



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, 2020



Republic of the Philippines
COMMISSION ON AUDIT

Regional Office No. V

Rawis, Legazpi City

Landline: (052)482-0762

Mobile Nos: 09615321541 / 09777683433

Email: coaregion5@gmail.com

OFFICE OF THE REGIONAL DIRECTOR

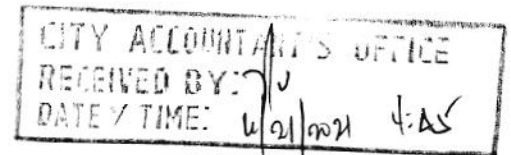
May 18, 2021

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, 2020, 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.


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, 2020.

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 that City.

Very truly yours,


ATTY. JOEL S. ESTOLATAN
Regional Director

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
LGS C - Camarines Sur
Office of the Supervising Auditor
Provincial Satellite Auditing Office
San Jose, Pili, Camarines Sur

April 16, 2021

Memorandum for –

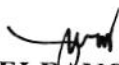
ATTY. JOEL S. ESTOLATAN
Regional Director
COA Regional Office No. V
Rawis, Legazpi City

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, 2020.

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 2020.

The attached Report consists of four (4) 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 March 29, 2021 ; 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. ECHANÓ
State Auditor IV
Supervising Auditor

EXECUTIVE SUMMARY

I. Introduction

The City Government of Naga (CGN) was created by the Senate and the House of Representatives through the enactment of Republic Act No. 305 which took effect on June 18, 1948. Sixty-nine years ago, Naga officially became a chartered city from being a municipality in the Province of Camarines Sur. It is an independent component city in the Bicol Region that has evolved into a vibrant city with a flourishing economy as evident by the numerous business establishments setting up every year. It has an area of 84.48 sq. km. or 32.62 sq. mi. with a present population reported at 196,003 per 2015 census and records of the Philippine Statistics Authority, with 77,784 registered voters and a labor force of 60,772 people.

The CGN envisions to be the recognized model of: a) good governance and responsible citizenry that asserts and accepts their roles and responsibilities in nation-building; b) people-centered development anchored on quality and accessible services in health, education and other social services, especially for the marginalized and the vulnerable; and c) abiding faith that expresses itself in social solidarity and a culture of excellence flourishing in a city that is peaceful, safe and in accord with nature where cultural values are nurtured and religious diversity respected.

II. Operational Highlights

Some of the significant accomplishments of the CGN during the year are as follows:

- a) Construction of City Health II – the newly constructed City Health II with a total cost of ₱17,139,200.00 is located in Sta. Cruz, New Development Site which shall address the needs of Nagueños particularly those residing in far flung areas. This is expected to be operational by third quarter of CY 2021.
- b) Naga City's COVID-19, Typhoon and ASF Response – Various policies and protocols were issued by Management to prevent, if not, mitigate the damages caused by series of calamities that struck Naga City. An Incident Management Team was created as LGU's response to COVID-19 pandemic. "Libreng Sakay" "Hit Kitchen", "Market on Wheels", "Lend-A-Bike" and Relief Operation projects were spearheaded by Management as immediate response to the pressing concerns of Nagueños during Enhanced Community Quarantine. While battling COVID-19 pandemic, African Swine Fever (ASF) epidemic and thereafter three (3) typhoons hit Naga City. In response thereto, Management conducted ASF Depopulation Operations while providing ASF indemnity to affected hog raisers. On the other hand, clearing operations were conducted after the onslaught of the three series of typhoon. Under Ginawang Nagueño Program, Management initiated the "Pandong" project which