EXECUTIVE SUMMARY

A. INTRODUCTION

The Municipality of Burgos was previously a part of Benguet. In 1920, the boundary line between La Union and Benguet was modified, hence, Burgos, known as Disdis, was reverted to La Union

Like any local government unit, the municipality enjoys total autonomy in the management of its own affairs in conformity with the development thrusts of the national government.

Organizational Set-up

The Municipality of Burgos, La Union is headed by **Honorable Mayor Robert B. Madarang Jr.**. He is assisted by **Honorable Vice Mayor Isidro C. Delos Reyes** and the members of the Sangguniang Bayan. During the year, the total workforce of the municipality was 64 which consisted of the following:

Elected Officials	11
Permanent Employees	38
Contractual	1
Job Orders	14
Total	64

B. FINANCIAL HIGHLIGHTS

The financial condition and results of operations of the municipality for the calendar year 2016 as compared with that of the preceding year are as follows:

Particulars	CY 2016	CY 2015	Difference	Increase (Decrease)
Financial Condition				
Assets	P144,040,212.56	P74,160,272.32	P69,879,940.21	94.22%
Liabilities	28,532,447.92	24,723,798.53	3,808,649.39	15.40%
Government Equity	115,507,764.64	49,436,473.79	66,071,290.85	133.65%
Results of Operations				
Income	P68,879,923.73	P51,114,471.24	P17,765,452.49	34.76%
Expenses	41,229,504.57	35,588,726.17	5,640,778.40	15.85%
Transfers (Net)	(2,775,701.04)	(2,062,838.86)	712,862.18	34.56%
Excess of	24,874,717.72	13,462,906.21	11,411,811.51	84.77%

Income				
Sources and Application of Funds				
General Fund:				
Allotments	71,542,815.71	52,121,776.70	19,421,039.01	37.26%
Obligations	50,586,418.15	39,483,946.00	11,102,472.15	28.12%
Balance	20,956,397.56	12,637,830.70	8,318,566.86	65.82%
Special Education Fund				
Allotments	493,412.34	481,662.00	11,750.34	2.44%
Obligations	425,596.76	401,564.00	24,032.76	5.98%
Balance	67,815.58	80,098.00	(12,282.42)	(15.33%)

The Municipality of Burgos was able to realize a total income of P68,879,923.73 for CY 2016. Comparing this with 2015 income, there was an increase of P17.76 Million. This was due to the increase in Internal Revenue Collection and Share from Tobacco Excise Tax under Republic Act 7171.

On the other hand, expenditures for 2016 amounting to P44,005,205.61 is 123% higher than last year's expenditures of P35,588,726.17. This was due to the increase in Salaries and wages, Year-end bonus, Other personal Benefits and Terminal Leave Benefits. Likewise, there were increases in expenses for Drugs and Medicines and Training as well as Donations.

C. OPERATIONAL HIGHLIGHTS

The Municipality of Burgos, La Union through the joint efforts of all municipal officials and employees had significantly accomplished its programs and projects geared towards improving the quality of life of its constituents.

The following major infrastructure projects had been implemented during the year:

Program/Project/Activity	Actual Accomplishment	No. of Projects	Percentage of Completion
Construction of Slope Protection	100%	5	100%
Construction of Flood Control	100%	2	100%
Improvement of roads	100%	2	100%
Construction of Multi-purpose Drying	100%	1	100%

Pavement			
Opening of Barangay Road	100%	2	100%
Rehabilitation /Maintenance of road	100%	3	100%
Maintenance of Irrigation System	100%	1	100%
Restoration/Rehab/maintenance of FMR	100%	12	100%
Construction of Canals/Repair of Market Facilities	100%	1	100%
Supply and delivery of Farm Implements (Hand Tractors and Rice Threshers)	100%	2	100%
Total		33	

These infrastructure projects were also validated in the course of our post-audit.

Among others, the LGU garnered the following awards for the year 2016 (Province-Wide):

1. Seal of Good Local Governance
2. Most Functional Municipal Action Team of the Provincial Operations Office of La Union
3. Highest In Compliance Rate for Family Development Session and Health (Province wide)

D. SCOPE OF AUDIT

A comprehensive audit was conducted on the accounts and operations of the Municipality of Burgos, La Union for the calendar year ended December 31, 2016. The audit focused on the audit thrust/areas issued by the Local Government Sector for CY 2016 of which some of the observations are discussed in detail in Part II. The audit was undertaken through the use of various techniques like verification, confirmation, observation, interview with concerned officials and employees and other auditing procedures considered necessary under the circumstances.

E. AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements present fairly the financial position of the Municipality of Burgos, La Union as of December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with applicable laws, rules and regulations and in conformity with Philippine Public Sector Accounting Standards.

F. SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS

It is worthy to commend the Municipal Government's compliance with the following:

1. Gender and Development

The Municipal Government complied with the provisions of Republic Act (RA) 9710 otherwise known as the Magna Carta of Women (MCW) and the guidelines on localization of MCW under Philippine Commission on Women (PCW) - Department of the Interior and Local Government (DILG) -Department of Budget and Management (DBM) - National Economic and Development Authority (NEDA) Joint Memorandum Circular No. 2013-01.

2. Tax Laws

The Municipality complied with existing tax laws and regulations imposed by the Bureau of Internal Revenue (BIR), thus helping the national government in the collection of tax revenues. It regularly deducts withholding taxes on salaries and wages of officials and employees and from payments to suppliers and contractors and remitted the same to the BIR within the prescribed period.

However, the audit team noted the following audit observations and recommendations on the operations of the Municipality of Burgos, La Union:

1. **Two infrastructure projects funded by share from excise taxes under Republic Act (RA) 7171 were bidded and awarded without full settlement of issues on Right of Way contrary to Sections 17.6 of the revised Implementing Rules and Regulations (IRR) of RA No. 9184 thereby resulting in delays during project implementation.**

   We have recommended that Management fully settle the issues on the ROW in order to implement the projects and henceforth, ensure that issues on ROW are fully resolved prior to the commencement of the procurement process not only to support the timely implementation of projects but most significantly, deliver the expected beneficial impact to the constituents.

2. **Collections for real property taxes could have increased by P1,659,846.96, had the remedies provided under Section 174 of RA 7160 to enforce collection of delinquent taxes been availed of.**

   We have recommended that the Municipal Treasurer continue formulating plans and strategies and implement the same to enhance collection of its delinquent real property taxes; and send demand letters to delinquent taxpayers to remind them of

their obligations and avail of the administrative and legal remedies provided by law to enforce collection of the delinquent real property taxes. We further recommended that Management consider providing additional personnel to enable the office of the municipal treasurer to conduct massive tax campaigns in the different barangays with the end in view of collecting from delinquent tax payers.

F. SUMMARY OF TOTAL SUSPENSIONS/DISALLOWANCES/CHARGES

As of December 31, 2016, the Statement of Audit Suspension, Disallowances and Charges showed a balance of P25,375.00.

Particulars	Balance as of December 31, 2016	
	Prior to 2009 RRSA	2009-2016
Suspensions	P 0.00	P 0.00
Charges	P 0.00	P 0.00
Disallowances	P 0.00	P 25,375.00

F. STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

Status of Implementation	Quantity
Fully Implemented	2
Partially Implemented	5
Not Implemented	1