

EXECUTIVE SUMMARY

1. Introduction

San Pablo is the oldest town in the province of Isabela. It was founded on November 30, 1946 by Padre Pedro de Santo Tomas, about 210 years before the creation of Isabela as province. Originally called " Maquila" which literally means sparkling, a name of natural or physical denotation it was renamed Cabagan, loosely interpreted as the place where people wear "ba-ag" or "G-strings" when the Spaniards came to this part of the country. In the early 1900's upon the American occupation, it was subdivided into three municipalities, namely Cabagan Viejo (Old Cabagan), Cabagan Nuevo (New Cabagan), and Santa Maria. Eventually, Cabagan Viejo became San Pablo in honor of its patron saint, San Pablo Apostol, whose feast day is celebrated on January 15. Meanwhile Cabagan Nuevo became simple Cabagan since there was no longer a Cabagan Viejo: however, Santa Maria retained its name.

2. Financial and Operational Highlights

A. Financial Highlights

The highlights of the financial condition, results of operation, appropriations, allotments and obligations of the Municipality of San Pablo for the year ended December 31, 2016, with comparative figures for CY 2015, are as follows:

	2016	2015	Increase (Decrease)
<u>Financial Condition</u>			
Assets	P 188,734,285.58	P 139,942,533.39	P48,791,752.19
Liabilities	73,212,829.83	59,403,377.14	13,809,452.69
Net Assets/Equity	115,521,455.75	80,539,156.25	34,982,299.50
<u>Results of Operation</u>			
Income	165,314,940.88	125,664,019.78	39,650,921.10
Expenses	112,186,108.02	89,556,126.38	22,629,981.64
<u>Appropriations, Allotments and Obligations</u>			
Appropriations- Current	128,674,386.00	123,499,688.00	5,174,698.00
Appropriations-Continuing	0.00	1,117,058.00	(1,117,058.00)
Allotments-Current	128,674,386.00	123,499,688.00	5,174,698.00
Allotments-Continuing	0.00	1,117,058.00	(1,117,058.00)
Obligations-Current	114,683,207.00	100,759,129.00	13,924,078.00
Obligations- Continuing	0.00	156,000.00	(156,000.00)

Comparative Statement of Funds Transfer to and from NGAs, LGUs, NGOs and POs.

	2016	2015	Increase(Decrease)
Fund Transferred to Other Agencies:			
Due from NGAs	0.00	0.00	0.00
Due from GOCCs	0.00	0.00	0.00
Due from LGUs	0.00	0.00	0.00
Due from NGOs/POs	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00
Fund Received from Other Agencies:			
Due to Other NGAs	42,970,890.41	10,121,920.71	32,848,969.70
Due to LGUs	2,706,972.36	615,090.85	2,091,881.51
Due to NGOs/POs	0.00	0.00	0.00
TOTAL	45,677,862.77	10,737,011.56	34,940,851.21

B Major Accomplishments

For CY 2016, the LGU was able to implement the following projects:

Name of Project	Contract Amount	% of Completion
1. Road Concreting (Auitant to San Jose)	779,962.00	100%
2. Road Concreting (Flaviano to San Vicente)	781,465.00	100%
3. Concreting of Road going to Dumpsite	491,008.00	100%
4. Concreting of Pathway (Purok 4& 6)	489,181.00	100%
5. Concreting of Road (Nabarakalan)	491,008.00	100%

3. Independent Auditor's Report on the Financial Statements

The Auditor rendered a qualified opinion on the basis that the accuracy of the balance of the Cash in Bank account amounting to P73,343,066.26 appearing in the financial statements could not be ascertained due to late-preparation of bank reconciliation statements

4. Summary of Significant Findings and Recommendations

1. Cash advances amounting P 662,078.57 remained unliquidated as of year-end which is not in accord with the provisions of paragraph 1.2 of COA Circular 2012-001.

We recommended that management comply strictly with the rules and regulations on the granting, utilization and liquidation of cash advances. We further recommend that cash advances be liquidated immediately after utilization.

2. Various fund transfers amounting to P 28,574,375.12 from the different National Government Agencies (NGAs) were not yet utilized as of year-end thus constituents cannot obtain the maximum benefit of the program.

We recommended that management expedite the implementation of the project so that beneficiaries would obtain maximum benefits from the government funds and to cope up with the timetable set by the donor agency.

3. Procurement with a total amount of P1,735,000.00 were undertaken through alternative method of procurement, instead of public bidding, in violation of Government Procurement Reform Act of 2003 and its Revised Implementing Rules and Regulations of 2009.

We recommended that all procurement shall go through public bidding. Alternative methods shall be resorted only in high exceptional cases. The alternative method of procurement for shopping or small value procurement shall be adopted only whenever justified by the conditions and within the threshold provided by the procurement law.

4. Despite the creation of the Municipal Solid Waste Management Board, the Municipality failed to meet the basic requirements of R.A. 9003 or the Solid Waste Management Act of 2000.

We recommended that management adhere strictly with the provisions R.A. 9003 or the Solid Waste Management Act of 2000.

5. Summary of Total Suspensions, Disallowances and Charges as of year-end

Notices of Suspension with a total amount of 649,019.84 were issued and subsequently settled during the year.

6. Status of Implementations of Prior Year's Audit Recommendations

Out of nine (9) audit recommendations in 2015 Annual Audit Report (AAR), three (3) were fully implemented, three (3) were partially implemented and four (4) were not implemented.