



Republic of the Philippines
Commission on Audit
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

on the

CITY OF NAGA, CAMARINES SUR

For the Year Ended December 31, 2021



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. V
Rawis, Legazpi city

OFFICE OF THE REGIONAL DIRECTOR

April 15, 2022

Honorable NELSON S. LEGACION
City Mayor
Naga City



Dear Mayor Legacion:

We are pleased to transmit the Annual Audit Report on the audit of the accounts and operations of the City Government of Naga, Camarines Sur for the year ended December 31, 2021, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

Audit thrust areas for CY 2021 have been audited which includes: 1) Receipt, Allocation and Utilization of COVID-19 fund; 2) Cash and Cash Equivalents; 3) Property, Plant and Equipment (PPE); 4) Fund Transfers from National Government Agencies (NGAs); 5) Fund Transfer to Other LGUs; 6) 20% Development Fund; Local Disaster Risk Reduction Management Fund (LDRRMF); 8) Revenue; and 7) Housing Settlement Development Program. On the other hand, a) Other General Services Account; and Solid Waste Management have been audited but no significant findings have been noted.


The attached Report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, which were discussed with concerned officials and staff, and the Status of Implementation of Prior Years' Audit Recommendations.

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements of the City for the year ended December 31, 2021.

We request that the recommendations be promptly implemented and we would appreciate being informed of the actions taken thereon within sixty (60) days from receipt hereof, using the prescribed format of the attached copy of the Agency Action Plan and Status of Implementation (AAPSI).

We express our appreciation for the support and cooperation extended to our Auditors by the officials and staff of the City.

Very truly yours,


ATTY. JOEL S. ESTOLATAN
Director IV

Copy furnished:

1. The Regional Director
Bureau of Local Government Finance, Region V, Legazpi City
2. The Secretary
Department of the Interior and Local Government
Francisco Gold Condominium, Cubao, EDSA, Quezon City
3. The Secretary of the Sangguniang Panglungsod of Naga City
Office of the Sangguniang Panglungsod
City of Naga
4. The City Accountant
City Government of Naga
Naga City, Camarines Sur
5. The Director
National Library of the Philippines
T.M. Kalaw St., Ermita, Manila (e-copy)
6. UP Law Center
Bocobo Hall, UP Law Complex
University of the Philippines, Diliman, Quezon City (e-copy)
7. COA Central Library
Commonwealth Avenue, Quezon City (e-copy)



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. V
PROVINCE OF CAMARINES SUR
PROVINCIAL SATELLITE AUDITING OFFICE
San Jose, Pili, Camarines Sur

Office of the Supervising Auditor

April 11, 2021

Memorandum for –

ATTY. JOEL S. ESTOLATAN
Regional Director
COA Regional Office No. V
Rawis, Legazpi City


In compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we conducted a Financial and Compliance, Value For Money and Revenue Audits on the accounts and operations of the City of Naga for the year ended December 31, 2021.

The audits were conducted to: (a) obtain a reasonable assurance about whether the financial statements are fairly presented and whether the agency had complied with the existing law, rules and regulations governing the use/disposition of government funds and property; and (b) determine the economy, efficiency and effectiveness of implementation of selected programs/projects/activities for CY 2021.

Audit thrust areas for CY 2021 have been audited which includes: 1) Receipt, Allocation and Utilization of COVID-19 fund; 2) Cash and Cash Equivalents; 3) Property, Plant and Equipment (PPE); 4) Fund Transfers from National Government Agencies (NGAs); 5) Fund Transfer to Other LGUs; 6) 20% Development Fund; Local Disaster Risk Reduction Management Fund (LDRRMF); 8) Revenue; and 7) Housing Settlement Development Program. On the other hand, a) Other General Services Account; and Solid Waste Management have been audited but no significant findings have noted.

The attached Report consists of four parts, namely: Part I - Audited Financial Statements; Part II - Audit Observations and Recommendations, which were discussed with concerned Management officials and staff during the exit conference held on April 1, 2022 ; Part III - Status of Implementation of Prior Years' Audit Recommendations; and Part IV - Annexes.

Our audit was conducted in accordance with generally accepted state auditing standards and we believe that it provides reasonable basis for the results of the audit.


ATTY. ELEANOR V. ECHANO
State Auditor IV
Supervising Auditor