

## EXECUTIVE SUMMARY

### A. INTRODUCTION

The Province of Tarlac was one of the lasts to be organized during the Spanish rule. Today, Tarlac is commonly known as the “Melting Pot of Central Luzon”. The population is composed mainly of Pampangeños, Tagalogs, Ilocanos, and Pangasinense. It is strategically situated in the western part of Luzon being a gateway to Northern Luzon and with its proximity to Clark Special Economic Zone.

The name “Tarlac” is a Hispanized derivation of a weed called “*Malatarlak*”. The Province has a total land area of 305,345 hectares with 17 municipalities and one city, consisting of 511 barangays. It is classified as a First-Class province with a total population of 1,273,240 as of 2010. It was marked to have a high annual population growth rate of 1.76 percent.

The Provincial Government of Tarlac has a total workforce of 2,750 consisting of 685 permanent, 612 casuals, 42 contractuels, five consultants, 1,247 job orders, 13 co-terminous, 31 temporary, 15 electives, 75 contract of service and 25 project based as of December 31, 2019.

### B. FINANCIAL HIGHLIGHTS

The following comparative data show the financial condition, results of operations, and sources and application of funds of the Province of Tarlac for the calendar years 2019 and 2018.

Particulars	2019	2018	Increase/ (Decrease)	%
<b>Financial Condition</b>				
Assets	₱ 7,699,743,970	₱ 7,225,505,488	₱ 474,238,482	6.56
Liabilities	2,324,770,715	2,458,746,138	(133,975,423)	(5.44)
Government Equity	5,374,973,255	4,766,759,350	608,213,905	12.75
<b>Results of Operations</b>				
Income	₱ 2,221,861,243	₱ 2,035,077,988	₱ 186,783,255	9.17
Expense	1,731,086,666	1,606,551,228	124,535,438	7.75
Surplus/(Deficit) for the period	432,868,923	392,190,451	40,677,472	10.37

<b>Comparison of Budget and Actual Amounts</b>	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>	<b>%</b>
Revenue and Receipts	₱2,686,672,039	₱2,375,618,990	₱311,053,049	11.57
Expenditures	2,686,672,039	1,833,909,028	852,763,011	31.74
Surplus (Deficit) for the period	0.00	541,709,962	(541,709,962)	(541.71)

### **C. SCOPE OF AUDIT**

The audit covered the examination of the accounts and financial transactions of the Province of Tarlac for CY 2019 particularly those contained in the Memorandum dated July 3, 2019 of the Local Government Sector Assistant Commissioner. Part II of this Report contains the audit exceptions on the 2019 Audit Focus and Thrusts for the Local Government Sector and other high-risk accounts.

The audit was aimed to (a) verify the level of assurance that may be placed on management's assertions on the financial statements; (b) determine compliance of management with the laws, rules and regulations on the pre-identified audit thrusts/areas and recommend agency improvement opportunities thereon; and (c) determine the extent of implementation of prior year's audit recommendations.

### **D. INDEPENDENT AUDITOR'S REPORT**

As discussed in Part II of this report, a qualified opinion was rendered because of the (a) doubtful balance of the cash in bank amounting to ₱1,845,723,915.74; (b) unadjusted year-end balance of advances to officers and employees owing to non-liquidation of non-moving cash advances worth ₱16,911,349.40; (c) unreliable negative balance of inventory accounts at ₱52,093,441.30; and (d) inaccurate year-end net carrying value of Property, Plant and Equipment (PPE) at ₱5,195,620,588.57.

For the exceptions cited above, we recommended the following:

- a) For the Cash in Bank account, we recommended that the (a) Acting Provincial Accountant (i) cause the recording of book reconciling items identified in the Bank Reconciliation Statements especially those that remained unadjusted through the years; (ii) exert effort to trace supporting documents for the unidentified reconciling items; (iii) request records from the Treasury Office to record closing of the general ledger bank accounts that are no longer existing and (b) Acting Provincial Accountant and Acting Provincial Treasurer regularly reconcile their records so that the Cash in Bank account to reflect reconciled balances in their records.

b) For the Advances to Officers and Employees account, we reiterated our previous recommendation that Management exert more effort in securing the necessary supporting documents cited under COA Circular 2016-05 dated December 19, 2016 to be able to apply for request for write-off of the dormant accounts.

c) For the Inventory account, we recommended that the (a) PSWDO furnish the Accounting Office copy of distribution list for welfare goods and prepare the Supplies Adjustment Report (SAR) thereon; (b) Acting Provincial Accountant (i) determine the composition of the accounts "Non-Accountable Forms" and "Other Supplies Inventory", verify whether the items composing these accounts still exist, and make the necessary adjusting entries in the general ledger and journal entry voucher if needed; and (ii) adjust the balances of account "Other Payables" in the trust fund book by recognizing the proper drugs, medicines and related inventory accounts in recording procurement made in 2016 and prior years; (c) the concerned Supply Officers of district hospitals to provide two SARs separately for GF and TF in reporting their supply consumption; and (d) the PGSO and Inventory Committee devote time to conduct the periodic physical count of inventory and render reports thereon.

d) For the PPE account, we recommended that (a) the Acting Provincial Accountant and the PGSO allot time and efforts to (i) prepare and maintain appropriate records and reports for all PPE accounts; (ii) investigate the causes of the unreconciled difference and make the necessary adjustments, if warranted; and (iii) determine the cost or fair market value of fixed assets held out for rent or capital appreciation to facilitate their reclassification from PPE to investment property; (b) the Acting Provincial Accountant (i) instruct the responsible employee to compute depreciation expense and accumulated depreciation for all depreciable assets, and (ii) de-recognize unserviceable assets that were already sold through public auction in 2017; and (c) the PGSO, in coordination with the OIC-Provincial Engineer, instruct the Inventory Team to complete the conduct of physical count covering all classes of properties owned and/or in the possession of the Province.

## **E. SUMMARY OF OTHER SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS**

Summarized below are significant audit observations with their recommendations, the details of which are presented in Part II of this report. Management views and comments, including those offered during the exit conference, were incorporated in the report, where appropriate.

1. The existence, completeness and accuracy of the year-end Cash in Bank (CiB) accounts totaling ₱1,845,723,915.74 cannot be ascertained due to a) unreconciled year-end balances between the records of the bank, ledger and cashbook at ₱2,131,320,359.39, ₱1,845,723,915.74 and ₱1,824,887,166.60 as a result of unidentified reconciling items over the years, unadjusted and erroneous journal entries b) the doubtful existence of 17 inactive/closed bank accounts in the books with a carrying value of P4,363,788.88

thereby affecting the fair presentation of the financial position of the agency in the Financial Statements. (*Observation No. 5*)

We recommended that the (a) Acting Provincial Accountant (i) cause the recording of book reconciling items identified in the Bank Reconciliation Statements especially those that remained unadjusted through the years; (ii) exert effort to trace supporting documents for the unidentified reconciling items; (iii) request records from the Treasury Office to record closing of the general ledger bank accounts that are no longer existing.; and (b) Acting Provincial Accountant and Acting Provincial Treasurer regularly reconcile their records so that the Cash in Bank account to reflect reconciled balances in their records.

2. The settlement/collectability of cash advances granted to officers and employees amounting to ₱16,911,349.40 is remote because the advances have remained dormant in the book of accounts from eight (8) years to 43 years and the persons accountable therefor have retired, were terminated from the service, were deceased or their whereabouts could no longer be located. In spite of previous years' audit recommendations, no request for write-off of dormant accounts pursuant to COA Circular No. 2016-005 dated December 19, 2016 has been initiated by Management, thereby affecting the fair presentation of accounts in the financial statements. (*Observation No. 7*)

We reiterated our previous recommendations that Management exert more effort in securing the necessary supporting documents cited under COA Circular 2016-05 dated December 19, 2016 to be able to apply for request for write-off of the dormant accounts.

3. The year-end balance of "Inventories" of ₱34,912,719.30 was unreliable due to: (a) inclusion of non-existing items of welfare goods in the inventory amounting ₱17,677,263.72; (b) non-moving balance for other supplies inventory and non-accountable forms amounting ₱227,980.00 and P 543,250.00, respectively; and (c) unreliable negative balance for drugs, medicines, medical, dental and laboratory supplies inventory of ₱11,110,419.70 and ₱40,983,021.60, respectively Moreover, because of the non-conduct of physical count of inventory as prescribed by the Manual on the New Government Accounting System (NGAS) for LGUs, Volume I, the existence of the reported year-end balances cannot be ascertained. (*Observation No. 8*)

We recommended that the (a) PSWDO furnish the Accounting Office copy of distribution list for welfare goods and prepare the Supplies Adjustment Report (SAR) thereon; (b) Acting Provincial Accountant (i) determine the composition of the accounts "Non-Accountable Forms" and "Other Supplies Inventory", verify whether the items composing these accounts still exist, and make the necessary adjusting entries in the general ledger and journal entry voucher if needed; and (ii) adjust the balances of account "Other Payables" in the trust fund book by recognizing the proper drugs, medicines and related inventory accounts in recording procurement made in 2016 and prior years; (c) the concerned Supply Officers of district hospitals to provide two SARs separately for GF and TF in reporting their supply consumption; and (d) the PGSO and Inventory

Committee devote time to conduct the periodic physical count of inventory and render reports thereon.

4. The reported net-carrying value (NCV) of Property, Plant and Equipment (PPE) account amounting to ₱5.195 billion as of December 31, 2019 remained unreliable due to (a) discrepancy in the balances of PPE accounts between the physical inventory report and the accounting records; (b) non-maintenance of complete records for PPE accounts contrary to the Section 114 of the Manual on the NGAS for Local Government Units (LGUs), Volume I; and (c) non-provision of depreciation expense and accumulated depreciation for assets with acquisition cost of ₱903,457,322.90 and ₱776,883,334.14 for general fund and trust fund, respectively; (d) various properties of the Province that are otherwise classified as investment property (held to earn rentals or for capital appreciation) still formed part of the PPE, which was inconsistent with International Public Sector Accounting Standards (IPSAS) No. 16; and (e) properties already sold through public auction were not derecognized. (*Observation No. 9*)

We recommended that (a) the Acting Provincial Accountant and the PGSO allot time and efforts to (i) prepare and maintain appropriate records and reports for all PPE accounts; (ii) investigate the causes of the unreconciled difference and make the necessary adjustments, if warranted; and (iii) determine the cost or fair market value of fixed assets held out for rent or capital appreciation to facilitate their reclassification from PPE to investment property; (b) the Acting Provincial Accountant (i) instruct the responsible employee to compute depreciation expense and accumulated depreciation for all depreciable assets, and (ii) de-recognize unserviceable assets that were already sold through public auction in 2017; and (c) the PGSO, in coordination with the OIC-Provincial Engineer, instruct the Inventory Team to complete the conduct of physical count covering all classes of properties owned and/or in the possession of the Province.

We would like to highlight, on the other hand, the areas in which the Management demonstrated strong compliance with applicable rules and regulations and, therefore, were considered as positive observations, to wit:

1. During CY 2019, the Province regularly settled its required loan amortizations and other charges under the terms and conditions of the existing contracts governing long-term loans payable. Three loans matured in 2019 and it contracted a total of ₱372,437,080.00 new loans from Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP), leaving an outstanding balance of ₱400,258,902.02 loans payable at year-end (Appendix 1).

The contracted loans of the agency were guaranteed by the agency's share in the IRA, particularly in the 20 percent development fund. This ensures that the agency regularly paid its loan obligations. Such practice is allowed, provided that loans were contracted to finance development projects cited in the Joint Memorandum Circular (JMC) No. 2011-1 dated April 13, 2011 and JMC No. 2017-1 dated February 22, 2017 of the Department of the Interior and Local Government (DILG) and Department of Budget and Management (DBM). Based from reports of previous Audit Teams, the proceeds

from previous years' loans were utilized in accordance with the purpose for which they were availed of.

2. The agency withheld premiums of ₱80,055,577.96 and loan amortizations of ₱44,146,974.55, or a combined total of ₱124,202,552.51, and remitted to the Government Service Insurance System (GSIS) the sum of ₱122,946,488.01 in compliance with Section 14 of the revised implementing rules and regulations (IRR) of Republic Act (R.A.) No. 8291, also known as the GSIS Act of 1997. The year-end obligation of the agency to GSIS amounting to ₱10,959,297.15 was found reliable due to the reconciled remittances per general ledger and summary of actual remittances. See Appendix 2 for the summary of premiums and loans amortizations and remittances to GSIS in 2019.

3. In compliance to Home Development Mutual Fund (HDMF) Circular No. 275 dated January 22, 2010, or the implementing guidelines on employer registration, contribution and remittance of R.A. No. 9679, the agency withheld ₱14,864,578.32 from the salaries of employees, wherein ₱6,394,296.69 pertained to employees' contributions and ₱8,470,281.63 to loan amortizations. During the year, the agency remitted ₱14,812,376.06 and reported a year-end payable to PAG-IBIG of ₱1,377,544.6. See Appendix 3 for the summary of premiums and loans amortizations and remittances to PAG-IBIG in 2019.

4. Employees' PhilHealth contributions withheld by the agency in 2019 amounting to ₱9,389,489.67 were remitted on time, leaving an unsettled balance of ₱827,432.77 as at December 31, 2019. The unremitted balance was remitted in the following year. The year-end payable to PhilHealth was found reliable in view of the reconciled remittances per general ledger and summary of actual remittances. See Appendix 4 for the details.

We commended the Management for complying with rules and regulations applicable to the above-mentioned areas and we recommended that Management continue the same practice in the succeeding reporting period.

The other significant audit observations and recommendations that need immediate actions are as follows:

1. There was a substantial increase in the utilization rate of the Special Education Fund (SEF) appropriated at ₱78,200,000.00, of which ₱70,248,179.60 or 89.83% was utilized for various programs and projects of schools and other school related activities. However, lapses were noted such as delayed implementation of some projects, lack or non-submission of distribution list and deficient supporting documents to prove regularity of the transactions. (**Observation No. 10**)

We recommended that Management (a) ensure the timely delivery of the projects/services to intended beneficiaries in accordance with the timetable set in the SEF plans and programs; (b) see to it that the funds for labor component of schools are already available before construction materials are delivered to avoid possible loss or deterioration thereof; (c) submit the required distribution list of the uniforms for validation of the Audit Team; and (d) direct responsible officials to see to it that complete

supporting documents are attached to disbursement vouchers/liquidation of cash advance/s to avoid suspensions in audit.

2. There was 59.03% or ₱238,076,562.32 utilization of the CY 2019 local development fund of ₱403,308,065.93 and actual disbursements as at December 31, 2019 amounted to ₱136,271,819.45. However, several infractions were noted in the implementation of the programs, such as a) inclusion of projects/programs contrary to the provisions of DILG-DBM Joint Memorandum Circular (JMC) No. 2017-1 dated February 22, 2017 amounting to ₱105,443,500.00 and b) some infrastructure projects amounting to ₱32,020,385.77 have yet to start, if not delayed in the completion thereof, due to work suspension, unworkable site and problem of roadway alignment, thereby negatively affecting the timely delivery of services to the intended beneficiaries. **(Observation No. 11)**

We recommended that the Provincial Governor (a) instruct the Provincial Planning and Development Officer (PPDO) to properly plan the PPAs for inclusion in the 20% Development Fund and ensure that these shall contribute to the attainment of desirable socio-economic development and environmental management outcomes as provided under DILG-DBM Joint Memorandum Circular (JMC) No. 2017-1 dated February 22, 2017; (b) direct the Provincial Engineer's Office to conduct close supervision and monitoring of the implementation of infrastructure projects in order that they be completed within the stipulated completion date for the timely delivery of the services to intended beneficiaries; and (c) instruct the Bids and Awards Committee (BAC) and BAC Technical Working Group (TWG) to ensure that the requisites for the bidding of infrastructure contracts provided in Section 17.6 of the Revised IRR of R.A. No. 9184, such as detailed engineering investigations, surveys and designs, including the acquisition of ROW, are complied with to ensure that all the undertakings are economically and efficiently carried out to protect the interest of the government.

3. The Provincial Government's Gender and Development (GAD) Plan and Budget (GPB) and Accomplishment Report (AR) were accomplished and submitted to concerned agencies in accordance with PCW-DILG-NEDA-DBM Joint Memorandum Circular No. 2013-01 dated July 18, 2013. However, several deficiencies were noted, such as a) unimplemented 65 GAD projects and activities with attributable cost of ₱24,500,375.00 due to non-availability of funds, while 10 GAD activities with budget totaling ₱30,797,800.00 actually spent ₱64,553,975.49 or 109.6% more than the allotted funds; b) implemented as GAD Programs amounting to ₱558,200.00 but not included in the GPB; c) partial implementation of programs/activities with a total variance of ₱33,756,175.49; and d) non-conduct of gender analysis of the programs and projects through the administration of the Harmonized Gender and Development Guidelines (HGDG) tool to determine the attributable GAD cost, yet the full cost of the programs were attributed to GAD. **(Observation No. 12)**

We recommended the Management to (a) instruct the Agency GAD Focal Point System (GFPS) personnel to facilitate and monitor the development and implementation of the agency's GAD plan and GAD-related programs, activities and projects and see to it that

these are efficiently and effectively implemented within the targeted budget; (b) ensure the complete implementation of activities indicated in the GPB to maximize benefits inuring to the beneficiaries and inform the concerned DILG Office, in writing, of changes introduced in the DILG-endorsed GPB and/or if there is a need to implement additional PPAs relevant to current gender issues or GAD-related undertakings; (c) prepare an inclusive GPB by covering all GAD-related PPAs especially those that have been actually implemented; and (d) attribute only a portion of the agency's major programs to the GAD budget by subjecting the program to gender analysis using the HGDG tool.

4. The agency's available calamity fund in CY 2019 amounted to ₱259,325,122.25 wherein ₱113,444,864.00 pertained to current year's appropriation and the balance of ₱145,880,258.25 was sourced from prior years' unutilized calamity fund. Of the total available fund, about ₱74,774,703.41 was spent for various disaster preparedness, mitigation and response activities. However, results of audit showed that disbursement vouchers amounting ₱12,389,009.45 lacked the required supporting documents to prove the propriety and regularity of the transactions contrary to COA Circular No. 2012-001. (*Observation No. 13*)

We recommended that the (a) LFC, the Provincial Governor and members of the Sangguniang Panlalawigan (SP) continue to appropriate an amount equivalent to at least five percent of estimated revenue from regular sources in compliance with the requirement of R.A. No. 10121; (b) Acting Provincial Accountant instruct the concerned accounting staff to (i) transfer the unspent current year's LDRRMF to special trust fund account under the account title "Trust Liability-DRRM"; (ii) revert back the unutilized balances of 2013 and 2014 Trust Liability-DRRM to the unappropriated surplus of the General Fund; (c) Acting Provincial Budget Officer ensure that only DRRM related activities are charged against the LDRRMF; and (d) concerned officials of the agency submit immediately the lacking documentary requirements to the Audit Team so that transactions that were not yet passed in audit undergo further evaluation.

5. The Conditional Matching Grant to Provinces (CMGP) Fund of ₱102,380,185.00 received by the Province in year 2018 was 100% utilized to fund various road repair, rehabilitation and improvement projects of the agency in accordance with DILG-DBM JMC No. 2017-2. However, technical review of said CMGP projects revealed several audit deficiencies such as (a) unsubmitted Construction Safety and Health Program (CSHP) required per DOLE D.O. No. 13 dated July 23, 1998, thus cast doubt on the validity and reasonableness of CSHP costs of ₱253,871.04 for three projects; (b) insufficient details in the submitted plans for eight items of work with equivalent project cost of ₱1,293,221.17 resulting in incomplete technical evaluation of four projects; and (c) excess project cost of ₱1,400,990.57 which is not in accordance with COA Resolution No. 2015-014 dated April 6, 2015. (*Observation No. 14*)

We recommended that the (a) OIC-PEO (i) supply the lacking details pertaining to eight items of work and attach the same as additional supporting documents to the final disbursement voucher for the further consideration of COA engineers; and (ii) review the project cost analysis prepared by COA engineers resulting in the discrepancy of

₱1,400,990.57 and comment thereon; (b) Acting Provincial Accountant check the completeness of supporting documents before approving the payment of claims; (c) Provincial Engineer and OIC-Provincial Accountant ensure that a copy of DOLE-approved CSHP is attached not only to the final disbursement voucher, but also to the initial disbursement voucher in order to avoid similar observation from COA engineers when they perform technical evaluation and contracts review of infrastructure projects.

6. The Province, through its Provincial Solid Waste Management Board (PSWMB), complied substantially with its mandate and functions as prescribed under Republic Act (R.A.) No. 9003, or the Ecological Solid Management Act of 2000. However, deficiencies were noted such as: (a) partial implementation of Environmental Management Programs, (b) failure to secure approval of Solid Waste Management (SWM) Plan by three component LGUs; and (c) non-provision of incentive scheme in the Provincial Solid Waste Management Plan (PSWMP). (*Observation No. 15*)

We reiterated our previous audit recommendation that the (a) PSWMB continue its compliance with the Ecological Solid Management Law to ensure the protection of public health and environment; (b) PENRO and Provincial Engineering Office carefully plan the solid waste management related projects and expedite processing of necessary documents to avoid delay in their implementation; (c) PSWMB, through the PENRO, (i) continue to extend assistance to component LGUs in the preparation of SWM Plans that are consistent with the requirement of the law to secure the approval of the NSWMC for the three remaining LGUs; and (ii) develop and integrate incentive programs in the SWM Plan in accordance with the requirement of the law.

7. The computerization of Financial Management System (FMIS) project of the Province amounting to ₱15,956,702.00 is not yet operational despite lapse of contract period thus, the automation of accounting and general services processes expected to expedite the business work in the Province is delayed. (*Observation No. 16*)

We recommended that the Project Coordinator (a) compel the contractor to complete the project at the soonest possible time and deliver the system to the Province so that the Accounting Office and PGSO can use the system; and (b) submit a status report of the project so that appropriate audit recommendations, if necessary, may be suggested by the Audit Team to the Management.

8. The reasonableness of the amount of rental fees being imposed and collected from the agency's properties leased/rented out to various business establishments could not be ascertained due to the absence of a duly approved policy governing the leased properties. Likewise, rental income fees from six lessees amounting to ₱4,454,793.71 remained uncollected as of December 31, 2019, hence deprived the Province of the income that could have been earmarked for other plans and programs. (*Observation No. 20*)

We recommended that the Provincial Governor (a) create a committee/body that will facilitate the formulation of policy on the management and operations of the leased properties of the Province and to immediately submit the same to the Provincial Board

for review and passing of an ordinance, to serve as guide for an efficient and effective administration of the leased properties; (b) instruct the Treasury Office to intensify collection efforts from delinquent tenants and consequently see to it that they are updated in their payments to generate the much needed revenues to fund its priority programs and activities. If warranted, institute legal remedies through the Provincial Legal Officer.

9. No collection from New Christian Academy for leasing out classrooms in the Ninoy Aquino Training Institute Building owned by the Provincial Government of Tarlac was registered for 89 months, thus, income amounting to ₱1,121,400.00 that could have been collected during said months was not utilized by the agency to support its meaningful programs, projects and activities. Moreover, the agency could have generated additional income of ₱2,550,000.00 had the agency increased the monthly rate beginning in July 2005 when the number of rooms leased out to the lessee was likewise increased. ***(Observation No. 21)***

We recommended that (a) the Provincial Treasurer demand from lessee immediate full settlement of the unpaid rental rate and surcharge amounting to ₱1,121,400.00 for using the government property; and (b) the Provincial Governor, with the assistance of the Provincial Legal Officer, (i) review the stipulations of the contract, specifically the rental rate and determine the reasonable rental rate that should be applied henceforth, taking into consideration the rental rate prevailing in the TRITC area; (ii) adopt reasonable rental rate in the subsequent contract should the agency decide to continue leasing out the property to the same or different lessee; and (iii) apply the lease rate determined to be just and reasonable to the entire area leased out to the lessee.

10. The agency failed to collect and remit to the GSIS the corresponding loan payments of 66 PGT personnel with total outstanding balance of ₱11,425,181.53 for 103 Consolidated, Emergency, Educational Assistance, Member Cash Advance and Member Salary loan accounts which have become due and demandable as of December 31, 2019, either due to arrearages equivalent to more than six months' amortization or the payment term of the loan has already lapsed. This in violation of Section 52 of Republic Act No. 11260 or the 2019 General Appropriations Act and Republic Act 8291 or the GSIS Act because the agency prioritized deductions of loans from other accredited lending agencies/institutions. ***(Observation No. 22)***

We recommended that Management (a) direct the designated Authorized Agency Officer (AAO) and Electronic Remittance File (ERF) Officers to act prudently in approving the loans of GSIS member-employees and remit the required monthly amortizations to the GSIS promptly and correctly in accordance with the amortization schedule approved by the GSIS; (b) require responsible personnel to prioritize deduction of loan amortizations for GSIS loans before satisfying obligations with other lending institutions in accordance with Section 52 of R.A. No. 11260 or the 2019 General Appropriations Act; and (c) instruct the Human Resource Management Office to inform all the personnel concerned on the status of their loan accounts, for them to reconcile their personal records with that of the GSIS.

**F. SUMMARY OF TOTAL SUSPENSIONS, DISALLOWANCES, AND CHARGES AS AT DECEMBER 31, 2019**

Suspensions, disallowances, and charges at year-end stood at ₱13,189,124.64, ₱158,817,695.67 and ₱ 0.00, respectively.

**G. STATUS OF IMPLEMENTATION OF PRIOR YEAR'S UNIMPLEMENTED AUDIT RECOMMENDATIONS**

Of the 144 prior year's audit recommendations, 131 were fully implemented and 13 were partially implemented.