**STATUS OF IMPLEMENTATION OF PRIOR YEARS’ AUDIT RECOMMENDATIONS**

Of the 118 audit recommendations contained in the prior years’ AARs, 43 were implemented and 75 were not implemented, of which 16 were reiterated in Part II of this AAR. Details are as follows:

| **Observation and Recommendation** | **Ref.** | **Action Taken by Management** | **Result of Auditor Validation** |
| --- | --- | --- | --- |
| 1. **Posting of commitments and recognition of accruals were simultaneously undertaken only upon payment or receipt of progress billing from the contractor, contrary to IPSAS No. 1, thereby resulting in a net overstatement of Actual Amounts for CO in the SCBAA amounting to ₱21,870,634.12, understatement of commitments amounting to ₱88,265,451.80 and understatement of Accounts Payable amounting to ₱34,799,343.27.**   We recommended that the Provincial Governor direct the following:   1. The PBO to ensure that all contracts entered into during the year are obligated on that year; | pp. 76-79, 2022 AAR | All contracts were obligated on the same year these were entered into.  The Provincial Accounting Office reminded the Provincial Budget Office to obligate all contracts within the same year. | ***Not Implemented***  All contracts approved in 2023 were obligated in the same year. However, there were CY 2022 contracts which were only obligated in CY 2023.  Reiterated in Part II, Observation No. 1, page 87 of this AAR. |
| 1. The Provincial Engineer to conduct a mandatory inspection at year-end with duly certified inspection reports to support the percentage of completion reported in the Status Report on Quarterly PPAs for all ongoing projects for the Provincial Accountant to accrue the same in the books; and | pp. 76-79, 2022 AAR | The PEO conducted a mandatory inspection.  Provincial Accounting Office requested OPE for actions taken. | **Not Implemented.**  The submitted QPPA reports for the 3rd and 4th quarters of 2023 were not supported by inspection reports. |
| 1. The Provincial Accountant to ensure that all total costs incurred for all projects, programs, and activities are accrued accordingly and that all commitments and obligations are completely and recognized correctly in the SCBAA. | pp. 76-79, 2022 AAR | Before the closing of books for the year ended December 31, 2022, Memorandum No. 21-2022 was issued to all offices, requesting that they submit the necessary documents to support unpaid obligations for recording in the books.  Manually adjusted the partially completed projects as of December 31, 2022, which were not previously reported by the OPE to the Provincial Accounting Office during the closing of the books of accounts under the following JEVs:  JEV-2022-12-18701-A  JEV-2022-12-18704-B  JEV-2022-12-18704-C  Provincial Accounting Office requested that the BAC submit all perfected contracts at year-end so that the PBO can obligate the same within the year. Further, Memorandum No. 357, s. 2023 was issued to all offices to submit unpaid obligations and the required supporting documents. | **Not Implemented.**  Actual obligations in the 2023 SCBAA included contracts approved in 2022.  Reiterated in Part II, Observation No. 1, page 87 of this AAR. |
| 1. **The validity and collectability of Receivable accounts amounting to ₱8,443,788.31 that have been dormant for more than ten years could not be ascertained due to the absence of supporting documents and sufficient records, contrary to IPSAS No. 1, thereby affecting the faithful representation of the balances of the receivables accounts at year-end.**   We reiterated our recommendation that the Provincial Governor direct the Provincial Accountant, in coordination with the Provincial Treasurer to:   1. Strive to collect these long-outstanding receivables, particularly the accounts with available reference documents, by sending demand letters. Exhaust all remedies to collect and properly document all efforts made; and | pp. 79-82, 2022 AAR | The Provincial Accounting Office had sought the help of the Office of the Provincial Treasurer, PLO and Office of the Provincial Agriculturist in collecting the said receivable accounts.  Some LGUs with long outstanding receivables have submitted liquidation reports and refunded unutilized long outstanding fund transfers.  Provincial Accounting Office requested the municipal accountants for the reconciliation, collection, and/or liquidation of long-standing receivables.  The Provincial Accounting Office strictly implemented the provisions of COA Circular No. 2023-004, Prescribing the Updated Documentary Requirements for Government Transactions, amending COA Circular No. 2012-001 dated June 14, 2012  The Provincial Accounting Office reiterated its request to the OPAG for the liquidation of their long-standing fund transfers for their projects.  The PTO created a team through an office order to strategize and collaborate with partner offices to monitor and follow up on the said accounts.  Further, the Provincial Accounting Office coordinated with the municipal accountants for the refund or utilization of fund transferred to their respective municipalities through the La Union Association of Local Government Accountants.  The municipal accountants of LGUs Santol, Sto. Tomas, Tubao, Aringay and Rosario submitted utilization reports and refunded unutilized fund transfers. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 7, page 102 of this AAR. |
| 1. Exert more effort to locate all related documents on the long-outstanding receivables to establish their existence and validity. | pp. 79-82, 2022 AAR |  | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 7, page 102 of this AAR. |
| For the receivables proven to be uncollectible but duly supported with required documents, we recommended that the Provincial Governor file the request for authority to write off dormant receivable accounts as prescribed under COA Circular No. 2016-005 dated December 19, 2016. | pp. 79-82, 2022 AAR | The Provincial Accounting Office had drafted an Executive Order creating an Investigation Committee and submitted it to the Office of the LFC Chairman for deliberation.  The Provincial Accounting Office requested the help of municipal accountants. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 7, page 102 of this AAR. |
| We further recommended that the Provincial Governor direct the following:   1. The LFC to fast-track the policies and guidelines for the provision of allowances for impairment in accordance with IPSAS; and | pp. 79-82, 2022 AAR | The LFC has agreed to formulate agency guidelines on the provision of allowances for impairment of dormant receivables as prescribed under COA Circular No. 2016-005 dated December 19, 2016.   The Provincial Accounting Office requested from the LFC the creation of an investigation committee relative to dormant accounts of the PGLU. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Thereafter, the Provincial Accountant to recognize an allowance for impairment to present the financial statements fairly. | pp. 79-82, 2022 AAR | The Provincial Accounting Office agreed to make the necessary adjustments upon the recommendation of the LFC on the amount of receivables to be written off.  LGUs Rosario and Tubao refunded unutilized funds for KKK loans and ECCD loans, respectively.  The municipal accountants of Aringay and Sto. Tomas refunded fund transfers for KKK loans and ECCD, correspondingly. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. **Other Land Improvements, Other Infrastructure Assets, and Other Structures with net book values of 12,061,792.29, 328,276,959.86, and 118,324,523.83, respectively, which are already being used by other LGUs, are still carried in the Provincial Government's books due to the absence of donation documents as required by Article 749 of the Civil Code of the Philippines, resulting in an overstatement of the affected accounts in the total amount of ₱458,663,275.98 thereby affecting the fair presentation of Property, Plant, and Equipment accounts and its accompanying accumulated depreciation accounts.**   We reiterated our recommendation that the Provincial Governor continue to request the SP to enact a Resolution authorizing the transfer of the multi-purpose centers/buildings/other infrastructure assets/structures to the different recipient barangays/municipalities/ schools/beneficiaries; | pp. 82-85, 2022 AAR | Some of the Deed of Donation Resolutions were approved. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 5, page 94 of this AAR. |
| We further recommended that the Provincial Governor direct the Provincial Legal Officer to fast-track the preparation of Deeds of Donation for the actual transfer and acceptance by the latter to support the transfer of ownership of the said properties; and | pp. 82-85, 2022 AAR | Deeds of Donation were already prepared by the PLO, and were forwarded to the Provincial Engineering Office for signature of the parties.    The Management will follow-up the concerned LGUs on the Barangay Resolution and Deed of Donation.  Provincial Accounting Office requested PLO for the necessary documents to effect donation.  For those funded under the SEF, Provincial Accounting Office requested the Provincial School Board for the necessary documents to effect the transfer. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 5, page 94 of this AAR. |
| Thereafter, we recommended that the Provincial Governor direct the Provincial Accountant to make necessary entries to present the Property Plant and Equipment accounts fairly:  Debit:  Government Equity  458,663,275.98  Acc. Dep – Other Infrastructure Assets  38,537,363.54  Acc. Dep – Other Land Improvements  1,814,736.24  Acc. Dep – Other Structures  4,885,234.81  Credit:  Other Infrastructure Assets  366,814,323.40  Other Land Improvements  13,876,528.53  Other Structures  123,209,758.64 | pp. 82-85, 2022 AAR | Requested concerned offices for the production of required documents of transfer so that the Accounting Office can make the necessary entries in the books of accounts.  Provincial Accounting Office requested the necessary documents from the PGSO to effect donation. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 5, page 94 of this AAR. |
| 1. **Local road networks ballooned to a gross amount of ₱3,200,711,867.20 due to annual and continued rehabilitation and improvement of roads even though the roads were not fully depreciated yet and costs of demolished portions of pavements that were rehabilitated/improved were not derecognized in the books contrary to COA Circular No. 2015-008 dated November 25, 2015, thereby affecting the fair presentation of the Road Networks account in the financial statements.**   We recommended that the Provincial Governor direct the following:   1. The Provincial Engineer to provide a report of improvements/rehabilitations for which a part of the Program of Works/Detailed Estimates include removal of existing pavement (with a cost estimate of the removed portion); and | pp. 85-89, 2022 AAR | The PEO will provide a report/plan showing the removed portion of the removed and replaced (R and R) road projects. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. The Provincial Accountant to ensure that the carrying amount of the asset replaced shall be derecognized pursuant to COA Circular No. 2015-008 dated November 25, 2015. | pp. 85-89, 2022 AAR | The Provincial Accounting Office had requested the PEO for the report of demolished and rehabilitated PGLU local road network projects so that they can make the necessary entries in the books of accounts. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| Lastly, we recommended that the Provincial Governor direct the implementing units to observe prudence in the disbursement of government funds by maximizing the useful life of road networks, taking into consideration the quality of the works of contractors to prevent frequent rehabilitation/improvement of the same roads, and if applicable, claim a warranty against structural defects and failures for semi-permanent structures, which is covered for five years after final acceptance of the project. | pp. 85-89, 2022 AAR | The PEO ensured that Constructor’s Performance Evaluation System (CPES) is regularly conducted to prevent problems on the quality of all infrastructure projects. | ***Implemented.***  CPES is being conducted by the PEO. |
| 1. **Past due current liabilities aged at least two years to more than ten years totaling ₱29,383,609.92 were not strictly monitored for payment/settlement and were still recorded in the books due to a) lack of pertinent documents supporting the claims and lack of valid claimants; b) non-fulfillment of purposes for which the funds have been transferred amounting to ₱3,042,212.49; and c) non-refund of guarantee/security deposits payable totaling ₱6,181,679.10 contrary to paragraph 80 of IPSAS 1, Sections 4(6) of PD No. 1445, COA Circular No. 94-013 dated December 13, 1994, and COA Circular No. 2016-004 dated September 30, 2016, thereby affecting the accuracy and validity of the recorded claims.**   We recommended that the Provincial Governor direct the Provincial Accountant, with the help of the Provincial Treasurer and implementing offices/end-users, to:   1. Re-evaluate the validity of past due claims recorded that are aged more than two years and cause the prompt settlement/liquidation/refund of the same. If such claims are warranted to be invalid already or the purpose of the funds cannot be met or has already been completed, revert the unpaid claims to the accumulated surplus of the GF or refund the TFs to the source agencies, as appropriate; | pp. 89-93, 2022 AAR | The Provincial Accounting Office has already made the re-evaluation on the current liabilities and communicated with the concerned suppliers/payees for some necessary documents (i.e., original copy of official receipts for bidder’s bond) to process the payment.  The Provincial Accounting Office coordinated with offices for the timely payment of their payables.  A memorandum was issued for the submission of unpaid obligations with necessary documents. | ***Not Implemented.***  Although re-evaluation and coordination with concerned offices were initiated by the Provincial Accounting Office, the prompt settlement/liquidation/refund of past due claims is not yet achieved.  Reiterated in Part II, Observation No. 6, page 98 of this AAR. |
| 1. Ensure that all documents for payment of claims are intact before recording as valid claims to facilitate smooth and prompt settlement of liabilities; and | pp. 89-93, 2022 AAR | The Provincial Accounting Office ensured adherence to the minimum documentary requirements as provided under COA Circular Nos. 2012-001 and 2023-004.  The Accounts Payable documents were cascaded to administrative officers during Administrative Officer's meeting. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  Reiterated in Part II, Observation No. 6, page 98 of this AAR. |
| 1. Thereafter, ensure strict monitoring of recorded liabilities for prompt settlement thereof. | pp. 89-93, 2022 AAR | The Provincial Accounting Office had been requesting the end-users to promptly process the payment of their payables and regularly report updates on the same during monthly cabinet and Administrative Officers’ meetings. Likewise requested the PTO to release the checks under its custody so that the Accounting Office can update the payable accounts and the PHO to utilize the remaining balances, especially the long outstanding transfers under the TF accounts.  Current payables and settlement were communicated to respective offices during the Administrative Officer's meeting. | ***Implemented.***  Strict monitoring has been undertaken by the Provincial Accounting Office. |
| 1. **Obligations incurred in CY 2020 that pertained to the purchase of various drugs and medicines and other medical and laboratory supplies amounting to at least ₱5,800,814.07 were charged against the current budget and recognized as accounts payable in CY 2022 contrary to the definition of accrual basis in IPSAS 1 and the provisions stated in Sections 86 and 119 of PD No. 1445, resulting in an overstatement of expenses and an understatement of prior period adjustment. Consequently, the "actual amounts" under MOOE - Health, Nutrition, and Population Control in the SCBAA are also overstated.**   We recommended that the Provincial Governor direct:   1. The PBO to ensure that all lawful expenditures and obligations incurred during the year shall be taken up in the accounts of that year; and | pp. 93-96, 2022 AAR | Obligations incurred during the year were obligated and taken up in the accounts within the year. | ***Not Implemented.***  Contracts pertaining to CY 2022 were only obligated in CY 2023.  Reiterated in Part II, Observation No. 1, page 86 of this AAR. |
| 1. The Provincial Accountant to observe the proper matching of expenses against the appropriation and ensure that transactions and events are recorded in the accounting records and recorded in the financial statements of the periods to which they relate to avoid non-adjustable misstatements. | pp. 93-96, 2022 AAR | The Accounting Office, in coordination ensured that all transactions and events will be recorded during the period in which they are incurred. | ***Not Implemented.***  Actual obligations in the 2023 SCBAA included contracts approved in 2022.  Reiterated in Part II, Observation No. 1, page 86 of this AAR. |
| 1. **Other Incentives for Transformative Performance Towards Service Excellence under the PRAISE system of the PGLU that were granted en masse to all employees in the total amount of ₱181,050,614.76 for CY 2021 and 2022 do not adhere to the principle of providing incentives and awards based on performance, innovative ideas, and exemplary behavior envisioned under Civil Service Commission (CSC) Memorandum Circular (MC) No. 01, s. 2001 due to the absence of appropriate criteria for the selection and recognition of eligible employees, thus defeating the purpose and essence of the system.**   We recommended that the Provincial Governor direct the PRAISE and LFC Committee to:   1. Discontinue the practice of granting across-the-board payment of Other Incentives for Transformative Performance Towards Service Excellence; | pp. 96-100, 2022 AAR | The PGLU discontinued the grant of PRAISE en masse. | ***Implemented.***  The practice of granting across-the-board PRAISE was already discontinued.  The Audit Team was also informally apprised that the PRAISE which was expected to be given in December 2023 was no longer granted to the employees.  Revised guidelines are not yet finalized by the PGLU PRAISE Committee. |
| 1. Establish suitable criteria or appropriate guidelines in the selection of deserving employees who made exemplary suggestions, innovations, or accomplishments which contributed to the efficiency, economy, or improvement of government operations, as evidenced by the awards received by PGLU; and | pp. 96-100, 2022 AAR | The revised guideline is currently being reviewed by the PGLU PRAISE Committee. | ***Not Implemented.***  Revised guidelines are not yet finalized by the PGLU PRAISE Committee. |
| 1. Submit subsequent amendments to the PRAISE guidelines to the Civil Service Commission for their evaluation and approval. | pp. 96-100, 2022 AAR | The PGLU will submit subsequent amendments to the PRAISE guidelines to the Civil Service Commission for their evaluation and approval. | ***Not Implemented.***  Revised guidelines are not yet finalized by the PGLU PRAISE Committee.  As such, approval from CSC is not yet obtained. |
| 1. **Savings from completed and implemented projects funded from the Share on Tobacco Excise Tax Funds (RA Nos. 7171 and 8240) totaling ₱93,195,125.36 were not reverted to unappropriated surplus for re-appropriation to new programs/projects/activities contrary to Section 322 of RA No. 7160 and Article 454[b][1], IRR of RA No. 7160 due to voluminous PPAs being and yet to be implemented, thereby resulting in the accumulation of idle funds and preventing the LGU from funding and implementing other PPAs that will advance the self-reliance of tobacco farmers and promote the development of the tobacco industry in the Province.**   We recommended that the Provincial Governor direct the PBO to:     1. Revert the savings from completed projects under the Share from Tobacco Excise Tax Fund (RA No. 7171 and 8240) to the unappropriated surplus and re-appropriate the same to new PPAs allowed under the said fund; and | pp. 100-103, 2022 AAR | Programming of priority PPAs under RA 7171 and use of unreverted savings as funding source. | ***Not Implemented.***  Only ₱15,436,886.72 out of ₱93,195,125.36 was reverted. Should comply with new guidelines issued by the DBM regarding RA No. 7171 and 8240 savings. |
| 1. Seek the assistance of implementing offices like the Provincial Engineering Office and the Office of the Provincial Agriculturist to develop a menu of new PPAs that will advance the self-reliance of tobacco farmers and promote the development of the tobacco industry. | pp. 100-103, 2022 AAR | The Construction of Farm-to-Market Roads and Farmer’s Multi-Purpose Centers contributes to the self-reliance of tobacco farmers and also promotes the development of the tobacco industry. | ***Implemented.***  New PPAs had been developed. |
| 1. **Prior year balances of appropriations classified as MOOE under the Share on Tobacco Excise Tax (RA No. 7171 and RA No. 8240) Funds amounting to ₱160,965,186.92 and under the 20% DF (DF) amounting to ₱34,493,329.32 were not reverted to the unappropriated surplus but were made continuing in the books due to agency practice, which caused the charging of current expenditures totaling ₱46,564,573.15 out of the said prior year balances in the absence of subsequent enactment, contrary to Section 322 of RA No. 7160 and Section 119 of PD No. 1445, thereby affecting the regularity of said transactions. Also, the RA No. 7171 Fund actual amounts – MOOE in the SCBAA are overstated by ₱6,603,614.71, which pertains to Other Infrastructure Assets that should have been obligated in CY 2021.**   We recommended that the Provincial Governor direct:   1. The LFC to: 2. Revert unexpended balances of the share on the tobacco excise tax fund and 20% DF earmarked or classified as MOOE to the unappropriated surplus and shall thereafter be appropriated for other or the same projects under such funds, respectively; and | pp. 103-106, 2022 AAR | In addition to the utilization rates in general form regularly presented during the Cabinet Meetings, OPPDC also recommended the presentation of balances on appropriations during the said meetings for the purpose of appropriation for other or same development projects included in the Medium-Term Plan of the Province. OPPDC, as part of the LFC, has also been assisting the PBO on identifying priority projects to be funded from balances of appropriation provided that clear Financial Accomplishment Reports are communicated to the OPPDC. | ***Implemented.***  Reversion of unexpended balances of the share on the Tobacco Excise Tax Fund and 20% DF earmarked or classified as MOOE were already made.  In addition, the Provincial Accounting Office averred that such were no longer made continuing. |
| 1. Cease the practice of utilizing the prior year balances of PPAs that are MOOE in nature in the absence of subsequent enactment; | pp. 103-106, 2022 AAR |  | ***Implemented.***  Unexpended balances of the share on the Tobacco Excise Tax Fund and 20% DF earmarked or classified as MOOE have been reverted.  In addition, the Provincial Accounting Office averred that such were no longer made continuing. |
| 1. The PBO to obligate current year MOOE expenditures against the current year appropriation; and | pp. 103-106, 2022 AAR | All current year MOOE expenditures were charged against current appropriations | ***Implemented.***  The Provincial Accounting Office made a strong representation that all MOOEs for CY 2023 were charged against CY 2023 appropriations. |
| 1. The Provincial Accountant, in coordination with the PBO, to ensure that only COs are presented under the continuing appropriations of the SCBAA. | pp. 103-106, 2022 AAR | The Provincial Accounting Office had coordinated with the PBO that only CO expenditures are presented under the continuing appropriations of the SCBAA. | ***Implemented.***  Coordination between the concerned offices was undertaken. |
| 1. **The Notices to Proceed (NTPs) and Purchase Orders (POs) of 42 contracts involving the procurement of various goods worth ₱32,531,681.18 were only received by the winning bidders and suppliers with the Single or Lowest Calculated and Responsive Quotation (LCRQ) after a period ranging one to five months due to bottlenecks in the internal procedures of the PGLU involving the preparation and approval of documents contrary to Section 37.4 and Annex H of the IRR of RA No. 9184 resulting in a substantial delay in the fulfillment of the obligation to effect delivery, thereby, ultimately depriving the end-users/beneficiaries of the timely distribution and consummation of intended benefits of the procured goods.**   We recommended that the Provincial Governor, in coordination with the BAC and the OPG reviewing units:   1. Streamline the process that involves the preparation, review, and approval of all procurement documents, especially the NTPs, and POs; | pp. 106-110, 2022 AAR | The BAC conducted a Technical Workshop on July 13-14, 2023 for the proper processing of documents such as PRs, POs, NOAs, and NTPs, to streamline the procurement process.    The PGLU conducted a workshop on the formulation of PPMP and APP. | ***Not Implemented.***  Same instance was observed in the acquisition of disaster response and rescue equipment and supplies costing ₱7,795,600.00.  Reiterated in Part II, Observation No. 18, page 133 of this AAR. |
| 1. Ensure that procurement documents are prepared, reviewed, approved, issued, and eventually received by the winning bidder/supplier within the timelines provided under our Procurement Laws, Rules, and Regulations; and | pp. 106-110, 2022 AAR | The OPG and Provincial Accounting Office strictly reviewed the documents. | ***Not Implemented.***  Same instance was observed in the acquisition of disaster response and rescue equipment and supplies costing ₱7,795,600.00. |
| 1. Submit a revised detailed process flowchart with time durations for preparing, reviewing, approving, and issuing NTPs and POs that conform to the previously discussed periods. | pp. 106-110, 2022 AAR | The PGLU submitted a revised detailed process flowchart with time durations for preparing, reviewing, approving, and issuing NTPs and POs that conform to the previously discussed timelines. | ***Implemented.***  Updated BAC ISO procedures with timeline had been submitted. |
| 1. **Various suppliers of the PGLU were not able to completely deliver within the agreed contract period the various goods aggregating to ₱36,449,544.27, and liquidated damages for the same with an estimated amount of ₱1,574,677.95 were not imposed due to the injudicious leniency of the Management in granting requests for extensions based on unmeritorious grounds contrary to Section 3 of Annex D of the 2016 Revised IRR of RA No. 9184 and Guidelines on Contract Implementation of the Generic Procurement Manual Volume II, thereby compromising the timely consumption of the subject goods to the disadvantage of the end-users.**   We recommended that the Provincial Governor, in coordination with the BAC, End users, and Accounting Office:   1. Intensify their post-qualification procedures to ensure that potential contractors/suppliers are qualified to be awarded the contract, such that the availability of stocks that comply with the technical specifications is prudently ascertained to be available and delivered within the contract period; | pp. 110-113, 2022 AAR | The BAC has now intensified its post-qualification process by not only conducting on-site validation (including their past transactions) especially for new suppliers but also reiterating to the prospective bidders during the pre-bid conferences the delivery schedule to be strictly observed by ensuring the availability of their stocks. | ***Not Implemented.***  Interview with the BAC Secretariat revealed that various suppliers were still not able to deliver within their respective delivery periods evidenced by letters received by their office requesting for extension to deliver. |
| 1. Institutionalize a judicious set of procedures and guidelines in the deliberation, investigation, and assessment of the propriety of every request for delivery extensions from suppliers; | pp. 110-113, 2022 AAR | The requests for delivery extensions are forwarded to the end-users as the BAC is in charge only in the preparation of BAC documents, which is up to Notice of Award/Notice to Proceed. | ***Not Implemented.***  Judicious set of procedures are yet to be institutionalized. |
| 1. Grant delivery extensions only for grounds that were cautiously investigated to be meritorious and to attach supporting documents to the disbursement vouchers that would justify all grants of delivery extensions, including the transactions cited in this observation; | pp. 110-113, 2022 AAR | The Accounting Office ensures that requests for extension and justification are attached in the disbursement vouchers. | ***Not Implemented.***  Same instance was observed in the acquisition of disaster response and rescue equipment and supplies costing ₱7,795,600.00.  Reiterated in Part II, Observation No. 18, page 133 of this AAR. |
| 1. Review the Uniform Guidelines for Blacklisting found in Appendix 17 of the RIRR of RA No. 9184 and blacklist suppliers who continue to incur delay in delivering their obligations within the agreed contract period; and | pp. 110-113, 2022 AAR | The BAC considered the option of blacklisting of suppliers who continues to incur delays in delivering its obligations within the agreed contract period. For the meantime, liquidated damages were imposed to suppliers. | ***Implemented.***  Required review were undertaken. Liquidated damages were imposed. |
| 1. Strictly impose liquidated damages on suppliers who have or will have unjustified delays. | pp. 110-114, 2022 AAR | The Provincial Accounting Office committed to strictly impose liquidated damages to suppliers who incur unjustified delays.  The Provincial Accounting Office ensured that requests for extension and justification are attached in the disbursement vouchers. | ***Implemented.***  The subsidiary ledger showed that 30 transactions of setting up liquidated damages had been recognized. |
| 1. **Inventories held for distribution and consumption amounting to ₱25,990,523.04 are either: (a) exposed to elements that lead to possible deterioration, destruction, or loss; (b) expired or nearly expired; or (c) slow-moving or remain idle due to the absence of an appropriate storage facility, lack of proper management and monitoring of stocks, and inefficient procurement planning, contrary to Section 2 of Presidential Decree (PD) No. 1445, COA Circular No. 92-386, and Article II of RA No. 9184, which entailed wastage of government funds and hindered the maximum delivery of desired benefits to the constituents or intended recipients.**   We recommended that the Provincial Governor:   1. In coordination with the LFC to: 2. Reassess the necessity of having a PGLU warehouse for their inventories; otherwise, devise alternative strategies that would ensure that their inventories are properly stored and not exposed to various elements that lead to possible deterioration, destruction, or loss; | pp. 114-126, 2022 AAR | The OPPDC and PGSO included the establishment of a warehouse for the PGLU in the previous and current Executive- Legislative Agenda and Annual Investment Plan of the Province. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Intensify the timely submission of Project Proposals from the different PGLU offices for it to be encapsulated in the Annual Investment Plan (AIP) of the Province to avoid the instance of having rush projects which were not initially part of the plan; | pp. 114-126, 2022 AAR | The OPPDC has been strictly monitoring the submission of project proposals by the implementing offices during the development of the Annual Investment Plan since 2021.  The OPPDC has also advised the offices to use the Project Procurement Management Plan (PPMP)) Template in coming up with the estimated costs included in the AIP; and  OPPDC in coordination with other offices will implement the audit recommendations. | ***Implemented.***  The OPPDC has been strictly monitoring the submission of project proposals by the implementing offices during the development of the Annual Investment Plan. |
| 1. Thoroughly review the totality of approved PPAs of the PGLU, especially the procurement of various goods for distribution and consumption, to avoid the instance of overstocking and overlapping purchase of goods; | pp. 114-126, 2022 AAR | The PGLU monitored the inventory distribution of respective offices and requested for reports of issuances. | ***Not Implemented.***  Some of the welfare goods for distribution expired in 2023. |
| 1. Direct the GSO to devise an internal control system that would ensure that the expiration dates of perishable inventories are adequately monitored; | pp. 114-126, 2022 AAR | The PGSO indicated in the Stock Cards the expiration dates of the inventories for proper monitoring.  The PGSO monthly informs the concerned departments of the inventory levels and expiration dates and reminds them to request issuance of said items based on purpose.    The PGSO recommended the just-in-time inventory management and cohesive procurement management.  The PGSO monitored expiration of the inventory through the stock cards. A memorandum is also issued monthly to inform the concerned departments of the inventory levels, expiration, and to determine other possible PPA where inventories nearing expiration can be used. | ***Not Implemented.***  Some of the welfare goods for distribution had expired in 2023. |
| 1. In coordination with the concerned PGLU offices/end-users of the slow-moving/idle inventories to provide a plausible plan and action on the direction and eventual utilization of these inventories; | pp. 114-126, 2022 AAR | The PGSO recommended identifying other PPAs where the inventories nearing expiration can be used or distributed wherein its objectives are of co-equal importance.  A memorandum was issued monthly to inform the concerned departments of the inventory levels, expiration, and to determine other possible PPA where inventories nearing expiration can be used. Some inventories were donated to requesting agencies such as the BJMP, for hygiene kits. | ***Not Implemented.***  Substantiation of the plausible plan was not furnished. Also, the audit team was not apprised of any disposal pertaining to the expired inventories. |
| 1. Instruct the different PGLU offices/end-users to timely prepare their Project Procurement Management Plan (PPMP) based on approved project proposals so that the BAC will be able to schedule its procurement properly; and | pp. 114-126, 2022 AAR | The PPMPs were prepared and submitted vis-a-vis the LEP of each office.  The BAC developed an indicative 2024 APP and conducted Early Procurement Activities (EPA) for 2024. | ***Not Implemented.***  Delays were noted in the submission of PPMP by offices/end-users. |
| 1. Direct the BAC to meticulously and holistically prepare the APP based on the PPMPs submitted by the different PGLU offices/end-users. | pp. 114-126, 2022 AAR | The BAC conducted a Technical Workshop on July 13-14, 2023 on the proper preparation/formulation of the various offices’ PPMPs including the proper scheduling of their procurements as these will be reflected in the consolidated APP that will be prepared by the BAC. | ***Not Implemented.***  The audit team noted that the PPMPs did not include infrastructure projects. |
| 1. **Deviations were noted in the Implementation of the “Bakuna Muna Vaccination Incentives Program” and “Conduct of Search for the Cleanest, Safest, and Greenest LGUs”. More particularly, instead of prizes in the form of projects, 20 awards in the form of cash prizes and financial incentives totaling ₱16,950,000.00 were fund transferred to various LGUs in the Province due to inadequate planning and indicating that the projects are not procurement-and-implementation ready, contrary to DBM-DOF-DILG-JMC No. 1 dated November 4, 2020, which exposes the fund to the risks of non-attainment of desirable socio-economic development and environmental management outcomes for which the fund was established and non-attainment of expected outputs or objectives as indicated in the CY 2022 Annual Investment Program and project proposals.**   We recommended that the Local Chief Executive direct the following:   1. The implementing units to: 2. give the awards as projects instead of cash prizes/incentives if such are charged under the 20% DF; | pp. 126-131, 2022 AAR | The OPPDC already coordinated with the PBO (PBO) to ensure that Programs funded under the DF are compliant with the guidelines.    The OPPDC also prepared a presentation in coordination with LFC to provide updates on the status of DF utilization presented during the Cabinet Meeting.    The OPPDC also reiterated during the AIP Formulation and Budget Forum that PPAs to be funded under the DF should be “implementation ready” with project proposals/ programs of work. | ***Implemented.***  As per verification with the Provincial Accounting Office on January 4, 2024, they have not yet recorded a cash prize/incentive under the 20% DF for CY 2023. |
| 1. implement the PPAs in accordance with the approved expected outcomes/objectives in the project proposals and AIP; and | pp. 126-131, 2022 AAR | The OPPDC reiterated this during the AIP Formulation. Changes in outcomes and outputs shall be justified by the office indicated in the project proposal or letter from the implementing office. | ***Not Implemented.***  Some implemented PPAs such as the “Logistical Support to Barangays (Purchase of Garbage Trucks, Equipment for Environmental Management, Ambulance, Other Medical Equipment, etc.)” did not have a clear approved expected outcomes/objectives in the project proposals and AIP, thus, making the final output of the PPA seem not aligned with the expected output in the AIP. |
| 1. strictly monitor the utilization as well as the implementation of the fund transfers, in case cash prizes/incentives is charged under the GF; | pp. 126-131, 2022 AAR | The Provincial Accounting Office reminded the implementing offices on the execution of their PPAs as planned.  The Provincial Accounting Office requested the implementing offices for the liquidation of fund transfers for “Bakuna Muna Vaccination Incentives Program” and “Conduct of Search for the Cleanest, Safest, and Greenest LGUs”  The Provincial Accounting Office reports the utilization of offices and reminds them to implement their PPAs.  The Provincial Accounting Office reiterated the implementing offices on the status of implementation or utilization. The Provincial Accounting Office also coordinated the liquidation of fund transfers with municipal accountants. | ***Implemented.***  As per verification with the Provincial Accounting Office on January 4, 2024, strict monitoring was undertaken. |
| 1. the LFC, that in case of cash prizes/incentives, to charge such expenditures under the GF instead of the 20% DF; and | pp. 126-131, 2022 AAR | The OPPDC reiterated during the AIP Formulation and Budget Forum that PPAs to be funded under the DF should be “implementation ready” with Project Proposals/ Programs of Work.  The current prizes for CSGs are now being charged to the GF-Proper. | ***Implemented.***  As per verification with the Provincial Accounting Office, cash prizes/incentives were already being charged under the GF. |
| 1. The Budget Officer and PPDC to ensure that PPAs charged against the 20% DF are in accordance with the expected outcomes of the AIP aligned with the DBM-DOF-DILG-JMC No. 1 dated November 4, 2020, to achieve the desired socio-economic development and environmental management outcomes of the Province. | pp. 126-131, 2022 AAR | The OPPDC has been implementing a monitoring form throughout the PGLU, which is accomplished on a quarterly basis to ensure the proper utilization of the 20% DF in accordance with the aforementioned Joint Memorandum Circular.    Documentation and Reporting:  The OPPDC improved the documentation and reporting practices to provide clear and transparent records of the decision-making process regarding awards, fund transfers, and project selections.  The PBO issued Memorandum No. 1, s. 2023 for the submission of all PPAs including projects funded under 20% LDF. | ***Not Implemented.***  Some implemented PPAs such as the “Logistical Support to Barangays (Purchase of Garbage Trucks, Equipment for Environmental Management, Ambulance, Other Medical Equipment, etc.)” did not have a clear approved expected outcomes/objectives in the project proposals and AIP, thus, making the final output of the PPA seem not aligned with the expected output in the AIP. |
| 1. **Requirements and procedures for the availment, release, and utilization of funds granted to 138 NGOs/POs amounting to ₱5,132,445.00 were not strictly observed, contrary to COA Circular No. 2007-001 dated October 25, 2007, which resulted in the duplication of the agency’s PPAs as well as the funding of other PPAs that are not included in the Work and Financial Plan of the agency, thereby affecting the regularity of the transactions.**   We recommended that the Provincial Governor direct the concerned LGU officials and employees to submit the MOA for the 138 grants of fund transfers to various NGOs/POs. | pp. 131-136, 2022 AAR | The Provincial Accounting Office assisted the NGOs/POs/CSOs to comply with COA Circular No. 2007-001 during the LUCCSO Week Celebration.  The PGLU requested the NGOs/POs to submit liquidation reports.  The Provincial Accounting Office requested the assistance of the OPPDC for the liquidation of fund transfers to NGOs/POs.  The Provincial Accounting Office coordinated unreleased and staled funds for NGOs/POs with the OPPDC and PTO and make necessary adjustments. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| Additionally, submit the other pertinent documents as prescribed under COA Circular No. 2007-001, particularly the following:   1. 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; |  |  | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Disclosure by the NGO/PO of other related business, if any, and extent of ownership therein; | pp. 131-136, 2022 AAR |  | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. WFP, and Sources and Details of Proponents' Equity Participation in the Project; | pp. 131-136, 2022 AAR |  | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. An 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 fund. | pp. 131-136, 2022 AAR |  | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| We further recommended that the Provincial Governor direct the LFC to:   1. Ensure strict compliance with Section 4.5 of the said Circular pertaining to the availment, release, and utilization of government funds; and | pp. 131-136, 2022 AAR | The Provincial Accounting Office assisted the NGOs/POs/CSOs to comply with COA Circular No. 2007-001 during the LUCCSO week celebration. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Ensure that government funds entrusted to NGOs/POs cover the implementation of a project included in the WFP and budget of the Province so as to avoid duplication of PPAs and ascertain that projects pertain to items enumerated in Section 4.3 of COA Circular No. 2007-001; and | pp. 131-136, 2022 AAR | The OPPDC evaluates the project proposals of NGOs/POs and ascertain that it is included in the WFP and budget of the PGLU. Also sees to it that projects are in consonance with the vision of PGLU and not a duplication thereof.  The Provincial Accounting Office personnel were assigned as member of CSO Desk to determine if project proposals are in accordance with the allowable projects for which PGLU may grant funds. | ***Not Implemented.***  Duplication programs such as distribution of farm supplies and coastal clean-up had been observed in the grant of assistance to the NGOs/POs. |
| Thereafter, stop granting financial assistance to the NGO/POs for the purpose of providing funds for the daily operations of the organizations, which include payment of honoraria, travel allowances, cash prizes, and assets of the NGO/POs that are not development efforts of either the PGLU or the NGO/PO contrary to the provisions of COA Circular No. 2007-001. | pp. 131-136, 2022 AAR | The Provincial Accounting Office evaluates the liquidation reports of NGOs/POs and sees to it that it complies with COA Circular No. 2007-001. | ***Implemented.***  The granted financial assistance to the NGO/POs during 2023 did not fund the daily operations of the organizations. |
| 1. **The 135-day extension granted for the delivery of the PRDP I-REAP funded project for the procurement of bagging materials and plastic crates amounting to ₱2,258,420.00 exceeded the maximum allowable extension provided under the Guidelines on Contract Implementation of the Generic Procurement Manual Volume II due to the unpremeditated granting of extensions on grounds which are not reasonably meritorious, thereby compromising the timely implementation of the project.**   We recommended that the Provincial Governor:   1. Direct the BAC to intensify their post-qualification procedures to ensure that potential contractors/suppliers are qualified to be awarded the contract such that the availability of stocks that comply with the technical specifications are prudently ascertained to be available and delivered within the contract period; | pp. 137-140, 2022 AAR | The BAC has now intensified its post-qualification process by not only conducting on-site validation (including their past transactions) especially for new suppliers but also reiterating to the prospective bidders during the pre-bid conferences the delivery schedule to be strictly observed by ensuring the availability of their stocks. | ***Not Implemented.***  Interview with the BAC Secretariat revealed that various suppliers still were not able to deliver within their respective delivery periods evidenced by letters received by their office requesting for extension to deliver. |
| 1. Grant delivery extensions only for grounds which were cautiously investigated to be meritorious and to attach supporting documents and justification in the disbursement vouchers for all grants of delivery extension, including the subject of this AOM; and | pp. 137-140, 2022 AAR | All requests for extensions addressed/received by the BAC are now forwarded to the end-user for their recommendation to the Head of Procuring Entity.  Provincial Accounting Office ascertains that requested for extensions are duly approved and attached to disbursement vouchers. | ***Not Implemented.***  Requests for extensions were still granted despite unmeritorious reasons. |
| 1. Ensure that delivery extensions granted based on meritorious grounds shall not exceed the maximum allowable period. | pp. 137-140, 2022 AAR | All requests for extensions addressed/received by the BAC are now forwarded to the end-users for their recommendation to the Head of Procuring Entity. | ***Not Implemented.***  There are delivery extensions granted which still exceeded the maximum allowable period. |
| 1. **Out of the ₱5,030,386.88 total revenue, gross profit from the 24-hour cash pharmacies amounted to only ₱398,894.84 for CY 2022 due to the absence of a business plan detailing the proper operational, marketing, and financial management contrary to Ordinance No. 128-2018 dated February 1, 2018, Section 313 of RA No. 7160, and Local Budget Circular (LBC) No. 111 dated June 10, 2016, or the Manual on the Setting Up and Operation of Local Economic Enterprises (LEEs), thereby precluding this revenue enhancement program of the District Hospitals to maximize its profit-making capacity and to realize the goals and objectives of the local economic enterprises.**   We recommended that the Provincial Governor direct the Chiefs of Hospitals of the district hospitals to discontinue the procurement of drugs and medicines via the Small Value Procurement method and instead prepare PPMPs for the Cash Pharmacies to be consolidated in the APP to centralize procurement for drugs and medicines and ensure the lowest cost possible in assigning Approved Budget for the Contract to maximize profits from the sale of drugs and medicines; | pp. 140-148, 2022 AAR | The District Hospitals have included the procurement of drugs and medicines for the Cash Pharmacies in the APP for CY2023. | ***Implemented.***  District Hospitals have included the procurement of drugs and medicines for the Cash Pharmacies in the APP for CY2023. |
| We also recommended that the Provincial Governor, with the assistance of the Provincial Health Office, LFC, and Chiefs of Hospitals:   1. Create a technical committee assigned explicitly to studying and updating the price list of drugs and medicines according to brand names and generic brands to maximize profits from the sale of drugs and medicines; and | pp. 140-148, 2022 AAR | The PGLU constituted a Cost and Rate Setting Committee to determine rates for service delivery outside the coverage of Philhealth. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Consider establishing the 24-Hour Cash Pharmacies as separate local economic enterprises pursuant to the Manual on the Setting Up and Operation of Local Economic Enterprises (with a separate ordinance for its creation, feasibility study, and 5-year business plan). Otherwise, stop treating these 24-cash pharmacies as special TF accounts and, as another revenue enhancement program of the district hospitals, ensure that the accounting, budgeting, and procurement for the operation of these cash pharmacies must be embedded in the Annual Budget and financial statements of the district hospitals (with a separate subsidiary ledger instead of separate financial statements). | pp. 140-148, 2022 AAR | The 24-Hour Cash Pharmacy as another revenue enhancement program of the district hospitals now has a separate subsidiary ledger.  District Hospitals are economic enterprise of the PGLU. However, upon evaluation on the economic viability of Caba District Hospital, it ceased to be an economic enterprise pursuant to HIRM IRR. | ***Implemented.***  The status of the 24-Hour Cash Pharmacy was established as another revenue enhancement program of the district hospitals and separate subsidiary ledgers are being maintained. |
| 1. **A new custom-built ambulance costing ₱6,647,250.00 remained idle in the vicinity of the Province for at least five months due to delayed processing of payment thereof and eventual issuance of the OR/CR deviating from the agency’s system procedures and Citizen’s Charter, thereby affecting the timely turnover of the vehicle to the Provincial Disaster Risk Reduction and Management Office (PDRRMO) and precluding the immediate delivery of much-needed service during emergencies and disasters.**   We recommended that the Provincial Governor direct the liaison of the procuring end-unit to ensure that all documentary requirements are judiciously and adequately prepared to facilitate immediate payment of transactions, especially for the purchase of motor vehicles, to ensure the timely issuance of OR/CRs and consequently, the prompt delivery of service in times of disaster and emergency. | pp. 148-150, 2022 AAR | The PDRRMO responded through a letter, and acknowledging all the recommendations given by COA. to ensure the proper and immediate processing of documents, the office has added liaisons.  Fully paid in September 2022 as per JEV No. 2022-09-011409. | ***Implemented.***  No similar instance was noted in the transactions of the PDRRMO during the year. |
| 1. **Management was unable to fill two hundred nineteen (219) vacant plantilla positions, which have a total appropriation of ₱75,385,140.00 for salaries and wages, affecting the PGLU's effective and efficient operations and denying deserving employees the opportunity for career advancement, as well as defeating the government's development agenda to employ the citizenry. Similarly, despite the availability of vacant plantilla positions, Management has engaged 367 Job Order Contract (JOC)/Contract of Service (COS) workers who performed key activities at various PGLU offices.**   COA recommended that the Provincial Governor, in coordination with the Human Resource Office and the PGLU Department Heads:     1. Revisit and study the organizational structure of the PGLU, particularly the staffing pattern of all its offices, and consider abolishing items that are not regarded as vital, specifically those that have been left vacant for an extended period; | pp. 150-156, 2022 AAR | Discussion with the HR and LFC had been conducted. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Fill up all vacant positions that are still considered vital by hiring new employees or expediting the promotion of deserving employees; | pp. 150-156, 2022 AAR | Filled-Up 95 Plantilla Positions. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation. |
| 1. Improve the publication platforms for the vacancies by posting on the PGLU Official Facebook Page or other available platforms; | pp. 150-156, 2022 AAR | Vacancies had been posted in the PGLU Official Facebook Page or other available platforms. | ***Implemented.***  Vacant positions had been posted in the PGLU Official FB page and website. |
| 1. Stop the practice of creating new vacant positions that would later be abolished to avoid having unused appropriated funds that could have been appropriated to other priority projects; | pp. 150-156, 2022 AAR |  | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  The documents to substantiate its implementation were not yet presented. |
| 1. Devise a mechanism to also provide equal permanent job opportunities to the personnel under JOC/COS status; and | pp. 150-156, 2022 AAR | All applications, including those of job order workers (6), contract service workers (12), and non-PPGLU employee applicants are assessed based on existing Civil Service Rules and the PGLU Merit Selection Plan (MSP). | ***Implemented.***  Positions without CSE were being posted for applications. |
| 1. Consider institutionalizing review programs for JOC/COS workers so they can be empowered and encouraged to take the CSE to earn the required eligibility to be permanent employees. | pp. 150-156, 2022 AAR | The PGLU conducted the CSE Review Program for Permanent, Job Order and Contracts of Service from July 14–August 13, 2023. | ***Implemented.***  Interviews with selected casual employees revealed that review sessions were being offered by the PGLU to their non-permanent staff. |
| **PY 2021** |  |  |  |
| 1. **Lack of proper planning and coordination with the DOH CHD-I, Municipalities and barangays resulted in the delays in the full liquidation of Covid-19 Special Risk Allowance (SRA) of eligible health workers amounting to ₱37,615,418.18 covering the period December 20, 2020 to April 30, 2021 leaving an undisbursed amount of ₱17,537,748.02 as of December 31, 2021 which consequently incumbered the release of the funding for the same SRA covering the period May 1, 2021 to June 30, 2021.**   We recommended that the Provincial Governor direct the Provincial Health Officer in coordination with the Provincial Accountant to:   1. Facilitate the creation of a database of all the public health workers in La Union, regardless of nature of appointment, by coordinating with the LGUs within their jurisdiction; and | pp. 61-64, 2021 AAR | The PHO, through OPG Memo No. 18, s. of 2022, began the meticulous updating of the One CoViD-19 Allowance Integrated System (OCAIS). Further to this, the initial stages of the establishment of a centralized repository on the Human Resource for Health in the Province have begun through PHO in partnership with the Information and Communication Technology Unit. The system is currently in its BETA testing stage.  As of May 31, 2022, all five District Hospitals (DH) and 20 RHUs have submitted the roster of their HCWs for the period May 1 to December 21, 2021, to the PHOs database. Further, all DHs and RHUs have complied with the requirements of OCAIS. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.    The system is on hold for further improvement and development. |
| 1. Ensure that proposed plans submitted to DOH CHD-I in the future are meticulously prepared and reviewed to avoid mishaps such as delays in liquidation brought by the insufficiency of the proposed plan. | pp. 61-64, 2021 AAR | The fund is fully liquidated, and the excess has been refunded to the DOH.   The OPG instructed the PHO and Provincial Accounting Office to conduct a dialogue on the matter. Concerned offices met on April 4, 2022, to identify gaps and discuss mechanisms for improvement. Additional measures were employed to strengthen communication between the LFC and the health team, such as the regular LFC-DHs meeting and group chat threads for timely updates.  The fund transfer for one COVID allowance is fully liquidated, and the excess has been refunded to the DOH. | ***Implemented.***  As per the prospective application of the recommendation, all fund transfers for the One Covid Allowance had already been liquidated. |
| 1. **The PGLU did not comply and adhere to the Price Freeze issuances of the DOH pursuant to RA No. 7581 or the “Price Act” which resulted in the procurement of certain medical supplies/devices for COVID-19 at prices exceeding the set forth ceiling, thus, funds amounting to ₱2,437,815.30 could have been saved and used for other COVID-19 Programs/Projects/Activities (PPAs).**   In the spirit of good governance, we recommended that the Provincial Governor direct:   1. The BAC to: 2. Exert best efforts in their market scanning procedures for them to secure the most advantageous prices to the Government; and | pp. 64-66, 2021 AAR | The PGLU noted that the end-user and the BAC had conducted market scanning procedures with different known and local suppliers through pre-canvass to determine the prevailing local market prices and secure the most advantageous prices for the government for the bulk number of necessary CoViD-19 items. The PGLU opined that the COVID-19 pandemic had indeed created price fluctuations and an unstable market brought about by external factors, such as, but not limited to, the acquisition cost, increase in demand, and availability of suppliers in the locality. The PGLU reiterated that the purchase of the said items had gone under emergency procurement and that none of the qualified suppliers with whom the BAC sent a request for quotations for the bulk number of disposable facemasks and enoxaparin matched the SRP set by the DOH. Guided by the Emergency Procurement procedure embodied in RA No. 9184, the contract was awarded to the supplier with the lowest quotation and being the most advantageous to the government to avoid prolonging the procurement process as these items are urgently needed by the province, component LGUs, and barangays to minimize the risk of spreading and contracting CoViD-19.  The BAC assured that it would adhere to the provisions of RA 9184 and its revised 2016 IRR. | ***Implemented.***  No similar observation was noted. Most of the sampled POs showed that the prices of medicine are within the range set by the DOH. The PGLU also created a Pharmacy and Therapeutics Committee. One of its functions is to ensure that prices are within the price range set by current drug pricing policies. |
| 1. Allow the PGLU to consider other suppliers which can provide them competitive prices without sacrificing quality. | pp. 64-66, 2021 AAR | The PGLU duly noted and adopted the recommendation of the COA to judiciously monitor and assess the prices contained in every Purchase Request, and Purchase Orders of disposable facemasks and enoxaparin matched the SRP set by the DOH. | ***Implemented.***  The prices indicated in the PR and ABC are within the prices provided under the Drug Price Reference Index (DPRI). |
| 1. The Provincial Administrator in coordination with the General Services Officer to judiciously monitor and assess the propriety of the prices contained in every Purchase Request and Purchase Order. | pp. 64-66, 2021 AAR | The PGLU duly noted and adopted the recommendation of the COA to judiciously monitor and assess the prices contained in every Purchase Request and Purchase Order of disposable facemasks and enoxaparin that match the SRP set by the DOH. | ***Implemented.***  No similar observation was noted. Most of the sampled POs showed that the prices of medicine are within the range set by the DOH. The PGLU also created a Pharmacy and Therapeutics Committee. One of its functions is to ensure that prices are within the price range set by current drug pricing policies. |
| Thereafter, we recommended that the Management be abreast with latest Price Control issuances pursuant to RA No. 7518 and ensure utmost compliance thereto to avoid a similar instance such as this from happening again. | pp. 64-66, 2021 AAR | The PGLU assured that they will adopt the recommendation of the COA to exert their best effort to secure the most advantageous prices for the government and to actively explore and discover other suppliers that can provide competitive prices without sacrificing quality. | **Implemented.**  The Management vouched that they are keeping themselves abreast of the latest price control issuances pursuant to RA No. 7518. |
| 1. **The PGLU’s Home of Hope as COVID LIGTAS Community Isolation Units (CIUs) were not certified by the DOH and accredited by Philippine Health Insurance Corporation (PhilHealth) due to non- processing of all the requirements of both agencies, thus, preventing the province from filing claims/reimbursements amounting to at least ₱23M, which could have been used to defray the expenditures for the maintenance and operations of the two CIUs.**   We recommended that the Provincial Governor direct the:   1. Provincial Health Officer to comply with the DOH certification requirements and to fast track the applications for the two CIUs for PhilHealth accreditation to be able to claim the CCIBP benefit for its patients; and | pp. 66-68, 2021 AAR | As per PHO, there were no COVID-19 cases admitted in HoH, Sevilla from February 2022 to present and only one case in HoH, Acao in March 2022. | ***Implemented.***  The recommendation is already moot. |
| 1. Heads of other departments to coordinate and assist the PHO in complying the requirements for DOH Certification and PhilHealth Accreditation. | pp. 66-68, 2021 AAR | May no longer be implemented in view of the issuance of DOH Department Circular No. 2022-0002 | ***Implemented.***  The recommendation is already moot. |
| 1. **Incorrect classification and usage of expenditure accounts during budget preparation due to lack of judicious planning affected the budget execution and accountability phase which resulted in a) discrepancies amounting to ₱113,556,814.38 between the SAAOB and the SFPer, and b) reconciling items amounting to ₱123,982,356.73 in Reconciliation Statement between the SCBAA and SFPer, thus, affecting the delivery of accurate information in the financial reports**   We recommended that the Provincial Governor direct the:   1. PBO to coordinate closely with the Provincial Accountant and other departments and facilitate judicious planning to ensure that PPAs are assigned with proper accounts before finalizing the annual budget of the Province; and | pp. 79-81, 2021 AAR | The Accounting Office has requested the PBO for the monitoring and evaluation of budget performance of all PPAs. | ***Implemented.***  Validation made by the team revealed that the PBO returns the PPA proposals if these are generic, with no definite activities identified. |
| 1. Department Heads to properly and adequately plan their PPAs so that specific PPAs are already identified during the budget preparation | pp. 79-81, 2021 AAR | A memorandum was issued to all PGLU departments enjoining them to properly and adequately plan their PPAs. | ***Not Implemented.***  For CY 2023, reprogramming was still noted and generic PPAs were still observed. |
| Moreover, we recommended that the Provincial Governor request authority from the SP to enter into contract prior to implementation of specific projects, programs, and activities to avoid transfer of appropriations from one item to another and ensure that funds are used exclusively for specific purpose for which they have been appropriated. | pp. 79-81, 2021 AAR | The OPG, Provincial Accounting Office and LFC ascertained that there is a request for authority from the SP to enter into a contract prior to the implementation of PPAs. | ***Implemented.***  Authority from the SP is being secured prior to contract implementation. |
| 1. **Implemented Programs/Projects/Activities under the 20% DF totaling to ₱25,147,043.99 were only supported with SPP instead of SP Resolution Authorizing the LCE to enter into contract and Appropriation Ordinance while procurement totaling ₱7,949,213.80 awarded in CY 2020 were charged against the current appropriations in CY 2021 instead of continuing appropriations because the concerned department heads did not ensure availability of specific appropriations prior to procurement, hence affecting the regularity of the transactions.**   We recommended that the Provincial Governor direct the:   1. The BAC and PPDC in coordination with the Budget Officer to ensure availability of appropriations for the specific PPA being implemented, otherwise, request the necessary Authorization from the SP or Appropriation Ordinance, as the case maybe; and | pp. 82-84, 2021 AAR | The BAC and PPDC, in coordination with the PBO, have identified measures to ensure the availability of funds for specific PPAs being implemented based on approved Appropriation Ordinances, as the case may be. Rectification of Procurement Documentation: OPPDC, in coordination with the Office of the PBO, reviewed and ensured the availability of appropriations for each specific PPA before proceeding with procurement. This includes obtaining the necessary authorization from the SP, or Appropriation Ordinance, as required by the circumstances.  Continued Oversight and Compliance: OPPDC, in collaboration with the Office of the PBO, will continue to ensure strict compliance with the requirement for availability of appropriations prior to initiating procurement activities. This involves proactive verification and documentation of the necessary authorization from the SP, or Appropriation Ordinance, as per the specific situation. | ***Implemented.***  Authority from the SP is being secured prior to contract implementation. |
| 1. The PBO to charge the amount of ₱7,949,213.80 to continuing appropriations and revert the same amount to the current appropriations. | pp. 82-84, 2021 AAR | Already reverted to the current appropriations and charged to continuing appropriations as recommended. | ***Not Implemented.***  As per the report, the continuing balance was adjusted in CY 2022, but the supporting document to show the reprogramming was not yet provided. |
| 1. **Lack of adequate planning, coordination among the department heads and monitoring of utilization of funds and accomplishments resulted in the reprogramming of Programs/Projects/Activities and consequently, 14 ordinances with a total amount of ₱282,788,164.38 were enacted but not submitted to the DBM Regional Office for review contrary to Article 454(b) of the IRR of RA No. 7160.**   We recommended that the Provincial Governor direct the:   1. Department heads to adequately and properly plan their PPAs to avoid reversion and re-programming during the year; | pp. 85-87, 2021 AAR | The PGLU conducted training and one-on-one coaching for all PGLU departments to plan on PPAs for the years 2023–2025 as part of key PGLU Executive-Legislative Agenda activities. | ***Not Implemented.***  Reprogramming and reversions were made in CY 2023. |
| 1. Provincial Accountant and the Provincial Treasurer as signatories in the Certification of savings to ensure that these are really savings and no awards of contract were undertaken yet from these declared sources of funds; | pp. 85-87, 2021 AAR | The Provincial Accounting Office, PBO and PTO collaborated to determine savings. Hence, consistent coordination on said subject is being conducted to ensure monitoring and implementation of such. | ***Not Implemented.***  Instead of the correct balance of the 5% LDRRMF Continuing totaling ₱43,617,243.00, the amount of ₱51,334,443.00 was declared as savings and thereafter used to fund new PPAs due to oversight as a result of inadequate review. |
| 1. Secretary to the SP to ensure submission of the approved Supplemental Budget within the reglementary period. | pp. 85-87, 2021 AAR | The OPG continuously strengthens its coordination mechanisms with the SP to ensure timely submission of the approved Supplemental Budget to the DBM.  OPPDC will continue to conduct regular assessments to track the progress of PPAs, assess their impact, and make informed decisions based on the evaluation outcomes. | ***Not Implemented.***  Some Supplemental Budgets were still not submitted to the DBM within the reglementary period. |
| 1. **Appropriation Ordinances not reviewed by DBM**   We recommended that the Provincial Governor request the Secretary to the SP to submit the approved Supplemental Budget within the reglementary period in order to ensure validity of the transactions paid out of the AOs. | pp. 87-88, 2021 AAR | Appropriation Ordinances are being reviewed by the DBM.  The OPG has already coordinated with the Secretary to the SP to submit the approved Supplemental Budget within the reglementary period in order to ensure validity of the transactions paid out of the AOs.  Further, the SP has also revised their procedure on this matter to further enhance the efficiency of the PGLU. | ***Not Implemented.***  Delays in submission of annual/supplemental budget were still noted as per budget review notes of the DBM. |
| 1. **Piecemeal procurement thru Small Value Procurement (SVP) and Shopping for various PPAs totaling ₱21,181,530.32**   We recommended that the Provincial Governor direct the:   1. Department Heads to include in their PPMP not only office supplies but for all PPAs that are to be procured; | pp. 91-93, 2021 AAR | The offices are currently implementing the said recommendation. | ***Not Implemented.***  The Audit Team noted that infrastructure projects were not included in the PPMPs. |
| 1. Provincial Administrator to enjoin the End-Users to stop the practice of independently preparing purchase requisitions by Office for COs which are only supported by SPP; and | pp. 91-93, 2021 AAR | This was reiterated or informed to all end-users during regular governor’s cabinet meetings. The majority of ICT equipment requirements were included in the consolidation, but due to unforeseen PPAs of offices, they are required to prepare an APPMP for the preparation of Purchase Request for the implementation of PPAs. | ***Not Implemented.***  Validation of documents still showed independent requisitions by Office. |
| 1. BAC to include COs in the consolidation of the APP. | pp. 91-93, 2021 AAR | The BAC reminded the departments during the 2023 Local Expenditure Program (LEP) preparation to include in their PPMPs the CO aside from the items charged under MOOE to be consolidated by the BAC into the 2023 APP. | **Not Implemented.**  For CY 2023, the APP did include COs except for infrastructure assets, which were still supported by the SPP. |
| 1. **Lacking Documentary Requirements**   **16.a. Acquisition of lots for the intended Demo Farming Program and Farmer’s Center (Sagayad) totaling ₱15,848,492.28**  We recommended that the Provincial Governor direct the Provincial Accountant to ensure complete documentary requirements for the lots acquired and submit the following:   1. Copy of the in-house or private company appraisal report indicating the following: 2. The derivation or source of information/data used in the approach to value 3. Physical characteristics of the property under appraisal 4. Statement of property rights or interests involved 5. Public transportation, traffic patterns, and controls 6. Highest and best use of the subject property (Present and Anticipated) 7. Copy of the Transfer of Certificate of Title (TCT) of land/lot 8. Lot plan and vicinity map 9. Colored photographs 10. Copy of the latest Declaration of Real Property Applicable Zonal Value | pp. 93-95, 2021 AAR | The required documents were already submitted. | ***Implemented.***  The Provincial Accountant has complied with the recommendation. |
| **16.b. Donations of 999 units of tablets totaling ₱15,474,510.00 were made directly to the elementary teachers instead of turning over all the tablets to the** **Elementary Schools of the Division of La Union which must be supported with Deed of Donation and copy of Journal Entry Voucher of the latter**  We recommended that the Provincial Governor execute donations of personal properties above ₱5,000.00 in writing pursuant to Article 748 of the NCC of the Philippines and direct:   1. the Schools Division Superintendent to submit proof of acceptance of the recipient agency including the accompanying Journal Entry Vouchers showing recording of the said donations; | pp. 95-96, 2021 AAR | The end-users are requested to facilitate the preparation of requirements for donation/transfer of PPEs. | ***Implemented.***  Proof of acceptance, through acknowledgement receipts, and JEV were already submitted to the Audit Team. |
| 1. the Provincial Accountant to ensure that donations are duly supported with complete documentary requirements such as proof of donations and acceptance pursuant to Article 748 of the NCC. | pp. 95-96, 2021 AAR | The Accounting Office requested the transfer documents and journal entry vouchers for the receipt of donations. | **Implemented.**  Donations were supported with complete documentary requirements for CY 2023. |
| 1. **Delayed processing of payment – PRDP**   We recommended that the Provincial Governor direct the Provincial Accountant to strictly monitor open invoices and outstanding payables so they can be addressed promptly by the respective department/office and paid in a timely manner in accordance with supplier agreed upon terms, MOA or PO contract and following standard operating procedures provided for in the LGU system procedures and/or Citizen’s Charter. | pp. 102-104, 2021 AAR | The Provincial Accounting Office said that they constantly monitored and reminded the different departments about the payment of their payables. | ***Implemented.***  There is no similar instance for PRDP this CY 2023. |
| 1. **Delayed distribution of Foliar Fertilizers and Hybrid Rice Seeds – RA No. 7171**   We recommended that the Provincial Governor direct the Provincial Agriculturist to enjoin the municipal agriculturists to fast-track the distribution and completion of post-masterlisting of actual beneficiaries; | pp. 107-109, 2021 AAR | Copies of documents were already submitted and attached to JEV 2021-12-015763. | ***Implemented.***  No similar instance was noted in CY 2023. |
| 1. **Vinegar Processing Center not yet fully operational**   We recommended the Provincial Governor to direct the:   1. Provincial Agriculturist to ensure the sustainability of the project once it became fully operational by conducting periodic inspection and requiring the Association to submit quarterly reports of operations. | pp. 110-112, 2021 AAR | Training was already conducted this year and will continue in 2023 by providing capability trainings for sugarcane production and value-added trainings in partnership with the Municipal Government of Bacnotan, DOST and DTI to be scheduled with the association. Further, the OPAg will conduct a periodic inspection and require the GMFA to submit quarterly reports of operations. | **Not Implemented.**  There is no submission of quarterly reports of operations by the GMFA. The PGLU is still in the process of implementing the recommendation. |
| 1. Provincial Engineer to correct all the deficiencies noted in the construction and design of the Center and refer to AO No. 153 s. 2004 of the DOH so that other infractions not noted will also be corrected. | pp. 110-112, 2021 AAR | The PEO included the “construction/improvement” of the Vinegar Processing Center in the proposed list of PPAs to be funded under the 2nd release of RA 7171 funds from the FY 2018 and 2019 and RA 8240 shares.    Further, documentary requirements such as project proposals and programs of work, among others, were already accomplished by the PEO. | ***Not implemented.***  The PEO was not yet able to correct all noted deficiencies. |
| 1. **Various medical equipment with over-the-top specifications**   We recommended that the Provincial Governor direct:   1. All offices/units in the PGLU to: 2. diligently assess all kinds of items that they are requesting to be procured to avoid the instance of acquiring over the top items which are not cost-efficient; and | pp. 113-116, 2021 AAR | Management commented that items to be procured are identified and assessed. | ***Implemented.***  No similar instance has been noted as of date. |
| 1. refrain from initiating purchase requests without closely coordinating with the main end-users. | pp. 113-116, 2021 AAR | The Management commented that the said automatic hand sanitizers, with their extra specifications, are reasonable and essential, with the objective of making these sanitation points more holistic in approach, not only for temperature checking and hand disinfection but also to serve as an information dissemination tool to minimize the risk of contracting and spreading COVID-19. | ***Not implemented.***  A similar instance was noted in CY 2023. (KTM Duke Motor Vehicle, PHO). |
| 1. The Provincial Administrator in coordination with the General Services Officer and the TWG of the BAC to: 2. Judiciously review the propriety of every purchase request by evaluating whether the specifications listed are commensurate and not disproportionate to the intended purpose; and | pp. 113-116, 2021 AAR | The PGLU commented that the items were being used from the day they were delivered, two units on December 16, 2020 and eight units on January 2, 2021, to the time when defects were encountered for people to check their temperature and disinfect their hands before entering PGLU offices and buildings and being updated and well-informed in COVID-19 mitigation and response. The PGLU likewise said that the items were used in major events such as the State of the Province Address (SOPA), the La Union Vaccination Program in different locations within the province, and other activities of the provincial government to maximize their use. | **Not implemented.**  A similar instance was noted in CY 2023. (KTM Duke Motor Vehicle, PHO). |
| 1. Periodically inspect newly procured high value items to check if they have defects that would warrant a claim under the product’s warranty. | pp. 113-116, 2021 AAR | Per records of the PGSO, the said units started to experience problems a year after their use, which can be an indication of the wear and tear of the said equipment. According to the PGSO personnel assigned to overseeing the said equipment, defects were noted after the one-year warranty period. There were no job-order requests reported or submitted by the person-in-charge of the assigned equipment as a basis for facilitating the inspection and repair, if there are any. Nevertheless, with their records, the said equipment is to be referred to the supplier and be subjected to inspection and repair, as necessary, to bring it back to its operational condition. | ***Implemented.***  No similar instance has been noted as of date. |
| In conclusion, we recommended the Management to exercise due prudence in procuring all goods charged to government funds by adhering to the principles of accountability and economy. | pp. 113-116, 2021 AAR | The Management duly noted and adopted the recommendation of the COA to ensure the conduct of periodic inspections. The Management reviewed its current organizational structure and add technical manpower who will be assigned to doing the said periodic inspection as necessary. | ***Implemented.***  No similar instance has been noted as of date. |
| **PY 2020** |  |  |  |
| 1. **Disbursements amounting to ₱2,587,998.44 charged against the BGP were not among those PPAs specifically authorized under Local Budget Circular No. 126, which may have undermined the COVID-19 measures and responses of the Provincial Government.**   We recommended that the Provincial Governor direct the Provincial Health Officer to utilize the BGP according to the guidelines set forth by Local Budget Circular No. 126 by giving priority to the PPAs enumerated in Section 3.5 of Local Budget Circular No. 126. | pp. 58-59 of CY 2020 AAR | The CY 2020 BGP fund has been fully utilized, and no subsequent fund was received by PGLU. The PGLU will ensure that the guidelines for utilization will be strictly followed in the event of the receipt of similar grants. | ***Implemented.***  The PGLU had already fully utilized the subject fund in 2020. |
| 1. **Revised APP and Procurement Monitoring Report (PMR) for CY 2020 were not prepared contrary to GPPB Circular No. 02-2020 dated May 20, 2020 and 2016 IRR of RA No. 9184, therefore, maximization of their use as effective procurement activity monitoring tool from posting of opportunities up to payment of projects/programs/activities was not attained.**   We recommended that the Provincial Governor, who is the Head of the Procuring Entity direct the BAC Chairman to submit the perfected contracts with all the necessary attachments to this office within the prescribed period. | pp. 87-89 of CY 2020 AAR | The BAC submitted contracts to the COA. | ***Not Implemented.***  A similar instance was noted in CY 2023. Perfected contracts and necessary attachments were not submitted to this office within the prescribed period. |
| 1. **Collection from lease may be classified as an exercise of proprietary activity as stated in RA No. 7160, thus, raising a possibility of estimated basic tax dues payment amounting to ₱118,333,202.32 exclusive of legal increments as an adherence to salient provisions of the National Internal Revenue Code (NIRC).**   We recommended that the Provincial Governor direct:   1. Provincial Accountant to file income tax and VAT returns for the lease income from Globe Telecom and Royal AGL Quality Foods as this is an exercise of proprietary function; and | pp. 90-92 of CY 2020 AAR | The leasing activity is a governmental function. The PGLU said that spaces are being leased out for a minimum fee for the depreciation of the area and other maintenance fees. The fees collected are not at par with prevailing commercial rates. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  The interview with Management revealed that BIR has yet to resolve the issue on the taxability of properties for lease at a minimum fee to recoup maintenance expenses. |
| 1. The Provincial Accountant to provide separate financial statements on the leasing activity including the related expenses attributed therefrom. | p. 92 of CY 2020 AAR | The PGLU said that leasing activity is for maintenance purposes, thus a governmental function. The fees are not comparable with the prevailing rental rates of commercial spaces. | ***Not Implemented.***  The PGLU is still in the process of implementing the recommendation.  The interview with Management revealed that BIR has yet to resolve the issue on the taxability of properties for lease at a minimum fee to recoup maintenance expenses. |
| 1. **The PGLU used 12% instead of the 5% in computing the Value-Added Tax (VAT) component of the ABCs and Programs of Works (POWs) of three sub-projects of PRDP- I-Build with an aggregate contract cost of ₱115,950,177.42, hence resulted in excessive project cost of ₱7,012,593.85.**   We recommended that the Provincial Governor direct the contractors of the PRDP-I-Build projects to refund the excess costs billed due to overstated indirect costs mainly the programming of 12% instead of 5% VAT component. Thereafter, ensure that the indirect costs computations are within the allowable rate. | pp. 107-108 of CY 2020 AAR | The PGLU followed PRDP guidelines issued by the Department of Agriculture-PRDP   As per the memo from PRDP-PSO, the 2% VAT should be used in the preparation of POW for PRDP subprojects, as it is the actual amount of VAT included in the subprojects. | ***Not Implemented.***  No refund was made. Tax laws should prevail over any other guidelines in a manual, especially if the government will be disadvantaged. |
| 1. **Proper posting of project billboards of the two infrastructure projects was not complete and/or updated contrary to COA Circular No. 2013-004 dated January 30, 2013, thus, full disclosure and transparency in the implementation of said projects were not achieved and the public was deprived of the right to information on the matters of public concern.**   We recommended that the Provincial Governor direct the Project Engineer to comply with the guidelines issued under COA Circular 2013-004 by posting all relevant information such as revised contract price, project details and project status on tarpaulins/signboards for the information of the public of all the Projects, Programs and Activities implemented by the PGLU. | pp. 108-109 of CY 2020 AAR | All relevant information on the project is posted on the tarpaulins and signs.  PEO to strictly update the tarpaulins of all infrastructure projects showing relevant information. | ***Implemented.***  No similar instance has been noted as of date. |
| 1. **Delayed completion of the La Union Wireless Mesh High Speed Local Area Network Backbone (Phase I) amounting to ₱178,450,980.00 was due to inadequate planning and inappropriate procurement category which resulted in delay of the benefits listed in the project proposal.**   We recommended that the Provincial Governor direct the Planning Team to conduct thorough planning and feasibility study prior executing highly technical projects by considering specific, measurable, attainable, realistic, and time-bound (SMART) objectives for each of the phase the PGLU intends to implement. | pp. 110-114 of CY 2020 AAR | A project concept was already submitted and attached to the disbursement voucher | ***Implemented.***  No similar instance has been noted as of date. |
| **PY 2019-2018** |  |  |  |
| 1. **The accuracy, ownership, and existence of Land account in the aggregate amount of ₱746,927,961.99 could not be ascertained due to non-reconciliation of records between the Provincial Accountant and GSO and that of the Provincial Assessor and the absence of Transfer Certificates of Titles (TCTs), or its equivalent in the name of the Province, thereby casting doubt on the fair presentation of the financial statements.**   We recommended that Management direct the Provincial Accountant and GSO to reconcile their records with the Provincial/City Assessors in order to ascertain the ownership and valuation thereof. Likewise, exhaust all possible means to document the legality of ownership of the lots through a TCT in the name of the Province pursuant to Section 39 of PD No. 1445. | p. 53 of CY  2019 AAR | The Provincial Accounting Office requested the Assessor’s Office and some were submitted by the latter. The differences are due to the fair value of land. | **Not Implemented.**  Per verification, records were not yet fully reconciled. It was also noted that some lots were valued at “assessed value” and not at either historical costs at the time of purchase or fair market value if donated. Some properties were not yet transferred in the name of PGLU under a TCT or its equivalent.  Moreover, the survey on the said lots is ongoing.   The administrative reconstitution of the title of one of the lots is ongoing. |
| 1. **The accuracy of the balance of Road Networks and CIP accounts amounting to ₱1,924,447,824.32 and ₱178,703,687.27, respectively, could not be ascertained due to various deficiencies noted inconsistent with the provisions of IPSAS 17, and COA Circular No. 2015-008, thereby, casting doubt on the fair presentation of the Financial Statements.**   We recommended the Provincial Governor to direct the Provincial Engineer to complete the cost segregation and mapping of LRN and furnish copy of report to the Provincial Accountant and the Provincial GSO. | pp. 56-57 of CY 2019 AAR | The Provincial Accounting Office requested the PEO to complete the cost segregation and mapping of LRN. | ***Not Implemented.***  Ongoing compliance. The PGLU only submitted the La Union Road Network Development Plan, which was approved in 2017. |
| We recommended the Provincial Governor to direct the Provincial GSO to render a Report on LRN and Road Map using the prescribed format. | p. 57 of CY 2019 AAR | The PGLU conducted an inventory of the LRN. Management committed to comply with the COA recommendation. | ***Not Implemented.***  Ongoing compliance is noted. The PGLU only submitted the La Union Road Network Development Plan, which was approved in 2017. |
| 1. **Priority projects under the 20% DF from current and continuing appropriations were not fully implemented at year-end leaving an unutilized balance amounting to ₱140,280,405.09 and ₱3,643,544.49, respectively, due to inefficient and ineffective planning as evidenced by the reprogramming of projects and delayed procurement activities contrary to DILG and DBM Joint Memorandum Circular No. 2017-01, thus precluding the attainment of desired socio-economic development and environmental management outcomes of the Province and depriving the constituents of the maximum benefits that could have been realized from its implementation.**   We recommended the Management to:  a. Ensure and monitor the full implementation of the PPAs programmed under the 20% DF in order to address the needs of the constituents; and | p. 72 of CY 2019 AAR | The Accounting Office reports the utilization and burn rates during cabinet meetings and reminds the offices to implement their PPAs. | **Not *Implemented.***  The PGLU only utilized 51%, or ₱178,779,497.91, out of the total 20% DF current year budget amounting to ₱350,071,598.00.  Reiterated in Part II, Observation No. 10, page 111 of this AAR. |
| b. Provide specific target dates of implementation of the PPAs identified in the AIP and target schedule for each activity in the AIP. | p. 72 of CY 2019 AAR | The PGLU required the end-users to submit project proposals containing timelines for the implementation of PPAs. | ***Not Implemented.***  Per review of AIP and PPAs for CY 2023, target dates were still not specified.  Reiterated in Part II, Observation No. 10, page 111 of this AAR. |
| 1. **Infractions in the post qualification of bidders and evaluation of bids were noted, contrary to Sections 34.1 and 34.3 of the RIRR of RA No. 9184, thereby exposing the Provincial Government to risks of delay in project completion and substandard quality of work.**   We recommended that the Provincial Governor direct the BAC and the TWG to conduct an in-depth post-qualification by verifying, validating, and ascertaining all statements made and documents submitted by the bidder with the Lowest Calculated Bid and ensure that the Post-Qualification Evaluation Report contains comprehensive results on the verification of technical requirements. | p. 83 of CY 2019 AAR | The BAC awarded the projects to the same contractors as the list of ongoing projects submitted by the bidders was relied upon during the evaluation and post-qualification. The PGLU committed to conducting a more rigid post-qualification process for the succeeding bid, following the audit recommendation. Also, monitoring control will be implemented by maintaining a list of ongoing projects to be used in verifying the list of ongoing projects submitted by the bidders.  . | ***Not Implemented.***  A review of post-qualification reports disclosed that all ongoing projects were not disclosed by bidders/contractors on their Statement of All Ongoing Projects. |
| 1. **Delayed submission of copies of the perfected contracts awarded within the year with an aggregate amount of ₱229,657,758.18 was not in accordance with the provisions of COA Circular No. 2009-001 dated February 12, 2009 thus, precluding the Auditor on the timely auditorial and technical review and prompt detection/correction of possible deficiencies.**   We have recommended that the Local Chief Executive require the BAC through the BAC Secretariat to submit immediately the copies of awarded contracts and all related documents forming part thereof as enumerated in Annex A to this Office. Thereafter, submit within 5 days upon perfection contracts and its supporting documents in compliance with COA Circular No. 2009-001 for auditorial and technical review to avoid administrative disciplinary action provided in (a) Section 127 of Presidential Decree No. 1445; (b) Section 55, Title I-B, Book V of the Revised Administrative Code of 1987; and (c) Section 11 of RA No. 6713. | pp. 89-91 of CY 2019 AAR | Required documents are submitted within the prescribed period; The BAC committed to assign a focal person to ensure the timely submission of copies of the perfected contracts in compliance with COA Circular No. 2009-001. | ***Not Implemented.***  A similar instance was noted in CY 2023. Perfected contracts with all the necessary attachments were not submitted to the Audit Team within the prescribed period. |
| 1. **Unserviceable properties amounting to ₱11,044,089.67 were not disposed of contrary to COA Circular No. 89-296 dated January 27, 1989 and Section 79 of Presidential Decree (PD) No. 1445.The non-disposal would entail further deterioration and loss of income that could have accrued to the Province.**   We recommended that the Disposal Committee fast track the disposal of the unserviceable properties inasmuch as additional income which can be earned therefrom will finance other projects greatly needed by the constituents. | pp. 102-104 of CY 2019 AAR | The opening of bids for the disposal of unserviceable office equipment and furniture, supplies and waste materials (tires and batteries) was conducted on September 13, 2023. The opening of bids for the unserviceable motor vehicles was held on October 6, 2023. | **Not Implemented.**  Per JEV Nos. 2021-09-009941, 2023-09-011765 and 2023-11-015109 unserviceable properties totaling ₱3,434,696.46, ₱955,414.86 and ₱1,530,500.00 were disposed of. |
| 1. **Claims from the Philippine Health Insurance Corporation (PHIC) totaling to ₱1,381,750.00 were denied/disallowed and remained uncollected due to the lapses of the billing/PhilHealth sections to strictly comply with pertinent requirements of the RIRR of RA No. 7875, hence, resulting to accumulation of uncollected receivables from PHIC and loss of income.**   We recommended and the Local Chief Executive agreed to direct the officers concerned to monitor intensively the processing of PhilHealth claims and ensure the timely processing thereof. | p. 115 of CY 2019 AAR | The Chief of Hospitals committed to intensively monitor the processing of PhilHealth claims and ensure the timely processing thereof. Management also ensured that RTHs were refiled within the prescribed period. | ***Not Implemented.***  The PhilHealth focal persons exerted their best efforts in filing claims, but there were still denied claims and RTH. |
| 1. **Absence of proof of investment for the recorded Financial Assets- Other Investment account under the TF amounting to ₱290,073.40, thus, casted doubt on the existence, reliability and fair presentation of account.**   We recommended that the Provincial Accountant and OIC-Provincial Treasury locate the document/s pertaining to the Other Investment account to ascertain the existence, reliability and fair presentation of the account. | pp. 48 – 49 of CY 2018 AAR | Both the PTO and Accounting Office exerted best effort to locate the document, but there is no data other than the subsidiary ledger for the Other Investment account. | ***Not Implemented.***  As noted, the said balance appeared as early as 1998, prior to NGAS and records or documents were not yet found. |