



**REPUBLIC OF THE PHILIPPINES**  
**City of San Juan, Metro Manila**  
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**CITY ACCOUNTING DEPARTMENT**

COMMISSION ON AUDIT  
CITY OF SAN JUAN

**RECEIVED**

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5 August 2024

**Ms. CHRISTY O. PORMENTO**  
OIC-Supervising Auditor  
Audit Group N- San Juan City  
Commission on Audit

**RE: AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION AS  
OF 31 JULY 2024**

Dear Ma'am Pormento,

In compliance with the requirement to update the action taken on the recommendations contained in Parts II and III of the Annual Audit Report of the City of San Juan for the Year Ended December 31, 2023, we are submitting herewith the update status on the above-captioned subject on Audit Observations and Recommendations for Calendar Year 2023 as of 31 July 2024.

Thank you.

  
**ATTY. LEDEBEE LEE T. ORGASAN**  
City Accountant

**CITY OF SAN JUAN**

**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION  
 Audit Observations and Recommendations  
 For the Calendar Years 2023 and 2022  
 As of 31 July 2024**

Ref.	Audit Observations	Audit Recommendations	Agency action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Persons/D ept. Responsible	Target Implementation Date				
					From	To			
<b>CY 2023</b>									
Observation No. 1, p. 82-87, Part II, CY 2023 AAR	Deficiencies and omissions in accounting and general services records of P882.668 million affected the reliability and fair presentation of Property, Plant and Equipment (PPE) accounts in the financial statements as of December 31, 2023, as the City is in the process of undergoing one-time cleansing of PPE during the year pursuant to COA Circular No. 2020-006 dated January 31, 2020. Thus, adjustments in the books are yet to be made.	<p>We recommended that Management:</p> <p>a. Require the CAD to prepare adjustments to:</p> <ul style="list-style-type: none"> <li>Record the CIP-Buildings and Other Structures pertaining to the SJMC project of P332,173,902.73 to its proper asset account; and</li> <li>Record the cost of the demolished buildings/structures in the amount of P151,947,400.99 and the cost of the new buildings/structures constructed thereat once appraised;</li> </ul>		City Accounting Department (CAD)			Fully Implemented	Recorded per Journal Entry Voucher (JEV) No. 100-2024-05-00115A and 100-2024-05-00116A both dated 13 May 2024	
				City General Services Department (CGSD)	May 2024	July 2024	Partially Implemented	Recorded per JEV Nos. General Fund (GF): 1. 100-2024-06-0166 dated 28 June 2024	

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		<p>b. Cause the appraisal of the new buildings/structures constructed in the location of previously reported demolished buildings/structures as reflected in the RPCPPE; and</p>	Appraisal of new buildings/structures	City Assessor Department	May 2024	December 2024	Ongoing	<p>2. 100-2024-07-0183 dated 1 July 2024</p> <p>Special Education Fund (SEF):</p> <p>1. 200-2024-07-083 dated 12 July 2024</p> <p>The CGSD sent a request letter to the City Assessor dated 15 May 2024, requesting to provide a copy of the updated tax declaration indicating the appraised value of the new building/structures in the location of previously reported demolished buildings/structures.</p> <p>In the same vein, the City</p>	

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		<p>c. Direct the GSD to immediately prepare the required documents for the disposal of unserviceable PPE and submit the request to CAO for evaluation and technical inspection.</p>		CGSD	May 2024	December 2024		<p>Accountant made a letter request dated 10 July 2024 for the City Assessor on the demolished buildings/structures with newly constructed buildings/structures.</p> <p>As of date, verification by the City Assessor is ongoing.</p> <p>The CGSD already started preparing the required documents for the disposal of unserviceable PPE and submitted a request letter to COA office last July 30, 2024 for technical inspection and evaluation of PPE items for Disposal. Expected Auction thru public</p>	

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								bidding will be on August 21, 2024	
Observation No. 2, p. 87 Part II, CY 2023 AAR	Accounts Payable totaling P62.047 million were not adequately supported with documents contrary to Sections 4(6) and 112 of PD No. 1445 and IPSAS 19, thus, validity and propriety of the claims cannot be established. Moreover, completed infrastructure projects totaling P93.293 million were not recognized payables at year-end, thereby understating the payable and related accounts by the same amount, affecting the fair presentation of the financial statements.	<p>We recommended that Management direct the CAD to:</p> <p>a. Recognize AP for the completed infrastructure projects in the amount of P93,292,701.54 and record these payables of the City in the prescribed General Journal; and</p>		CAD	May 2024	May 2024	Fully Implemented	<p>Recorded per JEV Nos.</p> <ol style="list-style-type: none"> <li>1. 100-2024-05-01539 dated 13 May 2024</li> <li>2. 200-2024-05-110 dated 13 May 2024</li> <li>3. 100-2024-05-01538 dated 13 May 2024</li> <li>4. 200-2024-05-109 dated 13 May 2024</li> <li>5. 100-2024-05-01540 dated 13 May 2024</li> <li>6. 100-2024-05-101583 dated 13 May 2024</li> </ol>	

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		b. Require the CAD and GSD to submit to CAO the lacking documents to support the payables of P62,046,856.35.					Fully Implemented	Transmitted on 9 May 2024	
Observation No. 3, p. 91-95, Part II, CY 2023 AAR	The delayed filing, incomplete and improper documentation of claims for reimbursement to PhilHealth by the San Juan Medical Center (SJMC) resulted in the accumulation of Return to Hospital (RTH) and denied claims in the amount of P107.59 million as of December 31, 2023, contrary to pertinent provisions of the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 7875.	<p>We recommended that Management:</p> <p>a. Fast-track the assessment, processing, review and filing of reimbursable claims to PhilHealth;</p> <p>b. Identify lapses on procedures and processes, and set-up efficient and effective control mechanism to minimize, if not eliminate, unresolved issues on claims; and</p> <p>c. Ensure the timely submission and completeness of documents supporting the claims for reimbursement including the immediate refiling of RTH claims as indicated in the notification letters so as not to invalidate the same.</p>	<p>Expedite the completion, assessment, and transmission of patients' benefit claims to PHIC.</p> <p>Establish an efficient and effective control system after identifying procedure and process flaws.</p> <p>Transmit benefit claims to PHIC within the 60-day period.</p>	CAD/ San Juan Medical Center (SJMC)	May 2024	December 2024	Ongoing	<p>SJMC currently processes and submits most of its claims within 7 days after discharge.</p> <p>For the calendar year 2023, the 3,311 benefit claims related to January – December 2023 were already transmitted to PHIC.</p> <p>For the current year 2024, all 1,792 benefit claims from January to June have already been transmitted within the time frame that PHIC has set forth.</p>	



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		claims from PhilHealth and set-up provisions for impairment.						<ol style="list-style-type: none"> <li>100-2024-05-00117 dated 13 May 2024</li> <li>100-2024-05-00118 dated 13 May 2024</li> </ol>	
Observation No. 5, p. 98-101, Part II, CY 2023 AAR	The City has not remitted P10.841 million representing the amounts withheld for the accounts of the Government Service Insurance System (GSIS) and Philippine Health Insurance Corporation (PhilHealth), contrary to the pertinent legal prescriptions. Likewise, negative amounts and discrepancies in the amount of P14.105 million cast doubt on the reliability of the balances of the Inter-Agency Payable accounts.	<p>We recommended that Management:</p> <ol style="list-style-type: none"> <li>Direct the CAD and City Treasury Department to remit in full the amount of P10,840,504.22 to GSIS and PhilHealth in compliance with laws, rules and regulations; and</li> <li>Direct the CAD to make an in-depth analysis and reconciliation of the Inter-Agency Payable accounts with negative balances and discrepancies of P14,105,034.71 and prepare adjustments to reflect the correct balances of the accounts at certain period.</li> </ol>	CAD/ City Treasury Department/ City Human Resource Development Department (CHRDD)	May 2024	December 2024	Ongoing	Ongoing retrieval of payroll reports referring to covered periods to determine action for remittance or processing of payment. Non-availability of "find" tool (payroll system) report making it difficult to retrieve info/evidence payment of years 2019 and earlier.	<ul style="list-style-type: none"> <li>Last 18 July 2024, the concerned personnel from CAD and CHRDD had a meeting with GSIS Officers.</li> </ul> <p>As concluded, the following are commitments of the CHRDD:</p> <ol style="list-style-type: none"> <li>Submission of Agency Remittance Advice (ARA)</li> <li>Remittance of valid (under/no) payments</li> <li>Submission of Reconciliation Billing Issues</li> </ol>	

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								<p>(RBI) for June 2024 with the necessary ARA forms and payment</p> <p>Next scheduled meeting September 2024</p> <ul style="list-style-type: none"> <li>Ongoing reconciliation of records between CHRDD and CAD and refund/remittance of reconciled records</li> </ul>	
Observation No. 6, p. 101-106, Part II, CY 2023 AAR	Thirty-two programs, projects and activities (PPAs) totaling P78.531 million chargeable to Local Disaster Risk Reduction and Management Fund (LDRRMF) were not implemented thus, affecting the City's capacity in mitigating, preparing for, responding to, and recovering from the impact of disaster.	We recommended that Management prepare a catch-up plan for the timely implementation of the 32 unimplemented LDRRM PPAs.		City Disaster Risk Reduction Management Office (CDRRMO)	May 2024	Present		CDRRMO reprogrammed the previously unimplemented PPAs, ensuring timely implementation and will closely oversee the efficient execution of all its planned DRRM PPAs to guarantee successful outcomes.	

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								In further compliance with audit recommendation, the CDRRMO already submitted a catch-up plan.	
Observation No. 7, p. 106-108, Part II, CY 2023 AAR	The fund appropriated for Local Climate Change Action Plan (LCCAP) of P105.816 million was underutilized by P39.943 million as a result of inadequate planning, budgeting and execution contrary to Section 18 of RA No. 9729. Thus, significantly affected the achievement of the City's mandate of strengthening its adaptive capacity and build its overall resilience to the adverse impacts of climate change.	We recommended and Management agreed to improve significantly the planning, budgeting, execution/utilization of the LCCAP fund to ensure the achievement of the City's mandate on climate change.	Ensure the full implementation of PPAs related to the City's mandate of strengthening its adaptive capacity and building its overall resilience to the adverse impacts of climate change	City Planning Department City Budget Department (CBD) CAD CDRRMO City Environment and Natural Resources Office	May 2024	Present	Fully Implemented	The City is currently maintaining a monitoring report of all PPAs, including projects to mitigate the adverse effects of climate change. All the implementing offices were given access to monitor and determine the underutilized PPAs.  On 26 March 2024, the City paid Interworld Enterprises for the procurement of Truck Manlifter/Boom for disaster preparedness amounting to	

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								7,950,000.00. As a result, the total utilization is increased by the said amount or 12.07 percent.  The CBD and the CPDO will update the implementing offices on the status of PPAs.	
Observation No. 8, p. 109-110, Part II, CY 2023 AAR	Of the 30 PPAs in the amount of P19.681 million allocated for Local Council for the Protection of Children (LCPC), four PPAs totaling P5.636 million were unimplemented contrary to Section 15 of RA No. 9344. Thus, timely realization of the PPAs was not fully achieved by the City, defeating the purpose of fund.	We recommended that Management closely monitor the efficient and timely implementation of the planned LCPC PPAs to ensure the full achievement of its mandate of promoting the best interest and rights of children of the City.	Maintaining a Monitoring Report of all PPAs including LCPC. All the implementing offices were given access to monitor and determine the unimplemented PPAs.	CBD/  City Social Welfare and Development Department	May 2024	Present	Fully Implemented	As commented by CSWD:  1. Supplementary Feeding Program (SFP) amounting to P4,680,000.00 was not implemented due to the delay in the regional procurement (DSWD-NCR) of raw materials which was supposed to be implemented by the LGU counterpart. DSWD-NCR started the first delivery by December 2023,	

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								<p>hence the allotted SFP counterpart fund of LGU was unutilized and reverted to the General Fund; and</p> <p>2. Payment of Cost of Care for Caring Agencies for Children in Conflict with the Law and Children at Risks totaling P720,000.00 was not utilized due to only one (1) sexually abused child victim referred to Marillac Hills and no billing received by the City from the latter. It is the mandate as well of the said facility to take protective custody of child abuse cases. Hence, no bill was charged and no allotted fund for the said purpose was utilized, ergo the fund was reverted.</p>	

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								<p>Meanwhile, the CBD clarified that the (1) Lecture on RA 7610 and other related laws concerning children and (2) Feeding Program assigned to PNP San Juan City were unfunded or not included in the Appropriation Ordinance, hence, the City is prohibited from implementing the same.</p> <p>Finally, the CBD will update the implementing office/s on the status of PPAs, particularly the unimplemented projects.</p>	

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<b>CY 2022</b>									
Observation No. 1, p. 75-83, Part II, CY 2022 AAR	The carrying amount of the Property, Plant and Equipment (PPE) accounts of P2.762 billion as at year end, excluding Construction in Progress (CIP) accounts, was unreliable due to unreconciled variance of P416.622 million between the City Accounting Department (CAD) records and the City General Services Department (CGSD) Report on the Physical Count of Property Plant and Equipment (RPCPPE) due to: (a) PPE items described as "Beginning Balances" and "Various" in the total amount of P284.715 million, (b) PPE items included in the RPCPPE but not in the books worth P38.826 million, (c) PPEs recorded in the books but not in the RPCPPE amounting to P169.861 million; and (d) discrepancies on the reported cost and quantities of PPE items totaling P1.240 million, contrary to Section 491, Volume I of the Government Accounting and Auditing Manual (GAAM).	<p>We reiterated our recommendation that Management consider the remedies under COA Circular No. 2020-006 on one-time cleansing of PPE account to resolve the noted deficiencies and to fairly present the balance of PPE account in the financial statements.</p> <p>We likewise recommended that Management require the CGSD and CAD to facilitate the review, verification and reconciliation of the noted deficiencies in the balance of the PPE accounts and effect the necessary adjustments pursuant to COA Circular No. 2020-006</p>	<p>Availment of the remedies under COA Circular No. 2020-006 on One-time Cleansing of PPE account</p> <ul style="list-style-type: none"> <li>• Executive Order (EO) constituting Committee for One-Time Cleansing of PPE</li> <li>• Physical Inventory Plan</li> <li>• Regular reconciliation of PPE</li> </ul>	City Accounting Department (CAD) & City General Services Department (CGSD)	May 2023	Present	Fully Implemented	Fully Implemented	<p>The application for one-time cleansing by the City Government was approved by the COA Audit Group N- San Juan City in Letters dated 22 April 2024 and 2 July 2024 amounting to P286,194,727.67 for General Fund and P134,260,035.98 for Special Education Fund totaling P420,454,763.65.</p> <p>The derecognition was recorded under JEV Nos.</p> <p>GF:</p>

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								<p>1. 100-2024-07-0184 dated 12 July 2024</p> <p>2. 100-2024-07-0185 dated 12 July 2024</p> <p>SEF:</p> <p>1. 200-2024-07-081 dated 12 July 2024</p> <p>2. 200-2024-07-082 dated 12 July 2024</p>	
Observation No. 2, p. 87 Part II, CY 2022 AAR	The disposal of 971 units of unserviceable PPE totaling P111.318 million was not fully undertaken during the year contrary to COA Circular No. 92-386 dated October 20, 1992, thereby exposing the same to further deterioration and possible loss due to pilferage.	We reiterated our recommendation that Management require the CGSD to undertake necessary procedures for the immediate disposal of the subject unserviceable properties pursuant to COA Circular No. 92-386, to avoid its further deterioration and depreciation in value.	Disposal of unserviceable PPE	CGSD	2023	December 2024	Ongoing		Same comment in Observation No. 1, p. 82-87, Part II, CY 2023 AAR

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Observation No. 3, p. 85-88, Part II, CY 2022 AAR	The accuracy and validity of the year-end balance of inventory accounts amounting to P57.397 million could not be relied upon due to: (a) inclusion of issued inventory items worth P20.227 million; (b) semi-expendable items users amounting to P3.097 million; (c) inventory items not covered by Requisition and Issue Slip (RIS) totaling P24.912 million. Further, procured inventory items in the amount of P3.616 million were not recognized in the books contrary to Section 491, Volume I of GAAM, COA Circular No. 2005-002, Sections 41, Volume II and 122 (f), (g) and (h), Volume I of Manual on New Government Accounting System (MNGAS) for LGUs. Thus, the existence of unreconciled net discrepancy of P4.165 million between the accounting records and Report of the Physical Count of Inventories (RPCI).	<p>We recommended that Management require:</p> <p>a. The CGSD to:</p> <ul style="list-style-type: none"> <li>▪ Ensure all issuances of inventories are duly supported by RIS and reported in the Summary of Supplies Materials Issued (RSMI) and forwarded to CAD for recording in the books;</li> <li>▪ Facilitate the submission of the AIR and other supporting documents to the CAD for the recording of delivered inventory items pursuant to Section 122, Chapter 7, Volume I of MNGAS for LGUs;</li> </ul> <p>b. The CAD to:</p> <ul style="list-style-type: none"> <li>▪ Coordinate with the CGSD for the submission of pertinent documents of year-end procured and delivered inventories for its immediate recording in the books of accounts;</li> <li>▪ Remove from the inventory accounts all semi-expendable items already issued to the end-users and record the same to the appropriate expense accounts</li> </ul>							<p>All issuances of inventories are duly supported by RIS and reported in the RSMI.</p> <p>CGSD coordinates with CAD on a regular basis for the submission of AIR and other supporting documents for the recording of delivered inventory.</p> <p>The CGSD only includes in the inventory count inventory items not yet issued and still found in their possession and custody.</p>

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		<p>pursuant to COA Circular No. 2005-002;</p> <p>c. The CAD and CGSD to regularly conduct reconciliation of their records, including year-end reports, pursuant to Section 491, Volume I of GAAM, and effect necessary adjustments; and</p> <p>d. The CGSD to include in the inventory count only inventory items not yet issued and still found in their possession and custody.</p>		<p>CAD and CGSD</p> <p>CGSD</p>			<p>Fully implemented</p> <p>Fully implemented</p>		<p>The CAD and CGSD regularly conduct reconciliation of their records, and effect necessary adjustments, if necessary.</p> <p>The City Accountant already effected the necessary adjustments as per JEV Nos. 02-0045 to 049 and 02-0056 for GF, JEV No. 01-015 for SEF, and JEV No. 03-003 for TF in the total amount of P48,976,612.39 to reflect the correct Inventory account balances based on the results of reconciliation with CGSD.</p>
Observation No. 4, p. 88-89, Part II, CY 2022 AAR	Accounts Payable amounting to P5.817 million were not supported with complete documentation to prove its validity contrary to Section 157, Volume I, GAAM, hence,	<p>We recommended that Management require the City Accountant to:</p> <p>a. Submit to the Office of the City Auditor all the lacking documents of</p>		CAD	May 2023	Present			Submitted to the Auditor's Office the lacking documents.

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	rendering doubtful the accuracy of the reported payable accounts in the financial statements.	<p>the obligations totaling P5,816,601.49 for further validation;</p> <p>b. Record payables only when such are properly authorized and completely documented pursuant to Section 157, Volume I of GAAM; and</p> <p>c. Ensure that all JEVs drawn setting up payables be reviewed to eliminate risk of errors and misstatements.</p>					<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	Necessary adjustments were already effected as per JEV Nos. 03-0079 and 04-0006 in the total amount of P112,190.40 to revert and correct the Accounts Payable balances in the books of accounts.	
Observation No. 5, p. 90-92, Part II, CY 2022 AAR	The excess/unutilized balances of funds received by the City from various national government agencies including interest income earned amounting to P1.670 million covering the CYs 2010 to 2021, was not returned to the Source Agencies (SAs) contrary to COA Circular No. 94-013 dated December 13, 1994, hence, the funds remained idle for a long period of time.	We reiterated our recommendation that Management require the CAD to conduct follow-up on its request for copy of MOAs from concerned SAs, otherwise, facilitate the return of the excess/unutilized balances of fund transfer including the interest income earned by the same to the respective SA in compliance with COA Circular No. 94-013.		CAD	May 2023	Present	Fully Implemented	The amount of P1,061,234.26 has already been reverted to the respective Source Agencies (SAs). While funds for Project/Programs- Recovery and Reconstruction of the Economy and Livelihood in the LGUs that are Affected by Taal Volcano Eruption, Typhoon Quinta, Rolly and Ulysses totaling P483,937.08 have been implemented as of 31 December 2022 but the payment	

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								<p>was processed only in 2023 totaling P483,201 under Check No. 307194, with the remaining balance immediately remitted per Check No. 307195 totaling P736.08 on 8 May 2023.</p> <p>Finally, the funds totaling P417,341.32 for the following Project/Programs are still ongoing hence remain unremitted as of date:</p> <ol style="list-style-type: none"> <li>1. DOH-NCR-MAP (Medical Assistance Program) – P8,565.90</li> <li>2. DILG-NCR-PCF (Performance Fund Challenge)- P149,777.20</li> <li>3. DILG (20% Share on Fire Codes Fees</li> </ol>	

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								Collections) – P258,998.22	
Observation No. 6, p. 93-95, Part II, CY 2022 AAR	The withholding of business taxes from the claims of contractors/suppliers with no operating branch or sales outlet within the City amounting to P1.244 billion, and the collection of annual City Supplier's Regulatory Fee (CSRF) and Mayor's Permit Fee (MPF) of P2,500.00 from business enterprises dealing business with the City were not enforced by the Management due to the absence of Implementing Rules and Regulations (IRR) of Sangguniang Panlungsod of San Juan City Ordinance No. 8, s. 2020. This resulted to foregone income of undetermined amount of business taxes, as well as CSRF and MPF amounting to P237,500.00 for CYs 2021 and 2022.	We recommended that Management require the concerned City officials to facilitate the preparation/formulation of the IRR of City Ordinance No. 8, s. 2020, and to submit the same to the Sangguniang Panlungsod for approval of resolution adopting the same, to have basis in the proper and efficient implementation of the subject Ordinance.	Promulgation of Implementing Rules and Regulations (IRR)	CAD	May 2023	Present	Ongoing	Ongoing coordination with the City Legal Department on the relevance of DOF Circulars and other issuances on the proposed Ordinance  Further inquiry was made by the City Accountant with the City Legal Department (CLD) on the proposed implementation prescribing the procedures and guidelines necessary for the proper execution of City Ordinance No. 8, Series of 2020.  To date, finalization of IRR is being made, the same shall be immediately endorsed to the Sangguniang Panlungsod for resolution.	
Observation No. 7, p. 96-97, Part II, CY 2022 AAR	Seventeen out of the City's 21 barangays were not able to establish the required Material Recovery Facility (MRF) due to difficulty in looking for a suitable location to establish the same. Likewise, only one of the four established	We recommended that Management, through the CENRO, provide full assistance and support to the concerned Barangays in looking for appropriate place conducive for the setting up of MRF in their	Construction of centralized MRF in Barangay Batis	City Environment and Natural Resources	May 2023	Present	Fully Implemented	Construction of centralized MRF in Barangay Batis is already completed.	

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					From	To			
	MRF was fully functional contrary to Section 32 of RA No. 9003, hence, the objective of reducing the volume of residual waste for collection and disposal in an environmentally manner was not fully attained.	respective jurisdictions, and to ensure the functionality of all existing facilities in compliance with Section 32 of RA No. 9003 to reduce the volume of residual waste to be collected and disposed as mandated by law.	Implementation of Material Recovery System (MRS) in the 21 barangays of San Juan	Office (CENRO)					This centralized MRF is intended for those barangays that had no capacity to build their own MRF. In lieu of MRF, the 21 barangays of San Juan had implemented a Material Recovery System to address the waste disposal of the City.
Observation No. 8, p. 97-99, Part II, CY 2022 AAR	The implementation of three priority programs and projects (PPAs) under the 20% Development Fund (DF) with total appropriation of P60.000 million were not completed during the year contrary to Section 3.2.3 of Department of Budget and Management (DBM), Department of Finance (DOF) and Department of Interior and Local Government (DILG) Joint Memorandum Circular (JMC) No. 01 dated November 4, 2020, thus, the delay in the realization of the desired objectives and outcomes for which the funds were appropriated.	We reiterated our recommendation that Management expedite the efficient implementation and completion of all planned priority development PPAs to ensure the realization of the City's social, economic and environmental development outcomes.	PPAs under the 20% DF	City Engineering Department (CED) & City Budget Department (CBD)	May 2023	Present	Fully Implemented		The three (3) PPAs with a total Appropriation of P60 million are as follows:  1. Procurement of Drugs and Medicines P10,000,000.00 with a total contract amount of 8,633,363.00 was already paid on July 17, 2023 with Check number 332648  2. Asphalt overlay P35,000,000.00

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					From	To			
								<p>with a Contract amount of 34,450,555 was 100% complete as of March 9, 2023, as per City Engineering Dept. Check No. 322271 dated 23 December 2022 was issued for the 60% completion of the project.</p> <p>3.Sidewalk Development P15,000,000.00 With contract amount of 14,815,000 was also 100% complete as of March 9, 2023, as per City Engineering Dept paid last 17 November 2023 with Check number 338375.</p>	
Observation No. 9, p. 99-102, Part II, CY 2022 AAR	Ten climate change PPAs with a budgeted amount of P5.094 million indicated in the annual investment program (AIP) and funded in the annual budget were not in the approved Local Climate Change Action Plan (LCCAP), an indication of lack of linkage and harmony of the development plan with the AIP and the	We recommended that Management ensure that all climate change PPAs to be considered and included in the AIP and approved budget were based on the approved LCCAP following the plan-budget linkage required in RA No. 7160 and DBM LBC No. 112. Likewise,	a) Ensure the LCCAP and 2023 budget linkage required	City Planning Department (CPD), CBD, CENRO & City	May 2023	Present	Fully Implemented	The local climate change PPAs are reflected and included in the AIP, approved budget of CDRRMO and	

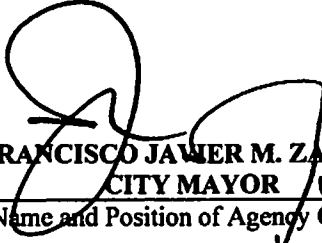
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	annual budget. In addition, seven climate change PPAs with an appropriated amount of P9.358 million were not implemented during the year which could affect the achievement of the City's mandate of improving its adaptive capacity and reducing the adverse impacts of climate change to its citizenry.	monitor the efficient and full implementation of the planned PPAs to ensure the achievement of the City's mandate of improving its adaptive capacity and reduced the adverse impacts of climate change to its citizenry.	in RA No. 7160 and DBM LBC No 112; and  b) Monitoring the full implementation of the planned climate change PPAs	Disaster Risk Reduction Office (CDRRMO)					CENRO tagged as climate change activities based on the approved AIPs of their respective office.
Observation No. 10, p. 102-104, Part II, CY 2022 AAR	The inability of SJMC PhilHealth Division to promptly file the 3,260 reimbursable claims amounting to P58.935 million as well as the existence of 715 Denied Claims amounting to P12.055 million contrary to Section 46 of the Revised IRR of RA No. 7875, exposes the City Government to possible loss of income totaling P70.990 million as of December 31, 2022.	We reiterated our recommendations that Management:  a. Hire or assign adequate, properly trained and dedicated personnel to the SJMC PhilHealth Division to help and assist in the processing and encoding of reimbursement claims to ensure the timely submission/filing of the same to PhilHealth; and	Create a Task Force to expedite processing of benefit claims, from screening of forms and documents to transmittal of claims to PHIC.	SJMC	2023	Present	Fully implemented		The Task Force that was established is composed of nine (9) personnel, and they are currently reviewing the claims to ensure the accuracy and completeness of the supporting documents as well as their compliance with PHIC standards before

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		<p>b. Require the SJMC PhilHealth Division to strictly file the claims within the reglementary period as provided under Section 46 of the Revised IRR of NHIA and Item V (G)(1) of PhilHealth Circular No. 2020-0007, whichever is applicable.</p>	Hasten the processing, evaluation, and submission of patients' benefit claims to PHIC.	SJMC	2023	Present	Partially implemented	<p>transmitting them to PHIC.</p> <p>Out of 4,414 unfiled claims for 2020–2022, as of December 31, 2022, 1,093 backlog claims were already transmitted from 2023–July 31, 2024, leaving a balance of 3,321 claims, all of which are still under careful review concurrently with the current claims before transmission.</p>	
<p>Observation No. 11, p. 104-106, Part II, CY 2022 AAR</p>	<p>The prevalence of RTH Claims amounting to P1.657 million as of December 31, 2022, is a clear sign/indication that the SJMC PhilHealth Division was not able to conduct thorough review and evaluation of the submitted member patient claim documents before allowing the deduction from their total hospital charges all expenses authorized to be reimbursed by PhilHealth.</p>	<p>We recommended that Management require the SJMC PhilHealth Division to –</p> <p>a. Conduct thorough review and evaluation on all reimbursement claims to ensure that the same are duly supported with complete and proper documentations; and</p> <p>b. Immediately act and comply with the requirements indicated in the RTH notification letter to avoid invalidation of the claims.</p>	<ul style="list-style-type: none"> <li>▪ Engage clinical departments on the compliance of PHIC forms and documents.</li> <li>▪ Incorporate staff with clinical backgrounds who are</li> </ul>	SJMC	2023	Present	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>All forms and supporting documentation pertaining to the patients' benefit claims have been carefully examined and validated before being transmitted to PHIC.</p>	

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			knowledgeable of related medical terminologies for ease of screening documents.						
Observation No. 12, p. 106-110, Part II, CY 2022 AAR	The City was not able to implement 29 essential Disaster Risk Reduction Management (DRRM) PPAs with an appropriated amount of P89.022 million, and registered only 20.01 per cent utilization rate on the 12 PPAs with a total budget of P36.419 million contrary to RA No. 10121, hence, could affect the full attainment of the City's objective in mitigating the impacts of disaster.	We reiterated our recommendation that Management require the CDRRMO to timely implement and closely monitor the efficient implementation of all its planned DRRM PPAs to achieve maximum utilization of allocated funds towards the attainment of its objectives of mitigating the impacts of disaster.	Monitoring of implementation of PPAs	CDRRMO	May 2023	Present	Fully Implemented	CDRRMO reprogrammed the unimplemented PPAs and assure to timely implement and closely monitor the efficient implementation of all its planned DRRM PPAs	
Observation No. 13, p. 111-112, Part II, CY 2022 AAR	Taxes withheld from compensation of employees and payments to contractors and suppliers totaling P37.639 million were not remitted to the Bureau of Internal Revenue (BIR) within the prescribed period due to lack of personnel contrary to Section 5 of BIR Revenue Regulation (RR) No. 11-2018, thus, exposing the City and the concerned officials to the imposition of interests, penalties and surcharges.	We reiterated our recommendation that Management require the concerned City Officials to promptly remit in full all the taxes withheld to the BIR within the deadline set pursuant to pertinent BIR Regulations.	Approved amendment of BIR Forms and remittance of remaining balance	CAD	February 2023	Present	Fully implemented	Reconciliation of taxes withheld and remitted has been made.  Requested for extension of the filing of applicable BIR Tax Returns and payment.  Remitted taxes subject of reconciliation with the BIR.	

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Observation No. 14, p. 13-116, Part II, CY 2022 AAR	The premium contributions and loan repayments of City employees amounting to P11.784 million, P137,603.31 and P0.790 million (net of remittances for January 2023) were not remitted within the prescribed period to the Government Service Insurance System (GSIS), Pag-IBIG Fund and PhilHealth which could result to the imposition of interest and penalties, and affect the employees benefits and privileges due them. Further, the noted discrepancies in the SL and sub-accounts, existence of negative and dormant balances on the Due to GSIS, Due to Pag-IBIG and Due to PhilHealth accounts rendered doubtful the accuracy of the year-end balances of the subject accounts.	We recommended that Management require the CAD to:  a. Promptly remit in full the monthly premium contributions and loan repayments withheld from employees to the GSIS, Pag-IBIG and PhilHealth as prescribed by laws, rules and regulations; and  b. Conduct immediate analysis and reconciliation on the noted discrepancies between the SLs and Sub-accounts as well as the negative and dormant balances on the Due to GSIS, Due to Pag-IBIG and Due to PhilHealth accounts and effect the necessary adjustments to correct the same.	Reconciliation of accounts  Coordination with concerned government agency	CAD	May 2023	Present	Partially implemented  Partially implemented	Same comment under Observation No. 5, p. 98-101, Part II, CY 2023 AAR	

Agency sign-off:

  
**FRANCISCO JAWER M. ZAMORA**  
**CITY MAYOR**  
 \_\_\_\_\_  
 Name and Position of Agency Officer

\_\_\_\_\_  
Date

Note: Status of Implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed