

EXECUTIVE SUMMARY

Introduction

The Municipality of Silang, Cavite is one of the oldest towns in Cavite which was created in 1571. It was classified as a first-class Municipality in 1997. The Municipality is divided into 64 Barangays with a total population of 248,085 as of August 1, 2015. The local government of Silang aims to improve the lives of its people by providing them an environment conducive to developing a sustainable community where people have access to quality health and educational facilities, employment opportunities, livelihood assistance, institutional networking, effective law implementation, infrastructure projects, agri-industrial development and properly managed ecosystem.

The Organizational Structure of the Municipality is as follows:

a. Key Officials

Municipal Mayor	-	Hon. Socorro Rosario F. Poblete
Vice-Mayor	-	Hon. Aidel Paul G. Belamide

Members of the Sanggunian

1. Hon. Ronilo Doneza		
2. Hon. Ferdinand Amutan		
3. Hon. Mark Anthony Toledo		
4. Hon. Katherine Tirona		
5. Hon. Nestor Patawe		
6. Hon. Luciano De Jesus, Jr.		
7. Hon. Allan Tolentino		
8. Hon. Perpetuo Desingañó		
9. Hon. Domingo Ortega	-	ABC President
10. Hon. Annalene Bati-on	-	SK Federation President
OIC – Municipal Accountant	-	Ms. Maria Dolores Toledo
Municipal Treasurer	-	Ms. Jeannie Desingañó

b. No. of Personnel Complement

Position	No. of Filled Position
Permanent	208
Casual	259
Contractual/Job Order	103
Elective Officials	<u>12</u>
Total	<u>582</u>

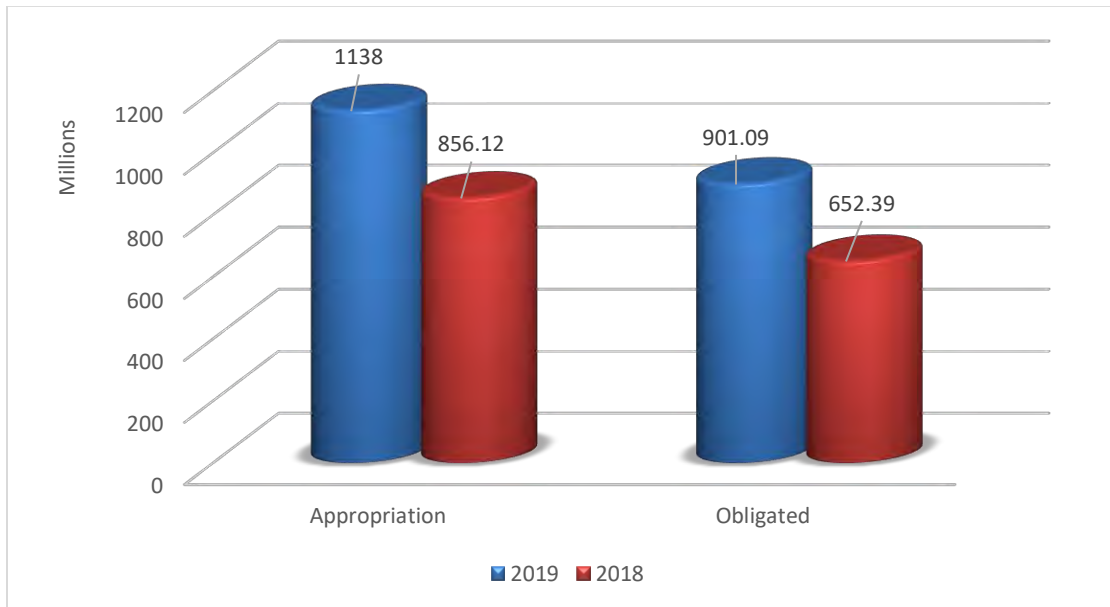
Scope of Audit

Financial and Compliance audits were conducted on the accounts and operations of the Municipality of Silang, Cavite for Calendar Year 2019. The audit was conducted to ascertain the fairness of the presentation of the financial statements and compliance of the municipality to laws, rules and regulations as well as the economical, efficient and effective utilization of resources.

Financial Highlights

The combined appropriations of the General Fund and Special Education Fund of the Municipality for the Calendar Year (CY) 2019 amounted to ₱1,138,003,231.00, of which ₱901,090,695.46 were obligated, thus leaving an unexpended balance of ₱236,912,535.54.

On the other hand, the Municipality had the combined appropriations amounting to ₱856,122,324.00, of which ₱652,389,510.97 were obligated, thus leaving an unexpended balance of ₱203,732,813.03 for CY 2018.



The Comparative Financial Position and Results of Operations for CY 2019 are as follows:

Financial Position

	2019	2018	Increase/ (Decrease)
Total Assets	₱ 3,842,607,492.25	₱ 1,900,427,264.55	₱ 1,942,180,227.70
Total Liabilities	2,020,611,338.40	346,434,959.05	1,674,176,379.35
Total Equity	1,821,996,153.85	1,553,992,305.50	268,003,848.35

	2019	2018	Increase/ (Decrease)
Results of Operations			
Total Income	₱ 852,443,198.41	₱ 763,828,554.63	₱ 88,614,643.78
Personal Services	159,811,006.78	142,063,926.10	17,747,080.68
Maintenance and Other			
Operating Expenses	343,206,019.82	320,096,412.39	23,109,607.43
Financial Expenses	2,652,851.37	242,017.85	2,410,833.52
Non-Cash Expenses	66,170,095.89	69,639,131.52	(3,469,035.63)
Transfers/Assistance/ Subsidy from/(to)	9,729,944.88	15,410,504.39	(5,680,559.51)
Net Profit/ (Loss)	270,873,279.67	216,376,562.38	54,496,717.29

The Municipality generated a total income of ₱852,443,198.41 for the year which is ₱88,614,643.78 or 11.60 per cent more than that of last year's income of ₱763,828,554.63. The increase in revenue was due to increase in Internal Revenue Allotment received from the Department of Budget and Management, Other Share from National Taxes, Tax Revenue and Service and Business Income.

Independent Auditor's Report on the Financial Statements

We rendered a qualified opinion on the fairness of the presentation of the Municipality's financial statements due to:

The reliability, correctness and existence of the reported year-end balances of Property, Plant and Equipment (PPE) accounts aggregating ₱2,059,354,548.67, which was equivalent to 54 per cent of the Municipality's total assets of ₱3,842,607,492.25, could not be ascertained due to net discrepancies of ₱1,854,743,335.19 between the gross amount of PPE per accounting record and the Report on the Physical Count of Property, Plant, and Equipment (RPCPPE) and the inability of the Accounting Office to complete/update the Property, Plant and Equipment Ledger Cards (PPELC) and Real Property Ledger Cards (RPLC) and the General Services Office, the Property Cards.

For the deficiencies cited above, we recommended that the Municipal Mayor direct the:

- a. Inventory Committee to conduct a complete physical count of all PPE of the Municipality to determine their actual existence, and the corresponding Report on the Physical Count of Property, Plant and Equipment (RPCPPE) be submitted to the Office of the Auditor on or before January 31 of each year;
- b. OIC-Municipal Accountant and OIC-General Services Officer to:
 - analyze and reconcile the discrepancies in the balances of some PPE accounts between their records and make the necessary adjustments; and
 - update PPELCs, RPLCs and Property Cards, and ensure that necessary information for proper monitoring and control of the assets of the Municipality are completely recorded therein.

Significant Observations and Recommendations

The other significant audit observations and recommendations are as follows:

1. Forty-nine unserviceable motor vehicles were not disposed, thus exposing them to further deterioration and reduction of economic value while six were sold without following proper disposal procedures, thus casting doubt on the validity and propriety of the disposal, contrary to Sections 79 and Section 2, respectively, of Presidential Decree (PD) No. 1445. Moreover, Acknowledgement Receipts for Equipment (AREs) for government vehicles were not prepared and/or updated, contrary to Section 42 of the Manual on the New Government Accounting System (MNGAS) for Local Government Units (LGUs), Volume II, thus accountability over them could not be effectively established and monitored.

We reiterated our prior year's recommendations that the Municipal Mayor direct the OIC-GSO to:

- a. Prepare the required Inventory and Inspection Report of Unserviceable Property (IIRUP) for all the unserviceable motor vehicles and file an application for disposal duly supported with all the required documents to the Office of the COA Auditor;
 - b. Prepare and/or update the existing Acknowledgement Receipts for Equipment (ARE) for all motor vehicles enumerated in Annex A to establish and monitor accountability over their use; and
 - c. Ensure that disposal of unserviceable properties is in accordance with the procedures and guidelines provided under Section 79 of PD 1445 and other existing laws, rules and regulations on disposal.
2. The acquisition of a lot for the slaughter house project, one of the eight priority development projects under the 20 per cent Development Fund (DF) of the Municipality amounting to ₱14,500,000.00 was not implemented due to problems with the required land area, contrary to Section 5 of DILG-DBM Joint Memorandum Circular No. 2017-1, thus the desired socio-economic development and environmental outcomes from the utilization of the fund were not optimally attained.

We recommended that the Municipal Mayor direct the Municipal Planning and Development Officer and other concerned officials to ensure that proper planning was conducted and all issues related to project implementation are resolved before allocating funds therefor to minimize the risk of non-delivery of the projects.

3. Of the total allocation of ₱26,180,000.00 for disaster prevention, mitigation and preparedness, the Municipality was only able to utilize a total of ₱19,287,270.12 or implemented only 10 out of the 15 relevant programs, projects and activities for Calendar Year (CY) 2019, thus, the level of preparedness of the Municipality to ensure the safety of the public in times of calamities and/or disasters was not optimized.

We recommended that the Municipal Mayor direct the MDRRMO to:

- a. ensure that all programs, projects and activities on disaster prevention, mitigation and preparedness included the MDRRM Plan are implemented accordingly; and

- b. provide specific information on the timetables or schedules of implementation of the projects and activities in the MDRRM Plan for proper guidance and monitoring of their implementation.
4. Gender and Development (GAD) Database containing information in gender responsive planning, programming and policy formulation was not established and maintained by the Municipality due to lack of properly trained personnel, contrary to Section 4.1.B.1 of Joint Memorandum Circular No. 2013-01 of the Philippine Commission on Women (PCW), Department of the Interior and Local Government (DILG), Department of Budget and Management (DBM) and National Economic and Development Authority (NEDA), giving no assurance that all programs, projects and activities (PPAs) integrated in the GAD Plan and Budget addressed the real/existing gender issues and concern in the locality.

We recommended that the Municipal Mayor direct the Head of MPDC to establish and maintain a GAD Database containing statistics and sex disaggregated data systematically gathered and regularly updated to serve as basis for gender-responsive planning, programming and policy formulation and subjected to gender analysis, in compliance with Section 4.B, Item 1 of Joint Memorandum Circular No. 2013-01 of PCW, DILG, DBM and NEDA.

We also recommended that the Municipality continue with its effort to capacitate the personnel involved in the GAD Program by sending them to attend relevant trainings and workshops.

Summary of total Suspension, Disallowances and Charges

There are no unsettled suspensions, disallowances and charges as of December 31, 2019.

Statement on the quantity/ number of Prior Year's Audit Recommendations

Of the 23 audit recommendations, 15 audit recommendations were fully implemented, seven were partially implemented and one was not implemented.