

## EXECUTIVE SUMMARY

### A. Introduction

The House of Representatives Electoral Tribunal (HRET) was constituted under Section 17, Article VI of the 1987 Philippine Constitution to act as the sole judge of all contests relating to the election, returns and qualifications of the Members of the House of Representatives. The major function and the principal program, project and activity of the HRET is the adjudication of electoral contests involving Members of the House of Representatives.

### B. Financial Highlights

The financial position and the sources and utilization of funds for the CY 2015 with corresponding figures for CY 2014 are presented below:

#### Financial Position

<b>Particulars</b>	<b>2015</b>	<b>2014</b>
Assets	28,924,878.69	34,730,224.52
Liabilities	11,091,960.56	19,452,626.33
Equity	17,832,918.13	15,277,598.19

#### Sources and Utilization

<b>Particulars</b>	<b>2015</b>	<b>2014</b>
Allotments Received		
Current Year	155,006,391.00	154,503,000.00
Continuing Appropriations	5,677,487.79	411,000.00
Total Allotments	160,683,878.79	154,914,000.00
Obligations Incurred	157,502,127.54	148,998,000.00
Unexpended Balance	3,181,751.25	5,916,000.00

The Statement of Appropriations, Allotments, Obligations, Disbursements and Balances for calendar year 2015 is shown in *Annex A*.

### C. Operational Highlights

The reported accomplishment of HRET showed that there were 37 election protests/cases filed in CY 2013, 25 of which were promulgated as dismissed as of December 31, 2014. Of the remaining 12, nine were dismissed in 2015 and three were not yet decided as of year-end. The details of the 2015 decisions are as follows:

Case No	Status
1 13-006 (Election Protest)	Dismissed in a Decision dated March 18, 2015. In Resolution No. 15-028 dated August 3, 2015, the HRET denied the protestant's motion for reconsideration considering that no new meritorious argument was presented by protestant.
2 13-016 (Election Protest)	Dismissed per Decision promulgated on February 23, 2015. Judgment became final and executory on March 28, 2015.
3 13-022 (Quo Warranto)	Dismissed per Resolution dated March 18, 2015.
4 13-024 (Quo Warranto)	Dismissed in a Decision promulgated on September 7, 2015.
5 13-030 (Election Protest)	Dismissed per Decision promulgated on February 23, 2015. Judgment became final and executory on March 29, 2015. Return of ballot boxes and paraphernalia was conducted on July 25 to August 15, 2015.
6 13-033 (Election Protest)	Dismissed per Decision dated June 8, 2015 for lack of merit.
7 13-035 (Quo Warranto)	Dismissed in a Decision promulgated on December 14, 2015 for lack of merit.
8 13-036 (Quo Warranto)	Petitions for Quo Warranto were Dismissed for lack of jurisdiction.
9 13-037 (Quo Warranto)	

Moreover, the 2015 Revised Rules of HRET was approved on September 7, 2015 which was published in the Philippine Star on November 1, 2015.

#### **D. Scope of Audit**

An audit was made on the accounts and operations of the HRET for the CY 2015. The audit was aimed to ascertain the propriety of the financial transactions and determine the fairness of the presentation of the financial statements of the agency.

#### **E. Auditor's Report**

The Auditor rendered an unqualified opinion on the fairness of presentation of the financial statements of HRET as of December 31, 2015.

#### **F. Audit Observations and Recommendations**

The audit team noted HRET's compliance with the following:

- Submitted disbursement vouchers, liquidation reports and payrolls have complete supporting documents and signature of officials concerned;
- Remittances of contributions to GSIS, PhilHealth, Pag-IBIG and withholding taxes on or before the due dates; and
- Renewal of Property Acknowledgement Receipt (PAR) every three years or whenever there is a change in custodianship or user of the property.

However, the audit disclosed the following observations with the corresponding recommendations, which are discussed in detail in Part II of this report and discussed with concerned officials of the agency during the exit conference on February 29, 2016. Management views and comments were incorporated in the report, where appropriate.

1. Financial reports, financial statements and supporting schedules and other documents for audit were not submitted within the prescribed period as required under Sections 100 and 122 of PD 1445 and COA Circular No. 2009-006 dated September 15, 2009, thus, precluding the timely audit of the financial transactions and preparation and submission of the required audit report.

We recommended and Management agreed to exert all efforts to comply with the timely submission of all financial reports as required under existing rules and regulations.

2. The HRET was able to formulate GAD Plan with a budget of ₱2,065,000 and accomplished most of the activities stated therein. Further, aside from the GAD planned activities, a few of the agency's major programs/activities with actual cost of ₱610,610.47 were attributed to GAD. However, the total cost of GAD

planned activities including attributed cost from major activities of the Agency were still less than five percent (5%) of the total budget of the Agency as required under existing law for GAD.

We recommended that, in the preparation of the agency's GAD budget, Management should identify programs/activities and the corresponding cost per MFOs that could be linked and attributed to GAD to increase the cost allocation for GAD following the steps prescribed under PCW, NEDA and DBM Joint Circular No. 2012-01. We further recommended and Management agreed to exert effort to accomplish planned programs and activities and monitor its implementation as required under Section 9.1 of the same Joint Circular.

#### **G. Implementation of Prior Years' Recommendations**

Of the four prior years' audit recommendations, two were implemented, one was partially implemented and one was not implemented.