

EXECUTIVE SUMMARY

A. Introduction

Republic Act (R.A.) No. 8406, entitled “An Act Reorganizing and Strengthening the Public Attorney’s Office (PAO)” established the PAO as an independent and autonomous Office attached to the Department of Justice only for the purpose of policy and program coordination. The law expanded the mandate of the PAO to include providing free legal services and assistance to indigent clients, other qualified persons, and in the exigency of the service, when called upon by proper government authorities, to render such service to other persons, subject to existing laws, rules and regulations, in all criminal, civil, labor, administrative and other quasi-judicial cases.

The PAO is headed by Chief Public Attorney, Persida V. Rueda-Acosta. She is assisted by two Deputy Chief Public Attorneys (DCPAs), who both act on administrative, financial, planning and management functions - Atty. Silvestre A. Mosing, DCPA for Visayas and Mindanao, and Atty. Anna Lisa Soriano as DCPA for Luzon.

The PAO Central Office is located at the DOJ Agencies Building, NIA Road, corner East Avenue, Diliman, Quezon City. The 349 regional and district/sub-district offices are strategically located nationwide to effectively respond to indigent clients from 81 provinces, 145 cities, 1,489 municipalities and 42,036 barangays, all of which are in dire need of legal assistance. The number of existing offices and assigned 2,096 lawyers in each region is shown below:

Region	District/Sub-District Offices	Number of Public Attorneys
Central Office		114
National Capital Region	16	332
Cordillera Administrative Region	22	63
Region I Ilocos Region	22	126
Region II Cagayan Valley	15	90
Region III Central Luzon	33	189
Region IV-A CALABARZON	37	231
Region IV-B MIMAROPA	12 / 1 Satellite Office	57
Region V Bicol Region	29 / 1 Sub-District	108
Region VI Eastern Visayas	21	139
Region VII Central Visayas	19 / 1 RSACU	132
Region VIII Western Visayas	26	109
Region IX-A ARMM	3 / 2 Sub-District	40
Region IX-B Zamboanga Peninsula	15 / 1 Satellite Office	81
Region X Northern Mindanao	15 / 1 RSACU & 2 Sub-District Offices	97
Region XI Davao Region	14	63
Region XII SOCCSKSARGEN	12	78
Region XIII CARAGA	12	47

Region	District/Sub-District Offices	Number of Public Attorneys
Regional Offices	17	
Total	349	2,096

As of December 31, 2018, the PAO's total workforce of 3,114 consists of 2,096 public attorneys and 1,018 non-lawyers as support personnel distributed throughout the country including the Central Office.

B. Financial Highlights

The Agency's financial position, financial performance and application of funds as of December 31, 2018 are as follows:

	2018	2017	Increase/Decrease
Financial Position			
Assets	343,675,673.45	326,152,242.46	17,523,430.99
Liabilities	26,581,581.21	25,457,998.07	1,123,583.14
Government Equity	343,675,673.45	300,694,244.39	42,981,429.06
Financial Performance			
Income	4,236,171,553.35	3,440,611,241.40	795,560,311.95
Expense	4,208,155,500.16	3,383,954,846.24	824,200,653.92
Excess of Income Over Expense	28,016,053.19	56,150,498.09	(28,134,444.90)
Source/Utilization			
Authorized Appropriations	2,993,053,000.00	2,606,112,000.00	386,941,000.00
Allotments Received	3,970,921,000.00	3,176,556,000.00	794,365,000.00
Obligations Incurred	3,970,851,000.00	3,176,436,000.00	794,415,000.00
Unobligated Allotment	70,000.00	120,000.00	(50,000.00)

C. Operational Highlights

Despite the high turn-over rate of public attorneys primarily due to resignation to engage in private law practice, transfer to judiciary, or to other government agencies and government owned and controlled corporations, and also due to heavy workload, among others, the PAO's 2,096 public attorneys actively handle criminal and civil cases before the courts nationwide. The statistical figures below show the total number of indigent clients assisted and the total number of cases (judicial and quasi-judicial) handled by the PAO and its proportionate relation to the 2,096 lawyers for the period January to December 2018.

Total number of clients assisted	13,344,003
Total number of cliens handled	975,610
Average number of clients assisted by each lawyer	6,366
Average number of cases handled by each lawyer	465

The Agency reported the following accomplishments during the year:

Major Activities	Accomplishments	
JUDICIAL – Regular Services		975,610
1. Criminal	735,430	
2. Civil	45,243	
3. Administrative Cases Proper	12,043	
4. Prosecutor’s Office Cases	58,447	
5. Labor Cases	34,727	
6. Appealed Cases	19,498	
7. Women Clients (Victims of RA 9262)	20,635	
8. Children in Conflict with the Law	23,377	
9. Special Legal Services	26,210	
Legal Counselling (Non-Judicial)		4,087,608
Non-Judicial Services		
10. Legal Documentation	2,273,721	
11. Oaths Administered	3,600,919	
12. Inquest Investigation & custodial interrogation	199,709	
13. Nationwide Lawyers’ jail visitation	807,155	
14. Forensic services rendered	2,184	
15. Barangay outreach	143,745	
16. PAO-Central Office Legal & Medical Jail visitation & decongestion program	5,981	
17. Office of CPA’s answer/reply to queries of the public	32,427	
Limited Services (arraignment, pre-trial, promulgation & others)	910,799	
Rendition of quasi-judicial services (mediation and conciliation; Investigation (under RA 9745 or Anti torture Law)	304,145	

For its Major Final Output which is Free Legal Services to Indigent Clients and Other Qualified Persons the implementation of indicators yielded positive results, to wit:

Public Legal Assistance Program	Targets	Accomplishments	
A. Outcome Indicators:			
1. Number of available lawyer’s time spent for each service	24 hours	24 hours	Fully attained its target
2. Percentage of cases, including the appealed cases, that were favourably disposed	76.24% (232,600 / 305,088)	81.34% (369,455 / 454,232)	Exceeded its target
3. Public attorney to court ratio	1:1	1:2	Higher by 1.00 percent compared to the target

Public Legal Assistance Program	Targets	Accomplishments	
B. Output Indicators:			
1. Percentage of hearings for which no postponement is sought by the PAO legal representative	100% (488,868 / 488,868)	100% (696,676 / 696,676)	Fully attained its target
2. Alternative Dispute Resolution (ADR) rate	92.50% (279,604 / 302,276)	92.58% (281,548 / 304,113)	Exceeded its target by 0.8 percent
3. Percentage of requests for non-judicial assistance acted upon within two (2) hours	100% (2,348,484 / 2,348,484)	100% (3,424,50 / 3,424,508)	Fully attained its target

Aside from the criminal and civil cases on which PAO regularly handles, it likewise continuously deals with other judicial cases such as terminated labor cases, on which 85.01 percent of it were favorably disposed by the respective public attorneys assigned to handle the same; and the legal assistance to women and their children who are victims of violence and facilitated the release and proper disposition of cases involving Children in Conflict with Law (CICL), particularly those who were 15 years old or below at the time of the alleged commission of the crime, under R.A. No. 9262, otherwise known as the Anti-Violence Against Women and their Children Act and RA No. 9344 otherwise known as the Juvenile Justice and Welfare System Act.

Other accomplishments included providing legal services on some of the country’s sensational cases such as: policemen involved in Kian Delos Santos’s case who were found guilty of murder by the Regional Trial Court. PAO Forensic Team’s re-autopsy on the remains of an aide of a former congressman and the forensic examination and legal assistance to dengvaxia victims. While other significant accomplishments included assistance to 2,119 Persons Deprived of Liberty (PDL) in consonance with Republic Act No. 10951.

D. Scope of Audit

The audit covered the operations and financial transactions of the Public Attorney’s Office and the 14 Regional Offices(ROs) (CAR, I, II, III, IV-A, IV-B, V, VI, VIII, IX, X, XI, XII and XIII) for CY 2018. The report does not include RO No. VIII due to non-submission of the Auditor’s Report at the time of consolidation.

E. Independent Auditor’s Report

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements as at December 31, 2018.

F. Summary of Significant Observations and Recommendation

The following are the significant audit observations and corresponding recommendations, which were discussed with management officials concerned, details of which are discussed in the Part II of this report.

1. The Accountant failed to adjust accounting errors and omissions amounting to ₱22,993,305.06 resulting in the understatement of Due from NGAs by ₱296,152.71, Intangible Assets by ₱4,857,882.00, Inter-agency Payables by ₱2,905,757.17 and the overstatement of PPE by ₱3,645,308.22, Accumulated Depreciation by ₱1,830,763.09, and Accumulated Surplus/Deficit by ₱2,185,564.95. The errors and omissions represents 3.09 percent the total Assets, 10.93 percent of the total Liabilities and 0.69 percent of the Equity. The accounts also showed various accounting deficiencies amounting to ₱15,677,350.30. (*Observation No. 1*)

We recommended that Management require the Acting Head, Accounting Section to: a) effect the necessary adjustments on the errors and omissions, among others, the erroneous recording of transactions, as well as, misclassification of accounts to correct the reported balances of the affected account; b) observe proper recording, adjustments and reclassification of accounts and transactions in accordance with the GAM and other existing rules and regulations; c) observe the highest objectivity and consistency in the keeping of the accounts to safeguard against inaccurate or misleading information; d) coordinate with PS DBM to update and reconcile their respective records; e) make a confirmation with the concerned PS DBM officials on the availability of items before finalizing the APR to avoid transferring excess payments; f) request PS DBM to refund the unutilized balance and deposit the amount to the National Treasury; g) require the SAO and the Chief Accountant to reconcile the RPCPPE and entries in the books of accounts and correct any deficiencies/variances between the records; and h) require the SAO to exclude from the RPCPPE items that are owned by the LGU and provide a separate list to identify the properties on loan by the LGU to the PAO.

2. Properties amounting to ₱91,400,056.59 were not insured with the GSIS as required under Section 5 of Republic Act No. 656 or the Property Insurance Law; thus, government interest is not protected against damage to or loss in case of natural and/or man-made calamities. (*Observation No. 2*)

We recommended that Management direct the Head of Administrative Service to submit the PIF and ensure that properties of the Agency are insured with the GIF of the GSIS in compliance with Section 5 of RA No. 656 as prescribed by COA Circular No. 2018-002.

3. Fifty-four (54) inventory items totaling ₱13,103,930.49 had exceeded the agency's two-month requirement contrary to Section 25 of the General Provisions of the General Appropriations Act (GAA) of 2018 or Republic Act (RA) No. 10964 while 11 inventory items did not meet the required two-month requirement of the agency valued at ₱170,701.54 as a result of insufficient monitoring and failure to establish a re-order point. (*Observation No. 3*)

We recommended that Management: a) strictly monitor the movement of the inventory items and ensure that no purchase shall be made if the balance does not comply with the General provisions of the GAA for CY 2018; and b) establish a policy on the re-ordering point to serve as a guide to the concerned officer.

The foregoing observations and recommendations were discussed with concerned officials of the agency in an exit conference conducted on March 26, 2019. Management's view and compliance with the recommendations were considered in the report, where appropriate.

G. Status of Implementation of Prior Year's Audit Recommendations

Of the 20 audit recommendations contained in the CY 2017 Annual Audit Report, ten were fully implemented, six were partially implemented and four were not implemented.