

EXECUTIVE SUMMARY

GENERAL PROFILE

The City of Dumaguete is the capital of the Province of Negros Oriental and was created on June 15, 1948 by virtue of Republic Act No. 327. On June 21, 1969, Republic Act No. 5797, otherwise known as the Revised Charter of Dumaguete of City, was enacted. It is presently classified as a 3rd class city pursuant to the Bureau of Local Government Finance Memorandum Circular No. 01-C(a)-05 dated December 16, 2005.

Personnel Complement

In CY 2012, the City of Dumaguete had 2,280 personnel complement, broken down as follows:

1	Regular		606
2	Casuals		536
3	Contractuals		40
4	Job Orders -		
	- Office-Based	506	
	- Project-Charged	592	1,098
TOTAL			2,280

Major Accomplishments

The City completed various projects during CY 2012 totaling P 71,261,040.71, some of which are presented below:

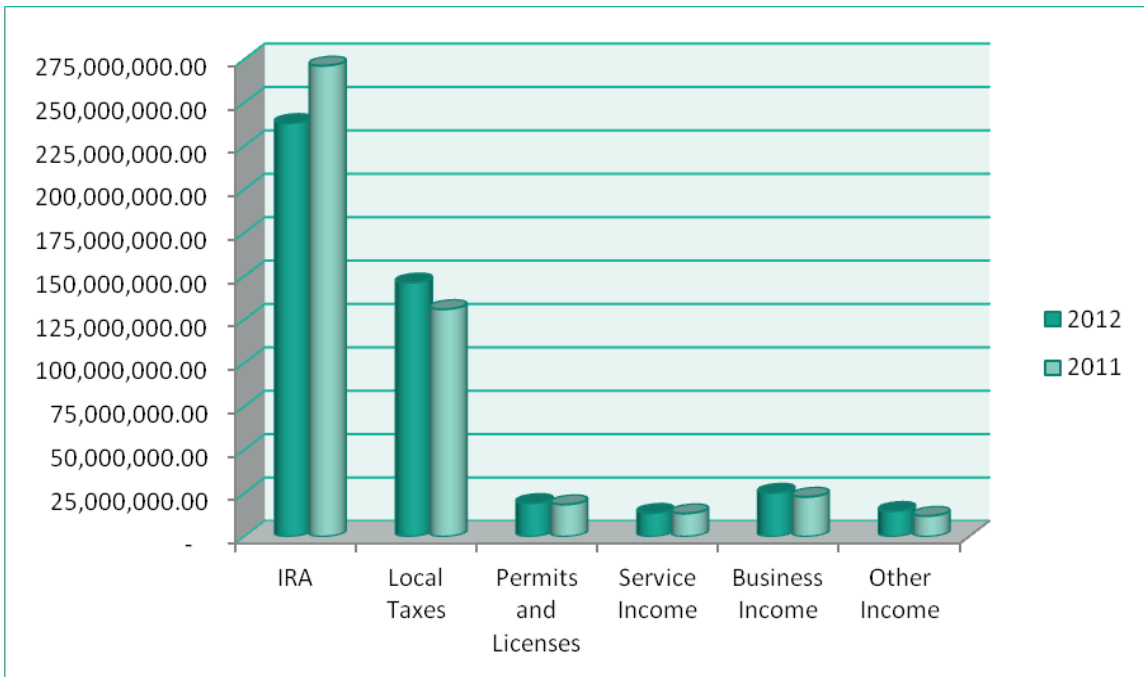
	<u>NAME OF PROJECT</u>	<u>AMOUNT</u>
1	Drainage at Bag-ong Dalan	1,600,000.00
2	City Hall Improvement (Phase 7)	3,000,000.00
3	Construction of 60 Housing Units under the DSWD Core Shelter Assistance Program	4,200,000.00
4	Clearing and Dredging of Waterways	3,563,868.24
5	Wiring Installation for Standby Power Generator	1,400,000.00
6	Construction of Dike and Road - Banica River	1,000,000.00
7	Rehabilitation/Restoration of Cultural/Historical Sites	1,000,000.00
8	Repair of Dike and Abutments of JICA RCDG Bridge	1,350,000.00
9	River Control - GK Housing Northern Side	1,500,000.00
10	River Control - along Banica River	10,175,000.00
11	Boulder Dike - Spillway in Purok Santan - Phase I	1,000,000.00
	TOTAL	<u>29,788,868.24</u>

A. HIGHLIGHTS OF FINANCIAL OPERATIONS

SOURCES OF FUNDS

For calendar year 2012, the city realized a total income of ₱ 457,513,161.24, or a *decrease* of ₱ 11,562,497.50 or 2.46% compared to that of calendar year 2011 largely due to the decrease in the Internal Revenue Allotment, as shown below:

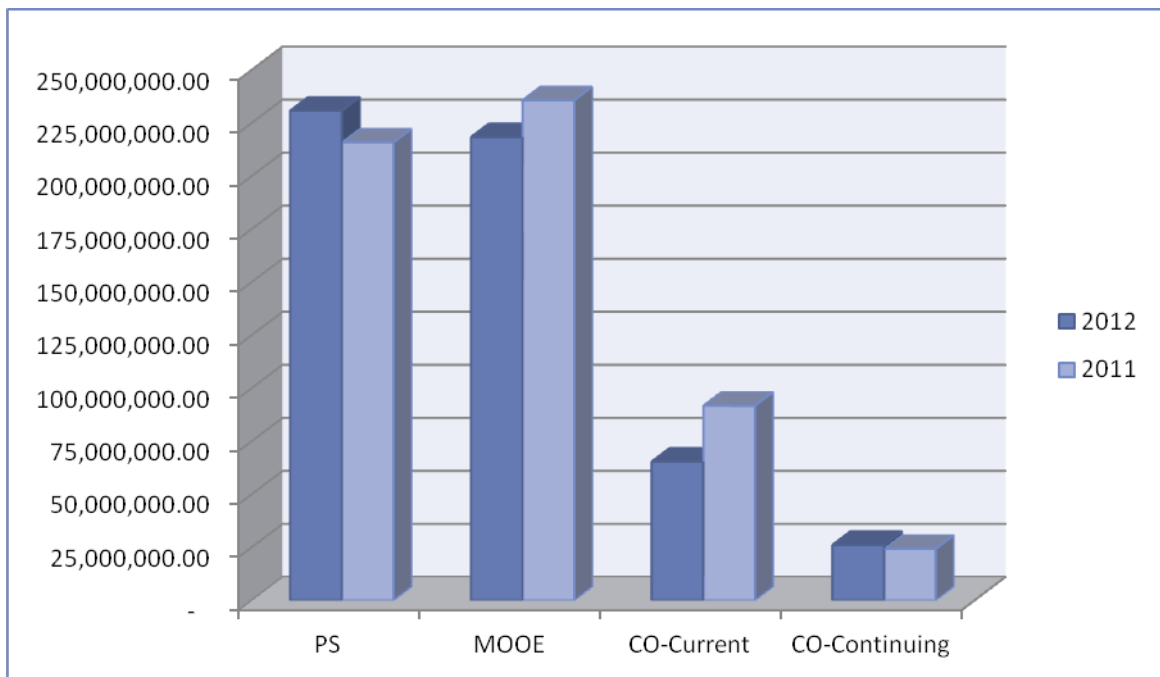
Sources of Income	2012	2011	Increase (Decrease)	Percent
Internal Revenue Allotment	P 238,248,214.00	P 271,286,296.24	(P 33,038,082.24)	(12.18%)
Local Taxes	146,362,798.35	131,034,454.17	15,328,344.18	11.70%
Permits and Licenses	19,304,240.64	18,539,609.42	764,631.22	4.12%
Service Income	13,647,423.10	13,352,881.98	294,541.12	2.21%
Business Income	25,209,119.95	22,924,199.74	2,284,920.21	9.97%
Other Income	14,741,365.20	11,938,217.19	2,803,148.01	23.48%
Total Income	P 457,513,161.24	P 469,075,658.74	(P 11,562,497.50)	(2.46%)



APPROPRIATIONS

The current appropriations of the city for the calendar year 2012 amounted to ₱514,634,718.26, a decrease of ₱ 28,746,748.18 or 5.29% from that of the previous year. Its continuing appropriations amounted to ₱ 26,150,604.37 for a total annual appropriation of ₱ 540,785,322.63, as shown hereunder:

	2012	2011	Increase (Decrease)	Percent
CURRENT APPROPRIATIONS				
Personal Services	230,837,203.36	215,902,547.95	14,934,655.41	6.92%
Maintenance and Other Operating Expenses	218,375,131.85	235,765,826.61	(17,390,694.76)	(7.38%)
Capital Outlay	65,422,383.05	91,713,091.88	(26,290,708.83)	(28.67%)
TOTAL CURRENT APPROPRIATIONS	514,634,718.26	543,381,466.44	(28,746,748.18)	(5.29%)
Continuing Appropriations including 5% LDRRMF	26,150,604.37	24,280,598.69	1,870,005.68	7.70%
GRAND TOTAL	540,785,322.63	567,662,065.13	(26,876,742.50)	(4.73%)

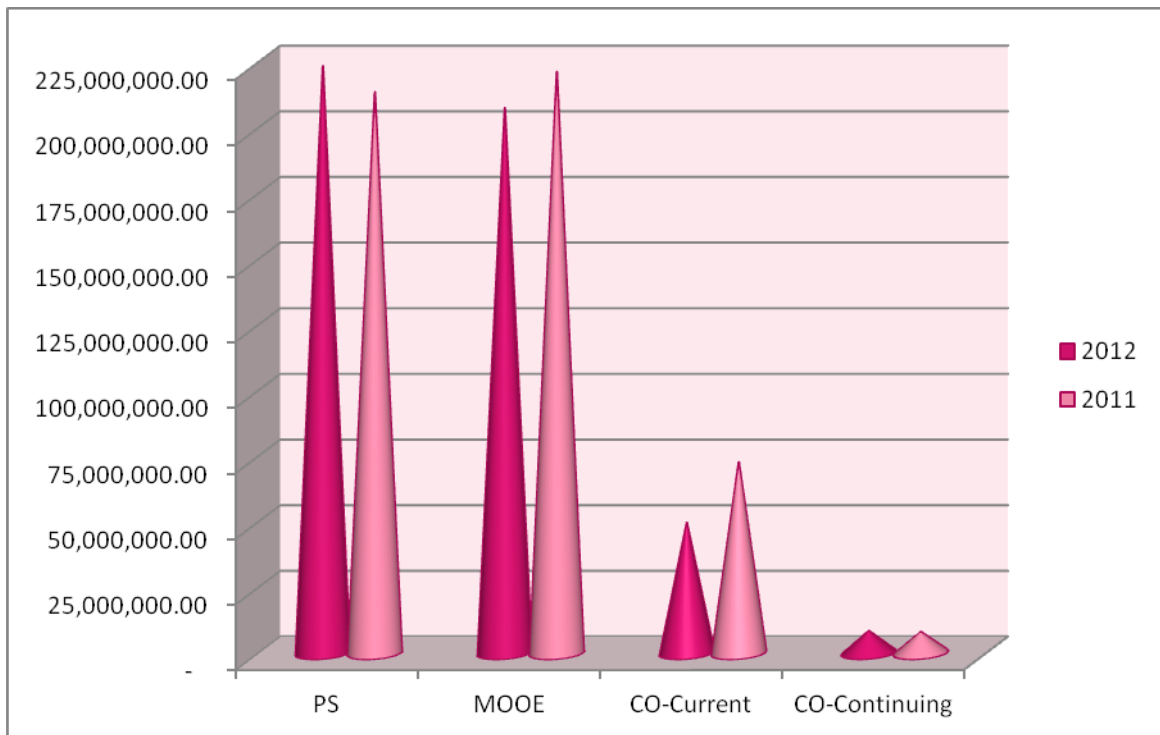


In anticipation of the expected decrease in the Internal Revenue Allotment for the year, the City made corresponding adjustments in their appropriations, except, however, for the budget for Personal Services.

OBLIGATIONS

For calendar year 2012, the city's obligations reached ₱ 489,655,675.79 from current and continuing appropriations, thereby showing a decrease of ₱ 26,326,096.32, or 5.10% as compared to last year's ₱ 515,981,772.11. The details are shown hereunder:

	2012	2011	Increase (Decrease)	Percent
CURRENT EXPENDITURES:				
Personal Services	223,631,987.66	213,710,552.79	9,921,434.87	4.64%
Maintenance and Other Operating Expenses	207,722,368.17	221,343,265.79	(13,620,897.62)	(6.15%)
Capital Outlay	49,745,822.64	72,789,980.57	(23,044,157.93)	(31.66%)
Total Current Expenditures	481,100,178.47	507,843,799.15	(26,743,620.68)	(5.27%)
Continuing Appropriations	8,555,497.32	8,137,972.96	417,524.36	5.13%
GRAND TOTAL	489,655,675.79	515,981,772.11	(26,326,096.32)	(5.10%)



FINANCIAL RATIOS

Comparative data for the city's assets, liabilities and equity as of December 31, 2012 and 2011 are shown below:

	2012	2011	Increase (Decrease)
Assets	1,420,917,950.84	1,358,322,485.07	62,595,465.77
Liabilities	472,945,676.80	436,613,208.07	36,332,468.73
Government Equity	947,972,274.04	921,709,277.00	26,262,997.04

The following financial ratios focus on the liquidity of the City as well as the financial leverage it acquired from other financing institutions:

RATIO ANALYSIS	Formula	2012		2011		Increase / (Decrease)
		Amount	Ratio	Amount	Ratio	
LIQUIDITY						
Current Ratio	CA / CL	443,187,979.72	= 2.036:1	459,191,014.61	= 2.231:1	(0.195)
		217,699,103.20		205,827,825.48		
Net Working Capital	CA - CL	443,187,979.72	= 225,488,876.52	459,191,014.61	= 253,363,189.13	(27,874,312.61)
		(217,699,103.20)		(205,827,825.48)		
FINANCIAL LEVERAGE						
Debt Ratio	TL / TA	472,945,676.80	= 0.333:1	436,613,208.07	= 0.321:1	0.011
		1,420,917,950.84		1,358,322,485.07		
Debt-Equity Ratio	LTD / GE	11,806,280.35	= 0.01:1	17,056,816.04	= 0.02:1	(0.01)
		947,972,274.04		921,709,277.00		
Interest Coverage	Inc.+Int. Exp /Int. Exp	29,940,937.65	= 37.88:1	38,517,048.91	= 33.29:1	4.59:1
		790,373.85		1,156,899.41		

B. SCOPE OF AUDIT

Financial, Compliance and Value-for-Money Audits were conducted on the accounts and operations of the City Government of Dumaguete for the calendar year 2012. The audit was conducted to ascertain the accuracy, integrity and authenticity of the accounts presented in the financial statements, as well as to evaluate the city government's compliance with applicable laws and regulations in the handling of its finances and in its operations in general.

C. AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

The auditor did not express an opinion on the fairness of the presentation of the financial statements due to the following exceptions, some of which were discussed in the previous years' annual audit reports but which remained unimplemented:

- a) Bank confirmation on the existence of ₱3.04M included in its Cash in Bank – Local Currency, Current and Savings Accounts (111 and 112) yielded negative results, and the City did not prepare the necessary bank reconciliation statements, thereby presenting an inaccurate and unreliable balance in the financial statements;
- b) Cash advances granted to Officers and Employees under the account Due from Officers and Employees (123) totaling ₱ 21.19M remained unliquidated for as long as six (6) months to 17 years as at 31 December 2012, resulting in the misstatement of asset and equity accounts;
- c) The validity, existence and accuracy of Due from Non-Governmental Organizations/ People's Organizations (NGOs/POs) amounting to ₱8.9M is uncertain due to incomplete documentation resulting to likelihood of overstatement and misclassification of accounts;
- d) The propriety of the balance of Property, Plant and Equipment (PPE) accounts amounting to ₱794.12M was doubtful due to the continued inability of management to complete the physical inventory, maintain complete property ledger cards and reconcile records of the Offices of the City Accountant and General Services. Of this, ₱ 598,363.50 are already unserviceable, ₱5,002,570.73 are still under the accountability of personnel who have been separated from the service, ₱1,178,523.68 are missing, ₱ 196,594.31 were razed by fire, and ₱61,198,413.38 or 39.14% of movable properties totaling ₱ 156,363,484.00 are still for identification;
- e) The validity of Accounts Payable totaling ₱40.46M was doubtful and unreliable because these were apparently undocumented and long outstanding payables aging two (2) or more years were not reverted to the government equity; and,
- f) The accuracy of the Due to Other National Government Agencies account amounting to ₱68.1M is unreliable because of the lack of sufficient details and supporting records.

D. SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS

The following are the significant findings and recommendations:

FINANCIAL AND COMPLIANCE AUDIT

1. The agency did not effectively monitor and appropriately undertake safeguards against loss or wastage and ensure the existence of ₱3.04M included in its Cash in Bank – Local Currency, Current and Savings Accounts (111 and 112) by not preparing the necessary bank reconciliation statement and other required reports, contrary to pertinent provisions under P.D. 1445, thus, presenting an inaccurate and unreliable balance in the financial statements.

We recommend the following steps:

- a) Immediately require the City Accountant to prioritize the reconciliation and substantiation of the bank accounts which have not been confirmed by the depository banks;
 - b) Freeze transactions in the unconfirmed or unreconciled accounts until full accounting and reconciliation has been made therefor;
 - c) Communicate with the depository banks to seek clarification or necessary documentation to harmonize the balances existing in the books;
 - d) Pinpoint responsibility for such discrepancies by determining the Treasurer and Accountant corresponding to the periods when the discrepancies started in order to effectively protect government funds from wastage or loss;
 - e) Issue a written demand for restitution thereof once accountability has been properly established;
 - f) Adopt an integrated monitoring system to ensure that the necessary reports and corrective actions are undertaken on a timely basis for the protection of the government's resources;
 - g) Furnish our office with a status report on the action taken regarding this observation, supported by the necessary documents/evidence; and,
 - h) Henceforth, regularly require the City Accountant that monthly BRS be prepared for all Cash in Bank accounts.
2. Failure of the City to take decisive action to address the long outstanding reconciling items in its bank accounts totalling ₱3.5M contrary to applicable provisions of COA

Circular No. 96-011 and P.D. 1445 resulted in presenting an unreliable balance in the financial statements and precluding the utilization of such funds for other development projects beneficial to its constituents.

We recommend that Management:

- a) Instruct the City Accountant to make representations with the various depository banks to seek the necessary evidences/ documentation to support the correction of book and bank errors noted;
 - b) Identify the concerned Treasurer/s who was directly responsible in handling the unreconciled deposits and disbursements made to the City's bank accounts and require them to provide evidence of such unreconciled transactions, and likewise, to reconcile these items with their cashbooks;
 - c) Require the Accounting Office to give priority to and intensify the review and analysis of the existing reconciling items and adjust those which are clearly identified, based on the existing bank statements, including the set-up of accountability for the double issuance of check replacement;
 - d) Direct the City Accountant to effectively monitor the preparation of the BRS and other financial reports to ensure that these are in keeping with the standards of reporting and that the information contained therein are accurate and reliable;
 - e) Furnish our office with the status report on the actions taken to address this observation; and,
 - f) Henceforth, require the City Accountant to regularly prepare the BRS of all existing bank accounts and monitor the opening and closure of new and old accounts.
3. The agency did not effectively monitor the status of checks issued which caused the existence of stale checks totaling ₱ 869,621.89 in the bank reconciliation statements, contrary to Section 59, Volume I of the NGAS Manual and Section 97 of P.D. 1445, thus, presenting an inaccurate and unreliable balance of the Cash in Bank, Accounts Payable and Government Equity accounts.

We recommend that Management:

- a) Improve monitoring and reporting systems particularly in the preparation of the BRS to ensure that reconciling items that need attention are addressed on a timely basis so as not to defeat the purpose of preparing the said report;
- b) Require the City Accountant to immediately conduct a thorough review of the BRS to validate the numerous reconciling items and take appropriate action thereon; and,

- c) Require the ICO-City Treasurer to secure all stale checks and its supporting documents, cancel the same and furnish the Accounting Office with the original DV, for them to prepare a Journal Entry Voucher restoring the Cash in Bank and crediting Accounts Payable for stale checks less than two (2) years and Prior Years' Adjustment for those beyond 2 years.
4. Cash advances granted to officers and employees for travel and other purposes amounting to ₱17.47M or 82% of the total cash advances remained unliquidated for as long as six (6) months to 17 years as at 31 December 2012, contrary to Section 89 of P.D. 1445 and COA Circular No. 97-002 dated 10 February 1997, thus overstating Due from Officers and Employees account and understating the related expense accounts.

We recommend that Management:

- a) Require the immediate liquidation of all cash advances specifically those over 90 days by sending demand letters to all concerned.
 - b) After due notice, effect the withholding of salaries or whatever allowances/benefits due the concerned officer and employee.
 - c) Henceforth, implement the requirements/limitations of COA Circular No. 97-002.
5. Additional cash advances were granted to eight (8) officials and employees aggregating ₱11.4M even if their previous cash advances were not yet settled, contrary to Section 4.1.2 of COA Circular No. 97-002, thus accumulating the unliquidated cash advances to ₱ 21.1M at year end.

We recommend that:

- a) The City Accountant stop from granting additional cash advances to officials and employees with unliquidated cash advances in accordance with Section 4.1.2 of COA Circular No. 97-002; and,
 - b) Send demand letters and require the immediate liquidation of all cash advances and after due notice, effect the withholding of their salaries or whatever benefits due the concerned officers and employees.
6. The validity, existence, propriety and accuracy of the account Due from Non-Governmental Organizations / People's Organizations (NGOs/POs) amounting to ₱8.9M is rendered doubtful due to overstatement, misclassification of accounts,

incomplete documentation and improper charging, contrary to COA Circular No. 2007-001 dated October 25, 2007.

We recommend that:

- a) The City Accountant analyze and validate the dormant accounts and accounts for “ID” classified under Due from NGOs/POs and the unsupported balances reflected in the subsidiary ledgers. If the analysis/review of the accounts is not possible due to the absence of records and documents, request for write-off and/or adjustment of account balances from the Commission on Audit, in accordance with the guidelines prescribed under COA Circular No. 97-001, duly supported by (a) list of available records and extent of validation made on the accounts; and (b) certification and reasons why the books of accounts/records, financial statements/schedules and supporting vouchers/documents cannot be located.
 - b) Require the City Accountant to prepare a journal entry voucher (JEV) to take the adjustment of the expense accounts Donations (878) and Scholarship Expenses (754) used to record the financial assistance to NGOs/POs to Due from NGOs/POs, in order to reflect the correct balance of the account and the other accounts affected.
7. The propriety of the balance of Property, Plant and Equipment (PPE) accounts amounting to ₱794.12M was doubtful due to the continued inability of management to complete the physical inventory, maintain complete property ledger cards and reconcile records of the Offices of the City Accountant and General Services, contrary to Sections 119, 120 and 124 of the NGAS Manual, Volume I.

We recommend that:

- a) The Local Chief Executive immediately create an Inventory Committee to conduct a complete physical count of properties, plant and equipment in order to establish the existence and physical condition of the PPE account balances shown in the financial statements at year-end;
- b) The General Services and Accounting Offices hasten the updating of their records to facilitate the reconciliation of the accounting and property records;
- c) The City Accountant review the details of properties marked “for identification” as well as those unserviceable, missing and burned properties and prepare the necessary adjustments, if warranted; and,
- d) Create a special committee to identify all “for ID” properties, update/adjust the records and drop from the books if warranted, after requesting the Commission on Audit, Central Office for the required authority.

8. The validity of Accounts Payable totaling ₱40.46M was doubtful and unreliable because these were apparently undocumented, and long outstanding payables aging two (2) or more years were not reverted to the government equity, contrary to Section 46 of P.D. 1177, Section 98 of P.D. 1445, and DBM and COA Joint Circular No. 99-6 dated November 13, 1999. Hence, the fair presentation of the financial statements was not achieved.

We recommend that Management:

- a) Require the City Accountant to desist from setting up accounts payable without valid claims that are properly supported by sufficient documents to avoid illegal payments and consequent liabilities of officials authorizing and making payment therefor in accordance with Section 46 of P.D. 1177;
 - b) Direct the City Accountant to immediately review all outstanding payables and revert those which are undocumented/not supported with valid claims and those aging two (2) years or more;
 - c) Require the City Accountant to maintain and update subsidiary ledgers for each payable account; and,
 - d) Require also the City Accountant to confirm the existence of the payable accounts.
9. The agency did not regularly monitor transferred funds and submit liquidations to the source agencies immediately after the completion of the projects/activities, contrary to COA Circular Nos. 94-013 dated December 13, 1994, thus resulting in the accumulation of the Due to Other NGAs account amounting to ₱68.1M, and casting doubt on the accuracy and the validity of the account balance.

We recommend that Management:

- a) Review the status of accomplishment and completion of all 100 projects/programs and determine unliquidated balances, if any, for the remittance/return and Liquidation Report preparation;
- b) Immediately submit the audited Statement of Liquidation to the various source agencies for proper reporting and accounting of the funds received and utilized and to return any unutilized amount pursuant to the terms and conditions of the MOA and COA Circular No. 94-013; and
- c) Monitor regularly the status/liquidation of fund transfers received from NGAs based on duly documented transactions and to keep a separate and complete file of documents/reports including, but not limited to MOA, Statement of Allotment Release Order (SARO), Project Proposal, Work and Financial Plan, Program of

Work, Statement of Work Accomplishment, and Fund Utilization Reports for each fund received.

10. The accuracy of the account Due to Other National Government Agencies (NGAs) amounting to ₱68.1M was doubtful and very unreliable because the balance under the General Fund had no breakdown while under the Trust Fund, not all its details were contained in the subsidiary ledgers nor could be traced to the Fund Utilization Reports (FURs), contrary to Sections 111 and 112 of P.D. No 1445 and Section 10 of the Manual on New Government Accounting System, Volume II.

We recommend that Management:

- a) Conduct a review and reconciliation of all Due to Other NGAs accounts by ascertaining the status of project/activities completion, balances and status of liquidation;
- b) Require the City Accountant to make the necessary adjusting entries to correct the balances of all affected accounts and strengthen the review and control mechanism over the work of subordinate personnel to avoid errors in recording; and
- c) Require the City Accountant to likewise verify and investigate the status of the funds by confirming the balances with the source agencies.

11.

The 20% Economic Development Fund (EDF) for CY 2012 was understated by ₱1.06M since the Accounting Office erroneously credited the City’s receipt of the 4th and 6th installments of the Internal Revenue Allotment monetization program entirely to the General Fund-Proper, thus, inadvertently limiting the funds to be used for priority projects intended to uplift the living and economic condition of the constituents, contrary to Section 287 of RA 7160.

We recommend that Management:

- a) Prepare the following adjusting entry to correct the understatement of the 20% EDF allocation:

Cash in Bank-LCCA	111-DBP(18)	1,057,700.80	
Prior Years' Adjustment	684(01)	1,057,700.80	
Cash in Bank-LCCA	111-DBP(01)		1,057,700.80
Prior Years' Adjustment	684(18)		1,057,700.80

- b) Adjust the unappropriated surplus of the General Fund in such a way that the above amount shall form part of the restricted balance of the 20% EDF which is subject to subsequent appropriation for valid development projects as may be decided by the City Development Council; and,

- c) Henceforth, conduct periodic review of accounting entries in taking up IRA receipts to minimize the risk of errors and ensure the accuracy of the allocation for the 20% EDF.
12. The City appropriated ₱4 million for Confidential and Intelligence Expenses in CY 2012, ₱3.8 million of which was expended, which exceeded the allowable limit of ₱ 270,000.00, contrary to DILG Memorandum Circular No. 99-65 dated 23 April 1999 as supplemented by DILG Memorandum Circular No. 99-100 dated 15 June 1999, resulting to irregular expenditures amounting to ₱3,530,000.00.

We recommend that Management:

- a) Observe the limitations in the appropriation of funds for Intelligence and Confidential purposes as provided under DILG Memorandum Circular Nos. 99-65 and 99-100.
 - b) Submit a copy of the prior approval of the Secretary, Department of the Interior and Local Government for the excess appropriations in CY 2012 amounting to ₱3,530,000.00.
13. The City Mayor did not forward to the Accountant and the auditor copies of the transmittal of liquidation reports on cash advances granted for intelligence operations submitted to the COA Chairman, duly received by him or his authorized representative, contrary to Section 6 of COA Circular No. 2003-003 dated 30 July 2003, resulting in the accumulation of long outstanding receivables from him amounting to ₱9.8 million.

We recommend that:

- a) The Office of the City Mayor prepare covering transmittal letters of the liquidation reports submitted to the COA Chairman, stating the documents being submitted as required under COA Circular No. 2003-03. A copy thereof shall be forwarded to the City Accountant without which no additional cash advance shall be granted to avoid accumulation of huge unliquidated cash advances granted therefor. The auditor shall, likewise, be provided said copies for her guidance in audit.
 - b) Follow-up and secure from the Office of the COA Chair the Credit Notices of such cash advances for Intelligence and Confidential Fund.
14. The City granted rice allowance in kind to its 1,116 job orders, contractuels and consultants by procuring and distributing 1,050 bags of rice at ₱ 856.00 per bag amounting to ₱ 898,800.00, contrary to Section 4.5 of Budget Circular No. 16 dated November 28, 1998 and COA Circular No. 2012-03 dated 29 October 2012.

We recommend management to submit to the auditor a written explanation for the deviation made from Section 4.5 of Budget Circular No. 16 dated 28 November 1998 and why the job orders, contractuels and consultants and all officials considered liable for the transaction should not be made to refund the total amount of audit disallowance.

15. The City incurred a total of ₱ 290,000.00 for consultancy services entered with two (2) consultants contrary to the provisions of RA 9184 and COA Circular No. 2012-003 dated October 29, 2012, resulting in gross and manifest disadvantage to the government.

We recommend that Management:

- a) Immediately stop the hiring of consultants for City Values Formation and Sports and Youth Development;
- b) For claims for honorarium paid under the disbursement vouchers listed in Annex 16, require the consultants to submit the following:
 - (1) Curriculum Vitae
 - (2) Accomplishment Reports
 - (3) Instructional Plans Developed – for Rev. Macahig only
- c) Henceforth, in future cases, when hiring consultants, follow the requirement of RA 9184 and COA Circular No. 2012-003.

VALUE FOR MONEY AUDIT

1. The Core Shelter Assistance Project of the City with a total cost of ₱4.7M could have been implemented more efficiently and effectively had there been a clearly documented process of selecting and prioritizing beneficiaries to ensure that it benefited the most qualified and vulnerable families, and had there been proper monitoring by and coordination between involved offices to ensure the timely completion of the project in accordance with the approved shelter design.

To ensure the efficient and effective implementation of similar projects and with the foregoing gaps noted, we recommend that Management:

- a) Emphasize the importance of maintaining sufficient, reliable, accurate and timely information by duly supporting and maintaining adequate records, e.g., MOA, minutes of meetings, validation forms, criteria/other bases, as evidence of the activities undertaken to uphold transparency and accountability and enhance the planning and decision-making process;

- b) Strengthen its planning, coordinating and reporting functions by maintaining close supervision on adherence to prescribed rules and regulations. These reports should cover an appropriate range of information to assist stakeholders to obtain a “real picture” of an agency's performance, including where performance has failed to meet targets and whether the project effectively benefited the most qualified and deserving victims/beneficiaries;
 - c) Enhance the existing policy on project monitoring activities. It is essential that policies and controls should be adequately designed and updated given past and existing experiences, effective and complete in order to ensure the achievement of objectives and to minimize exposure of the government to unnecessary financial risks;
 - d) Establish feedback, evaluation and validation mechanisms as tools to ensure efficiency in the attainment of objectives through timely and appropriate interventions to rectify deficiencies/deviations noted; and,
 - e) Henceforth, in future programs of like nature, give emphasis on the proper selection/qualification and prioritization of beneficiaries by implementing recommendations a to d above.
2. The Core Shelter Assistance Project costing ₱4.7M could have effectively addressed the emergency and rehabilitation shelter needs of legitimate homeowners instead of informal settlers had the City properly mitigated the latter's exposure to risk of disasters through the strict observance of laws on legal use of both public and private property.

We recommend that management exercise political will and give particular attention to the control and restraint of existing informal settlers, especially in disaster-prone areas, to avoid wasting government funds on recurring and deliberate damages because of their illegal occupancy on private and public lands.

E. STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

There were 32 audit recommendations for the prior years of which only five (5) were fully implemented, 13 were partially implemented and 14 were not implemented at all by the City.