

PRESS RELEASE
May 3, 2016

FOR IMMEDIATE RELEASE:

Media Contact Information

ELOUISA T. PASTOR, CESO IV
OIC-Regional Director
Contact No. (052) 480-1484

MA. GRACE JOY U. TANGO
Regional Information Officer

DILG: 77% of programmed projects in 2014 completed by the LGUs

A total of 4,967 or 77 percent of the 6,417 programmed projects in 2014 being administered by the Department of the Interior and Local Government (DILG) have been completed by implementing Local Government Units (LGU) all over the country.

DILG Undersecretary Austere A. Panadero said that of the 4,967 completed projects, 1,721 projects are for Bottom-up Budgeting (BuB); 417 are for Payapa at Ligtas na Pamayanan (PAMANA); 301 for Recovery Assistance for Yolanda (RAY); 381 for Sagana at Ligtas na Tubig para sa Lahat (SALINTUBIG) and 2,147 for Performance Challenge Fund (PCF).

On the other hand, Panadero said the Department is monitoring the progress of the 1,418 remaining projects which are in various stages of preparation and implementation. Of the 1,418 projects, 740 projects are still on-going; 462 on pipeline; and 216 in the preparation stage of initial documents. Meanwhile, 32 projects have been cancelled.

The DILG Undersecretary pointed out that majority of the projects undertaken by the Department are infrastructure projects, which require an average of 2-3 months for the procurement process and an average timeline of 6 months to 2 years for the completion. For water projects, it takes 18 months to complete each project.

He said the Department even hired engineers to assist LGU engineers and oversee the projects at the local level to ensure that the projects are well-implemented.

"Mayroon tayong sistema para sa lingguhang report, quarterly reports at annual reports ng mga proyektong ipinapatupad ng DILG at ng mga LGUs," he stated.

Governors and mayors are in-charge

Panadero said that since the funds have already been transferred to LGUs, the governors and mayors are in-charge of the implementation of the projects as well as the liquidation.

"Nadownload na po ng DILG ang pondo sa mga LGUs kaya responsibilidad na ng mga governor at mayor na siguruhing maayos na naipapatupad ang mga projects. Kami namah sa DILG ay patuloy na nagmomonitor hanggang matapos ang mga projects na ito," he said.

Commission on Audit (COA) Circular No. 94-013 states that the Implementing Agency, in this case, the concerned Local Government is responsible for the submission of the Report of Checks Issues (RCI) and the Report of Disbursement (ROD).

He stated that these fund transfers were all supported by a Memorandum of Agreement (MOA) between DILG and the Implementing LGUs or offices concerned.

54% Liquidation of Disbursed PhP7.040 Billion Funds

Panadero said that a total amount of PhP7.040 Billion funds has been downloaded to LGUs, national government agencies (NGAs), non-government organizations (NGOs), government-owned and controlled corporations (GOCCs), and regional offices (ROs) as of 2014.

Of this amount, PhP5.505 Billion (78%) has been transferred to LGUs to implement the 6,417 projects, while PhP 1.535 Billion (22%) had been disbursed to NGA, NGOs, GOCCs.

"Since most of the funds were downloaded to the LGUs in various months of the same year and considering the timeline for completing the projects, we cannot expect completion of all 6,417 programmed projects by the end of 2014," he added.

Panadero said that of the PhP7.040 Billion fund, a total of PhP 3.831 Billion or 54% has already been liquidated.

Of the P3.831-billion liquidated amount, PhP2.598 Billion were liquidated by the LGUs and PhP1.233 Billion were liquidated by the NGAs, NGOs, GOCCs, and ROs.

For the remaining PhP3.209 billion (46%) due for liquidation, this amount is composed of:

- **PhP2.313 Billion worth of completed, ongoing, and pipeline projects.** The *completed projects* could not be fully liquidated until validated by a COA Auditor and all financial transactions have been audited. This is done per individual project. This takes a long period of time considering that there is only one COA auditor assigned at the LGU to audit not only DILG projects but all other projects of the government. For the *ongoing subprojects*, these can only be fully liquidated once the projects are completed, or it can only be partially liquidated depending on the physical accomplishment of the project. Meanwhile, the *pipelined projects* are mostly under procurement process and pre-procurement process which cannot be liquidated since no disbursement has been made by the LGUs. Disbursement only occurs once the contract has been awarded.
- **PhP 593.44 Million worth of dormant accounts.** The dormant accounts are fund transfers which are already 5 to 34 years already.
- **PhP302.100 Million worth of fund transfers to other entities.** These are the funds that were being transferred to the NGA, NGOs, GOCCs, and ROs.

"We are continuously coordinating with the accountants of LGUs and other offices for them to submit the duly verified Reports of Disbursements to speed up the liquidation of the funds released to them," he said.

He explained that the process of liquidation is a continuing activity which requires the submission of documentation of project implementation until all expenditures are fully accounted for.

88% cash advances liquidated

From the cash advances granted to officers and employees totalling PhP17.097 million, an amount of PhP15.056 million or 88% has already been liquidated, refunded, or settled by the concerned officers and employees, thereby reducing the balance to PhP2.040 million as of December 31, 2015.

“Continuous settlement of cash advances is being made through payroll/salary deduction to the accounts of those concerned employees and officers,” said Assistant Secretary for Finance, Comptrollership and Administration Ester A. Aldana. *“Demand letters were also issued to the accountable officers for the immediate liquidation of their accounts.”*

The schedule of cash advances would show that PhP5.540 million is attributable to the Central Office where PhP4.136 million had already been settled, leaving a balance of only PhP1.403 million. Said balance is comprised of Advances for Operating Expenses granted to Philippine Center on Transnational Crime (PCTC) in 2009 and 2010.

At present, the Department has taken and implemented various COA recommendations for the settlement of these outstanding cash advances.

Transparency Mechanism

To provide public transparency and accountability, Panadero said there is a Programs and Projects Monitoring System (PPMS) website (<http://ppms.dilg.gov.ph/>), a web-based tool for the centralized tracking of the progress of thousands of DILG programs and projects nationwide which any interested party can readily access.

“Hindi na kailangan ng publiko na pumunta pa sa munisipyo, city hall o provincial hall para malaman kung ano ang lawak at estado ng mga proyekto ng DILG sa kani-kanilang mga komunidad,” he said. *“Ang kailangan lang nilang gawin ay mag-log in sa internet at i-access ang PPMS website at makikita na nila ang kinakailangang impormasyon.”*

He said the DILG remains steadfast in its commitment to work with utmost transparency. *“We believe that Governors and Mayors of LGUs as implementing partners are likewise doing their best to ensure integrity and quality of their projects,”* he stated. ###