₱503,542,210.18 insurable properties owned by the LGU, only properties costing at ₱250,584,992.36 composed of various buildings and motor vehicles were insured with the GIF administered by the GSIS, as follows:

Table 14. *Properties Insured with the GIF base on PIF*

Property Insured	Cost of Property Insured	Amount of Insurance Premium Paid
Various Buildings	₱192,455,650.00	₱2,349,644.88
Various Motor Vehicles	58,129,342.36	285,863.39
Total	₱250,584,992.36	₱2,635,518.24

- 8.5 Meanwhile, all other insurable properties of the LGU, such as buildings, equipment and furniture were not insured with GIF of the GSIS, thus exposed to the risk of loss without indemnification in case of fortuitous event or loss.

Table 15. *Properties Insured with the GIF base on PIF*

Insurable Properties	Cost	Less: Insured Properties	Uninsured Properties
Buildings and Other Structures	₱325,067,276.52	₱192,455,650.00	₱132,611,626.52
Machinery and Equipment	81,464,203.55		81,464,203.55
Transportation Equipment	52,853,364.90	58,129,342.36	-5,275,977.46
Furniture, Fixtures and Books	44,157,365.21		44,157,365.21
	₱503,542,210.18	₱250,584,992.36	₱258,233,195.28

- 8.6 Base on the Municipality's Property Inventory Forms, the insurable Buildings, Motor Vehicles, Office Equipment and IT Equipment extracted from the report of physical count of PPE, only amounted to ₱192,455,650.00, ₱58,129,342.36, ₱1,817,215.00 and ₱3,133,889.30, respectively. Comparing the amounts in the PIF with the Books of Accounts on Buildings, Machinery and Equipment as well as the Furniture, Fixtures, ₱253,282,090.98 or a significant amount of PPE has not been included in the PIF.
- 8.7 We emphasize that the basis of the PIF are data extracted form the Report of Physical Count of PPE, those which are to be excluded in the data for PIF, are only impaired properties for disposal. The incomplete conduct of physical count will not generate a reliable data for the PIF. The incomplete data in the PIF will not properly include all the insurable properties for insurance with the GIF administered by the GSIS.
- 8.8 The Property Insurance Law is mandatory for every government entity including the Municipal Government of Basey which is first class municipality. In recent years, the frequency and severity of disasters caused by climate change have been increasing. Therefore, the management should take the initiative to cover all insurable LGU properties. This proactive measure will ensure indemnification for any damages or losses resulting from fortuitous events.
- 8.9 **We recommended, and the LCE agreed to direct the:**
- a. **The Property Officer and the Municipal Treasurer to ensure all insurable LGU properties are covered under the GIF of the GSIS;**
 - b. **Inventory Committee to conduct a complete Physical Count of all PPE including all properties subject to disposal, to have a more accurate basis on the number of properties to be included and excluded in the PIF; and**
 - c. **Property Officer to submit the consolidated PIF to the Audit Team not later than April 30 of each year.**

20% Development Fund

9. **The Municipality appropriated ₱4,000,000.00 and obligated ₱1,260,000.00 of livelihood assistance charged against the 20% DF not adherent to Sections 3.2 & 4.0 of Department of Budget and Management (DBM), Department of Finance (DOF), Department of Interior and Local Government (DILG) No. 1 dated November 4, 2020, and certain provisions of specified on its Memorandum of Agreement, Commission on Audit (COA) Circular No. 2007-001 dated October 25, 2007, and thus casting doubts on the validity and regularity of the appropriation, grant and utilization of such funds.**

9.1 Section 287 of the Republic Act No. 7160 otherwise known as the Local Government Code states that “Each local government unit shall appropriate in its annual budget no less than twenty percent (20%) of its annual internal revenue allotment for development projects.

9.2 Section 3.2.2 and 3.2.3 of DBM-DOF-DILG JMC No. 1 dated November 4, 2020 states:

3.0 GENERAL GUIDELINES

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3.2

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3.2.2 The development projects that may be included under the 20% DF shall be those that are necessary, appropriate, or incidental to efficient and effective local governance, and those which are essential to the promotion of the general welfare of the people.

3.2.3 The LGUs shall ensure that the development projects to be funded out of the 20% DF are well-planned and procurement-and-implementation ready.

9.3 Section 4.0 of the same JMC states:

4.0 The responsibility and accountability in ensuring that the development projects funded under the 20% DF comply with the guidelines under this JMC and ultimately contribute to the attainment of desirable socio-economic targets and outcomes of the LGU shall rest upon the local chief executive and other officials concerned.

The utilization of the 20% DF, whether willfully or through negligence, for the disallowed expenditure items shall subject the erring LGU officials and personnel to penalties under existing laws.

9.4 The Memorandum of Agreement signed by the Municipal Mayor, and the registered Associations’ President or authorized representative for the implementation of the Livelihood Assistance to Different Registered/ Accredited Association in Basey, Samar provides that:

II. Responsibilities of the Parties:

C. The Municipality of Basey, Samar as Proponent/ Lender shall:

X x x

4. Monitor, evaluate and inspect the project implementation together with the recipient/ borrower and verify the financial records and reports of the recipient/ borrower.

5. Create necessary bookkeeping/ recording of the grant, recipients' information, agreement and other document pertaining to the transaction for the purpose of transparency.

D. The Registered/ Accredited Associations as recipient shall:

X x x

2. Procure the necessary raw materials, equipment, tools and jigs indicated in the approved project proposal within 3 months from receipt of fund;

3. Adhere to the provisions stipulated in this Memorandum of Agreement (MOA);

X x x

8. Submit **Liquidation Report** (e. i. Fund Utilization Report (FUR) receipts, etc.) to Proponent. Xxx

- 9.5 Section 4.4 and 4.5 of COA Circular No. 2007-001 dated October 25, 2007 on the Revised Guidelines in the granting, utilization, accounting and auditing of the funds released to Non-government Organizations/People's Organization, provides:

4.4 Requisite for the entitlement to government fund

The NGO/PO shall submit the proposal or application for funding accompanied by the following documents:

- 4.4.1 Certificate of registration with the Securities and Exchange Commission (SEC), and/or either the Cooperative Development Authority (CDA) or the Department of Labor and Employment (DOLE) as the case may be. This is to ensure that the NGO/PO has a legal

personality, has officers who are responsible and accountable for its operations, and is based in the community where the project shall be implemented.

- 4.4.2 Authenticated copy of the latest Articles of Incorporation or the Articles of Cooperation as the case may be, showing the original incorporators/organizers and the Secretary's certificate for incumbent officers, together with the Certificate of Filing with the SEC/Certificate of Approval by the CDA.
- 4.4.3 Financial reports, audited by an independent Certified Public Accountant, for the past three years preceding the date of project implementation, to ensure that it has a stable financial condition and that the funds provided by the GO shall not be its sole source of funds. For NGO/PO which has been in operation for less than three (3) years, report of accomplishment or any equivalent proof certified by its President and Secretary that it had previously implemented similar projects shall be required, in addition to financial reports for the years it has been in operation.
- 4.4.5 WFP, and Sources and Details of Proponents Equity Participation in the Project.
- 4.4.6 Complete project proposal approved/ signed by its officers which shall include the objectives, target beneficiaries, feasibility studies, risk assessment, designs, plans, blueprints, charts, etc.
- 4.4.7 List and/or photographs of similar projects previously completed by the NGO/PO, if any, indicating the source of funds for their implementation.
- 4.4.8 A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors or officials is an agent of or related by consanguinity or affinity up to

the fourth civil degree to the officials of the GO authorized to process and/or approve the proposal, the MOA and the release of funds. Relationship of these nature shall automatically disqualify the NGO/PO from the beginning granted the fund.

4.5 Procedure for the Availment, Release and Utilization of Funds

The following procedures shall be strictly complied with:

4.5.1 The GO shall identify the priority projects under its WFP which may be implemented by the NGO/PO, their purposes, specifications and intended beneficiaries as well as the time frame within which the projects are to be undertaken. xx

4.5.2 For each project proposal, the GO shall accredit the NGO/PO partners through the BAC or a committee created for the purpose, which shall formulate the selection criteria. xx

4.5.3 Upon proper evaluation, the GO, thru the Committee, shall award the project to the NGO/PO which meets the minimum qualification xxx. The project shall be covered by a MOA which shall embody the terms of reference such as:

b) Project name, intended beneficiaries, benefits to be delivered, project cost estimates, a brief description of the project and its site/location;

Xxxx

e) specific period to liquidate the funds granted to the NGO/PO, with the GO'

xxx

9.6 Out of the ₱61,404,529.00 appropriations for 20% Development Fund, the Municipality has included in its Approved Annual Budget ₱4,000,000.00 for the Livelihood Assistance Program to Farmers, Fisherfolks and other Sectoral Group.

- 9.7 During the year the Municipality has obligated ₱1,460,000.00 and distributed cash of ₱1,260,000.00 charged against the 20% Development Fund for livelihood financial assistance to “different Accredited/Registered Organizations”. The registered/accredited associations itself were the recipient of ₱20,000.00 issued through checks. The details of the names of the transactions are illustrated in Appendix E.
- 9.8 The disbursements were all supported with a general Memorandum of Agreement common to all associations. The MOA contains provisions that the LGU through the flagship program Love, Care and Protection (LCP) endeavors to response to contribute in reducing poverty and vulnerability among the poor and marginalized workers by providing them access to livelihood undertakings. The MOAs found in the disbursement vouchers are either not dated or dated during the year.
- 9.9 The team has also observed that some NGOs were just organized in the year 2024. Also, during the same year, the association complied with the project proposal which were noted by the PESO manager and approved by the Local Chief Executive (LCE). Further, the MOA states that “the RECEPIENT has been assessed, validated, and endorsed by the PUBLIC SERVICE OFFICE (PESO) through Mr. EDWIN O. BAJEN, J.D., PESO Manager to be the beneficiary in the implementation of the proposed project, particularly the “Provision of Financial Assistance to Difference Registered/Accredited Associations in Basey, Samar.”
- 9.10 This would show that the utilization of the 4M DF is dependent upon subsequent registration of the NGO, submission of project proposal and accordingly the evaluation of the PESO manager. This demonstrates that the LGUs did not ensure first that the development projects to be funded out of the 20% DF are well-planned and procurement-and-implementation ready. This would also prove that the appropriation of 4,000,000.00 DF is bereft of well-planned and procurement-and-implementation ready projects contrary to Section 3.2.2 of DBM-DOF-DILG JMC No. 1, s. 2020.
- 9.11 Furthermore, the grant of financial assistance would always necessitate the subsequent monitoring in order to determine if the grant was actually used for development purpose, necessary, appropriate, or incidental to efficient and effective local governance, and those which are essential to the promotion of the general welfare of the people.
- 9.12 Due to the inadequacy of documentation on such distribution, the audit team cannot readily ascertain whether or not such grant and release of funds are:
- a. Granted based on a Work and Financial Plan of the municipality for Projects, Programs and Activities (PPAs) to be implemented by partner NGO/PO;

- b. Given only to accredited NGO/PO, meaning with financial and technical capability to implement PPAs;
 - c. Used for the intended purpose as specified in its approved project proposal; and
 - d. Used to optimally contribute to the attainment of desirable socio-economic targets and outcomes of the LGU
- 9.13 The audit team firmly asserts that funds granted to NGOs and POs must retain their status as public funds and are strictly governed by regulations regarding their grant and use. It is imperative that both the municipality and the recipient NGOs/POs comply with all necessary documentation requirements. This compliance ensures that funds are released only after a thorough evaluation of the NGO/PO's capability to effectively implement programs, projects, and activities for the municipality. This process is necessary to guarantee that the benefits reach the constituents as intended.
- 9.14 The responsibility to ensure that the development projects funded under the 20% DF comply with the JMC guidelines rests upon the LCE. Failure of the Municipality to comply with the necessary work financial plan and the procedures in the grant of the financial assistance to associations, minimizes the opportunity of the constituents to avail of the social and economic benefits from the municipality's 20% development fund.
- 9.15 **We recommended and the Local Chief Executive agreed to:**
 - a. **Ensure that the projects funded under the 20% DF are well-planned and procurement-and-implementation ready;**
 - b. **Direct the and the finance personnel to stop distributing the 20% as financial assistance to association without proper and adequate evaluation, monitoring and documentation provided for in COA Circular No. 2007-001. Otherwise, specifically demand from the NGO/POs the following:**
 - 1. **Financial reports, audited by an independent Certified Public Accountant, for the past three years preceding the date of project implementation, to ensure that it has a stable financial condition and that the funds provided by the GO shall not be its sole source of funds. For NGO/PO which has been in operation for less than three (3) years, report of accomplishment or any equivalent proof certified by its President and Secretary that it had previously implemented similar projects shall be required,**

in addition to financial reports for the years it has been in operation.

2. **WFP, and Sources and Details of Proponents Equity Participation in the Project.**
3. **Complete project proposal approved/ signed by its officers which shall include the objectives, target beneficiaries, feasibility studies, risk assessment, designs, plans, blueprints, charts, etc.**
4. **List and/or photographs of similar projects previously completed by the NGO/PO, if any, indicating the source of funds for their implementation.**
5. **A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the GO authorized to process and/or approve the proposal, the MOA and the release of funds. Relationship of these nature shall automatically disqualify the NGO/PO from the beginning granted the fund.**

c. Apply the following procedures that shall be strictly complied with:

6. **Identify the priority projects under its WFP which may be implemented by the NGO/PO, their purposes, specifications and intended beneficiaries as well as the time frame within which the projects are to be undertaken. Xx**
7. **For each project proposal, the Municipality shall accredit the NGO/PO partners through the BAC or a committee created for the purpose, which shall formulate the selection criteria. Xx**
8. **Upon proper evaluation, the Municipality, thru the Committee, shall award the project to the NGO/PO which meets the minimum qualification xxx. The project shall be covered by a MOA which shall embody the terms of reference such as.**

9.16 During the exit conference, the Municipal Treasurer said that the associations were already existing in the previous years. They were only compelled to process the registration/ accreditation last year since it was already required. Moreover, the PESO Manager said that it is the association who is responsible to identify their programs and what the LGU is given is the funds needed to implement their identified programs.

- 9.17 The management committed to follow with the procedures for subsequent releases to NGO/POs and to submit the abovementioned necessary documents.

Fund Transfer from DOLE

10. **Fund transfer from DOLE Regional Office VIII amounting to ₱3,734,458.00 was distributed as livelihood assistance to fifteen (15) workers association despite insufficiency of documentation, contrary to Presidential Decree (P.D.) No. 1445, DOLE-Department Order No. 239-23, and Commission on Audit (COA) Circular No. 2012-001 dated June 14, 2012, thus casting doubts on the validity and regularity of the utilization of such funds.**

Section 4.6 of Presidential Decree No. 1445 states that all claims against government funds shall be supported with complete documentation that shall establish the integrity of the claim.

- 10.2 The Department Order No. 239-23 pertains to the “Guidelines in the Implementation of the Department of Labor and Employment Integrated Livelihood and Emergency Program (DILEEP)” which provides that:

Section 18. Requirements for Availment of DILP. The following are the requirements to be complied with in availing the DILP:

a. X x x

b. For the Implementing Agency

X x x

LGUs and Other Government Institutions as Co-partner

1. Letter of Intent (Annex Q for LGUs/ Co-Partner)
2. Project proposal indicating equity of at least 20% of total project cost (Annex N-1 for Individual, Annex N-2 for Group)
3. Beneficiary Profile Form (Annex O)
4. Local Development Plan referring to Labor and Employment/Social Services
5. Board or Sangguniang Bayan (SB) Resolution authorizing a representative to enter into a MOA with DOLE
6. MOA between the DOLE RO and the LGU or Government institutions (Annex R)

X x x

Section 19. Procedures in the Processing of Applications for DILP. The following steps shall be observed in the availment of the DILP:

X x x

For Co-partnership

X x x

- i. The Co-partner shall implement the approved livelihood project, including procurement of necessary raw materials, tools, and equipment, from receipt of project funds, and inform the beneficiaries of the schedule of the orientation and release of assistance. The DOLE RO shall issue Certificate of Completion of Procurement (Annex U), upon completion of procurement of assistance.
- j. The Co-partner shall turn-over the package of assistance to the beneficiaries, who shall then issue the Katunayan sa Pagtanggap at Pagsang-ayon sa mga Alituntunin (Annex P).
- k. The Co-partner shall submit liquidation reports i.e. Report on Monthly Disbursement if implementation through LGU (Annex V) or Fund Utilization Report if thru NGOs/POs (Annex W), within the timeline as prescribed in Section 26 of the Guidelines, with supporting documents such as invoices and acknowledgement receipt by the beneficiaries, pictures, among others.

All equipment, upon release, shall be turned over to the proponent-beneficiary/proponent Co-partner through a Deed of Donation (Annex X).

X x x

Section 25. Liquidation of Funds. Funds released for the project shall be liquidated within the timeline indicated as follows:

X x x

LGUs and Other Government Institutions as Co-partner

Within 10 days after the end of each month/ end of project, which will be a monthly report until the fund transfer is fully liquidated.

X x x

- 10.3 Further, the Memorandum of Agreement dated on December 20, 2023 signed by the Municipal Mayor of LGU Basey and the Department of Labor and Employment Regional Office No. 8 OIC-Regional Director indicated that **the PROPONENT Co-partner** shall allow access to or make available all records and facilities pertaining to the project for the visitorial audit and examination of the DOLE and/or COA authorized representative/s.

- 10.4 The MOA further states that the **Co-partner** shall be responsible for the storage and maintenance of the equipment and shall secure written approval from DOLE for transfer of any equipment from the project site to another location. Also, in case the project ceases to operate within 1-year period, the proponent shall notify the DOLE-RO8.
- 10.5 COA Circular No. 2012-001 dated June 14, 2019 on the Revised Guidelines and Documentary Requirements for Common Government Transactions, provides:

3.0 Fund Transfers

3.1 Transfers of Funds to Implementing Agencies

X x x

3.1.2 Implementation and Liquidation

Implementing Agency:

- Necessary supporting documents depending on the nature of transactions
- Copy of MOA/Trust Agreement
- Copy of OR upon receipt of funds transferred
- Copy of OR issued by the Source Agency evidencing refund of unexpended/unutilized balance of fund transfer

- 10.6 The MLGU and DOLE ROVIII executed a Memorandum of Agreement on December 20, 2023 to implement the approved livelihood project entitled Group Livelihood Formation & Enhancement Projects (Buri & Tikog Plantation and Processing) to fifteen (15) Worker's Associations in Basey, Samar amounting to ₱3,734,458.00.
- 10.7 The project aims to promote gainful employment opportunities, develop human resources, protect workers and promote their welfare, and maintain industrial peace. It also endeavors to contribute to reducing poverty and vulnerability to risks of the poor, vulnerable, and marginalized workers by providing them access to livelihood undertakings.
- 10.8 Post audit of the Liquidation Report revealed the following supporting documents as follows:
- a. Statement of Receipts and Disbursements;
 - b. LGUs Official Receipt No. 8757017 dated January 4, 2024 for the receipt of ₱3,734,458.00;
 - c. Check Deposit Slip dated January 5, 2024;
 - d. Memorandum of Agreement dated December 20, 2023;

- e. Disbursement Vouchers;
- f. Necessary supporting documents pertaining to the nature of transaction of the disbursements; and
- g. Official Receipt No. 8447367 dated December 16, 2024 issued by DOLE evidencing the refund of unutilized balance of the fund transfer.

10.9 Despite of the above-listed documents submitted by the Municipal Accountant, the audit team cannot readily ascertain whether or not such grant and release of funds are:

- a. Compliant with the existing guidelines and properly implemented since the approved project proposal is not available as of this writing;
- b. Granted to qualified beneficiaries or an association that has a legal personality, has officers who are responsible and accountable for its operations, and is based in the community where the project shall be implemented due to the absence of Certificate of Registration with the DOLE and Beneficiary Profile Form (Annex O);
- c. Executed correctly in terms of the procurement of necessary raw materials, tools, and equipment due to unattached Certificate of Completion of Procurement (Annex U), which should be issued by DOLE RO8 upon completion of procurement of assistance;
- d. Duly turned-over to the beneficiaries, who should have then issued the Katunayan sa Pagtanggap at Pagsang-ayon sa mga Alituntunin (Annex P);
- e. For instance, upon release of the equipment, have been turned over to the proponent-beneficiary/proponent Co-partner due to lack of a Deed of Donation (Annex X).

10.10 The audit team emphasizes that funds granted to NGOs/POs thru the Implementing Agency namely the Municipality, shall retain their character as public funds and are subject to rules on the grant and utilization. Both the municipality and the recipient NGOs/POs shall comply with the necessary documentation to ensure that the funds are released with proper evaluation of the capability of the NGO/PO to implement program, projects and activities of the Municipality which will ultimately redound to the enjoyment of the benefits by people as the constituent-beneficiaries.

10.11 Failure of the Municipality to comply with the necessary approved project proposal and the procedures in the grant of the livelihood to associations, minimizes the opportunity of the constituents or other associations to avail of the social and economic benefits from such kind of livelihood assistance.

- 10.12 **We recommended and the Local Chief Executive agreed to refrain from distributing livelihood assistance to association without proper documentation and compliance with the procedural requirement provided for in COA Circular No. 2012-001 and the guidelines stated in the Memorandum of Agreement.**
- 10.13 During the exit conference the PESO Manager said that it is the association who is responsible to identify their programs and the LGU is only provided funds needed to implement their identified programs, but it is the DOLE which identifies the qualified beneficiaries. Furthermore, management committed to will submit the necessary documentary requirements on April 30, 2025.

Disaster Risk Reduction and Management Fund

- 11. Accounting and reporting guidelines for the receipt and utilization of CY 2024 LDRRMF and LDRRMF-Special Trust Fund totaling ₱37,342,155.42 were inadequately met, contrary to COA Circular Nos. 2012-002 dated September 12, 2012 and 2014-002 dated April 15, 2014 and other relevant laws and rules, thereby affecting the fair presentation of affected amounts in the financial statements, the capability of the Municipality to effectively and efficiently prevent losses and alleviate the impacts of disasters, and exposing its resources to risk of loss, wastage, mishandling and misappropriation.**
- 11.1 The Municipality's available fund for LDRRM programs, projects, and activities (PPAs) for Calendar Year (CY) 2024 amounted to ₱37,342,155.42. Details are shown in Table 1.

Table 16. Sources of Available Funds for DRRM for CY 2024

Sources of Funds	LDRRM Fund		Total
	Quick Response Fund (QRF) 30%	Mitigation Fund (MF) 70%	
2024 Current Appropriations	₱4,732,839.68	₱11,043,292.57	₱15,776,132.25
2023 Special Trust Fund (STF)	1,692,434.74	2,825,873.69	4,518,308.43
2022 STF	5,184,094.45	1,852,641.70	7,036,736.15
2021 STF	3,865,905.68	2,218,204.52	6,084,110.20
2020 STF	6,333.88	108,208.32	114,542.20
2019 STF	944,961.40	1,051,376.54	1,996,337.94
2018 STF		1,815,988.25	1,815,988.25
Total Funds Available	₱16,426,569.83	₱20,915,585.59	₱37,342,155.42

11.2 As shown in the table above, the Municipality appropriated ₱15,776,132.25 for their LDRRMF for the year, composed of ₱4,732,839.68 for the 30% QRF and ₱11,043,292.57 for 70% MF, in compliance with the budgetary requirements for said fund.

11.3 However, our audit of the accounting and utilization of LDRRMF in CY 2024 disclosed the following:

- a. **Release and use of the LDRRMF – MF did not strictly adhere to its LDRRMFIP. Also, changes in the LDRRMFIP were not Covered by an Ordinance Authorizing the Local Chief Executive (LCE) to Augment Items in the Approved Annual Budget.**

11.4 Section 5.1.3.2 of COA Circular Nos. 2012-002 dated September 12, 2012 provides:

5.1.3 The release and use of LDRRMF shall be supported by the following documents:

5.1.3.2 LDRRMFIP for projects and activities listed in the approved plan as incorporated in the local development plan and annual work and financial plan.

11.5 Article 454, Rule XXXVI of Implementing Rules and Regulation (IRR) of Republic Act (RA) No. 7160 provides the guidelines on the use of appropriated funds and savings, to wit:

ART. 454. Expenditures, Disbursements, Accounting, and Accountability. -

(a) X x x

(b) Use of Appropriated Funds and Savings. – Funds shall be available exclusively for the specific purpose for which they have been appropriated. No ordinance shall be passed authorizing any transfer of appropriations from one item to another. However, the local chief executive or the presiding officer of the Sanggunian concerned may, by ordinance, be authorized to augment any item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations.

11.6 Section 4 of the General Provisions of Presidential Decree No. 1445 provides :

“No money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority.”

- 11.7 Perusal of the expenditures charged against the LDRRMF for CY 2024 revealed the following:

Table 17. Appropriation, Utilization and Balance of DRRMF per PPA

No.	LDRRMF Program	Appropriation	Utilization	Balance
	Current Appropriations			
	Relief and Recovery	₱4,732,839.68	₱0.00	₱4,732,839.68
	Preparedness and Mitigation Projects - MOOE			
1	Capability Building	1,652,580.23	1,389,738.93	262,841.30
2	Trainings / seminars on disaster preparedness / LISTO Operations / Community-Based DRRM Training			
3	Emergency Response Training			
4	Community First Responder Training			
5	NTC Radio Operator Training			
6	Community Risk Assessment (at Brgys.)			
7	Multi-hazard Drills/ Simulation Exercises	150,000.00	-	150,000.00
8	Food Supplies /Hygiene Kit / Medicines	300,000.00	23,600.00	276,400.00
9	Drug and Medicines (Hygiene Kit / Medicines)	100,000.00	28,675.00	71,325.00
10	Procurement of Fire Extinguisher	150,000.00	146,640.00	3,360.00
11	Establishment of Fire Hydrant at Brgys. Serum & Magallanes	125,000.00	-	125,000.00
12	Purchase/ reproduction of IEC materials	75,000.00	97,950.00	(22,950.00)
13	Updating Hazard Maps, LCCA Plan, DRRM Plan (other plans related to DRRM & vulnerability assessment & mainstreaming DRR-CCA into CDP & CLUP	1,046,000.00	959,650.00	86,350.00

No.	LDRRMF Program	Appropriation	Utilization	Balance
14	Insurance premium of Government Building/ Evacuation Center	200,000.00	116,309.97	83,690.03
15	Insurance premium of DRRM volunteers	50,000.00	13,000.00	37,000.00
16	Declogging of drainage and river/ Construction of flood erosion control (riverbank stabilization)	1,250,000.00	2,323,973.71	(1,073,973.71)
	Preparedness and Mitigation Projects-CO			
17	Purchase of lot for relocation site for hazard prone households & Improvement and repair of evacuation center/ sanitary landfill/ DRRM Operation Center	2,100,000.00	557,751.79	1,542,248.21
18	Purchase of DRRM Equipment, heavy equipment, rescue vehicle, sea rescue vehicle	3,044,712.34	2,914,000.00	130,712.34
19	Communication Supplies (Antenna / batteries /2-way radios / Cellphone / repeater)	500,000.00	225,655.00	274,345.00
20	Early Warning System	300,000.00	263,400.00	36,600.00
	Total CY 2024 Appropriations	₱15,776,132.25	₱9,060,344.40	₱6,715,787.85

- 11.8 As can be gleaned from Table 17, two (2) PPAs exceeded beyond their appropriation, constituting illegal disbursements due to indeliberate charging of expenditures without monitoring as to availability of appropriation.
- 11.9 However, based on the registries submitted by the Municipal Budget Officer (MBO), savings from other PPAs under the MOOE class were augmented to cover the deficiencies for Items No. 12 and 16. Inquiry with the MBO pointed out that the LGU accomplished an augmentation form to establish the movement of appropriations.
- 11.10 Verification of documents revealed that though the augmentation form was approved by the LCE, it did not constitute an ordinance authorizing the Local Chief Executive to augment any item. Therefore, the realignment of funds made by the LGU within the same expense class is illegal.
- 11.11 It should be emphasized that transfer of appropriations from one item to another item is generally not allowed, unless there is an ordinance authorizing the LCE or

the presiding officer of the Sanggunian concerned to augment an item in the annual budget which upon implementation was found to be deficient, through the use of savings from an item within the same expense class.

- 11.12 Further, it should be noted that all disbursements must be made within the authorized appropriation in pursuant to Section 4 of PD No. 1445 which states that no money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority.

b. Payments related to the Programs, Projects, and Activities (PPAs) of the 2023 Supplemental LDRRMFIP under LDRRMF-Special Trust Fund (STF) totaling ₱12,847,022.52 were disbursed in the General Fund, contrary to Section 4 and 84 of Presidential Decree No. 1445, thus resulting to unlawful transfer and utilization of funds.

- 11.13 Section 4 and 84 of Presidential Decree No. 1445 provides that:

Section 4. Fundamental Principles

- (3) Trust Funds shall be available and may be spent only for the specific purpose for which the trust was created or the funds received.

Section 84. Disbursement of government funds.

- (2) Trust funds shall not be paid out of any public treasury or depository except in fulfillment of the purpose for which the trust was created or funds received, and upon authorization of the legislative body or head of any other agency of the government having control thereof, and subject to pertinent budget law, rules and regulations.

- 11.14 On August 2, 2023, MDRRM Resolution No. 4 Series of 2023 was issued to approve the allocation and utilization of the unexpended 5% LDRRMF that have been accrued from Calendar Years 2018, 2019, 2020, 2021, and 2022 amounting to P17,047,714.74 and integrate the same in the AIP of the LGU to support disaster risk reduction and management programs and activities, shown in Table 17.

Table 17. CY 2023 Supplemental LDRRMFIP

Procurement of rescue vehicle / sea ambulance	₱5,700,000.00
Construction / Improvement of Evacuation Centers in Canmanila, Anglit, Del Pilar, Magallanes, Mercado, and So. Biga, Brgy. Mabini	4,550,000.00
Purchase of Generator Set	1,000,000.00

Purchase of Lot and Development of Resettlement Sites for Households within Hazard Prone Areas in So. Rizal, Brgy. Bulao	5,750,000.00
Total 2023 Supplemental Appropriations	₱17,000,000.00

- 11.15 As of calendar year 2023, none of the abovementioned PPAs was implemented, resulting in continuing appropriations for CY 2024. Scrutiny of registries submitted by the MBO showed that utilizations related to the Supplemental Appropriations were tagged with Responsibility Center No. 1000-1 under the General Fund, as detailed in Table 18.

Table 18. *Appropriation per Supplemental Appropriation, Utilization and Balance*

	2023 Supplemental LDRRMFIP	Appropriation	Utilization	Balance
1	Procurement of rescue vehicle / sea ambulance	₱5,700,000.00	5,699,950.00	₱50.00
2	Construction / Improvement of Evacuation Centers in Canmanila, Anglit, Del Pilar, Magallanes, Mercado, and So. Biga, Brgy. Mabini	4,550,000.00	3,691,672.52	858,327.48
3	Purchase of Generator Set	1,000,000.00	0.00	1,000,000.00
4	Purchase of Lot and Development of Resettlement Sites for Households within Hazard Prone Areas in So. Rizal, Brgy. Bulao	5,750,000.00	3,455,400.00	2,294,600.00
	Total 2023 Supplemental Appropriations	₱17,000,000.00	₱12,847,022.52	₱4,152,977.48

- 11.16 In comparison of the utilization thereon, the Local Disaster Risk Reduction and Management Fund Utilization Report for the period ended December 31, 2024 prepared by the Municipal Accountant (MA) provided no charges under the LDRRMF - Special Trust Fund (STF).
- 11.17 Review of the Report of Checks Issued confirmed that the General Fund account was used to disburse for the PPAs indicated in Items No. 1, 2 and 4 of Table 4, instead of using the appropriate Trust Fund account. The transactions were made in as evidenced by Disbursement Vouchers and supporting documents. Also, such were recorded on the books through journal entry vouchers.
- 11.18 As per inquiry with the MBO and MA, they reasoned that the supplemental budget issued was the reversion from 5% LDRRMF-Special Trust Fund to the Unappropriated Surplus of the General Fund included in the approved Appropriations Ordinance No. 2 Series of 2023 totaling ₱26,750,000.00. However,

out of the total amount, only ₱9,750,000.00 consisting of unutilized balances of CYs 2015, 2017, and 2018 were reverted, the remaining ₱17 million was allocated to the STF and integrated the same in the Supplemental AIP.

- 11.19 Management should be mindful that disbursements from the General Fund must align with the approved budget appropriations. Therefore, utilizing the fund for the payments related to the projects under the Supplemental LDRRMFIP, which are under the LDRRMF-STF, are considered illegal.
- 11.20 The Municipal Treasurer commented that she will issue checks on the said amounts from the appropriate Trust Fund account to the General Fund to return the amount disbursed from the General Fund and to correct the balance of the LDRRMF-Special Trust Fund account.
- 11.21 **We recommended, and the Local Chief Executive agreed to direct the:**
- a. **the MDRRMO to utilize the LDRRMF in accordance with the approved LDRRMFIP;**
 - b. **the Municipal Budget Officer to:**
 - 1. **support any changes in the LDRRMFIP with augmentation, re-alignment, supplemental budget, or ordinances, if any;**
 - 2. **be vigilant in the charging of disbursements to avoid illegal utilization of funds;**
 - c. **the Municipal Accountant to:**
 - 1. **utilize the LDRRMF in accordance with the approved LDRRMFIP;**
 - 2. **prepare the necessary adjusting entries;**
 - d. **the Municipal Treasurer to:**
 - 1. **cause the complete transfer of the amount disbursed in General Fund to the LDRRMF – Special Trust Fund account; and**
 - 2. **be cautious in issuing checks to avoid unlawful transfer and utilization of funds.**
- 11.22 During the exit conference, the Municipal Budget Officer said that the provision of Section 4 on the Use of Savings and Augmentation in Appropriation stated in Ordinance No. 03, series of 2023, would suffice the requirement of an ordinance authorizing the Municipal Mayor on the augmentation. The pertinent provision provides:

“Section 4. Use of Savings and Augmentation. In accordance with Section 336 of Republic Act No. 7160, the Local Government Code of 1991, the Governor/Mayor and the Presiding Officer of the Sanggunian are authorized to augment any item in the appropriation Annual Budget of their respective appropriations.

For this purpose, “savings” refer to portion or balances of any programmed appropriation free from any obligation or incumbrances, still after satisfactory completion of the unavoidable discontinuance or abandonment of the work, activity or purpose for which the appropriation is authorized, or arising from unpaid compensation and related costs pertaining to vacant positions and leave of absence with pay.

“Augmentation” implies the existence in the Budget of an item, project, activity or purpose with an appropriation which, upon implementation or subsequent evaluation of needed resources, is determined to be deficient.”

- 11.23 We reiterated that though the augmentation form was approved by the LCE, it did not constitute an ordinance authorizing the Local Chief Executive to augment any item. Moreover, the amounts augmented were derived from MOOE items of the budget to Construction of flood erosion control (riverbank stabilization), which is a capital outlay, or a different expense class. Therefore, the realignment of funds made by the LGU to a different expense class is not compliant with Article 454 on the Use of Appropriated Funds and Savings, is illegal.
- 11.24 The Municipal Treasurer on the other hand, agreed to transfer the amount disbursed from the STF to the General Fund and the Municipal Accountant also agreed to prepare necessary adjusting entries.

Gender and Development Fund

- 12. The Municipality achieved a commendable 100% utilization rate of its ₱23,142,064.25 Gender and Development (GAD) Fund for CY 2024, effectively supporting its intended objectives in compliance with PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01, as amended by JMC No. 2016-01. However, the GAD Accomplishment Report was not properly aligned with the approved GAD Plan and Budget (GPB), and the changes were likewise not covered by an ordinance authorizing the Local Chief Executive (LCE) to augment items in the Approved Annual Budget, contrary Article 454, Rule XXXVI of the Implementing Rules and Regulation (IRR) of Republic Act (R.A.) No. 7160, resulting in the failure to achieve the intended objectives of the attributed funds and exposing its resources to risk of loss, wastage, mishandling and misappropriation.**
- 12.1 Section 4.0 of PCW-DILG-DBM-NEDA JMC No. 2013-01 dated July 18, 2013, as amended by the JMC No. 2016-01 dated January 12, 2016, on the “Guidelines on the Localization of the Magna Carta of Women”, which provides that:

C.7 Implementation and Monitoring of the LGU GAD Plan and Budget

- 1) xxx
- 2) The LGUs through their LCEs shall inform the concerned DILG Office in writing if there are changes in the DILG endorsed GPB and/or if there is a need to implement additional PPAs [Programs, Projects and Activities] relevant to current gender issues or GAD related undertakings. The concerned DILG Office, in turn, shall acknowledge receipt of adjusted GPB [GAD Plan and Budget] and shall inform the LGU if the GAD PPAs or activities in the adjusted GPB are in accordance with the JMC, as amended.
- 3) xxx

C.8 Preparation and Submission of LGU GAD Accomplishment Report

- 1) The GFPS [GAD Focal Point System] shall prepare their annual GAD AR [Accomplishment Report] based on the DILG endorsed GPB or the enacted LGU budget following the form prescribed in Annex E or E-1 of the JMC, as amended. Activities completed until the end of the year may be included in the final LGU GAD AR.
- 2) Xxx

12.2 Article 454, Rule XXXVI of Implementing Rules and Regulation (IRR) of Republic Act (RA) No. 7160 provides the guidelines on the use of appropriated funds and savings, to wit:

ART. 454. Expenditures, Disbursements, Accounting, and Accountability. -

(c) X x x

(d) Use of Appropriated Funds and Savings. – Funds shall be available exclusively for the specific purpose for which they have been appropriated. No ordinance shall be passed authorizing any transfer of appropriations from one item to another. However, the local chief executive or the presiding officer of the Sanggunian concerned may, by ordinance, be authorized to augment any item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations.

12.3 Section 4 of the General Provisions of Presidential Decree No. 1445 provides :

“No money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority.”

- 12.4 For Calendar Year 2024, the Municipality appropriated **₱23,142,064.25** for the forty (40) identified priority programs, projects and activities under its Gender and Development (GAD) Fund. Of this amount, **₱17,244,000.00** was earmarked for Client Focused GAD-related activities, while **₱5,898,064.25** was allotted for Organization Focused programs, as conceptualized in their Annual Gender and Development Plan and Budget (GPB).
- 12.5 Verification of the GAD Accomplishment Report as of December 31, 2024 revealed that all of the identified priority GAD activities of the Municipality were realized, registering a 100% utilization rate. This highlights the management's dedicated efforts to effectively serve its constituents through various Gender and Development (GAD) programs, projects, and activities within the Municipality, successfully achieving the intended purpose and objectives of fund.
- 12.6 However, based on the registries submitted by the Municipal Budget Officer (MBO), savings from other PPAs under the MOOE class were augmented and transferred to other GAD related attributions. Inquiry with the MSWDO also pointed out that these were made to cover items found to be deficient.
- 12.7 Scrutiny of documents revealed that no augmentation, realignment nor supplemental budget was provided to the Audit Team to justify the above noted deviations. Therefore, the realignment of funds made by the LGU within the same expense class is illegal.
- 12.8 It should be emphasized that transfer of appropriations from one item to another item is generally not allowed, unless there is an ordinance authorizing the LCE or the presiding officer of the Sanggunian concerned to augment an item in the annual budget which upon implementation was found to be deficient, through the use of savings from an item within the same expense class.
- 12.9 Further, it should be noted that all disbursements must be made within the authorized appropriation in pursuant to Section 4 of PD No. 1445 which states that no money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority.
- 12.10 Conversely, a thorough review of relevant transaction documents against the GAD Fund disclosed that portion of the attribution in the GAD Accomplishment Report were not the same with the amounts outlined in the GPB for CY 2024. The related allocations are shown in Table 19.

Table 19. *Allocations that differ from the Approved GAD Plan and Budget*

GAD Activity	Per GAD Plan & Budget	Per Accomplishment Report	Variance
Purchase of Instructional Materials for Day Care Service.	₱400,000.00	₱300,000.00	₱100,000.00
Establishment/Construction of Child Care facility.	400,000.00	100,000.00	300,000.00
Provision of Educational Assistance (Stipend)/Education for All Program	10,000,000.00	9,450,000.00	550,000.00
GAD Planning and Budgeting for calendar year 2025.	300,000.00	500,000.00	(200,000.00)
Total	₱10,400,000.00	₱9,550,000.00	₱750,000.00

- 12.11 As can be gleaned in Table 19, several changes were made in the attribution of the Gender and Development (GAD) Plan and Budget (GPB), including the reallocation of previously budgeted amounts to other activities. As a result, the reported accomplishment does not directly align with the original target activity in the GPB. However, these changes were not formally documented or communicated in writing to the Local Chief Executive (LCE), nor was the concerned Department of the Interior and Local Government (DILG) office informed.
- 12.12 The inclusion of activities in the GAD Accomplishment Report (GAD AR) that were not part of the approved GPB, along with the unapproved modifications to the GPB without formal written communication, raises concerns about the reliability of the accomplishment report. This suggests that the attributed activities carried out were outside the identified priorities in the GPB, ultimately failing to achieve the intended objectives of the allocated funds.
- 12.13 **We commend the efforts made by the Municipality in the efficient and effective accomplishment of identified priority Gender and Development programs in CY 2024.**
- 12.14 **Henceforth, we recommended and the Local Chief Executive agreed to direct the:**
- the Municipal Budget Officer to support any changes in the GAD Fund with augmentation, re-alignment, supplemental budget, or ordinances, if any, and be cautious in the charging of disbursements to avoid illegal utilization of funds; and**

- b. the MSWDO/GAD Focal Person to strictly adhere to the provisions of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01, as amended, to ensure that all programs, projects, and activities reported in the GAD Accomplishment Report are aligned with the approved GAD Plan and Budget, thereby achieving the intended objectives of the attributed funds.**

12.15 During the exit conference the Municipal Budget Officer committed to enhance the monitoring of her Registries of Appropriations, Allotments and Obligations.

Mandatory Remittances to GSIS and Pag-IBIG

13. The Municipality failed to remit intact the full amount withheld as premiums and contributions and loan amortizations to GSIS and Pag-IBIG for CY 2024 and the prior year's balance of ₱2,572,807.50 contrary to Sec 69(1) of P. D. No. 1445 and Section 36 of COA Circular No. 92-382, and IPSAS 1; thus showing a net under remittance of ₱1,599,753.97 for the year and unremitted balance of ₱4,172,561.47 as of year-end, hence, causing disadvantage to member-employees and affecting the accuracy and reliability of account balances presented in the Financial Statements.

13.1 Section 69 (1) o P.D. 1445 states that public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amounts so received and collected by them to the treasury of the agency concerned and credited to the particular accounts to which the said moneys belong. The amount of the collections ultimately payable to other agencies of the government shall thereafter be remitted to the respective treasuries of these agencies.

13.2 Moreover, Section 36 of COA Circular No. 92-382 provides that collections made by the treasurers for other government units shall be promptly remitted to the government units concerned.

13.3 Further, item 27 of IPSAS 1, provides:

Fair Presentation and Compliance with IPSASs

27. Financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs. The application of IPSASs, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.

- 13.4 Audit and verification of the LGU's transactions on withholding and remittances of premiums, contributions and loan amortizations for CY 2024 disclosed that the remittances were made on time. However, we noted that some remittances differ from the amount withheld which resulted to combined net under remittance of ₱1,599,753.97. Please see Appendix F for detailed schedule.
- 13.5 At the beginning of the year, there were unremitted balances of ₱2,016,907.37 and ₱555,900.13 for Due to GSIS and Pag-IBIG accounts, respectively or a total of ₱2,572,807.50.
- 13.6 Review of the ledgers and journals submitted by the accountant revealed that no payment was made pertaining to prior year's balance of the Due to GSIS account, hence, deemed unremitted at year-end. Conversely, there were payments made during the year to settle the beginning balance of Due to Pag-IBIG accounts, yet such payments were not enough to cover the previous year's balances, thus likewise remained uncleared at the end of the year.
- 13.7 The analyses for the remittances of GSIS and Pag-IBIG premiums and employees' loans are shown in Tables 20 to 21.

Table 20: *Analysis of the Remittance of Employees GSIS Premium and Contributions*

<u>Particulars</u>	<u>GF</u>	<u>SEF</u>	<u>TF</u>	<u>Totals</u>
Beg Balances (a)	₱2,016,907.37			₱2,016,907.37
Amount Withheld (b)	19,770,774.41			19,770,774.41
Amount Remitted CY (c)	18,218,448.19			18,218,448.19
Amount Remitted PY (d)	-	-	-	-
Balance	3,569,233.59	-	-	3,569,233.59
Under/Over Remittance (b-c-d)	1,552,326.22			1,552,326.22
Unremitted Balances from PY (a-d)	2,016,907.37	-	-	2,016,907.37
Unremitted Balances for CY 2024 (b-c)	1,552,326.22	-	-	1,552,326.22
Total Unremitted Amount	₱3,569,233.59	-	-	₱3,569,233.59

Table 21: *Analysis of the Remittance of Pag-Ibig/ HDMF Premium and Contributions*

<u>Particulars</u>	<u>GF</u>	<u>SEF</u>	<u>TF</u>	<u>Totals</u>
Beg Balances (a)	₱551,300.13		₱4,600.00	₱555,900.13
Amount Withheld (b)	2,227,841.79		500.00	2,228,341.79
Amount Remitted CY (c)	2,045,833.58			2,045,833.58
Amount Remitted PY (d)	135,080.46			135,080.46
Balance	598,227.88	-	5,100.00	603,327.88
Under/Over Remittance (b-c-d)	46,927.75		500.00	47,427.75
Unremitted Balances from PY (a-d)	416,219.67	-	4,600.00	420,819.67
Unremitted Balances for CY 2024 (b-c)	182,008.21	-	500.00	182,508.21

Particulars	GF	SEF	TF	Totals
Total Unremitted Amount	₱598,227.88	-	₱5,100.00	₱603,327.88

13.8 As can be gleaned in Tables 20 and 21, the combined unremitted balance of both accounts as of year-end was increased to ₱4,172,561.47 by the current year's net under remittance of ₱1,599,753.97.

13.9 The practice of not remitting all deductions due to the concerned agencies intact could cause disadvantage to its member-employees. Also, non-reconciliation of amounts withheld and remitted could affect the accuracy and reliability of account balances presented in the Financial Statements as of year-end.

We recommended, and the LCE agreed to oblige the Municipal Accountant and Municipal Treasurer to:

a. reconcile the discrepancies totaling ₱1,599,753.97 between the amount withheld and the amount remitted for the current year;

b. reconcile the previous years' total outstanding balance of ₱2,572,807.50.

c. remit immediately the reconciled balance of Due to GSIS and Pag-IBIG accounts as of December 31, 2024.

13.11 During the exit conference the Municipal Accountant agreed that reconciliation will take effect this April 30, 2025. Moreover, they will also remit the unremitted contributions, etc. base on the reconciled balance, as soon as the same is identified.

Withholding Taxes

14. A total of ₱28,895.13 and ₱47,093.21 for CY 2024 and prior year, respectively, remain unremitted as at December 31, 2024, contrary to Section 69 of Presidential Decree (P.D.) No. 1445 and Bureau of Internal Revenue (BIR) Revenue Regulations No. 2-98, dated April 17, 1998, thus depriving the government of additional income and the utilization thereof and exposes the responsible persons to penalties/ surcharges for delayed remittance of the withheld amount.

14.1 Sections 69 (1) of P.D. No. 1445 states that public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amounts so received and collected by them to the treasury of the agency concerned and credited to the particular accounts to which the said moneys belong. The amount of the collections ultimately payable to other agencies of the government shall thereafter be remitted to the respective treasuries of these agencies.

14.2 BIR Revenue Regulations No. 11-2018 provides:

Section 2 (J). Income Payments made by a government office, national or local, including barangays, or their attached agencies or bodies, and government-owned or controlled corporations to its local/resident supplier of goods/services, other than those covered by other rates of withholding tax. [formerly under letter (N)] – Income payments, except any single purchase which is P10,000 and below, which are made by a government office, national or local, including barangays, or their attached agencies or bodies, and government-owned or controlled corporations, on their purchases of goods and purchases of services from local/resident suppliers:

Supplier of goods – One percent (1%)

Supplier of services – Two percent (2%)

- 14.3 Sec 4-114-2 of Revenue Regulation No. 13-2018 on Withholding of VAT on Government Money Payments and Payments to Non-Residents states that:

(a)Withholding of Value-added Tax. – The Government or any of its political subdivisions, instrumentalities or agencies, including government- owned or -controlled corporations (GOCCs) shall, before making payment on account of each purchase of goods and services which are subject to the value added tax imposed in Sections 106 and 108 of this Code, deduct and withhold the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold a final value-added tax at the rate of five percent (5%) of the gross payment thereof: provided, that beginning January 1, 2021, the VAT withholding system under this subsection shall shift from final to a creditable system: xxx

- 14.4 In addition, the BIR Revenue Regulations No. 2-98 sets forth the Guidelines and Instructions for the Monthly Remittance Return of Creditable Income Taxes Withheld as follows:

The return shall be filed by every withholding agent (WA)/ payor who is either an individual or non-individual required to deduct and withhold taxes on income payment subject to expanded Creditable Withholding Taxes.

If the Government of the Philippines or any political subdivision, agency or instrumentality thereof, as well as a government owned and controlled corporation is the withholding agent or payor, the return may be made by officer or employee having control of the disbursement of income payment or other officer or employee appropriately designated for the purpose.

- 14.5 For CY 2024, the Municipality of Basey withheld a total of ₱21,915,102.76, both from compensation of its employees and suppliers, while remittance to BIR reached ₱21,886,207.63, leaving a balance of ₱28,895.13 at the end of the year. The analysis of the due to BIR account is shown in Table 22.

Table 22. *Analysis of Due to BIR Account*

Particulars	GF	SEF	TF	Totals
Beg Balances (a)	₱35,567.28	₱14,615.48	₱18,468.52	₱68,651.28
Taxes Withheld (b)	20,423,339.10	48,761.64	1,443,002.02	21,915,102.76
Taxes Remitted CY (c)	20,414,875.64	45,303.68	1,426,028.31	21,886,207.63
Taxes Remitted PY (d)	20,200.29	1,357.78	0.00	21,558.07
Balance (a-b-c-d)	23,830.45	16,715.66	35,442.23	75,988.34
Under/Over remittance (b-c-d)	(11,736.83)	2,100.18	16,973.71	7,337.06
Unremitted Balances from PY	15,366.99	13,257.70	18,468.52	47,093.21
Unremitted Balances for CY 2024	8,463.46	3,457.96	16,973.71	28,895.13
<u>Total Unremitted Amount</u>	<u>₱23,830.45</u>	<u>₱16,715.66</u>	<u>₱35,442.23</u>	<u>₱75,988.34</u>

- 14.6 It can be gleaned from the table that there is a net under remittance amounting to ₱7,337.06 for CY 2024. *Please see Appendix G for detailed schedule.* Moreover, it can also be noticed that payments totaling ₱21,558.07 were made for prior years' unremitted balances, and such were unable to cover the whole balance, thus, remained unremitted as of year-end.
- 14.7 Hence, as at December 31, 2024, the total unremitted amount is ₱75,988.34 consisting ₱28,895.13 for the current year and ₱47,093.21 from the previous year.
- 14.8 The non-remittance of taxes withheld on time, deprived the government to generate additional revenue and to program the proper utilization of the same. Moreover, the accumulation of these unremitted taxes withheld exposes the responsible persons to penalties/surcharges for delayed remittance of the amount withheld.
- 14.9 **We recommended that the LCE require the Municipal Accountant and Municipal Treasurer to:**
- a. **conduct a reconciliation of the prior years' outstanding balance of ₱47,093.21; and**
 - b. **remit immediately the unremitted balance for CY 2024 of ₱28,895.13 along with the reconciled balance of Due to BIR account as of December 31, 2024.**

- 14.10 **Moving forward, to strictly adhere to the provisions of Section 69 of Presidential Decree No. 1445 and BIR Revenue Regulations No. 2-98, by remitting on time fund due to BIR to avoid the incurrence of interest, penalties and/or surcharges.**
- 14.11 The Municipal Accountant committed to effect the reconciliation of outstanding Due to BIR balances during this year 2025.

Payment of Overtime Services

- 15. Payment of overtime services amounting to ₱255,135.22, for services rendered by personnel with Municipal Department Head I positions were made contrary to Section 6.0 and 7.0 of the Civil Service Commission (CSC) and Department of Budget and Management (DBM) Joint Circular (JC) No. 02, s. 2015, thus rendering the transactions irregular.**

- 15.1 Section 6.0 and 7.0 of CSC and DBM JC No. 02, s. 2015 dated November 25, 2015 on Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees, provides for government officials and employees who may be authorized and who are not authorized to render overtime services with pay or compensation, respectively:

Xx

6.0 Government Employees Who May be Authorized to Render Overtime Services with Pay or Compensation

- 6.1 Only appointive and salaried civilian government employees holding regular, contractual, and casual positions of division chief or equivalent level and below, may be authorized to render overtime services with pay or compensation.

7.0 Government Officials and Employees Who are Not Authorized to Render Overtime Services with Pay or Compensation.

The following government officials and employees are not authorized to render overtimes services under this Circular:

- 7.1 Civilian personnel holding positions higher than division chief or equivalent levels;

xx

- 15.2 Pursuant to existing DBM Local Budget Circulars related to equivalent rank of LGU officials entitled to RATA, division chief in the national government agency holding Salary Grade No. 24 is equivalent to Salary Grade No. 22 or Assistant

Municipal Department Head I in a first-class municipality. Meanwhile, Municipal Department Head I in a first-class with Salary Grade No. 24 is equivalent to Director I position in the National Government. Hence, Municipal Department Head I, with Salary Grade No. 24 in a first-class municipality such as Basey, is a position higher than a division chief.

- 15.3 Post-audit of disbursement vouchers disclosed that personnel of the LGU holding Municipal Department Head I positions with Salary Grade No. 24, claimed and were paid overtime services pay during the year. Table 23 shows the names, positions and amounts of overtime services paid to these department heads.

Table 23. *List of Department Heads with Paid Overtime Services*

No.	Name	Position	SG	Amount of overtime services paid
1	Cabantac, Evelyn E.	Municipal Government Department Head I / Municipal Treasurer	24	₱67,978.11
2	Cabuquit, Melsa B.	Municipal Government Department Head I /Municipal Budget Officer	24	37,725.43
3	Olfato, Rowena A.	Municipal Government Department Head I / Municipal Disaster Risk Reduction Management Officer	24	37,008.20
4	Go, Ava Dalyn B.	Municipal Government Department Head I / Board Secretary V	24	46,076.41
5	Talbo, Ivan Kim T.	Municipal Government Department Head I / Municipal Accountant	24	26,474.98
6	Sacres, Welma B.	Municipal Social Welfare and Development Officer	24	21,945.72
7	Wong, Cesarion M.	Municipal Government Department Head I/Municipal Engineer	24	8,512.35
8	Ritaga, Evangelina O.	Municipal Government Department Head I / Municipal Tourism Officer	24	9,414.02
	Total			₱255,135.22

- 15.4 The payment of overtime services to positions higher than division chief is contrary to the provisions of Sections 6.0 and 7.0 of CSC and DBM JC No. 02, s. 2015, thus,

government funds were used for purposes contrary to existing rules, which necessitates disallowance.

- 15.5 **We recommended, and the LCE agreed to direct the Finance Committee to stop the payment of overtime services to department heads of the municipality.**

PART III

A. STATUS OF IMPLEMENTATION OF PRIOR YEARS' UNIMPLEMENTED AUDIT RECOMMENDATIONS

Of the 62 audit recommendations embodied in CY 2023 and prior year's Annual Audit Reports, 29 were implemented and 33 were not acted upon by management.

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
AAR CY 2023-1	The accuracy of Cash in Bank-Local Currency Current Account balance of ₱222,979,149.84 cannot be ascertained due to non-preparation of monthly Bank Reconciliation Statements by the Municipal Accountant, contrary to Section 74 and 111 of Presidential Decree (PD) No. 1445 and Commission on Audit (COA) Circular No. 96-001 dated October 2, 1996, thus resulting in its understatement amounting to ₱532,437.81 owing to the unadjusted erroneous recording of cancelled checks, thereby affecting the fair presentation of the financial statements.	We recommended, and management agreed that the Local Chief Executive require the Municipal Accountant to prepare adjusting entries to: (1) a. Revert back to the CIB-LCCA the cancelled check disbursements and (2) b. Regularly prepare Monthly Bank Reconciliation Statements.	Implemented (1) Not Implemented (1)	
AAR CY 2023-2	Deficiencies were observed in the accounting for the reported balance of Property, Plant and Equipment (PPE) account totaling ₱622,563,261.85 (excluding the Construction In Progress Account) as at December 31, 2023 such as: (a) variance of ₱620,948,128.99 between the Report on the Physical Count of the Property, Plant and Equipment (RPCPPE) and the accounting records and (b) non-provision of	We recommended, and management agreed that the Local Chief Executive: (3) a. Require the Inventory Committee and Property Custodian to: 1. Formulate plans and strategize the complete conduct of physical count of all its PPE, and prepare and submit the RPCPPE not later than January 31 of the ensuing year in	Not Implemented (2)	Lack of man power.

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	depreciation for some PPE accounts, non-adherent to, COA Circular No. 92-386 dated October 20, 1992, COA Circular No. 2004-003 dated October 4, 2004, International Public Sector Accounting Standard (IPSAS) 17 and other relevant rules and regulations, thus, casting doubt as to the existence, validity, and reliability of PPE balances appearing in the Financial Statements.	compliance with Section 124 of the Manual on the NGAS for LGUs, Volume I; 2. Reconcile their RPCPPE with the records of the Municipal Accountant; and 3. Ensure the report's usability by including all the required information in the RPCPPE, as illustrated in the MNGAS for LGUs, Volume II; (4) b. Require the Municipal Accountant to: 1. Provide depreciation for depreciable PPEs with an aggregate carrying amount of ₱31,028,905.38 in accordance with Paragraphs 43 and 71 of IPSAS 17; 2. Provide the correct residual value of depreciable PPEs and compute the monthly depreciation expense in accordance with COA issued accounting policies and prepare the necessary adjusting entry to reflect the correct balance of each PPE accounts; and (5) c. Create an Inventory Committee to complete the physical inventory in	Implemented (2) Not Implemented (3)	Lack of man power.

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
		three (3) months or less, and to prepare and submit the approved Physical Inventory Plan to the COA Audit Team at least ten (10) calendar days before the scheduled start of inventory-taking activities; and ensure full implementation of “One-time cleansing of PPE accounts” as provided under COA Circular No. 2020-006 dated January 1, 2020.		
AAR CY 2023-3	Completed projects and various equipment recorded as Property, Plant and Equipment in the Trust Fund (TF) totaling ₱58,796,474.24 were not transferred to the General Fund (GF) and were not depreciated, contrary to International Public Sector Accounting Standards (PPSAS) Nos. 1 and 17 and Section 104, 1(i) of the Manual on New Government Accounting System (MNGAS) for Local Government Units (LGU), Volume I, hence resulted in the understatement of the PPE account and Depreciation Expense Account in the GF and the overstatement of the PPE in TF.	We recommended, and management agreed that the Local Chief Executive require the Municipal Accountant to prepare adjusting entries to: (6) a. effect the transfer of PPEs from Trust Fund Book to General Fund; and (7) b. recognize the corresponding depreciation on these assets.	Implemented (3) Implemented (4)	
AAR CY 2023-4	Eighteen (18) completed projects totaling ₱53,943,142.70 were not reclassified from Construction in Progress (CIP) Accounts to the appropriate asset accounts contrary to COA Circular No. 2015-009 dated December 1, 2015, Philippine Application	We recommended, and management agreed that the Local Chief Executive require the Municipal Accountant to prepare adjusting entries to: (8) a. reclassify CIP in their proper asset account titles; and	Implemented (5)	

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	Section 301 of Presidential Decree (P.D.) No. 1096, thus may result to reversion of fund balance to the National Treasury and the purpose for which fund were transferred may not be achieved. Undisbursed LGSF-SBDP Fund amounting to ₱11,618,096.44 as of year-end LGSF-SBDP Fund Amounting to ₱36,623.79 were Paid to Project Monitoring Committee as Honoraria	projects funded and awaiting to be funded in the AIP and LDIP. We recommended, and management agreed that the Local Chief Executive direct the: (12) a. Municipal Accountant and Municipal Treasurer to remit the undisbursed balance of LGSF-SBDP amounting to ₱11,618,096.44 to National Treasury as required under item 4.8 of DBM LBC No.144; (13) b. Require the Municipal Engineer to make justification on the delay of the delivery of the SBDP Projects; and (14) c. Expedite the completion of these projects and submit proof of completion to the audit team. We recommended, and management agreed that the Local Chief Executive direct the Municipal Treasurer and Municipal Accountant to : (15) a. stop the payment of SBDP Fund for Honoraria; and (16) b. require the recipients of the honoraria to refund the amount received	Implemented (7) Implemented (8) Implemented (9) Implemented (10) Implemented (11)	
AAR CY 2023-6	Various deficiencies were noted in the planning, budgeting, submission of contracts for the implemented Projects,	We recommended, and management agreed that the Local Chief Executive direct the:		

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	Programs, and Activities (PPAs) for review, and the implementation of PPAs charged to the 20% economic development fund, to wit: a) delayed and non- submission of thirty-seven (37) perfected contracts; b) continuing and current appropriations from the 20% development fund amounting to ₱18,318,250.34 and ₱7,800,000.00, respectively, remained unimplemented as of year-end; c) utilization of various PPAs from 20% development fund exceeded its appropriated amount totaling P1,388,245.36; and d) charging ₱446,777.95 of ineligible expenses as other costs to every project completed without proof of actual rendition of service, not adherent to the provisions of Commission on Audit (COA) Circular No. 2009-001 dated February 12, 2009, Section 3.2 of Department of Budget and Management (DBM), Department of Finance (DOF) and Department of Interior and Local Government (DILG) Joint Memorandum Circular (JMC) No. 1 dated November 4, 2020, and other relevant laws, rules and regulations, thereby precluded the audit team from timely review and evaluation of the contracts' validity, propriety, legality as well as the prompt communication of the results thereof manifesting	(17) a. BAC Chairperson to submit the contract within five (5) working days from the time the contract is perfected; (18) b. Municipal Engineer to: 1. Immediately submit justification on the unimplemented and delayed projects; 2. Monitor and reconcile with the Budget Office the actual accomplishment of every project.; (19) c. BAC and the Municipal Engineer to expedite the procurement and implementation process to ensure timely realization of the planned projects; and (20) d. Municipal Budget Officer and Municipal Engineer to stop charging ineligible expenses to the 20% development fund.	Not Implemented (6) Implemented (12) Implemented (13) Implemented (14)	Lack of man power.

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	that the 20% development fund was not properly managed and optimally utilized, thus depriving the constituents of the immediate benefits that could have been obtained had the projects been completed on time.			
AAR CY 2023-7	The 20% Development Fund amounting to ₱1,000,000.00 was distributed as livelihood assistance to fifty (50) associations without complete documentation, contrary to Presidential Decree (P.D.) No. 1445, Commission on Audit (COA) Circular No. 2007-001 dated October 25, 2007, and Section 4.0 of Department of Budget and Management DBM, Department of Finance (DOF), Department of Interior and Local Government (DILG) No. 1 dated November 4, 2020, thus casting doubts on the validity and regularity of the utilization of such funds.	(21) We recommended, and management agreed that the Local Chief Executive refrain from distributing financial assistance to association without proper documentation provided for in COA Circular No. 2007-001.	Not Implemented (7)	Inadequate compliance.
AAR CY 2023-8	Purchase of lot intended for Public Cemetery at Brgy. Guirang amounting to ₱650,000.00 charged to the 20% Development Fund was disbursed despite the absence of complete supporting documents contrary to Presidential Decree (P.D.) No. 1445, COA Circular 2012-001 dated June 14, 2012, and Section 4.0 of Department of Budget and Management (DBM), Department of Finance (DOF), Department of Interior and Local	We recommended and management agreed that the Local Chief Executive direct the: (22) a. Municipal Accountant to exercise diligence in assuring that the 20% Development Fund are utilized in accordance with the provisions of the documentary requirements provided under COA Circular 2012-001 dated June 14, 2012; and	Implemented (15)	

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	end, hence, causing disadvantage to member-employees and affecting the accuracy and reliability of account balances presented in the Financial Statements.			
AAR CY 2023- 11	A total of ₱24,114.76 and ₱44,536.52 for CY 2023 and prior year, respectively, remain unremitted as at December 31, 2023, contrary to Section 69 of Presidential Decree (P.D.) No. 1445 and the Bureau of Internal Revenue (BIR) Revenue Regulations No. 2-98, dated April 17, 1998, thus depriving the government of additional income and the utilization thereof and exposes the responsible persons to penalties/surcharges for delayed remittance of the withheld amount.	(31) We recommended and management agreed that the LCE require the Municipal Treasurer and all other concerned be directed to strictly adhere to the provisions of Section 69 of Presidential Decree No. 1445 and BIR Revenue Regulations No. 2-98 dated April 17, 1998, by remitting on time the fund due to BIR to avoid the incurrence of interest, penalties and/or surcharges.	Implemented (21)	
AAR CY. 2022-2	Cash advances for Calendar Year (CY) 2022 amounting to ₱30,858,597.81 were not supported with complete documentation contrary to COA Circular 2012-001 and COA Circular 97-02, thereby casting doubt on the propriety of granting the cash advances and incurrence of delay in the submission of the Reports of Disbursements to the audit team.	(32) We recommended and management agreed that the LCE require the Municipal Treasurer and the Municipal Accountant to strictly comply with the documentary requirements on the grant of cash advances; and to ensure the liquidation of cash advances within the reglementary period.	Not Implemented (11)	Filing lapses, some supporting documents are attached in the Disbursement Vouchers while others are attached in the Liquidation Reports.
AAR CY. 2022-3	The reported balance of Property, Plant and Equipment (PPE) account totaling ₱495,919,128.20 (excluding the Construction In Progress Account) as at December 31, 2022 remained	(33) We recommended and the management agreed that the Local Chief Executive: a. Require the Municipal Accountant to prepare Journal Entry Voucher to	Not Implemented (12)	Partial compliance.

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	unreliable due to: (a) items totaling ₱2,923,450.14 in CY 2022 are recorded as PPE despite not meeting the capitalization threshold; (b) several PPE accounts were over depreciated by an amount totaling ₱2,007,370.96.; and (c) PPE Ledger Cards (PPELC) and Property Cards were not prepared and maintained by the Accounting Department as well as the Property and Supply Officer, in non-adherence to COA Circular No. 2022-004, IPSAS 17 and other relevant rules and regulations, compromised the existence, validity, and reliability of PPE balances appearing in the Financial Statements.	adjust the properties below the capitalization threshold and ensure that all future acquisitions of properties below the capitalization threshold of ₱50,000.00 be recorded in accordance with COA Circular No. 2022-004; (34) b. Instruct the Municipal Accountant to take up necessary adjusting entries to revert over-depreciation of various Equipment and to recognize depreciation of Other Land Improvement Account by corresponding prior years' adjustment in the books to be closed to the Government Equity Account, (35) c. Require the Municipal Accountant to disclose in the notes to FS the useful lives of each category of recognized PPE; (7) d. Require the Municipal Accountant and the Property & Supply Officer to prepare and maintain the PPE Ledger Cards and Property Cards, respectively, in order to facilitate the periodic reconciliation if the PPE accounts with results of the physical inventory taking.	Not Implemented (13) Not Implemented (14)	Adjustments were not prioritized. Disclosures in the Notes to Financial Statements were not prioritized.
AAR CY. 2022-4	The accuracy, validity and propriety of year-end balance of Accounts Payable account in the General Fund (GF) with an aggregate amount of	(36) We recommended and the management agreed that the LCE require the Municipal Accountant to:	Implemented (22)	

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	₱18,649,407.81 could not be ascertained due to a) absence of sufficient documents to prove that these are valid liabilities for the year; b) various erroneous entries amounting to ₱1,179,097.83; and unreverted accounts payable balance aged over two years amounting to ₱197,349.27, contrary to Section 3.10 of the International Public Sector Accounting Standards (IPSAS), COA Circular No. 2015-009 dated December 1, 2015 and other relevant provisions, thus affecting the fair presentation of the balances in the financial statements.	a. Make necessary adjustments to arrive at the correct balances of the affected accounts in the financial statements; and (37) b. Verify the validity of the accounts payable aged two years and more. Valid claims shall be paid, otherwise, cause the reversion of the payables to the government equity account of the general fund.	Not Implemented (15)	Lack of manpower.
AAR CY. 2022-5	Drugs and Medicines and Medical, Dental and Laboratory Supplies procured during the year amounting to ₱5,484,090.35 were recorded as expense outright instead of recognizing the corresponding inventory account, non-adherent to New Government Accounting System (NGAs) Manual for LGUs Volume 3, thereby understated Asset and overstated Expense Accounts, thus may affect the fair presentation of the financial statements.	(38) We recommended and management agreed that the Local Chief Executive direct the Municipal Accountant to: a. Follow the proper recognition principle in the recording of Inventories and Expenses; (39) b. To train staff or personnel who will be in-charge of the updating of Supplies Ledger Card; and (40) c. Adjust the ₱4,628,621.09 balance and reflect the actual amount of inventory base on the physical count of the supply officer.	Not Implemented (16) Not Implemented (17) Not Implemented (18)	Recommendation was not given preferential attention. Lack of manpower. Recommendation was not given preferential attention.
AAR CY. 2022-7	Payment for the vaccination ancillary supplies and other supplies	(41) We recommend the Local Chief Executive to		

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	maintenance of public schools.			
AAR CY. 2022-11	Payment to 967 job order personnel amounting to ₱44,445,381.66 for the CY 2022 were not supported with certification and individual job order contracts contrary to Section 2 of CSC MC No. 17, 2022, Section 4(6) of PD No. 1445 and COA Circular No. 2012-001, thus affecting the propriety and validity of the related expenditures.	(46) We recommended and the management agreed that the Local Chief Executive submit the required certification and to direct the human resource personnel to prepare individual contracts for each JO personnel which contain the specific job description and the specific office to where he/she is assigned and rates on a daily basis.	Not Implemented (22)	Recommendation was not given preferential attention.
AAR CY. 2022-12	Various deficiencies were noted in the utilization and reporting of Local Disaster Risk Reduction and Management Fund (LDRRMF) such as: a) exclusion of unexpended balance of prior years' LDRRMF totaling ₱15,448,793.83 in the agency's LDRRMF Investment Plan of CY 2022; b) failure to transfer LDRRM prior year's balance to the special trust fund at year-end by ₱15,261,732.76; and c) non-observance of the accounting and reporting guidelines for the fund, which deprived the Municipality of an efficient, effective and responsive disaster risk reduction financial report and may weaken the effective implementation of the LDRRM programs, projects and activities (PPAs) contrary to COA Circular 2012-002, International Sector Public Accounting Standards (IPSAS) 1 and other	We recommended and management agreed that the Local Chief Executive direct the: (47) b. Municipal Budget Officer (MBO) to prepare separate registries for LDRRMF- QRF; LDRRMF- MOOE and LDRRMF- CO; (48) c.MBO and LDRRM to stop charging ineligible expenses to the LDRRMF; (49) d..Municipal Treasurer to cause the complete transfer of unexpended balances of CY 2020-2022 LDRRMF to the Trust Fund account; and (50) Moving forward, we likewise recommend that the Local Chief Executive require the strict observance of the accounting and reporting guidelines for the	Implemented (25) Implemented (26) Implemented (27) Implemented (28)	

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	relevant existing laws, rules and regulations, thereby affecting the fair presentation of the financial statements.	LDRRMF as enunciated under COA Circular No. 2012-002 dated September 12, 2012.		
2021-2	The reported balance of Property, Plant and Equipment (PPE) account totaling ₱505,269,491.23 (excluding the Construction In Progress Account) as at December 31, 2021 remained unreliable due to: (a) items totaling ₱1,468,078.50 in CY 2021 are recorded as PPE despite not meeting the ₱15,000.00 capitalization threshold thus, understating the appropriate expense accounts and overstating the equity account and distorting the appropriate asset accounts; and (b) the Municipality failed to seize the opportunity to avail of the one-time cleansing of PPE account balances as provided in COA Circular No. 2020-006 dated January 31, 2020.	(51) We recommended and the LCE agreed to: a. Require the Municipal Accountant to prepare Journal Entry Voucher to adjust the properties below the capitalization threshold and ensure that all future acquisitions of properties below the capitalization threshold of ₱15,000.00 will be recorded in accordance with COA Circular 2020-006; and	Not Implemented (23)	Recommendation was not given preferential attention.
2021-4	The Notes to Financial Statements for CY 2021 did not extensively disclose relevant information on some accounts and amounts appearing in the Financial Statements, while, the reconciliation statements and supporting schedules were not submitted not in adherent to pertinent provisions of the International Public Sector Accounting Standards (IPSAS) 1 and Section 41.2 of PD 1445, thus hindered a clearer	(52) We recommended and the LCE agreed to direct the Municipal Accountant to prepare and submit the supporting detail/schedules and to provide adequate and necessary disclosure in the Notes to Financial Statements.	Not Implemented (24)	Recommendation was not given preferential attention.

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	understanding by the users of the Financial Statements that may be useful for sound decision making.			
2021-6	The propriety of the bidding process could not be ascertained due to various deficiencies noted in the bidding process and the non-submission of relevant documents on the conduct of public bidding, not in adherent to the provisions of 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184; while the non-submission of perfected contracts within five (5) working days from the execution, not in adherent to the provisions of COA Circular No. 2009-001, dated February 12, 2009, precluded the audit team of timely review thereof.	(53) We recommended and Management agreed, that the LCE require the Bids and Awards Committee and Technical Working Group to submit the lacking contract documents and adhere to the bidding process prescribed under RA No. 9184 and its IRR, including the proper dissemination of bid opportunities and its result, the conduct of strict evaluation of bids until the post qualification activity and the submission of complete contract documents.	Not Implemented (25)	Partial Implementation
2021-8	The propriety, regularity, legality, validity and accuracy of the related transactions/check disbursements totaling ₱9,440,598.86 cannot be ascertained due to the non-submission of the required supporting documents, not in adherent to Section 4(6) of PD 1445, and COA Circular No. 2012-001 dated June 14, 2012.	(54) We recommended and the LCE agreed to require the Municipal Accountant to immediately submit the required supporting documents of the disbursement vouchers identified in Annex A and to ensure that all disbursement vouchers and pertinent supporting documents are submitted on a regular and timely basis.	Not Implemented (26)	Partial Implementation
AAR CY 2020-1 2016-2 2014-2	The balances of the inventory accounts totaling ₱24,266,001.99 is unreliable due to erroneous recording of procured goods and the	(55) At the end of the year, the property/supply in-charge of the MHO shall count the unused supplies and materials and submit to the	Not Implemented (27)	

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	LDRRMF was not observed.			
AAR CY 2019-1	The validity and existence of the balance of the Road Networks account amounting to P215,107,469.27 as of December 31, 2019 could not be ascertained due to the non-compliance by the concerned personnel on the Local Road Network Accounting and Reporting Guidelines prescribed under COA Circular No. 2015-008.	(59) We recommended that the Local Chief Executive directs the concerned personnel to strictly comply with the accounting and reporting guidelines on the Local Road Asset Management System as provided in COA Circular No. 2015-008.	Not Implemented (31)	
AAR CY 2019-2	The validity and accuracy of the combined balance of the Cash in Bank – LCCA account amounting to P188,861,271.96 as of December 31, 2019 could not be ascertained due to the non-preparation and submission of the related Bank Reconciliation Statements for seven bank accounts by the Municipal Accountant, contrary to Section 74 of PD 1445 and pertinent sections of COA Circular No. 96-011.	(60) We recommended that the monthly preparation and submission of the BRS should be strictly adhered to.	Not Implemented (32)	
AAR CY 2018-1	The validity of the balance of the Due from Other Funds account amounting to P176,048,660.89 in the General Fund could not be ascertained because subsidiary ledgers were not maintained for the account, non-submission of the financial statements for Infrastructures for Rural Productivity Enhancement Sector (InFRES) I and II, and DAR-ADB Second Agrarian Reform Communities Project II (ARCP II) funds, and non-	(61) We recommended that the Local Chief Executive require the Municipal Accountant to maintain subsidiary ledgers for the Due from other Funds account, submit the financial statements of the InFRES I and II, and ARCP II funds, and provide disclosures in the notes to financial statements for the account.	Not Implemented (33)	

Ref	Audit Observation	Audit Recommendation	Status of Implementation	Reason for Partial/ Non-Implementation
	disclosure in the Notes to Financial Statements contrary to Sections 112 and 114 of PD 1445 and Paragraph 127 of the Philippine Public Sector Accounting Standards (PPSAS).			
AAR CY 2017-1	The validity and accuracy of some assets and liability accounts totaling P193,641,568.65 and P47,246,481.48, respectively could not be ascertained due to the absence of subsidiary ledgers, inadequate disclosures in the Notes to Financial Statements, and improper recording of the current year amortization of the loans payable, and the amount due to the DBP for the loan payments of employees to the Other Payables account, contrary to Sections 111, 112 and 114 of PD 1445 and Paragraph 127 of PPSAS 1.	(62) We recommended that Management require the Municipal Accountant to maintain separate subsidiary ledgers for every controlling account in the general ledger, provide additional information on the notes to the financial statements and strictly observe the proper recording of transactions in accordance with the PPSAS.	Implemented (29)	

B SUMMARY OF AUDIT SUSPENSIONS, DISALLOWANCES AND CHARGES

The balances of audit suspensions, disallowance and charges as of December 31, 2024 are summarized as follows:

Particulars	Balance	January to December 2024		Balance
	Jan. 1, 2024	NS/ND/NC	NSSDC	Dec. 31, 2024
Notice of Suspension	₱14,420,531.08	₱0.00	₱0.00	₱14,420,531.08
Notice of Disallowance	306,031.89	0.00	0.00	306,031.89
Notice of Charge	0.00	0.00	0.00	0.00
Total	₱14,726,562.97	₱0.00	₱0.00	₱14,726,562.97

The Notices of Suspension amounting to ₱14,420,531.08 pertain to the previous administration/s and none for the current administration. On the other hand, Notices of

Disallowance amounting to ₱306,031.89 pertain to the previous administration/s and none for the current administration.

Out of the ₱14,420,531.08 balance of Notices of Suspension, a total of ₱4,493,566.69 are not supported by Disbursement Vouchers and/or Notices of Suspension, while ₱71,588.00 amount of Notice of Disallowance are not supported by documents such as the Notice of Disallowance and Disbursement Vouchers. Such supporting documents were not turned-over by the previous audit team leader.

PART IV

APPENDICES

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Appendix A.1

STATEMENT OF FINANCIAL POSITION
GENERAL FUND
As of December 31, 2024
(With Comparative Figures for CY 2024)

	2024	2023
ASSETS		
<i>CURRENT ASSETS</i>		
Cash	85,037,522.11	182,694,253.26
Investments	1,600.00	1,600.00
Receivables	78,100,740.88	86,511,443.42
Inventories	12,413,996.39	11,742,442.39
Prepayments and Deferred Charges	2,469,598.78	7,654,893.99
Total Current Assets	178,023,458.16	288,604,633.06
<i>NON-CURRENT ASSETS</i>		
Investment Property		-
Property, Plant and Equipment	807,413,650.80	600,949,119.33
Biological Assets	3,417,063.50	3,417,063.50
Intangible Assets	-	-
Total Non-Current Assets	810,830,714.30	604,366,182.83
TOTAL ASSETS	988,854,172.46	892,970,815.89
LIABILITIES		
<i>CURRENT LIABILITIES</i>		
Financial Liabilities	17,988,613.87	14,451,541.67
Inter-Agency Payables	56,921,350.84	53,765,268.29



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Appendix A.1

STATEMENT OF FINANCIAL POSITION
GENERAL FUND

As of December 31, 2024

(With Comparative Figures for CY 2024)

	2024	2023
Intra-Agency Payables	1,859,728.72	1,870,063.59
Trust Liabilities	3,346,030.27	3,559,124.67
	80,115,723.70	73,645,998.22
<i>NON CURRENT LIABILITIES</i>		
Financial Liabilities		
Deferred Credits/Unearned Income	31,338,381.37	28,863,674.43
Provisions		
Other Payables	1,982,030.86	2,057,226.06
	33,320,412.23	30,920,900.49
TOTAL LIABILITIES	113,436,135.93	104,566,898.71
EQUITY	875,418,036.53	788,403,917.18
TOTAL LIABILITIES AND EQUITY	988,854,172.46	892,970,815.89



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Appendix A.2

STATEMENT OF FINANCIAL POSITION
SPECIAL EDUCATION FUND
 As of December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
ASSETS		
<i>CURRENT ASSETS</i>		
Cash	858,578.43	1,219,497.33
Investments	-	-
Receivables	30,276,615.63	27,801,908.69
Inventories	-	-
Prepayments and Deferred Charges	-	-
Total Current Assets	31,135,194.06	29,021,406.02
<i>NON-CURRENT ASSETS</i>		
Investment Property	-	-
Property, Plant and Equipment	141,650.00	165,725.00
Biological Assets	-	-
Intangible Assets	-	-
Total Non-Current Assets	141,650.00	165,725.00
TOTAL ASSETS	31,276,844.06	29,187,131.02
LIABILITIES		
<i>CURRENT LIABILITIES</i>		
Financial Liabilities	29,452.27	177,666.50
Inter-Agency Payables	150,174.23	258,356.55
Intra-Agency Payables	-	-
Trust Liabilities	-	-
Total Current Liabilities	179,626.50	436,023.05



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Appendix A.2

STATEMENT OF FINANCIAL POSITION
SPECIAL EDUCATION FUND

As of December 31, 2024

(With Comparative Figures for CY 2023)

	2024	2023
<i>NON CURRENT LIABILITES</i>		
Deferred Credits/Unearned Income	30,213,883.52	27,739,176.58
Provisions	-	-
Other Payables	-	-
Total Non-Current Liabilities	30,213,883.52	27,739,176.58
TOTAL LIABILITIES	30,393,510.02	28,175,199.63
EQUITY	883,334.04	1,011,931.39
TOTAL LIABILITIES AND EQUITY	31,276,844.06	29,187,131.02



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Appendix A.3

STATEMENT OF FINANCIAL POSITION
TRUST FUND

As of December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
ASSETS		
<i>CURRENT ASSETS</i>		
Cash	33,705,219.31	39,065,399.25
Investments		
Receivables	3,128,022.55	3,601,022.55
Inventories	-	-
Prepayments and Deferred Charges	218,613.54	1,754,637.38
Total Current Assets	37,051,855.40	44,421,059.18
<i>NON-CURRENT ASSETS</i>		
Investment Property		-
Property, Plant and Equipment	73,638,208.12	138,744,507.31
Biological Assets		-
Intangible Assets		-
Total Non-Current Assets	73,638,208.12	138,744,507.31
TOTAL ASSETS	110,690,063.52	183,165,566.49
LIABILITIES		
<i>CURRENT LIABILITIES</i>		
Financial Liabilities	425,012.15	9,949,716.60
Inter-Agency Payables	82,835,178.22	151,110,172.28
Intra-Agency Payables	633,538.47	633,538.47
Trust Liabilities	26,796,334.68	21,472,139.14
Total Current Liabilities	110,690,063.52	183,165,566.49



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Appendix A.3

STATEMENT OF FINANCIAL POSITION
TRUST FUND

As of December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
<i>NON-CURRENT LIABILITIES</i>		
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	110,690,063.52	183,165,566.49



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Appendix B.1

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
GENERAL FUND

For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Balance at January 1	788,403,917.18	728,568,027.69
Add (Deduct):		
Change in Accounting Policy	-	-
Prior Period Adjustments	32,360,481.19	142,770.43
Restated Balance	820,764,398.37	728,710,798.12
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	25,750,507.10	-
Surplus (Deficit) for the period	28,903,131.06	59,693,119.06
Total changes during the year	54,653,638.16	59,693,119.06
Balance at December 31	875,418,036.53	788,403,917.18



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Appendix B.2

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
SPECIAL EDUCATION FUND**

For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Balance at January 1	1,011,931.39	1,936,062.67
Add (Deduct):		
Change in Accounting Policy	-	-
Prior Period Adjustment	(560.51)	-
Restated Balance	1,011,370.88	1,936,062.67
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	-	-
Surplus (Deficit) for the period	(128,036.84)	(924,131.28)
Total changes during the year	(128,036.84)	(924,131.28)
Balance at December 31	883,334.04	1,011,931.39



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Appendix C.1

STATEMENT OF FINANCIAL PERFORMANCE
GENERAL FUND

For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
REVENUE		
Tax Revenue	4,350,345.75	2,827,576.84
Share from Internal Revenue Collections	306,991,792.00	288,966,942.00
Service and Business Income	6,534,524.39	6,423,296.28
Shares, Grants and Donations	154,691.52	223,734.54
TOTAL REVENUE	318,031,353.66	298,441,549.66
CURRENT OPERATING EXPENSES		
Personnel Services	120,428,844.45	108,623,423.59
Maintenance and Other Operating Expenses	148,773,133.84	132,689,487.49
Financial Expenses	600.00	-
Non-Cash Expenses	16,782,812.48	7,185,660.95
TOTAL CURRENT OPERATING EXPENSES	285,985,390.77	248,498,572.03
SURPLUS (DEFICIT) FROM OPERATIONS	32,045,962.89	49,942,977.63
Add: Transfers, Assistance and Subsidy From		9,750,141.43
Deduct: Transfers, Assistance and Subsidy To	3,142,831.83	-
SURPLUS (DEFICIT) FOR THE PERIOD	28,903,131.06	59,693,119.06



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

Appendix C.2

STATEMENT OF FINANCIAL PERFORMANCE
SPECIAL EDUCATION FUND

For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
REVENUE		
Tax Revenue	876,999.01	612,538.17
Service and Business Income	492.73	1,071.32
Transfers, Assistance and Subsidy	-	-
Shares, Grants and Donations	-	-
Gains	-	-
Miscellaneous Income	-	-
Other Non-Operating Income	-	-
TOTAL REVENUE	877,491.74	613,609.49
CURRENT OPERATING EXPENSES		
Personnel Services	-	-
Maintenance and Other Operating Expenses	981,228.58	1,533,465.77
Financial Expenses	-	-
Non-Cash Expenses	24,300.00	4,275.00
TOTAL CURRENT OPERATING EXPENSES	1,005,528.58	1,537,740.77
SURPLUS (DEFICIT) FROM OPERATIONS	(128,036.84)	(924,131.28)
Add: Transfers, Assistance and Subsidy From	-	-
Deduct: Transfers, Assistance and Subsidy To	-	-
SURPLUS (DEFICIT) FOR THE PERIOD	(128,036.84)	(924,131.28)



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MUNICIPALITY OF BASEY
Province of Samar

Appendix D.1

STATEMENT OF CASH FLOWS
GENERAL FUND
 For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Cash Flows from Operating Activities		
Cash Inflows		
Collection from taxpayers	5,408,931.90	3,801,361.23
Share from Internal Revenue Allotment	306,991,792.00	288,966,942.00
Receipts from business/service income	7,084,533.82	6,540,433.94
Interest Income	61,628.56	91,089.87
Dividend Income		
Grants		
Other Receipts	7,326,656.91	14,255,422.53
Total Cash Inflows	326,873,543.19	313,655,249.57
Cash Outflows		
Payment of expenses	41,956,896.31	40,057,705.64
Payments to suppliers and creditors	79,967,279.55	67,906,404.46
Payments to employees	117,497,328.48	106,774,996.63
Interest Expense		
Other Expenses	63,997,537.36	65,200,396.95
Total Cash Outflows	303,419,041.71	279,939,503.68
Net Cash Flows from Operating Activities	23,454,501.48	33,715,745.89
Cash Flows from Investing Activities		
Cash Inflows		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflows	-	-
Cash Outflows		
Purchase/Construction of Investment Property		
Purchase/Construction of Property, Plant and Equipment	121,111,232.63	72,869,047.01
Investment	-	-
Purchase of Bearer Biological Assets	-	-



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

Appendix D.1

STATEMENT OF CASH FLOWS
GENERAL FUND
 For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflows	121,111,232.63	72,869,047.01
Net Cash Flows from Investing Activities	(121,111,232.63)	(72,869,047.01)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflows	-	-
Cash Outflows		
Payment of Long-Term Liabilities		
Retirement/Redemption of debt securities		
Payment of loan amortization	-	-
Total Cash Outflows	-	-
Net Cash Flows from Financing Activities	-	-
Total Cash Provided by Operating, Investing and Financing Activities	(97,656,731.15)	(39,153,301.12)
Add: Cash at the Beginning of the Year	182,694,253.26	221,847,554.38
Cash Balance at the End of the Year	85,037,522.11	182,694,253.26



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Province of Samar

Appendix D.2

STATEMENT OF CASH FLOWS
SPECIAL EDUCATION FUND
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Cash Flows from Operating Activities		
Cash Inflows		
Collection from taxpayers	1,753,998.01	1,225,076.34
Share from Internal Revenue Allotment		
Receipts from business/service income		
Interest Income	394.18	869.55
Dividend Income		
Grants		
Other Receipts		
Total Cash Inflows	1,754,392.19	1,225,945.89
Cash Outflows		
Payment of expenses	15,000.00	-
Payments to suppliers and creditors	1,113,029.60	1,151,065.37
Payments to employees		
Interest Expense		
Other Expenses	987,281.50	754,305.64
Total Cash Outflows	2,115,311.10	1,905,371.01
Net Cash Flows from Operating Activities	(360,918.91)	(679,425.12)
Cash Flows from Investing Activities		
Cash Inflows		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment		-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflows	-	-
Cash Outflows		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant and Equipment	-	353,130.27



Republic of the Philippines
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Province of Samar

Appendix D.2

STATEMENT OF CASH FLOWS
SPECIAL EDUCATION FUND
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflows	-	353,130.27
Net Cash Flows from Investing Activities	-	(353,130.27)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflows	-	-
Cash Outflows		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of debt securities	-	-
Payment of loan amortization	-	-
Total Cash Outflows	-	-
Net Cash Flows from Financing Activities	-	-
Total Cash Provided by Operating, Investing and Financing Activities	(360,918.91)	(1,032,555.39)
Add: Cash at the Beginning of the Year	1,219,497.33	2,252,052.72
Cash Balance at the End of the Year	858,578.42	1,219,497.33



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

STATEMENT OF CASH FLOWS
TRUST FUND
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Cash Flows from Operating Activities		
Cash Inflows		
Collection from taxpayers		
Share from Internal Revenue Allotment		
Receipts from business/service income		
Interest Income	14,903.08	29,886.53
Dividend Income		
Grants	63,436,375.31	41,464,350.66
Other Receipts	2,168,460.95	1,700,590.95
Total Cash Inflows	65,619,739.34	43,194,828.14
Cash Outflows		
Payment of expenses		-
Payments to suppliers and creditors	4,676,433.60	2,683,797.36
Payments to employees	7,231,525.88	2,704,870.56
Interest Expense		-
Other Expenses	47,766,019.14	34,104,758.63
Total Cash Outflows	59,673,978.62	39,493,426.55
Net Cash Flows from Operating Activities	5,945,760.72	3,701,401.59
Cash Flows from Investing Activities		
Cash Inflows		
Proceeds from Sale of Investment Property		
Proceeds from Sale/Disposal of Property, Plant and Equipment		
Proceeds from Sale of Non-Current Investments		
Collection of Principal on loans to other entities		
Total Cash Inflows	-	-
Cash Outflows		
Purchase/Construction of Investment Property		
Purchase/Construction of Property, Plant and Equipment	11,305,940.66	65,746,441.72
Investment		
Purchase of Bearer Biological Assets		
Purchase of Intangible Assets		
Grant of Loans		
Total Cash Outflows	11,305,940.66	65,746,441.72



Republic of the Philippines
MUNICIPALITY OF BASEY
Province of Samar

STATEMENT OF CASH FLOWS
TRUST FUND
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	2024	2023
Net Cash Flows from Investing Activities	(11,305,940.66)	(65,746,441.72)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds		
Proceeds from Loans		
Total Cash Inflows	-	-
Cash Outflows		
Payment of Long-Term Liabilities		
Retirement/Redemption of debt securities		
Payment of loan amortization		
Total Cash Outflows	-	-
Net Cash Flows from Financing Activities	-	-
Total Cash Provided by Operating, Investing and Financing Activities	(5,360,179.94)	(62,045,040.13)
Add: Cash at the Beginning of the Year	39,065,399.25	101,110,439.38
Cash Balance at the End of the Year	33,705,219.31	39,065,399.25



Commission on Audit
COA Regional Office No. VIII
Municipality of Basey
Livelihood Assistance Recorded as Donations
As of December 31, 2024

Date	Check No	Payee	Particular	Amount	Supporting Documents
10/10/2024	1421326	So. Cambabang Vendors Association	To payment of Livelihood Assistance to the Different Registration / Accredited Associations of Basey, Samar	20,000.00	OBR, Disbursement Vouchers (DV), Memorandum of Agreement (MOA), Resolution No. 1 and 135 Series of 2024, Project Proposal, Certificate of Registration of Worker's Association, Financial Report, Acknowledgement Report
10/10/2024	1421330	Brgy. Panugmonon Hog Raisers Association	To payment of Livelihood assistance to the different Registered / Accredited of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Financial Report, Project Proposal, Certificate of Registration of Worker's Association, Resolution No. 153 Series of 2024, Photocopy of ID, Acknowledgement Receipt
10/10/2024	1421338	Basey OFWS Rice Retailers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Acknowledgement Receipt, Memorandum of Agreement, Financial Report, Project Proposal, Resolution No. 03 Series of 2024, Certification, Resolution No. 135 Series of 2024, Photocopy of ID
10/10/2024	1421339	Balante Women's Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Acknowledgement Receipt, Memorandum of Agreement, FS Report 2023, Project Proposal, Resolution No. 01 and 135 Series of 2024, Certification
10/10/2024	1421340	Rawis Balantak Tourism Services Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Acknowledgement Receipt, Memorandum of Agreement, Income and Exp. Statement 2023, Project Proposal, Resolution No. 01 Series of 2024, Photocopy of ID

Date	Check No	Payee	Particular	Amount	Supporting Documents
10/10/2024	1421341	Brgy. Binongtu-an Multisectoral Tourism Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Acknowledgement Receipt, Memorandum of Agreement, Financial Report CY 2023, Certification, Project Proposal, Resolution No. 01 and 135 Series of 2024
10/10/2024	1421343	Binongtu-an Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Financial Report, Certification, Project Proposal, Resolution No. 01 and 135 Series of 2024, Name of Officers and Members and its Cluster Leader, Photocopy of ID
10/10/2024	1421344	Sitio Koica Organic Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Minutes of General Assembly Meeting, Resolution No. 01 and 135 Series of 2024, Acknowledgement Receipt, Photocopy of ID
10/10/2024	1421345	Tingib OFW and Beneficiary Gen. Merchandise Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	Service Invoice No. 000001, OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 01 and 135 Series of 2024, Cert. of Registration of Worker's Association, Financial Report, Acknowledgement Receipt, Photocopy of ID
10/10/2024	1421346	Can-abay Small Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 02 and 135 Series of 2024, Financial Statement, Certification, Acknowledgement Receipt, Photocopy of ID
10-10-24	1421348	Kapisanan ng mga Mangingsida ng Canmanila	Financial Assistance to Accredited Association	20,000.00	Unsubmitted

Date	Check No	Payee	Particular	Amount	Supporting Documents
10/10/2024	1421350	Brgy. Loyo Vendors Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 03 and 135 Series of 2024, Minutes of Gen Assemb. Meeting, Financial Statement, Acknowledgement Receipt, Photocopy of ID
10/10/2024	1421351	So. Sagporon Integrated Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Certification, Financial Statement, Registration Cert. No. RO8-SFO-2021-06-WA-1660, Acknowledgement Receipt, Photocopy of ID
10/10/2024	1421352	So. Burabod Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 1 and 135 Series of 2024, Registration Cert. No. RO8-SFO-2021-06-WA-1660, Acknowledgement Receipt, Photocopy of ID
10/10/2024	1421353	So. Bagong Silang Ornamental Growers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 1 and 135 Series of 2024, Certificate of Registration of Worker's Association, Financial Report, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421359	Anglit Tikog Workers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 1 and 135 Series of 2024, Certification, Acknowledgement Receipt,
11/10/2024	1421364	Baybay Womens Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 1 and 135 Series of 2024, Financial Report of 20k, Acknowledgement Receipt, Photocopy of ID

Date	Check No	Payee	Particular	Amount	Supporting Documents
11/10/2024	1421365	Basey Young Advocate Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 7 and 135 Series of 2024, Financial Report, Certification, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421366	Balante Agriculture Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Minutes of Meeting, Resolution No. 135 Series of 2024, Financial Report, Certification, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421367	Sawa Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 03 and 135 Series of 2024, Financial Report, Certification, Acknowledgement Receipt
11/10/2024	1421368	Sitio Calbang Livelihood Organization	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 01 and 135 Series of 2024, Financial Report, Registration Certificate No. R08-SFO-2016-08-WA-1038, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421369	Brgy. Cogon Native Delicacies Workers Association	To payment of Livelihood Assistance to the Different Registration / Accredited Associations of Basey, Samar	20,000.00	Service Invoice No. 000158, OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 02 Series of 2024, Certification, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421370	Mabini Cassava Farmers Association	To payment of Livelihood Assistance to the Different Registered / Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Memorandum of Agreement, Resolution No. 135 Series of 2024, Financial Report, Photocopy of ID, Authorization Letter

Date	Check No	Payee	Particular	Amount	Supporting Documents
11/10/2024	1421374	Basey Pointe Cluster 1 Vendors Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 01 Series of 2024, Certificate of Registration of Worker's Association, Certificate of Participation, Resolution No. 135 Series of 2024, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421375	New San Agustin Tikog Workers Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 01 and 135 Series of 2024, Financial Report, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421376	Serum Tikog Workers Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 04 and 135 Series of 2024, Financial Statement, Certification, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421378	Balud Womens Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 04 and 135 Series of 2024, Financial Report, Certification, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421379	Biga Tikog Production Weavers Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 01 and 135 Series of 2024, Cert. of Regis. Of Worker's Association, Acknowledgement Receipt
11/10/2024	1421380	Bungansakit Tourism Workers Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 01 and 135 Series of 2024, Certification, Financial Report, Acknowledgement Receipt, Photocopy of ID

Date	Check No	Payee	Particular	Amount	Supporting Documents
11/10/2024	1421382	Bagti Farmers Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Acknowledgement Receipt, Memorandum of Agreement, Resolution No. 135 Series of 2024, Resolution No. 01 Series of 2024, Certificate of Registration of Worker's Association, Financial Report Dec 2023-May 2024, Project Proposal, Photocopy of ID
11/10/2024	1421383	Del Pilar Tikog Workers Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 02 and 135 Series of 2024, Certification, Financial Report, Acknowledgement Receipt, Photocopy of ID
11/10/2024	1421384	Inop han Brgy. Dolongan Association	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OBR, DV, Memorandum of Agreement, Project Proposal, Resolution No. 02 and 135 Series of 2024, Certification, Financial Statement Report, Acknowledgement Receipt, Photocopy of ID
16/10/2024	1421394	Sohoton Service Cooperative	To payment of Livelihood Assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	OR No. 2653, OBR, DV, Memorandum of Agreement, Project Proposal, Letter to Mayor, Resolution No. 04 and 135 Series of 2024, Statement of Cash Flows, Cert. of Compliance, Cert. of Training, Acknowledgement Receipt, Photocopy of ID
27/11/2024	1421730	So. Cambabang Women's Farmers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Certification, Resolution No. 02, Resolution No. 135 Series of 2024, Photocopy of ID, Acknowledgement Receipt

Date	Check No	Payee	Particular	Amount	Supporting Documents
27/11/2024	1421731	Brgy. Burgos Womens Vendors Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Certification, Registration Certificate No. RO8-SFO-2021-12-WA-1695, Fund Balance, Resolution No. 01, Resolution No. 135 Series of 2024, Photocopy of ID and CTC No. 00561793-1794, Acknowledgement Receipt
27/11/2024	1421732	Amandayehan Fisherfolks Cagers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Acknowledgement Receipt, Financial Report, Resolution No. 01, Resolution No. 135 Series of 2024, Certification, Photocopy of ID and CTC No. 22089086-89087
27/11/2024	1421733	Bangon Pangkauswagan Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Resolution No. 01, Resolution No. 135 Series of 2024, DOLE Certification, Minutes of Gen Assembly Meeting, Acknowledgement Receipt, Photocopy of ID
27/11/2024	1421734	Basiao Native Weavers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, DOLE Certification, Financial Statement for Dec. 2023, Acknowledgement Receipt, Resolution No. 01, Resolution No. 135 Series of 2024, Photocopy of ID and CTC No. 00559811
27/11/2024	1421735	Sustainable Agriculture Learning Farmers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Resolution No. 01, DOLE Certification, Resolution No. 135 Series of 2024, Financial Statement for Jan to Dec. 2023, Acknowledgement Receipt, Photocopy of ID and CTC No. 22090989, 561781

Date	Check No	Payee	Particular	Amount	Supporting Documents
27/11/2024	1421736	Multi Production Women's Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Resolution No. 01, DOLE Certification, Financial Report, Resolution No. 135 Series of 2024, Acknowledgement Receipt, Photocopy of ID and CTC No. 00561382, 00561909
27/11/2024	1421737	Brgy. Roxas Hog Grower Workers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Financial Report as of May 2024, Resolution No. 01, DOLE Certification, Resolution No. 135 Series of 2024, Acknowledgement Receipt, Photocopy of ID
27/11/2024	1421738	Brgy. Iba Organic Farmers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Savings Account Passbook No. 5015384, MOA, Project Proposal, DOLE Certification, Statement of Income and Expenditure from Jan to Dec. 2023, Minutes of Monthly Meeting, Resolution No. 01, Resolution No. 135 Series of 2024, Acknowledgement Receipt, Photocopy of ID and CTC No. 22090667
27/11/2024	1421739	Mongabong Integrated Farmers Association	Payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Resolution No. 02, Financial Report as of December 20, 2023, DOLE Certification, Resolution No. 135 Series of 2024, MOA, Acknowledgement Receipt
02/12/2024	1421748	Barangay Roxas Tambuligay Farmers Association	Payment of livelihood Assistance to the Different Registered Association of Basey Samar	20,000.00	OBR, DV, MOA, Acknowledgement Receipt, Project Proposal, Financial Report from Jan-May 2024, Resolution No. 01, Resolution No. 135 Series of 2024, MOA, Registration Certificate No. RO8-SFO-15-04-RWA-819, Photocopy of ID

Date	Check No	Payee	Particular	Amount	Supporting Documents
02/12/2024	1421751	Mabini People's Organization	To payment of Financial Assistance to the Different Registered / Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Project Proposal, Min. of Monthly Meeting, Resolution No. 02, DOLE Certification, Statement of Financial Performance as of Feb. 28, 2024, Resolution No. 135 Series of 2024, MOA, Photocopy of ID, Acknowledgement Receipt
02/12/2024	1421752	Binugho Farmer's Association	To payment of Financial Assistance to the Different Registered / Accredited Associations of Basey, Samar	20,000.00	OBR, DV, Acknowledgement Receipt, MOA, Resolution No. 01, Project Proposal, Certificate of Registration of Workers' Association, Financial Report as of May 2024, Photocopy of ID and CTC No. 22092651-92652
02/12/2024	1421753	Sawa Ticog Workers Association	To payment of Financial Assistance to the Different Registered / Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Min. of Monthly Meeting, DOLE Certification, Financial Statement, Min. of Reg. Session, Photocopy of ID, Acknowledgement Receipt
12-10-24	1421795	Kapisanan ng mg Mangingisda ng Brgy. Can-Manila	Financial Assistance to Accredited Association	20,000.00	Unsubmitted
12-12-24	1421803	Sikap Womens Association	Financial Assistance to Accredited Association	20,000.00	Unsubmitted
12/12/2024	1421813	Guirang Women's Association	Payment of Financial Assistance to the different Registered/Accredited Association in Basey, Samar	20,000.00	OBR, DV, DOLE Certification, MOA, Min of Regular Session, Project Proposal, Min of Monthly Meeting, Financial Report, Photocopy of ID and CTC No. 00561797, Acknowledgement Receipt
12/17/2024	1421831	New Homeworkers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, MOA, Project Proposal, Min of Monthly Meeting, Min of Regular Session, Photocopy of CTC No. 00562006, 005602020 and ID

Date	Check No	Payee	Particular	Amount	Supporting Documents
12/17/2024	1421832	Pambansang Koalisyon ng Kababae sa Kanayunan Association	To payment of Livelihood Assistance to the different Registered/ Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, DOLE Certification, Fin Report, Min. of Monthly Meeting, Photocopy of ID and CTC No. 00561383, Acknowledgement Receipt
12/17/2024	1421833	Wespal Farmers Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, MOA, Project Proposal, Financial Statement, Min of Monthly Meeting, Min of Regular Session, DOLE Certification, Photocopy of CTC No. 00561833, 00561834 and ID
12/17/2024	1421834	Bacubac Fisherfolks Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	OBR, DV, MOA, Project Proposal, Financial Report, DOLE Certification, Resolution No. 01, Photocopy of CTC No. 22091596, 22091595 and ID, Acknowledgement Receipt
12/17/2024	1421835	Villa Aurora Farmer's Association	To payment of Financial Assistance to the Different Registered/Accredited Associations of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, MOA, Project Proposal, Annual Financial Statement CY 2023 List of Current Officers and Members, Min of Monthly Meeting, Min of Regular Session, DOLE Certification, Photocopy of CTC No.00561798, 00561799 and ID
12/18/2024	1421845	Brgy. Del Pilar Lagkaw Tourism Workers Association	To payment of Financial Assistance to the Different Registration / Accredited Associations of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, MOA, Min of Monthly Meeting, DOLE Registration Certificate, Min of Regular Session, Photocopy of CTC No. 00561952 and ID
12/20/2024	1421848	Basey Pointe 5 Homeowners Association, Inc.	To payment of Livelihood Assistance to the different registered/accredited Association of Basey Samar	20,000.00	Acknowledgement Receipt, OBR, DV, MOA, Project Proposal, Min of Monthly Meeting, Certificate of Incorporation, Financial Report, Min of Regular

Date	Check No	Payee	Particular	Amount	Supporting Documents
					Session, Photocopy of OR No. 1016614701 and ID
12/23/2024	1421858	Brgy. San Antonio Hog Peddlers Association	to payment of financial assistance to the different Registered/Accredited Association of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, Project Proposal, DOLE Registration Certificate, Financial Report, MOA, Min of Regular Session, Photocopy of ID
12/23/2024	1421865	Sitio Biga Farmers Association	to payment of Livelihood Assistance to the different Registered/Accredited Association	20,000.00	Acknowledgement Receipt, OBR, DV, Project Proposal, DOLE Certification, MOA, Min of Regular Session, Min of Monthly Meeting, Photocopy of ID and CTC No. 000561828, 000561827
12/26/2024	1421868	Cogon Rural Improvement Club	To payment of Financial Assistance to the Different Registration / Accredited Associations of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, Project Proposal, DOLE Certification, Financial Statement, MOA, Min of Regular Session, Min of Monthly Meeting, Photocopy of ID and CTC No. 22091923, 22091922
12/26/2024	1421869	So. Can-umran Small Entrepreneur Workers Association	To payment of Financial Assistance to the Different Registration / Accredited Associations of Basey, Samar	20,000.00	Acknowledgement Receipt, OBR, DV, Project Proposal, Financial Statement, DOLE Certification, MOA, Min of Regular Session
12/27/2024	1422046	Basey Alliance for Rural Farmers Association, (BARFA) Inc.	to payment of Livelihood Assistance to the different Registered Accredited Association of Basey, Samar	20,000.00	Unsubmitted
12-27-24	1422166	Basey Artisans Association	Financial Assistance to Accredited Association	20,000.00	OBR, DV, MOA, Project Proposal, Financial Report from May to October 2024, Resolution No. 1, Resolution No. 135, Certificate of Registration of Workers' Association,

Date	Check No	Payee	Particular	Amount	Supporting Documents
					Acknowledgement Receipt
		Lanaga 1 Farmers Association	Financial Assistance	20,000.00	Obligated but no supporting documents submitted to the team.
		Brgy. Pelit Vegetable and Root crops Workers Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Government Association of Basey Employees	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Old San Agustin Tikog Worker Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		So. Cambabang Farmers Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Manililnab Farmers Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Brgy. Palaypay Senior Citizen Vendor Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Buscada Farmers Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Brgy. San Antonio Farmers and Fisherfolks Association	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
		Tikog Weaver and Embroiderers Association of Basey	Financial Assistance to Accredited Association	20,000.00	Obligated but no supporting documents submitted to the team.
TOTAL				1,500,000.00	

APPENDIX F

Commission on Audit
Municipality of Basey, Samar
Detailed Schedule of the Remittances of Employees' Premiums, Contributions and
Loan Amortizations
For Calendar Year 2024
(Combined amounts from GF, SEF and TF Accounts)

	Deductions/ Contributions	Remittances	Under/ (Over) Remittances	Balance
<i>GSIS Premium</i>				
Beg Balance				₱2,016,907.37
January	1,688,053.35	1,448,039.46	240,013.89	2,256,921.26
February	1,634,835.40	1,445,580.30	189,255.10	2,446,176.36
March	1,612,951.94	1,508,928.14	104,023.80	2,550,200.16
April	1,629,891.16	1,556,078.96	73,812.20	2,624,012.36
May	1,620,710.88	1,497,684.33	123,026.55	2,747,038.91
June	1,564,753.65	1,496,588.95	68,164.70	2,815,203.61
July	1,566,818.07	1,487,646.24	79,171.83	2,894,375.44
August	1,650,889.65	655.56	1,650,234.09	4,544,609.53
September	1,678,858.73	1,489,777.65	189,081.08	4,733,690.61
October	1,661,710.58	1,476,555.62	185,154.96	4,918,845.57
November	1,713,859.56	3,089,798.25	(1,375,938.69)	3,542,906.88
December	1,747,441.44	1,721,114.73	26,326.71	3,569,233.59
Sub-total	₱19,770,774.41	₱18,218,448.19	₱1,552,326.22	₱3,569,233.59
<i>Pag-IBIG</i>				
Beg Balance				₱555,900.13
January	173,848.73	159,749.73	149,179.46	569,999.13
February	190,529.42	135,368.54	55,160.88	625,160.01
March	190,385.60	278,247.12	- 87,861.52	537,298.49
April	191,428.88	44,269.27	147,159.61	684,458.10
May	185,333.79	360,823.72	- 175,489.93	508,968.17
June	177,650.98	10,300.00	167,350.98	676,319.15
July	177,703.96	171,950.98	5,752.98	682,072.13
August	176,959.78	27,469.27	149,490.51	831,562.64
September	166,010.11	83,659.78	82,350.33	913,912.97
October	167,039.67	611,838.83	- 444,799.16	469,113.81
November	165,139.67	153,439.67	11,700.00	480,813.81
December	266,311.20	143,797.13	122,514.07	603,327.88
Sub-total	₱2,228,341.79	₱2,180,914.04	₱182,508.21	₱603,327.88
Grand Total	₱21,999,116.20	₱20,399,362.23	₱1,734,834.43	₱4,172,561.47



**Commission on Audit
Municipality of Basey, Samar**

Schedule of BIR Remittances for Calendar Year 2024
(Combined amounts from GF, SEF, and Trust Fund)

Month	Deductions/ Contributions	Remittances	Under/(Over) Remittances	Balance
Beg. Balance				₱68,651.28
January	2,079,146.57	552,697.97	1,526,448.60	1,595,099.88
February	2,445,724.18	1,519,667.54	926,056.64	2,521,156.52
March	1,334,231.82	2,950,794.99	- 1,616,563.17	904,593.35
April	2,303,247.87	1,340,764.11	962,483.76	1,867,077.11
May	1,506,388.62	2,311,682.81	- 805,294.19	1,061,782.92
June	1,520,533.00	1,471,408.19	49,124.81	1,110,907.73
July	1,313,324.75	1,553,905.67	- 240,580.92	870,326.81
August	2,328,210.41	831,328.55	1,496,881.86	2,367,208.68
September	1,663,319.07	2,875,737.49	- 1,212,418.42	1,154,790.26
October	997,600.85	1,657,309.21	- 659,708.36	495,081.90
November	2,141,402.14	1,011,398.16	1,130,003.98	1,625,085.88
December	2,281,973.47	3,831,071.01	- 1,549,097.54	75,988.34
TOTAL	₱21,915,102.76	₱21,907,765.70	₱7,337.06	₱75,988.34