

EFFECTIVENESS OF COA AUDIT RECOMMENDATIONS:
THE SAMAR EXPERIENCE

A THESIS
PRESENTED TO
THE FACULTY OF THE GRADUATE SCHOOL
SAMAR STATE POLYTECHNIC COLLEGE
CATBALOGAN, SAMAR

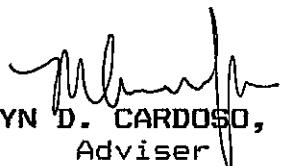
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APPROVAL SHEET

This thesis entitled "EFFECTIVENESS OF COA AUDIT RECOMMENDATIONS: THE SAMAR EXPERIENCE," has been prepared and submitted by Socorro S. Tilles, who having passed the comprehensive examination, is recommended for oral examination.

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DEDICATION

To God Almighty;
To my loving parents -
Cleto and Matilde Sabarre;
To Mary Dawn N. Sagum -
my critic daughter -
who gave me grandchildren -
Janna Tyla and Tristila Marie;
and most especially to
Ignacio R. Tilles, Jr.,
my ever supportive and
loving husband and father to
Michelle Dawn and Monique Dawn . . .
with pride and love
I dedicate this book.

Yheng

ABSTRACT

A study of the extent of implementation as well as the effectiveness of COA Audit Recommendations, problems encountered and solutions suggested by top managers, middle managers and COA municipal auditors of the different municipalities in the Province of Samar. On the average, the top managers' group were found to be older than the middle managers and the COA municipal auditors as evidenced by their computed average age of 53.2, 42.8 years and 41.2 years, respectively. Moreover, the respondents are considered to be in their middle age in as much as the over-all mean pegged at 45.2 years. A greater majority of the respondents are married, comprising 87 percent of the 101 total respondents. For the top managers, the married respondents comprised 92 percent, while for the middle managers and auditors, there were 84 percent, respectively. For the conclusions, there is a higher probability for the males to occupy posts in the local government units in the Province of Samar as evidenced by the fact that this gender surfaced as the dominating group among the top managers and middle managers. The top managers, middle managers and auditors showed indicators that there is much to be done to improve the implementation of COA audit recommendations in the local government units as evidenced by the fact that they considered the implementation to be in the moderate level. The researcher recommended that the municipal treasurers should undertake regular examination of books of accounts of business establishments in their respective municipalities. This way, business establishments will be forewarned of not declaring their actual income.

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Chapter 1

THE PROBLEM AND ITS BACKGROUND

Introduction

The role of the municipality as stipulated in R.A. 7160 is to "primarily serve as a general purpose government for the coordination and delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction."¹ Furthermore, the chief executive of the municipal government, the municipal mayor is authorized under this Republic Act to initiate and maximize the generation of resources and revenues, and apply the same to the implementation of development plans, program objectives, and priorities, particularly those resources and revenues programmed for agro-industrial development and country-wide growth and progress.² With this power, it is but realistic to consider the probability of mismanagement of resources or local government funds, hence the need for instituting fiscal control over local government resource administration.

The Commission on Audit (COA) is an express creation of, and is conferred powers by, the Constitution of the

¹The Local Government Code of 1991 - R.A. 7160, (Manila, Philippines: Local Development Assistant Program, 1992), p. 172.

²Ibid., p. 178.

Republic of the Philippines.³ Its main task is to look into the financial condition and results of operations of all agencies of the government which shall include measures necessary to improve the efficiency and effectiveness of these agencies. On this basis, the COA prepares an Annual Audit Report (AAR) for each government agency.

Section 46 of the State Audit Manual states:

The Annual Audit Report is the final output of the yearly comprehensive post-audit conducted. It is the medium used by the unit auditors to communicate to the audited agencies and proper authorities the results of his appraisal of how management has discharged its fiscal responsibility. The report includes the auditor's recommendations of measures necessary to improve the efficiency and effectiveness of agency operations.⁴

The recommendations included in the aforesaid report served as guidelines and control measures communicated by COA to management for a more effective and efficient administration of government funds.

* As mandated in the Declaration of Principles and State Policies of the 1973 Constitution which says:⁵

³ State Audit Manual, (Quezon City, Philippines: Commission on Audit, 1986), p. 1.

⁴ Ibid., p. 455.

⁵ Francisco, Tantuico, Jr. State Audit Code of the Philippines, (Quezon City, Philippines: Commission on Audit Research and Development Foundation, Inc., 1982), p. 93.

It is a declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarding against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned. (Sec. 2)

It is however deplorable to note that in many municipalities the following deficiencies are evidently noticeable: (a) overdraft in appropriations due to excessive travels, over-stocking of supplies and materials and misappropriations of government funds and properties; (b) no physical inventory of Fixed Assets thus causing the understatement or overstatement of the Fixed Assets; (c) lack of knowledgeable accountants to prepare and submit the Financial Statements on time which causes the delay on post-audit of the municipal accounts; (d) under assessment of real properties thereby depriving the government for generating additional income; (e) no deductions of the EVAT for supplies and materials purchased thus depriving the government of its rightful share in terms of revenue; (f) laxity on the part of the auditors to follow-up the implementation of the audit recommendations out of humanitarian considerations and (g) ignorance of some municipal employees concerned with fiscal management on the existing auditing laws, policies, rules, and regulations.

This is indeed the very reason that encouraged the researcher to undertake this tedious study to secure a first hand information on the overall status of the effectiveness of audit recommendations. It is fervently hoped that the results of this investigation will in many ways give concrete reference or basis for the top managers, the middle managers and the COA municipal auditors to initiate policy recommendations which will serve as inputs to a more effective planning and implementation of the desired audit recommendations. The researcher focused on two major components, namely: Financial and Compliance Audit as well as Value for Money Audit since in the different municipalities of Samar, these are the two major foci of audit recommendations.

Statement of the Problem

This study assessed the effectiveness of audit recommendations in the different municipalities of Samar. Specifically, it sought answers to the following questions:

1. What is the profile of the respondents with respect to:
 - 1.1 age and sex;
 - 1.2 civil status;
 - 1.3 position/designation;
 - 1.4 educational attainment;
 - 1.5 length of service; and

- 1.6 socio economic status?
2. What is the extent of implementation of the audit recommendations during the last three years as perceived by the Top Managers, Middle Managers and COA Municipal Auditors in terms of the following audit area components:
 - 2.1 Financial and Compliance Audit
 - 2.2 Value for Money Audit
3. Are there significant differences among the perceptions of the three groups of respondents on the extent of implementation of the audit recommendations along the two aforesited areas?
4. As evaluated by the respondents, what is the extent of effectiveness of the implementation of the audit recommendations?
5. Are there significant differences among the perceptions of the three groups of respondents on the extent of effectiveness of the implementation of the audit recommendations?
6. What are the problems encountered by the three categories of respondents relative to the implementation of the audit recommendations?
7. What solutions do these respondents propose relative to the problems they encountered?
8. What policy recommendations may be drawn from the findings of the study?

Hypotheses

Based on the aforementioned statement of the problems, the following hypotheses were formulated and tested:

1. There are no significant differences among the perceptions of the Top Managers, the Middle Managers and the COA Municipal Auditors on the extent of implementation of the different audit area components.

2. There are no significant differences among the perceptions of the three groups of respondents on the extent of effectiveness of the implementation of the audit recommendations.

Theoretical Framework

This study is anchored on the declared policy of the State, otherwise known as the Government Auditing Code of the Philippines (P.D. 1445). This policy states that -

All resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government.

The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.⁶ Based on this declared

⁶The Government Auditing Code of the Philippines (P.D. 1445), (Quezon City, Philippines: Commission on Audit, Manpower Development Office, 1978), p. 2.

policy of the State, the Commission on Audit shall have the following powers and functions: (1) examine, audit, and settle, in accordance with law and regulations, all accounts pertaining to the revenues and receipts of, and expenditures or uses of funds and property; (2) keep the general accounts of the government; (3) preserve the vouchers pertaining thereto; (4) promulgate accounting and auditing rules and regulations, within the time fixed by law, an Annual Financial Report of the Government, its subdivisions, agencies, and instrumentalities, including government-owned or controlled corporations, and recommend measures necessary to improve their efficiency and effectiveness; (5) perform such other duties and functions as prescribed by law; (6) decide any case brought before it within 60 days from the date of its submission for reconsideration.⁷

Conceptual Framework

Figure 1 depicts the conceptual framework of this research endeavor. It takes into account the significant role of the different variables involved in attaining its expected output and the ultimate goal of this study which are inter-connected with lines and arrows to signify their flow of relationships. The paradigm proceeds from its base

⁷The 1973 Philippine Constitution, Sec. 2, Article XII.

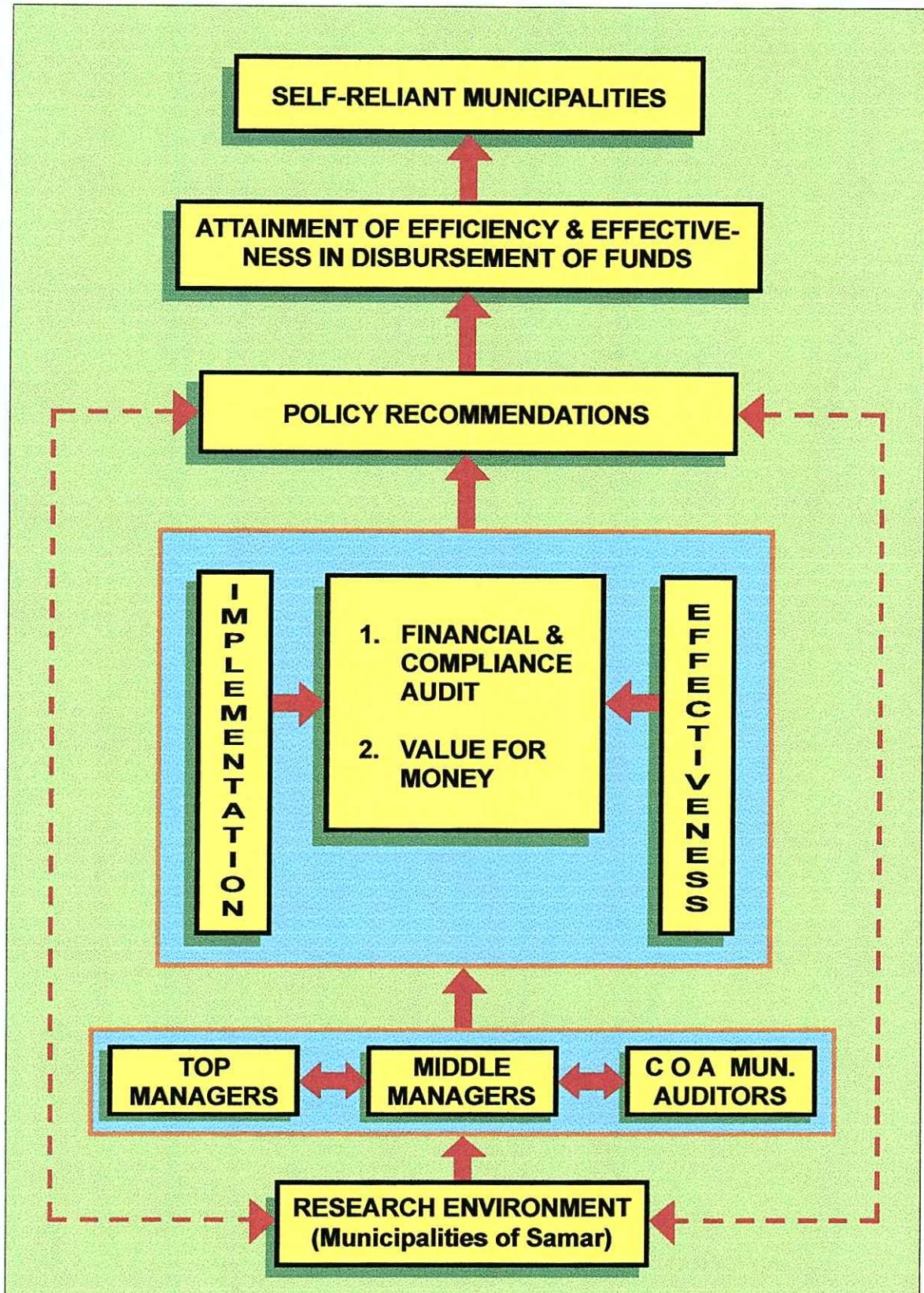


FIGURE 1. Conceptual Framework of the Study Showing the Variables and Processes Involved and its Ultimate Goal.

reflecting the research environment of this study, viz: the twenty five municipalities of Samar from which the target respondents were taken. The main variables considered in this endeavor are the extent of implementation of the audit recommendations as well as their corresponding effectiveness as assessed by the three categories of respondents, namely: 1) Top Managers, 2) the Middle Managers, and 3) the COA Municipal Auditors. The double arrow heads reflect the process of comparing the perceptions of these groups of respondents. Likewise, they were made to respond on the problems they encountered as well as their prospective solutions which were used as bases for arriving at policy recommendations deemed to strengthen and improve the implementation of the audit recommendations. Consequently, disbursement of municipal funds by the local chief executives is envisioned to be more efficient and effective which would in turn, generate more programs and projects for the municipality. Therefore, with these premises, the achievement of self-reliance by the respective municipality will be best facilitated.

Significance of the Study

This study was conducted because it appears that up to this time no assessment of the audit recommendations has been conducted that can more or less reveal the status of implementation and effectiveness of the audit recommenda-

tions as a whole. This study also attempted to find out the strengths and weaknesses of the implementation of the audit recommendations, as to whether the municipalities of Samar derived anything beneficial to them. Moreover, the findings of this study reflected numerous problems and factors that directly or indirectly affect the implementation and effectiveness of the audit recommendations. Specifically, the results of this study are deemed beneficial to the following:

To the Top Managers. Being the direct responsible officials in the proper disposition of government funds and properties, the Top Managers will find realization on their long struggle to attain a self-reliant municipality and a better quality of life of their constituents which can possibly be achieved through a better and effective implementation of the audit recommendations.

To the Middle Managers. The findings of this study will provide inputs to sound management practices that will ensure that government funds and properties are utilized in an efficient and effective manner upon which the realization of the implementation of the audit recommendations largely depend.

To the COA Municipal Auditors. Being the ones entrusted to audit government funds and properties they will

find that the audit recommendations are fully and effectively implemented.

To the Community. This study will ensure the community of a better administration of government funds and properties by local officials.

To the Future Researchers. This study will guide researchers who will conduct similar studies by serving as a pattern in terms of format, style, content and methodology.

Scope and Delimitation

This study focused on assessing the extent of implementation of audit recommendations and their effectiveness specifically on two areas, namely: Financial and Compliance Audit and Value for Money Audit. It involved a total of 113 respondents broken down as 25 from the Top Managers, 75 from the Middle Managers and 13 from the COA Municipal Auditors.

Twenty five (25) municipalities in the province of Samar were involved in this research. These municipalities are Almagro, Basey, Calbiga, Catbalogan, Daram, Gandara, Hinabangan, Jiabong, Marabut, Matuguinao, Motiong, Pagsanghan, Paranas, Pinabacdao, San Jorge, San Jose de Buan, Sta. Margarita, Sta. Rita, Sto. Niño, San Sebastian, Tagapul-an, Talalora, Tarangnan, Villareal, and Zumarraga.

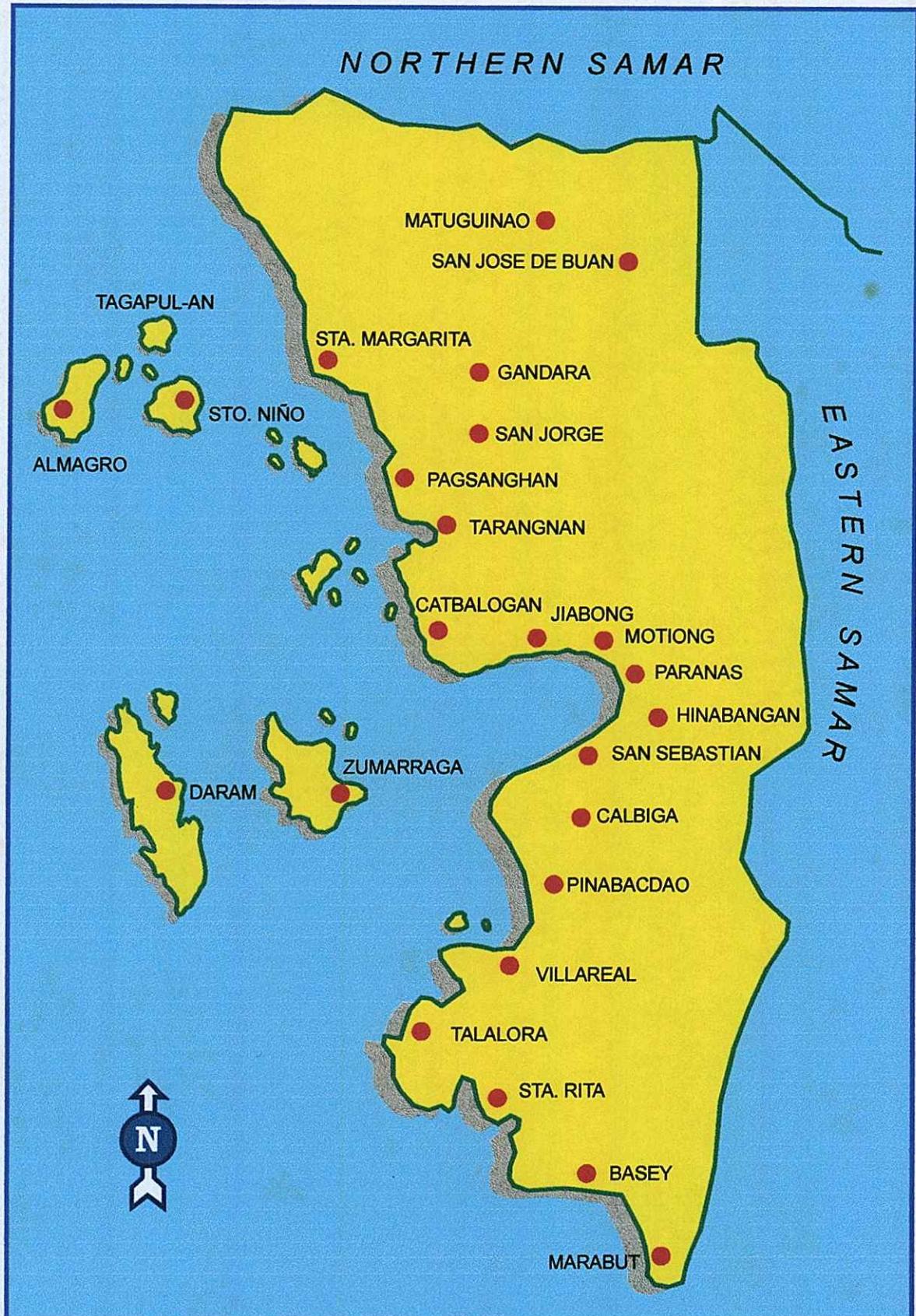


Figure 2. Map of the Province of Samar showing the location of the study.

Their locations are shown in the map in Figure 2.

The study was conducted during SY 1997-1998. However, the audit recommendations under scrutiny are those formulated for the last three years, specifically, 1994-1996.

Definition of Terms

In order to provide the readers a common frame of reference, the following terms are defined conceptually and operationally:

AIP. This term is the acronym for the Annual Investment Plan. This contains the development plans and programs of the municipality for the year which is used as basis for the disbursement of 20 percent Community Development Fund.

Appropriations. Generally, this means an authorization by the legislative body to disburse and incur liabilities for specific purposes.⁸ As used in this study, it is an authorization by the legislative body or the Sanggunian Bayan to disburse government funds.

COA. This term is the acronym for Commission on Audit.

Disposition. Generally, this means the parting with, alienation of, or giving up property. Bestowal by deed or

⁸Ibid., p. 98.

will; disposal.⁹

Economy. This term refers to the terms and conditions under which the audited entities acquire human and material resources at the least possible cost or under the terms most advantageous to the government.¹⁰

Effectiveness. Generally, this refers to the quality, quantity, service yield, consumed time, or other attained performance as compared with a pre-determined standard.¹¹

Efficiency. This term usually refers to the relationship between goods or services produced and resources used to produce them. An efficient operation produces the maximum output for any given set of resource inputs, or it has minimum inputs for any given quantity and quality of service produced.¹²

Excessive Expenditures. This term means the unreasonable expense or expenses incurred at an immoderate quantity or exorbitant price.¹³

⁹Black's Law Dictionary, Rev. 4th ed.; (New York: Lee V. Dill, 1968).

¹⁰F. S. Tantuico, Jr. "Readings on Performance Audit," (Quezon City, Philippines: Commission on Audit Research and Development Foundation, Inc., 1983), p. 3.

¹¹E. L. Kohler, A Dictionary for Accountants, 5th ed. (New Jersey: Prentice-Hall, Inc., 1975).

¹²Ibid.

¹³COA Cir. 85-55A.

Extravagant Expenditures. This term refers to expenditures incurred without restraint, judiciousness and economy.¹⁴

Fund. Generally, this refers to a sum of money or other resources set aside for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations, and constitutes an independent fiscal and accounting entity.¹⁵

Financial Audit. Usually, this means as a type of audit to determine whether the financial statements of an audited entity present fairly the financial position, results of operation and cash flows or changes in financial position in accordance with generally accepted accounting principle.

Compliance Audit. Generally, this means as a type of audit which determines whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.¹⁶

Government Agency. This term refers to any department, bureau or office of the national government, or any of

¹⁴Ibid.

¹⁵Tantuico, loc. cit.

¹⁶E. C. Domingo, Government Accounting and Auditing Manual, Vol. III, p. 3.

its branches and instrumentalities, or any political subdivision, as well as any government-owned or controlled corporation, including its subsidiaries, or other self-governing board or commission of the government.¹⁷

Government Funds. This term usually refers to public moneys of every sort and other resources pertaining to any agency of the government.¹⁸

Implementation. Generally, this means carrying out into effect or accomplishing a specific task.¹⁹ In this study this refers to the carrying out of the LGUs the recommendations stipulated in their respective auditors' report. The level of implementation was expressed as Fully, Highly, Moderately, Slightly and Not Implemented.

Irregular Expenditure. Generally, this refers to an expenditure incurred without adhering to established rules, regulations, procedural guidelines, policies, principles or practices that have gained recognition in law.^{19a}

Local Chief Executive. This term refers to the Governor of the province, the City Mayor of the city, the Municipal Mayor of the municipal government and the Punong

¹⁷Tantuico, op. cit., p. 108.

¹⁸Revised Administrative Code, Sec. 658.

¹⁹Philip Babcock Gove, Webster's Third International Dictionary, (USA: Merriam Webster, Inc., 1986), p. 1194.

^{19a}COA Cir. 85-55A, Sept. 8, 1985.

Barangay of the barangay.²⁰ As used in this study this refers to the Municipal Mayor of the municipal government.

Middle Managers. As used in this study, this refers to the municipal treasurer, municipal accountant as well as the municipal budget officer.

Responsibility of Head of Agency. Generally, this means as the acceptance of the assigned authority, the obligation prudently to exercise assigned or imputed authority, attaching to the assigned or imputed role of an individual or group participating in organizational activities or decisions.²¹

Revenue Data Bank. As used in this study, this term refers to the storage of several sources of revenues in the municipality aided by computers.

RPT. This term is an acronym for Real Property Tax.

Top Managers. In this study, this term refers to the local chief executive of the municipality, specifically the municipal mayors.

Unnecessary Expenditure. Usually this term pertains to expenditures which could not pass the test of prudence or the obligation of a good father of family, thereby non-responsiveness to the exigencies of the service.²² As used

²⁰ Republic Act No. 7160, Rule XV, p. 57-71.

²¹ Kohler, Loc. cit.

²² GAAM, Vol. I, p. 67.

in this study, this pertains to expenditures which are not necessary in the operations of the agency, that is, expenditures which were not contained in the AIP of the municipality.

Value For Money Audit. This term is designed to assess the management process as it relates to economy, efficiency and the measurement of effectiveness.²³

²³Value For Money (Performance) Audit, Vol. 1. (Quezon City, Philippines: Commission on Audit Research and Development Foundation, Inc., 1982),

Chapter 2

REVIEW OF RELATED LITERATURE AND STUDIES

A painstaking effort was made by the researcher to gather ideas and concepts related to this study. However, because of relative scarcity of literature and studies dealing specifically with effectiveness of audit recommendations, most conceptual literature and studies presented in this section are peripheral to the focus of this study but related in the sense that they deal in broader terms with the proper disposition of government funds and properties. Various materials reviewed simply urged that this present research be pursued.

Related Literature

P.D. 1445 is a milestone legislation. By this decree, all the laws on government accounting and auditing are codified under one title for the first time in our country. A "code" is a collection, compendium, or revision of laws; a complete system of positive law, scientifically arranged and promulgated by legislative authority. It implies compilation of existing laws, systematic arrangements into chapters, subheads, table of contents, and index, and revision to harmonize conflicts, supply omissions, and generally clarify and make complete body of laws designed to

regulate completely subjects to which they rate.²⁴

Auditing the finances of the government as a means of instituting fiscal control over public financial administration in the Philippines was established in Manila sometime in 1583 with the foundation of a *Royal Audiencia*. Although the *audiencia* was in fact a high court of justice, its members consisting of a president, three auditors, a fiscal, and the necessary officials were nevertheless vested with certain duties outside their judiciary functions, one of which was the audit municipal accounts of the city where the court was established. Since the governor was the ex-officio president of the *audiencia*, he would therefore be one of those who should audit the accounts. Perhaps to spare him from personally performing this unpopular task or to curtail the power concentrated in the governor, the office of auditor of accounts (*contador de cuentas*) was created.

As a step towards the improvement of the audit service in the islands and to minimize the tremendous losses being sustained by the royal treasury, the government established three tribunals of accounts, each of which was composed of a governor and two auditors (*oidores*) who lived and resided in the provinces so that they might audit the accounts there.

²⁴Black's Law Dictionary, Rev. 4th Ed.; (New York: Lee V. Dill, 1968).

Thus, also, was established the beginning of residence auditing in the Philippines.²⁵

It was, however, only on May 8, 1899, that the President of the United States, in an executive order dated May 8, 1899, formally established the office of auditors for the islands.

After the establishment of the Commonwealth of the Philippines in 1935, the General Auditing Office came into existence by operation of the constitution, succeeding the Bureau of Audits. Upon the effectivity of the 1973 Constitution, the Commission on Audit was created with the General Auditing Office serving as its nucleus.²⁶

History reveals that the Commission on Audit was created not only upon the effectivity of the 1973 Constitution. It began sometime in 1583 with the foundation of a *Royal Audiencia* the office of auditor of accounts (*contador de cuentas*) was created. On May 8, 1899 the President of the United States issued an executive order formally called the Office of the Auditors for the Islands.

²⁵Blair & Robertson, *The Philippine Islands, 1493-1898*, Vol. V, pp. 274-318; Vol. XXVII, pp. 227-252, 1636-1637.

²⁶Nadurata, "History of the General Auditing Office," GAO Journal Yearbook, 1954-1955; Aruego, *The Framing of the Philippine Constitution*, Vol. II, p. 570; Ayson and Ignacio V. Prov. Board of Rizal, 39 Phil. 931 (1919); Ynchausti & Co. V. Wright, 47 Phil. 866 (1925); COA Journals, Nos. 14, 15, 16, 18, 19, 20 & 23 (1978-1980).

In 1935, the General Auditing Office came into existence by operation of the Constitution. But it was only upon the effectiveness of the 1973 Constitution, the Commission on Audit was formally created.²⁷

Jurisdiction, Powers and Functions of the Commission

In keeping with its constitutional mandate, the Commission adheres to the following primary objectives:

1. To determine whether or not the fiscal responsibility that rests directly with the head of the government agency has been properly and effectively discharged;
2. To develop and implement a comprehensive audit program that shall encompass an examination of financial transactions, accounts, and reports, including evaluation of compliance with applicable laws and regulations;
3. To institute control measures through the promulgation of rules and regulations governing the receipts, disbursements, and uses of funds and property, consistent with the total economic development of the government;
4. To promulgate auditing and accounting rules and regulations so as to facilitate the keeping, and

²⁷ Ibid.

enhance the information value, of the accounts of the government.

5. To adopt measures calculated to hasten the full professionalization of its services;
6. To institute measures designed to preserve and ensure the independence of its representatives; and
7. To endeavor to bring its operations closer to the people by the delegation of authority through decentralization, consistent with the provisions of the new Constitution and the laws.²⁸

In addition, on December 19, 1991 the Commission on Audit issued COA Circular No. 91-368.

December 19, 1991

Commission on Audit Circular No. 91-368

To: All Heads of Departments, Bureaus and Offices of the National Government, Managing Heads of Government-Owned and/or Controlled Corporations, Boards and Commissions; Provincial Governors; City/Municipal Mayors; Chief Accountants/Corporate Treasurers; Local Treasurers; COA Directors and Auditors; and all others concerned.

²⁸P.D. 1445, Chapter 2, p. 15.

Subject: Instituting a Government Accounting and Auditing
Manual and Prescribing Its Use

The Commission on Audit has in recent years perceived the need to revise and update accounting and auditing rules and regulations embodied in the National Accounting and Auditing Manual and the revised manual of instructions to treasurers in order to keep abreast with modern trends of government accounting and auditing and progressive legislation on the subject. The endeavor to fill this need now finds fruition in the new Government Accounting and Auditing Manual (GAAM) which is hereby instituted and prescribed for use by all government agencies pertaining to the national, local and corporate sectors.

The Government Accounting and Auditing Manual consists of three volumes, viz:

Volume I - Government Auditing Rules and Regulations

Volume II - Government Accounting

Volume III - Government Auditing Standards and Procedures and Internal Control System

On the main, it integrates pertinent laws and administrative issuance as well as judicial and quasi-judicial decisions relative to the financial operations of government.

This Government Accounting and Auditing Manual will

take effect on January 1, 1992.²⁹

Related Studies

The researcher found very scarce research materials related to the present study and herein presented in this section.

A study conducted by Waters³⁰ "An Empirical Assessment of Attitude Towards Audit Opinion and Attitudes Toward Audit Reporting" indicated the existence of the problem on expectation gap and provided evidence that a person's knowledge about the audit process is a factor in this gap. Waters concluded that the existence of the expectation gap will continue. Furthermore, the study revealed that knowledge of the audit process does have an influence on attitudes.

Based on the major findings of the aforecited study, the following recommendations were made:

- 1) Provision of better education to minimize problems and improve attitudes toward audit process and audit reporting;
- 2) Better and clearer explanation on the audit opinion; and

²⁹COA Circular No. 91-368.

³⁰John Milbourne Waters II, "An Empirical Assessment of Attitude Towards Audit Opinion and Attitudes Toward Audit Reporting," DAI, Vol. 49, No. 5, November, 1988, (Michigan, USA: University of Microfilms, Inc., 1988).

3) Clear statement of the role and responsibility of the auditor is determined through discussion with users of financial opinion.

Waters' study bears similarity to the present study inasmuch as it was focused on the audit reports which is also the focus of the present study. However, the present study looked into effectiveness of the audit recommendations contained in these reports while the previous study considered attitudes towards audit reports.

Moreover, the research environment differed. Waters' study was undertaken in Michigan, USA while this study was conducted in the Philippine setting.

Criswell³¹ undertook a study to track the Implementation of Audit Recommendation which was designed to determine whether auditors actually do what they agreed to do. Questionnaire forms were sent to department heads on all pending corrective action from audit reports issued since July of 1988 to December of 1991. The findings of the survey revealed that: 1) auditees indicated 75 percent have been completed, 2) acceptance rate of audit recommendations was 93 percent, and 3) the remaining seven percent included recommendations auditees declined, comprising three percent

³¹Cathy Criswell, "Tracking Implementation of Audit Recommendations," Office of the City Auditor, Tulsa, Oklahoma, 1993.

or that will not be implemented due to changed circumstances comprising four percent. Criswell concluded that the audit finding data base provides an efficient way to discharge the auditors' responsibility to report the actions taken by auditors on audit recommendations. It allows follow up of all findings to be conducted much quicker than individual follow-up reviews. It helps in the setting up of targets for follow up reviews, those audits with the most corrective action completed. The process gives opportunity to report positive information about auditors and internal auditing results.

The study just cited is relevant to the present study since both are concerned on the implementation of audit recommendations. However, they differed inasmuch as the previous study looked into the percentage of acceptance of audit recommendations, as well as implementation rate while the present study looked into the effectiveness of the audit recommendations as assessed by both the auditors and auditees themselves. Moreover, the previous study was conducted outside Philippine setting.

Zaldarriaga³² pursued a study entitled "Annual Audit Report: Its Impact on the Operations of Government Agencies

³²Antonia R. Zaldarriaga, "Annual Audit Report: Its Impact on the Operations of Government Agencies in Tacloban City," (Unpublished Master's Thesis, Leyte Normal University, 1995).

in Tacloban City." It was designed to determine the extent of use of Annual Audit Report as well as its perceived impact in terms of relevance, timeliness, quality and feasibility by three groups of respondents from agency management, viz: agency heads, administrative officers, and finance officers. The following were the salient findings of this study:

1. The agency heads had the most use of AAR particularly as a source of financial information, as a given guide in planning and controlling and as a tool in decision-making. The finance officer had the least use in all three categories of respondents;

2. The AAR was rated by the respondents as "highly relevant";

3. The respondents considered the AAR as timely even if 51 percent of the agencies represented by the sample-respondents got their copies of AAR for 1993 after April of 1994;

4. The respondents assessed the AAR to as close to "very good" in relation to factual, fair, accurate reporting, objective findings and presentation of concise and clear reports; and

5. In terms of the feasibility of audit recommendations, the respondents manifested an adjectival rating of "oftentimes feasible."

Among the significant recommendations made are: 1) The audit reports should follow strictly reporting standards and requirements, that auditors should clearly convey the message to the audited agencies that the primary objective of the audit report is to devise means for improving the agency's operations, not to find faults with the way the agency is run, 2) auditors should exert extra efforts to get the highest ratings possible. As guardians of government resources, it would be best if agency management views COA report as something that has a very high impact. This means that COA AAR ought to be always used, needs to be very highly relevant, should be excellent in quality and recommendations need to be always feasible.

The study of Zaldarriaga is very similar to the present study inasmuch as the impact of audit recommendations were determined by both studies. However, the cited study differed from the present study inasmuch as the target respondents are government agencies in Tacloban City while the present study considered the local government units, specifically the municipalities of the Province of Samar.

Chapter 3

METHODOLOGY

This chapter presents the methodology employed in the conduct of this study, viz: research design, instrumentation, validation of the instrument, sampling procedure, data gathering procedure as well as statistical treatment of data.

Research Design

This study employed the normative-descriptive research method using the questionnaire as the principal instrument in the data collection. The study focused on determining the effectiveness of the audit recommendations in the 25 municipalities of the Province of Samar. The questionnaire was supplemented by documentary analysis, unstructured interview, as well as actual observation to ascertain facts relative to the extent of implementation of the audit recommendations. Initial responses or observation that were obtained through the questionnaire which appeared doubtful on the part of researcher were verified and crosschecked.

Instrumentation

As mentioned earlier, the researcher employed the normative descriptive research method using the questionnaire, documentary analysis, personal interview and

observation in obtaining the desired data and information.

Questionnaire. One set of questionnaire was prepared by the researcher and administered to the three categories of respondents. Said questionnaire was divided into five parts. Part I was designed to elicit information for the respondents' profile. Part II delved into the extent of implementation of the audit recommendations during the last three years as perceived by the respondents. The five-point Likert Scale was utilized to quantify the responses of the respondents, as follows: 5 - fully implemented (FI), 4 - highly implemented (HI), 3 - moderately implemented (MI), 2 - poorly implemented (PI), and 1 - not implemented (NI).

Part III considered the respondents' assessment on the effectiveness of said audit recommendations. Likewise, a five-point Likert scale was used in eliciting the data from the respondents, viz: 5 - very effective (VE), 4 - effective (E), 3 - moderately effective (ME), 2 - quite effective (QE), and 1 - not effective (NE).

Part IV looked into the problems encountered as well as the prospective solutions suggested by the top managers, the middle managers as well as the COA municipal auditors.

The extent of sensitivity by the three categories of respondents relative to the listed problems was quantified using the five-point Likert Scale, as follows: 5 - this problem is extremely felt (EF), 4 - this problem is highly

felt (HF), 3 - this problem is moderately felt (MF), 2 - this problem is seldom felt (SF), and 1 - this problem is not felt (NF).

For Part V, prospective solutions to the problems felt were presented to the respondents. They were made to assess their extent of agreement to these solutions using the following: 5 - strongly agree (SA), 4 - agree (A), 3 - uncertain (UN), 2 - disagree (DA), and 1 - strongly disagree (SDA).

Except for Part I, the items in the questionnaire checklist were closed-ended type wherein the researcher listed down all their prospective responses to facilitate the administration of the instrument, thereby increasing the validity of the responses on data collected. Moreover, the questionnaires that were distributed to the respondents have cover letters which was designed to explain to them the intention of the researcher in collecting data, as well as the title of the research that is pursued with the end-in-view of soliciting their cooperation.

Documentary Analysis. Additional information like the annual audit reports and status of implementation of audit recommendations were derived by availing records from the COA provincial office to augment the information gathered from the questionnaire-checklist.

Interview. As the need arose, an unstructured interview was undertaken by the researcher for purposes of cross-checking doubtful information provided by the respondents of the study and to augment data collected through documentary analysis.

Observation. Inasmuch as the researcher personally administered the questionnaire to the target respondents, she simultaneously undertook ocular survey/observation. Important and significant activities which were found useful in the analysis of data were noted and recorded by the researcher.

Validation of the Instrument

Expert-validation and try-out was utilized by the researcher in the process of validating the research instrument. The first draft of the questionnaire-checklist was shown to the researcher's adviser and professors in research for their comments and suggestions for improvement. The questionnaire was likewise presented to the panel members of her pre-oral.

After incorporating all their suggestions and comments, the improved version of the questionnaire-checklist was tried-out to some top managers in the municipalities of Leyte on December 12, 1997. The researcher explained to those involved in the try-out that

she intended to validate and improve the questionnaires she distributed. They were requested to mark items which they found vague or unclear and leave these items unanswered.

The answered questionnaires were reviewed to ascertain the clarity of the questions formulated. Correspondingly, additional revisions and improvements were incorporated for arriving at the final draft of the questionnaire-checklist.

Sampling Procedure

In the selection of the municipalities, total enumeration was used. Thus, all the 25 municipalities comprising the Province of Samar were included in the study. Likewise, all the 25 local chief executives, 75 middle managers and 13 COA auditors were given the questionnaires by the researcher and were categorized as the first, second and third categories of respondents, respectively.

Data Gathering Procedure

Permission to field questionnaires to the top and middle managers was sought by the researcher from the local chief executives (See Appendix E). Afterwards, the questionnaire was personally fielded by the researcher to facilitate its distribution and to ensure high percentage of retrieval. Permission was likewise sought by the researcher from the Provincial Auditor of Samar before the questionnaires were distributed to the COA municipal

auditors.

The researcher started the distribution of the questionnaires in the early part of December until the third week of January.

All of the 25 local chief executives and the 13 COA auditors returned their questionnaires promptly, hence for these groups of respondents, 100 percent retrieval was attained. However, on the part of the 75 middle managers who comprised the second group of respondents, only 63 returned the questionnaires. The researcher undertook several follow-up visits yet the remaining 12 respondents returned the questionnaires unanswered. The researcher finally decided to proceed to the organization of the collected data inasmuch as for this group, the percentage of retrieval already reached 84 percent.

Treatment of Data

The data gathered were recorded, tallied, tabulated, analyzed and interpreted, quantitatively and qualitatively.

The statistical measures used in this particular study were: 1) the frequency counts, 2) percentages, 3) weighted mean; and 4) one-way Analysis of Variance (ANOVA).

Frequency distribution and percentages. Frequency distribution as well as percentages were used for presenting simple numerical facts specifically on the profile of

respondents by age, sex, civil status, educational attainment, length of service and socio-economic status.

Weighted mean. In generating information as regards the: 1) perceived extent of implementation of audit recommendations, 2) extent of effectiveness of the COA recommendations, 3) extent to which the top managers, middle managers and auditors feel the problems in relation to the implementation of the audit recommendations; and 4) the respondents' extent of agreement with the listed solutions, the weighted mean was used, as follows:³³

$$\bar{X}_w = \frac{\sum f_i x_i}{N}$$

Where:

\bar{X}_w stands for the weighted average

f_i is the frequency for the i th score

x_i is the coded responses ranging from 1-5

N is the total number of cases.

In interpreting the weighted means the following guide was used:

For the extent of implementation:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Fully Implemented (FI)

³³N. M. Downie and Robert W. Heath, Basic Statistical Methods, (5th ed; New York: Harper & Row Publishers, Inc., 1983), p. 37.

3.51 - 4.50	Highly Implemented (HI)
2.51 - 3.50	Moderately Implemented (MI)
1.51 - 2.50	Poorly Implemented (PI)
1.00 - 1.50	Not Implemented (NI)

For the level of effectiveness of the COA recommendations:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Very Effective (VE)
3.51 - 4.50	Effective (E)
2.51 - 3.50	Moderately Effective (ME)
1.51 - 2.50	Quite Effective (QE)
1.00 - 1.50	Not Effective (NE)

For the problems felt:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Extremely Felt (EF)
3.51 - 4.50	Highly Felt (HF)
2.51 - 3.50	Moderately Felt (MF)
1.51 - 2.50	Slightly Felt (SF)
1.00 - 1.50	Not Felt (NF)

For the solutions presented:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Slightly Agree (SA)
3.51 - 4.50	Agree (A)
2.51 - 3.50	Uncertain (U)
1.51 - 2.50	Disagree (D)
1.00 - 1.50	Strongly Disagree (SD)

Analysis of Variance (ANOVA). To compare the top managers, the middle managers and the COA municipal auditors' perceptions on the extent of implementation and effectiveness of the audit area components or the audit recommendations in terms of weighted mean, the one-way ANOVA or F-test was utilized as follows:³⁴

SOURCES OF VARIATION	SUM OF SQUARES SS	DEGREE OF FREEDOM	MEAN SQUARES (MS)	COMPUTED F	TABULAR F AT $\alpha = .05$
BETWEEN	$\frac{\sum(\text{Group Total})^2}{n} - C$	$K - 1$	$\frac{SS \text{ Between}}{K - 1}$	MS_b	From the Table
WITHIN	$\frac{\sum \text{SS Total} - SS \text{ Between}}{N - K}$	$N - K$	$\frac{SS \text{ Within}}{N - K}$	MS_w	
TOTAL	$\sum x^2 - C$	$N - 1$	-	-	

$$\text{Where: } C = \frac{(\sum x)^2}{N}$$

N = Total no. of cases

K = No. of group variables to be treated

$\sum x$ = The total of the weighted means

In arriving at the decision of either accepting or rejecting the hypothesis tested, the computed F-value was

³⁴Ronald E. Walpole, Introduction to Statistics, (3rd ed.; New York: Harper & Row Publishers, Inc., 1983), p. 287.

compared with the tabular F value at .05 level of significance and at certain degree of freedom. If the former proved to be higher than the tabular value, the corresponding hypothesis was rejected otherwise, the hypothesis was accepted.

Chapter 4

PRESENTATION AND ANALYSIS OF DATA

This chapter presents the data collected, the corresponding analysis of the original data as well as the results of the tests of hypotheses undertaken. Included in this chapter are: 1) profile of the three categories of respondents, 2) extent of implementation of COA audit recommendations as prescribed by the respondents, 3) the level of effectiveness of these recommendations, 4) problems encountered, and 5) solutions suggested in relation to the problems felt.

Profile of the Respondents

This section contains the presentation of the respondents' profile in relation to their age, sex, position/designation, educational attainment, length of service as well as their socio-economic status represented by their estimated monthly income.

Age. Reflected in Table 1 are the data on the age profile of the top managers, middle managers and COA auditors. As gleaned from the said table, the most number of the municipal mayors who comprised the top managers' group of respondents belong to the age bracket 60-64 years old with seven out of 25 or 28 percent. This was followed

Table 1
Age Profile of the Respondents

Age (in years)	Respondents' Category				Grand Total	Per- cent		
	Top Managers Number	Middle Managers Number	COA Auditor Number	Percent				
60 - 64	7	28	5	8	-	12	11.9	
55 - 59	5	20	5	8	1	8	11	10.9
50 - 54	6	24	2	3	1	8	9	8.9
45 - 49	2	8	11	17	1	8	14	13.9
40 - 44	4	16	10	16	5	38	19	18.8
35 - 39	1	4	20	32	2	15	23	22.8
30 - 34	-	-	10	16	3	23	13	12.9
Total	25	100	63	100	13	100	101	100%
Average Age	53.2	-	42.8	-	41.2	-	45.2	-

by those who are between 50-54 years old with six of them, comprising 24 percent of this group. Only one of these top managers fall in the age bracket of 35-39 years of age. On the average, the top managers' age tend to approach 53.2 years old. On the part of the middle managers of the different municipalities of the Province of Samar, a great majority of them, that is, 20 out of 63 or 32 percent are between 35-37 years of age followed by those who are between 45 to 49 years of age with 11 of them comprising 17 percent.

The least number, that is, two of the middle managers or three percent are between 50-54 years old. This resulted to an average age of the middle managers equivalent to 42.8 years old. Meanwhile, of the 13 COA auditors involved in the study, the highest frequency of five auditors comprising 38 percent of them fall between 40-44 years old. Three of these auditors are between 30-34 years of age. With these results, the average age of the COA auditors was pegged at 41.2 year old.

The age profile of the three categories of respondents show that as a group the top, managers turned out the oldest followed by the middle managers and COA auditors. This could be attributed to the fact that the top managers comprised the mayors of the 25 municipalities of Samar. In general, the respondents of the study can be considered to be in their middle age as evidenced by the grand mean average of 45.2 years. This implies that among these three groups of respondents, the municipal mayors comprising the top managers' group have the least number of years of stay and the COA auditors have the longest number of years of service in the local government unit.

Sex. The data collected with regards to the respondents' sex are contained in Table 2. Obviously, the male sex dominated the top managers' group inasmuch as the males comprised 88 percent of them with 22 out of 25. More-

Table 2

Sex Profile of the Respondents

Sex	Respondents' Category						Grand Total	Per cent		
	Top Managers		Middle Managers		COA Auditor					
	No.	%	No.	%	No.	%				
Male	22	88	33	52	4	31	59	58		
Female	3	12	30	48	9	69	42	42		
Total	25	100	63	100	13	100	101	100%		

over, the same trend can be observed among the middle managers' group. There were 33 males out of 63 which is equivalent to 52 percent while there were 30 females, comprising 48 percent. In contrast, among the 13 COA auditors, a greater majority, that is nine out of 13 or 69 percent are females and only four of them, corresponding to 31 percent are males. The data generated in connection with the sex profile of the respondents imply that more males are interested to join politics as manifested by the fact that this gender is observed to dominate the top managers and middle managers' group.

Civil Status. In terms of civil status as shown in Table 3, the most number of respondents for the top managers, middle managers, as well as COA auditors' group are married with 23 out of 25 or 92 percent, 53 out of 63 or

Table 3

Civil Status Profile of the Respondents

Civil Status	Respondents' Category						Grand Total	Percent		
	Top Managers		Middle Managers		COA Auditor					
	No.	%	No.	%	No.	%				
Single	-	-	9	14	1	8	10	9.9		
Married	23	92	53	84	12	92	88	87.1		
Widower	2	8	1	2	-	-	3	3.0		
Total	25	100	63	100	13	100	101	100%		

84 percent and 12 out of 13 or 92 percent, respectively. This implies that as of the time this study was conducted, the respondents in general have already established their respective families. This could be attributed to the fact that they are already in their middle age level and are expected to be married already.

Position/Designation. Only the positions/designations of the second group of respondents are presented in Table 4. This is because the top managers are all municipal mayors while the third group are all state auditors. Hence, only the second group have varied positions and designations. It can be noted from the table that most of the middle managers occupy Municipal Treasurer position having 24 of them which comprised 38 percent. This was followed by three who were

Table 4

Position/Designation Profile of the Respondents

Position/Designation	:	Number of Respondents	:	Percent
Municipal Treasurer		24		38
Budget Officer		18		29
Accountant		19		30
Bookkeeper		2		3
Total		63		100%

designated as accountants with 19 out of 63 or 30 percent. The least, that is, only two of them or three percent were designated as bookkeepers. This data imply that the middle managers' group occupy positions wherein management of financial responsibilities are inherent in their duties and responsibilities.

Educational Qualification. In Table 5, the highest educational attainment of the respondents are presented. For the top managers' group, more than one half of them, that is, 17 out of 25 or 68 percent have finished their AB/BS degrees. Four of them reached college level while two are licensed lawyers. Significantly, one have earned units in the masteral level and the other one was not even able to graduate in the elementary. Moreover, for the middle

Table 5

**Profile of the Respondents According to
Their Educational Attainment**

Educational Attainment	Respondents' Category						Total	Percent
	Top Managers		Middle Managers		Auditor			
	No.	%	No.	%	No.	%		
Attorney	2	8	-	-	-	-	2	2.0
Bachelor of Laws (LLB)	-	-	-	-	2	15	2	2.0
AB/BS with MA/ MS units	1	4	1	2	7	54	9	8.9
AB/BS Graduate	17	68	58	92	4	31	79	78.2
College Level	4	16	4	6	-	-	8	7.9
Elementary Level	1	4	-	-	-	-	1	1.0
Total	25	100%	63	100%	13	100%	101	100%

managers' group, the greater majority of 58 out of 63 which comprised 92 percent of them are baccalaureate degree holders, four of them or six percent reached college level and only one of them or two percent have earned units in the masteral level. Meanwhile, among the COA auditors, more than one-half of them, that is, seven out of 13 or 54 percent have earned MA/MS units. Four of the COA auditors are AB/BS graduates and the remaining two are Bachelor of Laws graduate. The data derived from the aforesaid table indicate that the educational qualification of the top

managers or municipal mayors in the Province of Samar is highly dispersed. While there is one who is only in the elementary level, there are also those who have even passed the bar examinations. Moreover, of the three groups of respondents, the third category or the COA auditors manifest greater motivation to pursue professional advancement. This could be attributed to the fact that among these three groups of respondents, the COA auditor occupy positions which are governed by the civil service rules and regulations and that they occupy their present position based on merit system set by the commission. On the other hand, the top managers' group are currently occupying their post by winning in the election, where higher educational qualification is not a guarantee for one to win.

Length of Service. As regards, the number of year in service, it can be noted from Table 6 that 13 out of 25 top managers or 52 percent have served their respective municipalities for at most four years, while 12 of them comprising 48 percent have been in the service for 5-9 years. Among the middle managers, most of them also served their municipalities for at most four years with 16 out of 63 or 26 percent. This was followed by those who have been in the service for 5-9 years with 14 of them or 22 percent. Only four of them have been in the service for 20-24 years.

Table 6

Length of Service Profile
of the Respondents

Length of Service (in years)	Respondents' Category						Grand Total	Per- cent
	Top Managers		Middle Managers		Auditor			
	No.	%	No.	%	No.	%		
25 - 29	-	-	10	16	1	8	11	10.9
20 - 24	-	-	4	6	1	8	5	5.0
15 - 19	-	-	9	14	2	15	11	10.9
10 - 14	-	-	10	16	7	54	17	16.8
5 - 9	12	48	14	22	2	15	28	27.7
0 - 4	13	52	16	26	-	-	29	28.7
Total	25	100%	63	100%	13	100%	101	100%
Average Years in Service	4.4	-	12.1	-	13.9	-	10.4	-

Meanwhile, of the 13 COA auditors, majority, that is seven of them comprising 54 percent have been in the service for 10-14 years and the least number of only one have already served the commission for 20-24 years and 25-29 years. The data on the length of service profile of the respondents show that the auditors' group have served the longest followed by the middle managers and the top managers with average years in service equivalent to 13.9, 12.1 and 4.4, respectively. This is because the top managers' position is the most temporary among the three categories inasmuch as

these positions are political in nature.

Socio-Economic Status. In terms of the estimated monthly income of the respondents, Table 7 demonstrate the fact that among the top managers, their lowest income range was P10,001 - P15,000 while their highest income ranged from P20,001 to P25,000. On the other hand, the highest income earned by the middle managers ranged from P10,001 - P15,000 and there were also those who merely earn P5,000 and below. The COA managers follow the same level of income for the top managers' group. Evidently, the top managers have the highest earnings with an average of P15,300.00, followed by the COA auditors and lastly, the middle managers with average earnings of P14,808.00 and P9,564.00, respectively. This imply that the top managers' position can provide higher monetary compensation and becomes more attractive than the middle managers' position in the local government unit.

Extent of Implementation of Audit Recommendations as Perceived by the Top Managers

The different COA recommendations were gathered from the 25 municipalities in the province and the top managers were made to assess the extent to which these recommendations were implemented. These recommendations were categorized according to two components, namely:

Table 7

**Socio-Economic Status Profile
of the Respondents**

Estimated Monthly Income	Respondents' Category						Total	Per- cent
	Top Managers		Middle Managers		Auditor			
	No.	%	No.	%	No.	%		
P20,001 - P25,000	3	12	-	-	2	15	5	5
P15,001 - P20,000	8	32	-	-	2	15	10	10
P10,001 - P15,000	14	56	33	52	9	70	56	55
P5,001 - P10,000	-	-	23	37	-	-	23	23
P5,000 and below	-	-	7	11	-	-	7	7
Total	25	100%	63%	100%	13	100%	101	100%
Average Monthly Income	P15,300	-	P9,564	-	P14,808	-	P11,659	-

Financial and Compliance as well as Value for Money. The responses of the top managers are shown in Tables 8 and 9.

Financial and Compliance. Among the seven listed indicators in Table 8, two recommendations were deemed "highly implemented" by the top managers, namely: "Deducts withholding taxes from salaries" and "Consults the Municipal Development Officer in the formulation of the AIP" with

Table 8

**Extent of Implementation of Audit Recommendations
as Perceived by the Top Managers
(Financial and Compliance)**

Recommendations	Responses					Total	Mean/ Interpre- tation		
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)				
Financial and Compliance									
Audit									
1. Submits accounts for the year	-	(24)	(48)	(2)	(2)	(76)	3.04 MI		
2. Consults the Municipal Development Officer in the formulation of the AIP	-	6	16	1	2	25	3.88 HI		
3. Grants cash advances to bonded officials only	-	(88)	(9)	-	-	(97)			
	-	22	3	-	-	25			
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always	-	(16)	(63)	-	-	(79)	3.16 MI		
	-	4	21	-	-	25			
5. Accountable officers deposit all collections daily	-	(28)	(54)	-	-	(82)	3.28 MI		
	-	7	18	-	-	25			
6. Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances	-	(16)	(63)	-	-	(79)	3.16 MI		
	-	4	21	-	-	25			
7. Deducts withholding taxes from salaries	-	(20)	(48)	(2)	(2)	(76)	3.04 MI		
	-	5	6	1	2	25			
Grand Mean							3.42 MI		
Legend:									
	4.51 - 5.00	Fully Implemented (FI)							
	3.51 - 4.50	Highly Implemented (HI)							
	2.51 - 3.50	Moderately Implemented (MI)							
	1.51 - 2.50	Poorly Implemented (PI)							
	1.00 - 1.50	Not Implemented (NI)							

weighted means of 4.08 and 3.88, respectively. The remaining indicators were rated "moderately implemented" where the highest weighted mean was 3.32 for "Deducts value added taxes from all payments of goods, services and other infrastructure projects always." On the other hand, the lowest weighted mean was pegged at a value of 3.04 corresponding to "Submits accounts for the year." In general, inasmuch as the grand mean resulted to 3.42, the top managers considered the recommendations under Financial and Compliance Audit to be "moderately implemented." This means that even the top managers, who are responsible for implementing COA recommendations admits the fact that these recommendations are not fully implemented in their respective municipalities.

Value for Money. In Table 9, it is shown that only one among the four indicators was considered by the top managers to be "highly implemented" where the obtained weighted mean was 3.80. This was referred to "Maintains complete/adequate records for taxation purposes." The remaining three indicators were considered as "poorly implemented" with weighted means as follows: 2.40 for "The municipal government enforces remedies/measures for non-payment of RPT," 2.08 for "The municipal treasurer regularly examines the book of accounts of business establishments," and 2.00 for "Revenue collectors are effective in collecting

Table 9

**Extent of Implementation of Audit Recommendations
as Perceived by the Top Managers
(Value for Money)**

Recommendations	Responses					Total	Mean/ Interpre- tation
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)		
1. The municipal government enforces remedies/measures for non-payment of RPT	-	(4)	(33)	(20)	(3)	(60)	2.40 PI
2. Maintains complete/adequate records for taxation purposes	-	(76)	(18)	-	-	(94)	3.80 HI
3. The Municipal Treasurer regularly examines the book of accounts of business establishments	-	(4)	(21)	(20)	(7)	(52)	2.08 PI
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality	-	(8)	(18)	(14)	(10)	(50)	2.00 PI
Grand Mean							2.57 MI

Legend: 4.51 - 5.00 Fully Implemented (FI)
3.51 - 4.50 Highly Implemented (HI)
2.51 - 3.50 Moderately Implemented (MI)
1.51 - 2.50 Poorly Implemented (PI)
1.00 - 1.50 Not Implemented (NI)

taxes, thus efficiency in the collection of taxes is attained by the municipality." In general, Value for Money

recommendations were considered by the top managers to be "moderately implemented" as evidenced by the grand mean of 2.57. This imply that in terms of value for money audit recommendations, the top managers themselves are aware of the inadequacies in the level of implementation.

Extent of Implementation of Audit Recommendations as Perceived by the Middle Managers

The middle managers were also made to assess the level of implementation of the different COA recommendations along Financial and Compliance as well as Value for Money and are herein presented, as follows:

Financial and Compliance. As shown in Table 10, four of the seven indicators were considered by the middle managers to be "highly implemented." The following are the weighted means arranged in descending order: 4.11, 3.75, 3.63 and 3.54. These means referred to the following recommendations: "Deducts withholding taxes from salaries," "Deducts value added taxes from all payments of goods, services and other infrastructure projects always," "Grants cash advances to bonded officials only," and "Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances," respectively. Three of these indicators were deemed "moderately implemented" by the middle managers where the highest weighted mean of 3.44

Table 10

**Extent of Implementation of Audit Recommendations
as Perceived by the Middle Managers
(Financial and Compliance)**

Recommendations	Responses					Total	Mean/ Interpre- tation		
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)				
Financial and Compliance									
Audit									
1. Submits accounts for the year	(35) 7	(76) 19	(93) 31	(6) 3	(3) 3	(213) 63	3.38 MI		
2. Consults the Municipal Development Officer in the formulation of the AIP	(50) 10	(56) 14	(108) 36		(3) 3	(217) 63	3.44 MI		
3. Grants cash advances to bonded officials only	(65) 13	(68) 17	(90) 30	(6) 3		(229) 63	3.63 HI		
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always	(80) 16	(64) 16	(90) 30	(2) 1		(236) 63	3.75 HI		
5. Accountable officers deposit all collections daily	(30) 6	(20) 5	(87) 29	(18) 9	(14) 14	(169) 63	2.68 MI		
6. Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances	(66) 11	(40) 10	(99) 33	(18) 9		(223) 63	3.54 HI		
7. Deducts withholding taxes from salaries	(115) 23	(96) 24	(48) 16			(259) 63	4.11 HI		
Grand Mean							3.50 MI		
Legend:	4.51 - 5.00	Fully Implemented (FI)							
	3.51 - 4.50	Highly Implemented (HI)							
	2.51 - 3.50	Moderately Implemented (MI)							
	1.51 - 2.50	Poorly Implemented (PI)							
	1.00 - 1.50	Not Implemented (NI)							

referred to "Consults the Municipal Development Officer in the formulation of the AIP," and the lowest weighted mean was pegged at 2.68 for "Accountable officers deposit all collections daily." In general, the middle managers considered the recommendations of COA audit along Financial and Compliance Component as "moderately implemented," where the grand mean was 3.50. This also implies that the middle managers in the different municipalities of the Samar Province admit that there is a need to improve the level of implementation of COA recommendations under Financial and Compliance Audit.

Value for Money. As depicted in Table 11, the middle managers considered three of the four indicators under this component as "moderately implemented." The highest weighted mean resulted to 3.43 for "Maintains complete/adequate records for taxation purposes." This was followed by "Revenue collectors are effective in collecting taxes, thus efficiency in the collection of taxes is attained by the municipality." One indicator which is "The municipal treasurer regularly examines the book of accounts of business establishments" as assessed as "poorly implemented" by the middle managers as evidenced by the obtained weighted mean of 2.08. On the whole, the value for money audit recommendations were considered by the middle managers as "moderately implemented" inasmuch as the grand mean resulted

Table 11

**Extent of Implementation of Audit Recommendations
as Perceived by the Middle Managers
(Value for Money)**

Recommendations	Responses					Total	Mean/ Interpre- tation
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)		
1. The municipal government enforces remedies/measures for non-payment of RPT	-	(36)	(72)	(48)	(6)	(162)	2.57 MI
2. Maintains complete/adequate records for taxation purposes	7	(35)	(80)	(87)	(14)	(216)	3.43 HI
3. The Municipal Treasurer regularly examines the book of accounts of business establishments	-	(20)	(30)	(64)	(16)	(130)	2.06 PI
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality	-	(24)	(75)	(64)	-	(163)	2.59 MI
Grand Mean							2.66 MI

Legend: 4.51 - 5.00 Fully Implemented (FI)
 3.51 - 4.50 Highly Implemented (HI)
 2.51 - 3.50 Moderately Implemented (MI)
 1.51 - 2.50 Poorly Implemented (PI)
 1.00 - 1.50 Not Implemented (NI)

to 2.57. This implies that the middle managers of the 25 municipalities in Samar signify the inadequacy of the

municipal treasurer to examine the book of accounts of the business establishments. Moreover, this could provide opportunity for these establishments to hide their actual income, hence, understatement of tax due could possibly occur. In turn, this will decrease the revenue collected in the municipality.

Extent of Implementation of Audit Recommendations as Perceived by COA Auditors

The assigned COA auditors in the different municipalities manifested their assessments on the level of implementation of the different audit recommendations along the two components considered and their responses are reflected in Tables 12 and 13.

Financial and Compliance. The COA auditors considered these indicators under this component to be highly implemented. These are: 1) Deducts withholding taxes from salaries, 2) Consults the Municipal Development Officer in the formulation of the AIP, and 3) Grants cash advances to bonded officials only. These recommendations obtained weighted means of 4.08, 3.92 and 3.54, respectively. The remaining four audit recommendations were deemed to be "moderately implemented," as follows: "Deducts value added taxes from all payments of goods, services and other infrastructure projects always" with a weighted mean of

Table 12

Extent of Implementation of Audit Recommendations
as Perceived by the COA Auditors
(Financial and Compliance)

Recommendations	Responses					Total	Mean/ Interpretation
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)		
Financial and Compliance Audit							
1. Submits accounts for the year	(5) 1	(4) 1	(27) 9	(2) 1	(1) 1	(39) 13	3.00 MI
2. Consults the Municipal Development Officer in the formulation of the AIP		(48) 12	(3) 1			(51) 13	3.92 HI
3. Grants cash advances to bonded officials only		(28) 7	(18) 6			(46) 13	3.54 HI
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always	(5) 1	(16) 4	(21) 7			(42) 12	3.50 MI
5. Accountable officers deposit all collections daily		(8) 2	(21) 7	(2) 1	(3) 3	(34) 13	2.62 MI
6. Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances		(8) 2	(27) 9	(4) 2		(39) 13	3.00 MI
7. Deducts withholding taxes from salaries	(25) 5	(24) 6	(3) 1		(1) 1	(53) 13	4.08 HI
Grand Mean							3.38 MI
Legend:							
4.51 - 5.00		Fully Implemented (FI)					
3.51 - 4.50		Highly Implemented (HI)					
2.51 - 3.50		Moderately Implemented (MI)					
1.51 - 2.50		Poorly Implemented (PI)					
1.00 - 1.50		Not Implemented (NI)					

3.50, "Submits accounts for the year" and "Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances" both with weighted means of 3.00, as well as "Accountable officers deposit all collections daily" with a weighted mean of 2.62. It is significant to note that as perceived by the COA auditors, their recommendations along Financial and Compliance component were implemented at its moderate level as evidenced by the obtained grand mean of 3.38. This information indicate that even the auditors themselves are aware of the fact that the recommendations they formulated for the local government unit assigned to them need to be improved.

Value for Money. As can be noted from the presented data in Table 13, the COA auditor considered only one recommendation to be "moderately implemented" - "Maintains complete/adequate records for taxation purposes" with a weighted mean of 3.00. The other three recommendations, namely: 1) The municipal government enforces remedies/measures for non-payment of RPT, 2) Revenue collectors are effective in collecting taxes, thus efficiency in the collection of taxes is attained by the municipality, and 3) The municipal treasurer regularly examines the book of accounts of business establishments, were deemed to be "poorly implemented" with weighted means of 2.38, 1.92, and 1.54, respectively. On the whole, this category of

Table 13

**Extent of Implementation of Audit Recommendations
as Perceived by the COA Auditors
(Value for Money)**

Recommendations	Responses					Total	Mean/ Interpre- tation
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)		
1. The municipal government enforces remedies/measures for non-payment of RPT	-	-	(24)	(4)	(3)	(31)	2.38 PI
2. Maintains complete/adequate records for taxation purposes	-	-	(39)	-	-	(39)	3.00 MI
3. The Municipal Treasurer regularly examines the book of accounts of business establishments	-	-	-	(14)	(6)	(20)	1.54 PI
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality	-	-	(6)	(16)	(3)	(25)	1.92 PI
Grand Mean							2.21 PI

Legend: 4.51 - 5.00 Fully Implemented (FI)
 3.51 - 4.50 Highly Implemented (HI)
 2.51 - 3.50 Moderately Implemented (MI)
 1.51 - 2.50 Poorly Implemented (PI)
 1.00 - 1.50 Not Implemented (NI)

respondents considered their recommendations to be poorly implemented by the respective municipalities inasmuch as the

grand mean resulted to 2.21. It is significant to note at this point that the auditors deemed the implementation under this component to be implemented poorly by their respective local government unit. There is a need of enforcing measures to motivate payment of RPT and like the middle managers, they acknowledge the shortcoming of the municipal treasurer to regularly scrutinize the book of accounts of the business establishments.

Comparison of the Perceptions of the
Three Groups of Respondents on the
Extent of Implementation of COA
Audit Recommendations

The different perceptions of the three categories of respondents on the extent of implementation of audit recommendations were compared to ascertain validity of the assessments made along this line. This was undertaken by applying one-way Analysis of Variance (ANOVA) and the result of the statistical analysis is reflected in Table 14. As provided by the said table, the variation between groups is lesser than the variation of the responses within groups as evidenced by the mean square values of 0.1672 and 0.5054, respectively. Consequently, the computed F-value of 0.3308 turned out to lesser than unity. Furthermore, it is observed to be lesser than the critical F-value of 3.32 at $\alpha = .05$ and $df = 2 & 30$. Therefore, the hypothesis that "There are no significant differences among the perceptions

Table 14

ANOVA for Comparing the Perceptions of the
 Three Groups of Respondents on the Extent
 of Implementation of COA Recommendations

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Squares	Computed F-value	Tabular F-value
Between Groups	0.3344	2	0.1672	0.3308	3.32
Within Groups	15.1613	30	0.5054	-	
Total	15.4957	32	-	-	
Evaluation: Not Significant [Accept Ho]					

of the top managers, the middle managers and the COA municipal auditors" was accepted. This indicate that these three categories of respondents have more or less the same opinions on the extent to which the COA audit recommendations were implemented. The generalization therefore, that these audit recommendations were "moderately implemented" in the different municipalities of the Province of Samar is considered valid.

Effectiveness of Audit Recommendations
 as Perceived by the Three Groups of
 Respondents

The top managers, middle managers as well as the COA municipal auditors who were involved in this study were made

to assess the level of effectiveness of the COA recommendations along the two major components - Financial and Compliance as well as Value for Money.

Financial and Compliance. Tables 15, 16 and 17 contain the perceptions of the top managers, middle managers and municipal auditors, respectively on the effectiveness of Financial and Compliance recommendations. In Table 15 it can be noted that one out of the seven recommendations was deemed "effective" by the top managers. This referred to "Consults the Municipal Development Officer in the formulation of the AIP." The six other recommendations were considered "moderately effective" with the highest mean of 3.32 and the lowest mean of 2.84 for "Deducts value added taxes from all payments of goods, services and other infrastructure projects always," and "Deducts withholding tax from salaries," respectively. In general the top managers deemed these recommendations to be "moderately effective" having a grand mean of 3.23.

On the part of the middle managers, their perceptions are more dispersed. Three were deemed "effective," another three recommendations were assessed as "moderately effective" and the remaining one recommendation as considered as "quite effective." However, it can be noted from Table 16 that as a whole, the recommendations under Financial and Compliance component was considered by the

Table 15

Effectiveness of Audit Recommendations as Perceived by the Top Managers (Financial and Compliance)

Table 16

Effectiveness of Audit Recommendations
as Perceived by the Middle Managers
(Financial and Compliance)

Audit Recommendations	Responses					Total	Mean/ Interpre- tation		
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)				
Financial and Compliance									
Audit									
1. Submits accounts for the year	(75)	(48)	(90)	-	(6)	(219)	3.48 E		
	15	12	30	-	.6	63			
2. Consults the Municipal Development Officer in the formulation of the AIP	(15)	(72)	(126)	-	-	(213)	3.38 ME		
	3	18	42	-	-	63			
3. Grants cash advances to bonded officials only	(50)	(44)	(99)	(12)	(3)	(208)	3.30 ME		
	10	11	33	6	3	63			
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always	(90)	(52)	(96)	-	-	(238)	3.78 E		
	18	13	32	-	-	63			
5. Accountable officers deposit all collections daily	(10)	(60)	(33)	(20)	(25)	(148)	2.35 QE		
	2	15	11	10	25	63			
6. Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances	(50)	(12)	(117)	(12)	(5)	(196)	3.11 ME		
	10	3	39	6	5	63			
7. Deducts withholding taxes from salaries	(95)	(76)	(66)	(6)	-	(243)	3.86 E		
	19	19	22	3	-	63			
Grand Mean							3.32 ME		
Legend:	4.51 - 5.00	Very Effective (VE)							
	3.51 - 4.50	Effective (E)							
	2.51 - 3.50	Moderately Effective (ME)							
	1.51 - 2.50	Quite Effective (QE)							
	1.00 - 1.50	Not Effective (NE)							

middle managers as "moderately effective" as evidenced by the obtained grand mean of 3.32.

For the COA auditors, out of the seven recommendations, four were deemed "effective" and three were considered as "moderately effective." Among those assessed as effective, the highest weighted mean was 3.77 followed by 3.69 for "Consults the Municipal Development Officer in the formulation of the AIP" and "Deducts withholding tax from salaries," respectively. Generally, the COA auditors likewise assessed the recommendations along Financial and Compliance to be "moderately effective." This is supported by the obtained grand mean of 3.25.

It is worth noting that the three categories of respondents have given the same qualitative response of "moderately effective" along this component. The quantitative responses, on the other hand, show that the middle managers gave the highest rating of 3.32, followed by those given by the COA auditors with a value of 3.25 and the least value of 3.23 was given by the top managers. This imply that the middle managers have recognized the significance of the COA recommendations more than the COA auditors themselves and the top managers. This could be attributed to the fact that they were the ones who are actually implementing these recommendations and have more or less observed the corresponding effect or consequences.

Table 17

**Effectiveness of Audit Recommendations
as Perceived by the Auditors
(Financial and Compliance)**

Audit Recommendations	Responses						Mean/ Interpre- tation	
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)	Total		
Financial and Compliance								
Audit								
1. Submits accounts for the year	(10)	(4)	(12)	(8)	(2)	(36)	2.77 ME	
	2	1	4	4	2	13		
2. Consults the Municipal Development Officer in the formulation of the AIP		(40)	(9)			(49)		
	-	10	3	-	-	13	3.77 E	
3. Grants cash advances to bonded officials only		(28)	(18)			(46)		
	-	7	6	-	-	13	3.54 E	
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always	(5)	(28)	(15)			(48)		
	1	7	5	-	-	13	3.69 E	
5. Accountable officers deposit all collections daily	(5)	(4)	(15)	(6)	(3)	(33)		
	-	1	5	3	3	13	2.54 ME	
6. Grants of cash advances to accountable officers are only made upon liquidation of previous cash advances		(4)	(24)	(8)		(36)		
	-	1	8	4	-	13	2.77 ME	
7. Deducts withholding taxes from salaries	(15)	(28)	(3)		(2)	(48)		
	3	7	1	-	2	13	3.69 E	
Grand Mean							3.25 ME	
Legend:								
4.51 - 5.00	Very Effective (VE)							
3.51 - 4.50	Effective (E)							
2.51 - 3.50	Moderately Effective (ME)							
1.51 - 2.50	Quite Effective (QE)							
1.00 - 1.50	Not Effective (NE)							

Value for Money. In relation to this component, it can be derived from Table 18 that the top managers considered one of the recommendations to be "effective" with a weighted mean value of 3.76. This referred to "Maintains complete/adequate records for taxation purposes." The three remaining recommendations were assessed as "quite effective" with the highest weighted mean pegged at 2.40 for "The municipal government enforces remedies/measures for non-payment of RPT." The lowest weighted mean, on the other hand, resulted to a value of 2.00 for "Revenue collectors are effective in collecting taxes, thus efficiency in the collection of taxes is attained by the municipality." On the average, the top managers opined that recommendations under Value for Money component were "moderately effective" with the grand mean resulting to 2.56.

According to the middle managers, three of the four recommendations under this component were "moderately effective" and only one was "quite effective." Among those assessed as "moderately effective," the highest weighted mean was 3.43 followed by 2.78. These values referred to "Maintains complete/adequate records for taxation purposes" and "Revenue collectors are effective in collecting taxes, thus efficiency in the collection of taxes is attained by the municipality," respectively. Generally, the middle managers considered recommendations under this component as

Table 18

**Effectiveness of Audit Recommendations
as Perceived by the Top Managers
(Value for Money)**

Audit Recommendations	Responses					Total	Mean/ Interpre- tation
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)		
1. The municipal government enforces remedies/measures for non-payment of RPT	-	(4)	(33)	(20)	(3)	(60)	2.40 QE
2. Maintains complete/adequate records for taxation purposes	-	(76)	(18)	-	-	(94)	3.76 E
3. The Municipal Treasurer regularly examines the book of accounts of business establishments	-	(4)	(21)	(20)	(7)	(52)	2.08 QE
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality	-	(8)	(18)	(14)	(10)	(50)	2.00 QE
Grand Mean							2.56 ME
Legend:	4.51 - 5.00	Very Effective (VE)					
	3.51 - 4.50	Effective (E)					
	2.51 - 3.50	Moderately Effective (ME)					
	1.51 - 2.50	Quite Effective (QE)					
	1.00 - 1.50	Not Effective (NE)					

Table 19

**Effectiveness of Audit Recommendations
as Perceived by the Middle Managers
(Value for Money)**

Audit Recommendations	Responses					Total	Mean/ Interpre- tation
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)		
1. The municipal government enforces remedies/measures for non-payment of RPT		(24)	(111)	(20)	(10)	(165)	
	-	6	37	10	10	63	2.62 ME
2. Maintains complete/adequate records for taxation purposes	(20)	(108)	(72)	(16)		(216)	
	4	27	24	8	-	63	3.43 ME
3. The Municipal Treasurer regularly examines the book of accounts of business establishments	(15)	(12)	(30)	(56)	(19)	(132)	
	3	3	10	28	19	63	2.10 QE
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality	(20)	(24)	(75)	(56)		(175)	
	4	6	25	28	-	63	2.78 ME
Grand Mean							2.73 ME

Legend: 4.51 - 5.00 Very Effective (VE)
 3.51 - 4.50 Effective (E)
 2.51 - 3.50 Moderately Effective (ME)
 1.51 - 2.50 Quite Effective (QE)
 1.00 - 1.50 Not Effective (NE)

"moderately effective" with a grand mean of 2.73.

As presented in Table 20, the assessments of the COA

Table 20

**Effectiveness of Audit Recommendations
as Perceived by the Auditors
(Value for Money)**

Audit Recommendations	Responses					Total	Mean/ Interpre- tation
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)		
1. The municipal government enforces remedies/measures for non-payment of RPT	.		(6)	(16)	(3)	(25)	
	-	-	2	8	3	13	1.92 QE
2. Maintains complete/adequate records for taxation purposes		(40)	(9)			(49)	
	-	10	3	-	-	13	3.77 E
3. The Municipal Treasurer regularly examines the book of accounts of business establishments			(9)	(12)	(3)	(24)	
	-	-	3	6	3	12	2.00 QE
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality			(3)	(18)	(3)	(24)	
	-	-	1	9	3	13	1.85 QE
Grand Mean							2.39 QE

Legend: 4.51 - 5.00 Very Effective (VE)
 3.51 - 4.50 Effective (E)
 2.51 - 3.50 Moderately Effective (ME)
 1.51 - 2.50 Quite Effective (QE)
 1.00 - 1.50 Not Effective (NE)

municipal auditors revealed that only one was "effective" with a weighted mean of 3.77 for "Maintains complete/

adequate records for taxation purposes." The three other recommendations were considered by them as "quite effective" wherein the highest weighted mean of 2.00 was assigned to "The municipal treasurer regularly examines the book of accounts of business establishments." On the whole the COA auditors assigned in the 25 municipalities of the province considered value for money recommendations as "quite effective" as evidenced by the obtained grand mean of 2.39.

Comparison of the Perceptions of the
Three Groups of Respondents on
the Effectiveness of COA Audit
Recommendations

A comparison of the assessments made by the top managers, middle managers as well as COA auditors was compared with the use of one-way Analysis of Variance (ANOVA). As revealed by Table 21, the variation of the responses between groups was lesser compared to the variation within groupings. This resulted to a computed F-value of 0.1904 which is much lesser than the tabular F-value of 3.32 at degrees of freedom 2 and 30 at .05 level of significance. This led to the acceptance of the hypothesis that "There are no significant differences among the perceptions of the three groups of respondents on the extent of effectiveness of the implementation of the audit recommendations." This result imply that the responses of the respondents are consistent among one another, hence, subjectivity in res-

Table 21

ANOVA for Comparing the Perceptions of the Three Groups of Respondents on the Effectiveness of Implementation of COA Recommendations

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Squares	Computed F-value	Tabular F-value
Between Groups	0.1689	2	0.0845	0.1904	3.32
Within Groups	13.3137	30	0.4438	-	
Total	13.4826	32	-	-	
Evaluation: Not Significant [Accept Ho]					

responding to the questions was ruled out. It is therefore generalized that the effectiveness of the implementation of the COA audit recommendations according to the respondents is at its moderate level. This poses a challenge to the different officials of the LGU units to exert more effort and attain higher level of effectiveness in the implementation of these recommendations.

Problems Encountered by the Three Groups of Respondents in Relation to COA Recommendations

To have a better perspective of the status of implementation of the different COA recommendations, the top managers, middle managers as well as COA municipal auditors

were asked regarding the problems they encountered and the extent to which they feel these problems.

As revealed by the data in Table 22, three problems were "highly felt" by the top managers. These are "The finance office/department is undermanned, hence reports are not submitted on time," "The municipality has not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes," and "Some business establishments do not state their actual income hence tax imposed is not proportionate to their income." These problems obtained weighted means of 3.72, 4.00, and 4.40, respectively. On the average, problems were "moderately felt" by the top managers as evidenced by the grand mean of 3.46.

On the part of the middle managers, it can be gleaned from Table 23 that they considered five out of six problems to be "highly felt." The highest weighted mean was pegged at 4.44 which was given to "The municipality have not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes." This was followed by a weighted mean of 4.24 for the problem that "Some business establishments do not state their actual income hence tax imposed is not proportionate to their income." Consequently, the middle managers manifested that problems in relation to the implementation of COA recommendations were

Table 22

Problems Encountered by the Top Managers

Problems	Responses						Total	Mean/ Interpre- tation
	5 (EF)	4 (HF)	3 (MF)	2 (SF)	1 (NF)			
1. The finance office/department is undermanned, hence reports are not submitted on time	-	(72)	(21)	-	-	(93)	25	3.72 HF
2. There is no comprehensive development plan in the municipality, hence there is no basis for evaluation and prioritization of programs	-	(8)	(60)	(6)	-	(74)	25	2.96 MF
3. The municipality have not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes	-	(100)	-	-	-	(100)	25	4.00 HF
4. Some business establishments do not state their actual income hence tax imposed is not proportionate to their income	(65)	(36)	(9)	-	-	(110)	25	4.40 HF
5. The personnel in our department do not possess the needed training and skills to ensure efficiency and effectiveness of their work	-	(72)	(3)	(4)	(4)	(83)	25	3.32 MF
6. The municipal Accountant does not deduct withholding taxes on salaries of all municipal employees	-	(12)	(30)	(10)	(7)	(59)	25	2.36 SF
Grand Mean							3.46	MF

Legend: 4.51 - 5.00 Extremely Felt (EF)
 3.51 - 4.50 Highly Felt (HF)
 2.51 - 3.50 Moderately Felt (MF)
 1.51 - 2.50 Slightly Felt (SF)
 1.00 - 1.50 Not Felt (NF)

Table 23

Problems Encountered by the Middle Managers

Problems	Responses						Total	Mean/ Interpre- tation
	5 (EF)	4 (HF)	3 (MF)	2 (SF)	1 (NF)			
1. The finance office/department is undermanned, hence reports are not submitted on time	(70) 14	(84) 21	(66) 22	(6) 3	(3) 3	(229) 63	3.63	HF
2. There is no comprehensive development plan in the municipality, hence there is no basis for evaluation and prioritization of programs	(60) 12	(108) 27	(54) 18	(12) 6	-	(234) 63	3.71	HF
3. The municipality have not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes	(140) 28	(140) 35	-	-	-	(280) 63	4.44	HF
4. Some business establishments do not state their actual income hence tax imposed is not proportionate to their income	(110) 22	(148) 37	(3) 1	(6) 3	-	(267) 63	4.24	HF
5. The personnel in our department do not possess the needed training and skills to ensure efficiency and effectiveness of their work	(90) 18	(92) 23	(39) 13	(16) 8	(1) 1	(238) 63	3.78	HF
6. The municipal Accountant does not deduct withholding taxes on salaries of all municipal employees	(15) 3	(8) 2	(45) 15	(32) 16	(27) 27	(127) 63	2.02	SF
Grand Mean							3.64	HF

Legend: 4.51 - 5.00 Extremely Felt (EF)
 3.51 - 4.50 Highly Felt (HF)
 2.51 - 3.50 Moderately Felt (MF)
 1.51 - 2.50 Slightly Felt (SF)
 1.00 - 1.50 Not Felt (NF)

"highly felt" inasmuch as the grand mean resulted to 3.64.

The COA municipal auditors opined that four out of the six listed problems were "highly felt" by them where the first two problems were: "Some business establishments do not state their actual income, hence tax imposed is not proportionate to their income" and "The municipality has not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes," with weighted means of 4.31 and 4.23, respectively. The other two problems were assessed by the groups of respondents as "slightly felt," the least of which was "The personnel in our department do not possess the needed training and skills to ensure efficiency and effectiveness of their work" with a weighted mean of 1.85. On the whole, problems encountered by the COA auditors were considered by them as "moderately felt" inasmuch as the grand mean resulted to 3.32.

It is worth noting that both the top managers and the municipal auditors signified that the listed problems were "moderately felt" by them. Meanwhile, the middle managers manifest that these problems were "highly felt" by them. This could be attributed to the fact that the middle managers are the ones who are directly responsible in the implementation of the audit recommendations and in the process, they are the ones directly dealing with these problems in the field.

Table 24

Problems Encountered by the Auditors

Problems	Responses						Total	Mean/ Interpre- tation
	5 (EF)	4 (HF)	3 (HF)	2 (SF)	1 (NF)			
1. The finance office/department is undermanned, hence reports are not submitted on time	(5) 1	(28) 7	(12) 4	(2) 1	-	(47) 13	3.62	HF
2. There is no comprehensive development plan in the municipality, hence there is no basis for evaluation and prioritization of programs	(10) 2	(16) 4	(18) 6	(2) 1	-	(46) 13	3.54	HF
3. The municipality have not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes	(15) 3	(40) 10	-	-	-	(55) 13	4.23	HF
4. Some business establishments do not state their actual income hence tax imposed is not proportionate to their income	(25) 5	(28) 7	(3) 1	-	-	(56) 13	4.31	HF
5. The personnel in our department do not possess the needed training and skills to ensure efficiency and effectiveness of their work	(5) 1	-	-	(14) 7	(5) 5	(24) 13	1.85	SF
6. The municipal Accountant does not deduct withholding taxes on salaries of all municipal employees	-	(8) 2	(12) 4	(8) 4	(3) 3	(31) 13	2.38	SF
Grand Mean							3.32	MF

Legend: 4.51 - 5.00 Extremely Felt (EF)
 3.51 - 4.50 Highly Felt (HF)
 2.51 - 3.50 Moderately Felt (MF)
 1.51 - 2.50 Slightly Felt (SF)
 1.00 - 1.50 Not Felt (NF)

Solutions Suggested by the Respondents

In relation to the problems encountered by the respondents, solutions and suggestions were listed and they were made to manifest their extent of agreement/disagreement to these solutions. The collected responses are contained in Tables 25-27.

In Table 25, it can be observed that the top managers strongly agreed with the solution to "Send personnel in the finance department for training specifically on Information Technology for a more efficient operation." They agreed to four suggested solutions. However, they were undecided in terms of proposing for the creation of new items. This could be attributed to the fact that they must have realized that this solution may create a new problem of inadequate funding.

The middle managers, on the other hand, strongly agreed with two listed solutions, viz: 1) Send personnel in the finance department for training specifically on Information Technology for a more efficient operation, and 2) Each municipality must prepare a comprehensive development plan which should serve as basis of approving or disapproving projects/programs. These solutions obtained weighted means of 4.67 and 4.60, respectively. Moreover, this groups of respondents showed indecisiveness in relation to: 1) proposing for the creation of new items as well as 2)

Table 25

Solutions Suggested by the Top Managers

Solutions	Responses						Total	Mean/ Interpre- tation
	5 (SA)	4 (A)	3 (UN)	2 (DA)	1 (SDA)			
1. Propose for creation of new items	-	(24)	(27)	(20)	-	(71)	25	2.84 UN
2. Each municipality must prepare a comprehensive development plan which should serve as basis of approving or disapproving projects/programs.	(30)	(72)	(3)	-	-	(105)	25	4.20 A
3. Each municipality should prepare a complete data bank of its resources and their corresponding abundance as basis for assessing the feasibility of a particular development project	-	(100)	-	-	-	(100)	25	4.00 A
4. The respective municipality should invest on the development of revenue data bank	-	(56)	(33)	-	-	(89)	25	3.56 A
5. Hire consultants in the development of revenue data bank	-	(80)	(6)	(4)	(1)	(91)	25	3.64 A
6. Send personnel in the finance department for training specifically on Information Technology for a more efficient operation	(90)	(28)	-	-	-	(118)	25	4.72 SA
Grand Mean							3.83	A

Legend: 4.51 - 5.00 Slightly Agree (SA)
 3.51 - 4.50 Agree (A)
 2.51 - 3.50 Uncertain (UN)
 1.51 - 2.50 Disagree (DA)
 1.00 - 1.50 Strongly Disagree (SDA)

Table 26

Solutions Suggested by the Middle Managers

Solutions	Responses						Total	Mean/ Interpre- tation
	5 (SA)	4 (A)	3 (UN)	2 (DA)	1 (SDA)			
1. Propose for creation of new items	(30) 6	(88) 22	(33) 11	(48) 24	-	(199) 63	3.16	UN
2. Each municipality must prepare a comprehensive development plan which should serve as basis of approving or disapproving projects/programs.	(190) 38	(100) 25	-	-	-	(290) 63	4.60	SA
3. Each municipality should prepare a complete data bank of its resources and their corresponding abundance as basis for assessing the feasibility of a particular development project	(175) 35	(92) 25	(15) 5	-	-	(282) 63	4.48	A
4. The respective municipality should invest on the development of revenue data bank	(165) 33	(96) 24	(18) 6	-	-	(279) 63	4.43	A
5. Hire consultants in the development of revenue data bank	(30) 6	(60) 15	(93) 31	(22) 11	-	(205) 63	3.25	UN
6. Send personnel in the finance department for training specifically on Information Technology for a more efficient operation	(210) 42	(84) 21	-	-	-	(294) 63	4.67	SA
Grand Mean							4.10	A

Legend: 4.51 - 5.00 Slightly Agree (SA)
 3.51 - 4.50 Agree (A)
 2.51 - 3.50 Uncertain (UN)
 1.51 - 2.50 Disagree (DA)
 1.00 - 1.50 Strongly Disagree (SDA)

to hire consultants in the development of revenue data bank. Like the top managers, they might be undecided inasmuch these solutions necessarily require funding.

According to the responses given by the COA auditors, they showed agreement to five out of six solutions listed in Table 27. Among these, the highest weighted mean was 4.46 which corresponded to two solutions - "Send personnel in the finance department for training specifically on Information Technology for a more efficient operation" and "Each municipality should prepare a complete data bank of its resources and their corresponding abundance as basis for assessing the feasibility of a particular development project." Like the middle managers, they were undecided to hire consultants in the development of a revenue data bank. Again, this could be attributed to the fact that this would mean additional funding requirement for their respective municipalities.

Implications of the Study

The data collected in this research undertaking provide indications that inasmuch as the level of implementation of COA audit recommendations were considered by the respondents as moderate, the level of effectiveness of these recommendations were likewise at its moderate level.

The researcher conducted unstructured interview among the top managers and middle managers in the respondent muni-

Table 27

Solutions Suggested by COA Auditors

Solutions	Responses						Total	Mean/ Interpre- tation
	5 (SA)	4 (A)	3 (UN)	2 (DA)	1 (SDA)			
1. Propose for creation of new items	(15) 3	(16) 4	(12) 4	(4) 2	-		(47) 13	3.62 A
2. Each municipality must prepare a comprehensive development plan which should serve as basis of approving or disapproving projects/programs.	(25) 5	(32) 8	-	-	-		(57) 13	4.38 A
3. Each municipality should prepare a complete data bank of its resources and their corresponding abundance as basis for assessing the feasibility of a particular development project	(30) 6	(28) 7	-	-	-		(58) 13	4.46 A
4. The respective municipality should invest on the development of revenue data bank	(20) 4	(36) 9	-	-	-		(56) 13	4.31 A
5. Hire consultants in the development of revenue data bank	(5) 1	(28) 7	(3) 1	(8) 4	-		(44) 13	3.38 UN
6. Send personnel in the finance department for training specifically on Information Technology for a more efficient operation	(30) 6	(28) 7	-	-	-		(58) 13	4.46 A
Grand Mean							4.10	A

Legend: 4.51 - 5.00 Slightly Agree (SA)
 3.51 - 4.50 Agree (A)
 2.51 - 3.50 Uncertain (UN)
 1.51 - 2.50 Disagree (DA)
 1.00 - 1.50 Strongly Disagree (SDA)

cipalities to generate justification to the observed level of implementation of the recommendations provided by COA auditors. Some of the reasons given by these auditors are: 1) their non-conformity with the audit findings, hence they showed hesitation to implement with the corresponding recommendations in the municipality, and 2) changed circumstances did not warrant implementation of audit recommendations.

Consequently, these reasons implied that auditors and auditees must come up with a compromise and thorough discussion of audit recommendations during exit conferences to improve the level of implementation among these LGUs.

Chapter 5

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter provides the summary of findings, the corresponding conclusions drawn based on the analysis undertaken on the organized data and the recommendations formulated by the researcher.

Summary of Findings

The following are the salient findings of this study:

1. On the average, the top managers' group were found to be older than the middle managers and the COA municipal auditors as evidenced by their computed average age of 53.2 years, 42.8 years and 41.2 years, respectively. Moreover, the respondents are considered to be in their middle age inasmuch as the over-all mean was pegged at 45.2 years.

2. The male sex dominated both the top managers' group and the middle managers. Eighty-eight percent of the first group was composed of males and 52 percent of the second group was composed of the said sex. Only among the COA auditors, the females were found to dominate with nine out of 13 or 69 percent.

3. A greater majority of the respondents are married, comprising 87 percent of the 101 total respondents. For the top managers, the married respondents comprised 92 percent, while for the middle managers and auditors, there were 84

percent, respectively.

4. Among the middle managers, the following are the positions they occupy: municipal treasurer - 38 percent, accountant - 30 percent, budget officer - 29 percent and bookkeeper - 3 percent.

5. In relation to educational attainment of the respondents, data shows that most of the top managers were AB/BS degree holders, yet one was only in the elementary level while two others were licensed lawyers. Among the middle managers, majority also have finished BS/AB degrees while for the auditors' group, more than one-half of them, that is, seven out of 14 comprising 54 percent have earned MA/MS units.

6. As regards the length of service of the respondents, the top managers proved to be the youngest in the service with an average length of service pegged at 4.4 years. This was followed by the middle managers whose average years in service was found to be 12.1 years. The auditors showed the longest service, having an average of 13.9 years.

7. The top managers proved to have the highest average monthly earnings of P15,300.00 followed by the auditors with P14,808.00 and lastly, the middle managers with an average monthly income of P9,564.00.

8. The top managers considered the extent of

implementation of audit recommendations under financial and compliance to be "moderately implemented" with a grand mean of 3.42. The same assessment was given by the middle managers and auditors with grand means of 3.50 and 3.38, respectively. In relation to recommendations under value for money, the top managers and middle managers deemed the implementation to be "moderately implemented" by giving weighted means of 2.59 and 2.66, respectively. However, the auditors considered these recommendations to be "poorly implemented" inasmuch as the grand mean resulted to 2.21.

9. The computed F-value for comparing the perceptions of the three groups of respondents on the extent of implementation of audit recommendations was pegged at 0.3308. This proved to be lesser than the tabular F-value of 3.32 at $\alpha = .05$ and $df = 2$ and 30. Hence the hypothesis that "There are no significant differences among the perceptions of the top managers, the middle managers and the COA municipal auditors on the extent of implementation of COA audit recommendations" was accepted.

10. The top managers, middle managers as well as COA municipal auditors opined that the extent of effectiveness of the different audit recommendations under Financial and Compliance was "moderately effective," assigning grand means of 3.23 and 3.25, respectively. For the recommendations under Value for Money, the recommendations were considered

as "moderately effective" by the top managers and middle managers with grand means of 2.56 and 2.73, respectively. However, the auditors merely considered them "quite effective" with a grand mean of 2.39.

11. The resulted F-value designed to compare the perceptions of the three groups of respondents on the extent of effectiveness of the implementation of the COA recommendations was 0.1904. By inspection, the value turned out to be lesser than the critical/tabular F-value of 3.32 at $\alpha = .05$ and degree of freedom = 2 and 30. This led to the acceptance of the hypothesis which states that "There are no significant differences among the perceptions of the three groups of respondents on the extent of effectiveness of the implementation of COA audit recommendations."

12. The two common problems felt by the top managers, middle managers and the COA municipal auditors are: 1) "The municipality have not established yet its Revenue Data Bank to ensure effective and efficient collection of taxes," and "Some business establishments do not state their actual income hence tax imposed is not proportionate to their income."

13. The most common suggestion that the three categories of respondents gave high level of agreement is "Send personnel in the finance department for training specifically on Information Technology for a more efficient

operation." Moreover, these three categories of respondents showed hesitation to propose for creation of new items and to hire consultants in the development of Revenue Data Bank.

Conclusions

On the basis of the major findings just presented, the following conclusions were generated:

1. There is a higher probability for the males to occupy posts in the local government units in the Province of Samar as evidenced by the fact that this gender surfaced as the dominating group among the top managers and middle managers.

2. Educational attainment is not given importance by the voting population in the different municipalities of Samar. Those occupying the post of municipal mayors revealed a highly dispersed level of educational attainment. There are mayors who even possess LLB degrees while there is one who has not even finished an elementary education. On the other hand, among the auditors' group, their educational attainment profile show indications that they give much importance on pursuing professional growth since most of them were pursuing masteral degrees.

3. The top managers, middle managers and auditors showed indicators that there is much to be done to improve the implementation of COA audit recommendations in the local government units as evidenced by the fact that they

considered the implementation to be in the moderate level.

4. The results of ANOVA or F-test provided basis for concluding that the three categories of respondents are in agreement in terms of their assessed level of implementation of the different COA recommendations.

5. The responses of the three categories of respondents point to the fact that the resources in the different local government units of Samar are not utilized at its optimum level, hence, are not well managed. This is supported by the finding that the top managers, middle managers as well as the municipal auditors attested that the level of effectiveness of the implementation of the different COA recommendations was merely "moderate."

6. The three categories of respondents showed evidences of objectivity in giving their assessments on the level of effectiveness of COA audit recommendations. This was supported by the acceptance of the second hypothesis tested in this study.

7. Undercollection of taxes seem to be prevalent in the different local government units in the Province and this is due to the absence of Revenue Data Bank which will be very helpful in maximizing tax collection and dishonesty on the part of business establishments to state their actual income.

Recommendations

Based on the aforecited conclusions drawn from the study, the following recommendations were formulated.

1. There is a need to establish several local government academy in the province. These institutions should serve to provide training and consultancy services to the different local government officials, thereby enhancing their capability for local governance.

2. As one strategy for attaining a higher level of implementation and effectiveness of COA audit recommendations, heavier penalty must be meted out to those directly responsible who will not undertake the implementation of the COA recommendations.

3. Criminal charges should be filed to business establishments who will not declare their actual income and speedy trial must be undertaken so that corresponding penalty maybe done. This will also encourage and motivate government employees to pay their taxes because taxation will now be perceived by them as enforced justly/fairly.

4. Monitoring of tax collection should be fully computerized to facilitate immediate identification of delinquent taxpayers especially those from private agencies and business establishments.

5. The municipal treasurers should undertake regular examination of books of accounts of business establishments

in their respective municipalities. This way, business establishments will be forewarned of not declaring their actual income.

6. The municipal auditors assigned to the different local government units should establish a tracking system to monitor recommendations that were implemented and those that were not. This way, appropriate measures maybe enforced to the respective LGUs that show indications of not following these recommendations.

7. To enhance the capabilities of municipal auditors to undertake a more reliable, accurate as well as objective audit reports and recommendations, the COA office should come up with a staff development program designed to upgrade these auditors professionally by sending them to trainings, seminar-workshops and study grants.

8. A sequel study maybe conducted by correlating professional characteristics of LGU officials as well as effectiveness and efficiency in the implementation of audit recommendations.

9. A parallel study may also be undertaken in the different local government units in other provinces in the Region.

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APPENDICES

Appendix A

Republic of the Philippines
SAMAR STATE POLYTECHNIC COLLEGE
Catbalogan, Samar

October 24, 1997

The Dean of Graduate Studies
Samar State Polytechnic College
Catbalogan, Samar

Madam:

I have the honor to request approval one of the following research problems, preferably no. 1:

1. EFFECTIVENESS OF COA AUDIT RECOMMENDATIONS: THE SAMAR EXPERIENCE
2. HOW EFFECTIVE IS AUDIT UNDER THE TEAM APPROACH
3. HOW EFFECTIVE IS THE VALUE FOR MONEY AUDIT

Anticipating your most favorable approval on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
Researcher

Recommending Approval:

(SGD.) ALEJANDRO A. CANANUA
Professor - Research

Approved:

(SGD.) RIZALINA M. URBIZTONDO, Ed.D.
Dean of Graduate Studies

Appendix B

Republic of the Philippines
SAMAR STATE POLYTECHNIC COLLEGE
Catbalogan, Samar

SCHOOL OF GRADUATE STUDIES

APPLICATION FOR ASSIGNMENT OF ADVISER

NAME: TILLES SOCORRO SABARRE
(Surname) (First Name) (Middle name)

CANDIDATE FOR DEGREE: Masters in Public Management

AREA OF SPECIALIZATION: Public Management

TITLE OF PROPOSED THESIS: Effectiveness of COA Audit

Recommendations: The Samar Experience

(SGD.) SOCORRO S. TILLES
Applicant

MRS. MARILYN D. CARDOSO, Ph.D.
Name of Designated Adviser

Approved:

(SGD.) RIZALINA M. URBIZTONDO, Ed.D.
Dean

CONFORME:

(SGD.) MARILYN D. CARDOSO, Ph.D.
Adviser

In 3 copies: 1st copy - for the Dean
2nd copy - for the Adviser
3rd copy - for the Applicant

Appendix C

Survey Questionnaire for the Local Chief Executives/
Middle Managers

Dear Respondent,

The undersigned researcher is presently conducting a study entitled "Effectiveness of COA Audit Recommendations: The Samar Experience" which is designed to assess the level of implementation and effectiveness of the recommendations by COA. In this regard, your cooperation is solicited by answering the items in this questionnaire objectively. Rest assured that your answers will be treated confidential.

Thank you very much for sharing your valuable time.

(SGD.) SOCORRO S. TILLES
Researcher

Part I - Profile of the Respondent

Direction: Please provide the necessary information by checking in the appropriate box corresponding to your answer or filling up the blank provided in every item.

1. Name: _____
2. Age (in years): _____
3. Sex: Male
4. Civil Status: Single
- Female
- Married
- Separated
- Widow(er)
5. Position: _____
6. Length of Service: _____
7. Educational Attainment (include no. of units earned towards higher degree): _____
8. Average Monthly Income: _____

9. Do you have other sources of income? Yes No

9.1 If yes, please specify: _____

Nature: _____

Average Monthly Income: _____

Part II - Extent of Implementation of Audit Recommendations

Direction: This portion of the questionnaire is designed to measure the extent to which you have implemented several audit recommendations in your respective municipality. Please specify your extent of implementation using the following scale:

- 5 - Fully Implemented (FI)
- 4 - Highly Implemented (HI)
- 3 - Moderately Implemented (MI)
- 2 - Poorly Implemented (PI)
- 1 - Not Implemented (NI)

Audit Recommendations	Extent of Implementation				
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)

A. Financial & Compliance

1. Submits accounts for the Fiscal Year
2. Consults the Municipal Development Officer in the formulation of the AIP.
3. Grants cash advances to bonded officials only.
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always.

Audit Recommendations	Extent of Implementation				
	5 (FI)	4 (HI)	3 (MI)	2 (PI)	1 (NI)
5. Accountable officers deposit all collections daily.					
6. Grants cash advances to accountable officers are only made upon liquidation of previous cash advances.					
7. Deducts withholding taxes on salaries of all municipal employees.					
8. Others, please specify:					
B. Value for Money					
1. The municipal government enforces remedies/measures for non-payment of RPT.					
2. Maintains complete/adequate records for taxation purposes.					
3. The Municipal Treasurer regularly examines the book of accounts of business establishments.					
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality.					
5. Others, please specify:					

Part III - Effectiveness of Audit Recommendations

Direction: This part of the questionnaire seeks to determine the level of effectiveness of the implementation of COA Recommendations in your municipality. Check your corresponding responses in the appropriate columns using the following scale:

- 5 - Very Effective (VE)
- 4 - Effective (E)
- 3 - Moderately Effective (ME)
- 2 - Quite Effective (QE)
- 1 - Not Effective (NE)

Audit Recommendations	Effectiveness				
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)

A. Financial & Compliance

1. Submits accounts for the Fiscal Year
2. Consults the Municipal Development Officer in the formulation of the AIP.
3. Grants cash advances to bonded officials only.
4. Deducts value added taxes from all payments of goods, services and other infrastructure projects always.
5. Accountable officers deposit all collections daily.

Audit Recommendations	Effectiveness				
	5 (VE)	4 (E)	3 (ME)	2 (QE)	1 (NE)

6. Grants cash advances to accountable officers are only made upon liquidation of previous cash advances.
7. Deducts withholding taxes on salaries of all municipal employees.
8. Others, please specify:

B. Value for Money

1. The municipal government enforces remedies/measures for non-payment of RPT.
2. Maintains complete/adequate records for taxation purposes.
3. The Municipal Treasurer regularly examines the book of accounts of business establishments.
4. Revenue collectors are effective in collecting taxes, thus, efficiency in the collection of taxes is attained by the municipality.

5. Others, please specify:

Part IV - Problems Encountered

Direction: Listed below are problems in relation to the implementation of COA Recommendations. Rate these problems according to the extent to which you feel these problems using the following scale:

- 5 - This problem is extremely felt (EF)
- 4 - This problem is highly felt (HF)
- 3 - This problem is moderately felt (MF)
- 2 - This problem is seldom felt (SF)
- 1 - This problem is not felt (NF)

Problems	5 (EF)	4 (HF)	3 (MF)	2 (SF)	1 (NF)
----------	-----------	-----------	-----------	-----------	-----------

1. The finance office/department is under-manned, hence reports are not submitted on time.
2. There is no comprehensive development plan in the municipality, hence there is no basis for evaluation and prioritization of programs.
3. The municipality have not established yet its Revenue Data Bank to measure effective and efficient collection of taxes.
4. Some business establishments do not state their actual income hence tax imposed is not proportionate to their income.

Problems	5	4	3	2	1
	(EF)	(HF)	(MF)	(SF)	(NF)

5. The personnel in our department do not possess the needed training and skills to ensure efficiency and effectiveness of their work.

6. The municipal Accountant does not deduct withholding taxes on salaries of all municipal employees.

7. Other, please specify:

Part V - Suggested Solutions

Direction: Given the problems encountered in your municipality, what solutions can you suggest to minimize if not totally eradicate them? Kindly go over the listed solutions below and assess whether these solutions will answer the problems present in your area. Check your responses with the use of the following:

- 5 - Strongly Agree (SA)
- 4 - Agree (A)
- 3 - Uncertain (UN)
- 2 - Disagree (DA)
- 1 - Strongly Disagree (SDA)

Solutions	Extent of Agreement/Disagreement				
	5 (SA)	4 (A)	3 (UN)	2 (DA)	1 (SDA)
1. Propose for creation of new items.					
2. Each municipality must prepare a comprehensive development plan which should serve as basis of approving or disapproving projects/programs.					
3. Each municipality should prepare a complete data bank of its resources and their corresponding abundance as basis for assessing the feasibility of a particular development project.					
4. The respective municipality should invest on the development of revenue data bank.					
5. Hire consultants in the development of revenue data bank.					
6. Send personnel in the finance department for training specifically on Information Technology for a more efficient operation.					
7. Others, please specify					

Thank you very much!

Appendix D

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

November 14, 1997

ATTY. WILFREDO I. GARRIDO
Provincial Auditor
Provincial Auditor's Office
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "EFFECTIVENESS OF COA AUDIT RECOMMENDATIONS: THE SAMAR EXPERIENCE," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In this connection, I have the honor to request permission and approval from that good office to field my questionnaire to the Top Managers (Local Chief Executives), the Middle Managers (Municipal Treasurers, Mun. Accountant & Mun. Budget Officer), and the COA Municipal Auditors who are my respondents. Rest assured that whatever data and information may be gathered from the respondents will be used solely for the aforementioned purpose.

I pray for your most favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
MPM Student

Approved:

(SGD.) ATTY. WILFREDO I. GARRIDO
Auditor V
Provincial Auditor

Appendix E

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. RAUL ESCALANTE
Municipal Mayor
Municipality of Almagro
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Almagro, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) RAUL ESCALANTE
Municipal Mayor

Appendix E-1

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. WILFREDO ESTORNIOS
Municipal Mayor
Municipality of Basey
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Basey, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) WILFREDO ESTORNIOS
Municipal Mayor

Appendix E-2

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. JUAN TEOCO, JR.
Municipal Mayor
Municipality of Calbiga
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Calbiga, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) JUAN TEOCO, JR.
Municipal Mayor

Appendix E-3

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. JESUS REDAJA
Municipal Mayor
Municipality of Catbalogan
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Catbalogan, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) JESUS REDAJA
Municipal Mayor

Appendix E-4

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. BENITO ASTORGA
Municipal Mayor
Municipality of Daram
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Daram, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) BENITO ASTORGA
Municipal Mayor

Appendix E-5

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. JUAN AGUILAR
Municipal Mayor
Municipality of Gandara
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Gandara, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) JUAN AGUILAR
Municipal Mayor

Appendix E-6

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. VICTOR L. TINAY
Municipal Mayor
Municipality of Hinabangan
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Hinabangan, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) VICTOR L. TINAY
Municipal Mayor

Appendix E-7

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. CHANITA GABIETA
Municipal Mayor
Municipality of Jiabong
Province of Samar

Madam:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Jiabong, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) CHANITA GABIETA
Municipal Mayor

Appendix E-8

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. ABRAHAM FERRERAS
Municipal Mayor
Municipality of Marabut
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Marabut, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) ABRAHAM FERRERAS
Municipal Mayor

Appendix E-9

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. CELSO DE LA CRUZ
Municipal Mayor
Municipality of Matuguinao
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Matuguinao, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) CELSO DE LA CRUZ
Municipal Mayor

Appendix E-10

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. FRANCISCO LANGI
Municipal Mayor
Municipality of Motiong
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Motiong, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) FRANCISCO LANGI
Municipal Mayor

Appendix E-11

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. BIENVINIDA REPOL
Municipal Mayor
Municipality of Pagsanghan
Province of Samar

Madam:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Pagsanghan, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) BIENVINIDA REPOL
Municipal Mayor

Appendix E-12

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. FELIX T. BABALCON, JR.
Municipal Mayor
Municipality of Paranas
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Paranas, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) FELIX T. BABALCON, JR.
Municipal Mayor

Appendix E-13

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. ARCADIO QUIJANO
Municipal Mayor
Municipality of Pinabacdao
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Pinabacdao, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) ARCADIO QUIJANO
Municipal Mayor

Appendix E-14

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. AQUILINO CATALAN
Municipal Mayor
Municipality of San Jorge
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of San Jorge, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) AQUILINO CATALAN
Municipal Mayor

Appendix E-15

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. MACARIO REBATO
Municipal Mayor
Municipality of San Jose de Buan
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of San Jose de Buan, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) MACARIO REBATO
Municipal Mayor

Appendix E-16

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. ELISEO B. FRIGINAL
Municipal Mayor
Municipality of San Sebastian
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of San Sebastian, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) ELISEO B. FRIGINAL
Municipal Mayor

Appendix E-17

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. ELY T. GAN
Municipal Mayor
Municipality of Sta. Margarita
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Sta. Margarita, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) ELY T. GAN
Municipal Mayor

Appendix E-18

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. SILVERIO MACARIOLA
Municipal Mayor
Municipality of Sta. Rita
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Sta. Rita, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student,

Approved:

(SGD.) SILVERIO MACARIOLA
Municipal Mayor

Appendix E-19

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. SILVESTRE ACILO
Municipal Mayor
Municipality of Sto. Niño
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Sto. Niño, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) SILVESTRE ACILO
Municipal Mayor

Appendix E-20

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. DIOSDADO T. HERRERA
Municipal Mayor
Municipality of Tagapul-an
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Tagapul-an, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) DIOSDADO T. HERRERA
Municipal Mayor

Appendix E-21

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. PABLO C. ARCALES
Municipal Mayor
Municipality of Talalora
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Talalora, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) PABLO C. ARCALES
Municipal Mayor

Appendix E-22

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. ANIETO C. OLAJE
Municipal Mayor
Municipality of Tarangnan
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Tarangnan, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) ANIETO C. OLAJE
Municipal Mayor

Appendix E-23

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. CARLO LATORRE
Municipal Mayor
Municipality of Villareal
Province of Samar

Sir:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Villareal, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) CARLO LATORRE
Municipal Mayor

Appendix E-24

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

December 8, 1997

HON. CASILDA C. LIM
Municipal Mayor
Municipality of Zumarraga
Province of Samar

Madam:

Please be informed that the undersigned has been assigned to write a thesis entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience," which is a requirement for the Degree of Masters in Public Management in the Samar State Polytechnic College, Catbalogan, Samar.

In view of this, I have the honor to request permission and approval from your good office to field my questionnaire to the Top Managers (Local Chief Executive), and the Middle Managers (Mun. Treas., Mun. Accountant, & the Mun. Budget Officer) of the Municipality of Zumarraga, Province of Samar.

Attached herewith is a copy of the approved request from the Provincial Auditor.

I remain ever grateful to your favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
State Auditor I
MPM Student

Approved:

(SGD.) CASILDA C. LIM
Municipal Mayor

Appendix F

Republic of the Philippines
COMMISSION ON AUDIT
Provincial Auditor's Office
Catbalogan, Samar

November 21, 1997

The Municipal Mayor
Municipality of Palo
Province of Leyte

Sir:

In view of my earnest desire to finish my study entitled: "Effectiveness of COA Audit Recommendations: The Samar Experience", I have the honor to request permission and approval of that good office to conduct a dry-run of my questionnaire, among the Top Managers, Middle Managers and COA Municipal Auditor.

I hope for your most favorable consideration on this request.

Very truly yours,

(SGD.) SOCORRO S. TILLES
Researcher

Approved:

(SGD.) DR. TEODORO SEVILLA, M. D.
Municipal Mayor

Appendix G

Computation of ANOVA for Comparing the Perceptions of
 the Respondents on the Extent of Implementation
 of COA Audit Recommendations

Top Managers (X_1)	Middle Managers (X_2)	COA Auditors (X_3)
3.04	3.38	3.00
3.88	3.44	3.92
3.16	3.63	3.54
3.32	3.75	3.50
3.28	2.68	2.62
3.16	3.54	3.00
4.08	4.11	4.08
3.42	3.50	3.38
2.40	2.57	2.38
3.80	3.43	3.00
2.08	2.06	1.54
2.00	2.59	1.92
2.57	2.66	2.21
Total (ΣX_1) 34.20	(ΣX_2) 35.18	(ΣX_3) 32.50
(ΣX_1^2) 111.2208	(ΣX_2^2) 116.425	(ΣX_3^2) 102.3812
Mean (\bar{X}_1) 3.11	(\bar{X}_2) 3.20	(\bar{X}_3) 2.95
(N_1) 11	(N_2) 11	(N_3) 11
$\Sigma X = \Sigma X_1 + \Sigma X_2 + \Sigma X_3 = 34.20 + 35.18 + 32.50 = 101.88$		
$\Sigma X^2 = \Sigma X_1^2 + \Sigma X_2^2 + \Sigma X_3^2 = 111.2208 + 116.425 + 102.3812 = 330.027$		
$N = N_1 + N_2 + N_3 = 11 + 11 + 11 = 33$		
$C = (\Sigma X)^2/N = 101.88^2/33 = 10379.5344/33 = 314.5313$		
Sum of Squares:		
SS Total = $\Sigma X^2 - C = 330.027 - 314.5313 =$	15.4957	

$$\begin{aligned}
 \text{SS Between} &= \left[\frac{(\Sigma X_1)^2}{N_1} + \frac{(\Sigma X_2)^2}{N_2} + \frac{(\Sigma X_3)^2}{N_3} \right] - C \\
 &= \left[\frac{34.20^2}{11} + \frac{35.18^2}{11} + \frac{32.50^2}{11} \right] - 314.5313 \\
 &= \left[\frac{1169.64}{11} + \frac{1237.634}{11} + \frac{1056.25}{11} \right] - 314.5313 \\
 &= [106.3309 + 112.5120 + 96.0227] - 314.5313 \\
 &= 314.8657 - 314.5313 = \boxed{0.3344}
 \end{aligned}$$

$$\text{SSWithin} = \text{SSTotal} - \text{SSBetween} = 15.4957 - 0.3344 = 15.1613$$

$$\text{dfbetween} = k-1 = 3-1 = 2; \text{dfwithin} = N-k = 33-3 = 30;$$

$$\text{dftotal} = N-1 = 33-1 = 32$$

Mean Squares:

$$\text{MS Between} = \frac{\text{SSBetween}}{\text{dfbetween}} = \frac{0.3344}{2} = 0.1672$$

$$\text{MS Within} = \frac{\text{SSWithin}}{\text{dfwithin}} = \frac{15.1613}{30} = 0.5054$$

F-value:

$$F_{\text{comp.}} = \frac{\text{MSBetween}}{\text{MSWithin}} = \frac{0.1672}{0.5054} = 0.3308$$

Top Managers (X_1)	Middle Managers (X_2)	COA Auditors (X_3)
3.00	3.48	2.77
3.88	3.38	3.77
3.16	3.30	3.54
3.32	3.78	3.69
3.28	2.35	2.54
3.16	3.11	2.77
2.84	3.86	3.69
3.23	3.32	3.25
2.40	2.62	1.92
3.76	3.43	3.77
2.08	2.10	2.00
2.00	2.78	1.85
2.56	2.78	2.39
Total (ΣX_1) 32.88	(ΣX_2) 34.19	(ΣX_3) 32.31
(ΣX_1^2) 102.096	(ΣX_2^2) 109.5751	(ΣX_3^2) 101.0959
Mean (\bar{X}_1) 2.99	(\bar{X}_2) 3.11	(\bar{X}_3) 2.94
(N_1) 11	(N_2) 11	(N_3) 11
$\Sigma X = \Sigma X_1 + \Sigma X_2 + \Sigma X_3 = 32.88 + 34.19 + 32.31 = 99.38$		
$\Sigma X^2 = \Sigma X_1^2 + \Sigma X_2^2 + \Sigma X_3^2 = 102.096 + 109.5751 + 101.0959 = 312.767$		
$N = N_1 + N_2 + N_3 = 11 + 11 + 11 = 33$		
$C = (\Sigma X)^2/N = 99.38^2/33 = 9876.3844/33 = 299.2844$		

Sum of Squares:

$$SS \text{ Total} = \Sigma X^2 - C = 312.767 - 299.2844 = \boxed{13.4826}$$

$$SS \text{ Between} = \left[\frac{(\Sigma X_1)^2}{N_1} + \frac{(\Sigma X_2)^2}{N_2} + \frac{(\Sigma X_3)^2}{N_3} \right] - C$$

$$\begin{aligned}
 &= \left[\frac{32.88^2}{11} + \frac{34.19^2}{11} + \frac{32.31^2}{11} \right] - 299.2844 \\
 &= \left[\frac{1081.0944}{11} + \frac{1168.9561}{11} + \frac{1043.9361}{11} \right] - 299.2844 \\
 &= (98.2813 + 106.2687 + 94.9033) - 299.2844 \\
 &= 299.4533 - 299.2844
 \end{aligned}$$

$$SS_{\text{Between}} = 0.1689$$

$$SS_{\text{Within}} = SST_{\text{Total}} - SS_{\text{Between}} = 13.4826 - 0.1689 = 13.3137$$

Degrees of Freedom:

$$\begin{array}{lll}
 df_{\text{total}} & = N-1 & df_{\text{between}} = k-1 & df_{\text{within}} = N-k \\
 & = 33-1 & = 3-1 & = 33-3 \\
 & = 32 & = 2 & = 30
 \end{array}$$

Mean Squares:

$$\begin{array}{lll}
 MS_{\text{Between}} & = \frac{SS_{\text{Between}}}{df_{\text{between}}} & = \frac{0.1689}{2} = 0.0845 \\
 MS_{\text{Within}} & = \frac{SS_{\text{Within}}}{df_{\text{within}}} & = \frac{13.3137}{30} = 0.4438
 \end{array}$$

F-value:

$$F_{\text{comp.}} = \frac{MS_{\text{Between}}}{MS_{\text{Within}}} = \frac{0.0845}{0.4438} = 0.1904$$

CURRICULUM VITAE

CURRICULUM VITAE

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Dist., Catbalogan, Samar
DATE OF BIRTH : September 28, 1957
PLACE OF BIRTH : Catbalogan, Samar
CIVIL STATUS : Married

EDUCATIONAL BACKGROUND

Elementary	Sacred Heart College Catbalogan, Samar 1963-1969
Secondary	Sacred Heart College Catbalogan, Samar 1969-1973
College	University of the East Manila 1973-1982
Curriculum Pursued	Master of Arts
Major	Public Management

CIVIL SERVICE ELIGIBILITY

Professional Examination, Manila, 70.82%, July 17, 1983
Sub-Professional Examination, Manila, 85.84%, Dec. 7, 1980

AWARDS AND DISTINCTIONS

CO-CURRICULAR ACTIVITIES

Member	Glee Club SHC, Catbalogan, Samar 1971-1973
Bus. Manager	Public Personnel Management SSPC, Catbalogan, Samar Summer 1995
Bus. Manager	Principles and Theories of Management and Organization SSPC, Catbalogan, Samar Summer 1995
Bus. Manager	Human Resources Management SSPC, Catbalogan, Samar First Semester SY 1995-1996
Bus. Manager	Administrative Decision-Making SSPC, Catbalogan, Samar First Semester SY 1995-1996
Bus. Manager	Rural Development Management SSPC, Catbalogan, Samar First Semester SY 1995-1996
Bus. Manager	Public Fiscal Policy and Budgeting SSPC, Catbalogan, Samar First Semester SY 1995-1996
Bus. Manager	Executive Leadership and Supervision SSPC, Catbalogan, Samar First Semester SY 1995-1996
Bus. Manager	Organization Behavior and Human Relation SSPC, Catbalogan, Samar First Semester SY 1995-1996
Bus. Manager	Government Ethics and Accountability SSPC, Catbalogan, Samar Summer 1996

Auditor	Local Government Management SSPC, Catbalogan, Samar Summer 1996
Auditor	Graduate, Post-Graduate Student Council SSPC, Catbalogan, Samar Summer 1996
Auditor	Homeroom PTA, Grade II, SPED Catbalogan I Elementary School Catbalogan, Samar SY 1996-1997

SEMINARS/CONFERENCES ATTENDED

Financial & Compliance Audit, COA, Palo, Leyte, Aug. 12-13, 1985

Orientation Seminar, COA, Palo, Leyte, Aug. 26-30, 1985

Audit & Legal Evidence, COA, Palo, Leyte, July 24-26, 1986

CSB Preparation & Issuances, COA, Palo, Leyte, Aug. 14-16, 1986

Cash Examination, COA, Palo, Leyte, Sept. 2-4, 1986

State Audit Code of the Phils., COA, Palo, Leyte, Sept. 15-20, 1986

Performance Audit, COA, Palo, Leyte, Sept. 29-Oct. 3, 1986

National Government Accounting, COA, Palo, Leyte, Oct. 6-17, 1986

AMORE/MGAU/OMS, COA, Palo, Leyte, Oct. 27-30, 1986

Property Inspection, COA, Cebu City, Apr. 25-27, 1988

Audit Working Papers Dev't., COA, Palo, Leyte, July 9-11, 1990

Basic Computer, WORDSTAR & LOTUS 1-2-3, SSPC, Catb., Samar, Oct. 20-Feb. 18, 1991

New Local Gov't. Accounting, PAO, Catb., Samar, Oct. 26-30, 1992

New Sampling Scheme & New CSB, PAO, Catb., Samar, Sept. 12-16, 1994

VFM/Audit & Legal Evidence, PAO, Catb., Samar, May 22-26, 1995

Audit Thrust in Local Gov't., COA, Baybay, Leyte, Sept. 19-22, 1995

Consolidation of Accounts-Local, COA, Palo, Leyte, Nov. 13, 1995

Echo Seminar on Local Financial Accounting for Auditors, COA, Palo, Leyte, Dec. 11-13, 1995

Echo Seminar-Workshop on VFM, COA, Catb., Samar, Apr. 15-19, 1996

Update on Value for Money Audit, COA, Catb., Samar, Aug. 26-27, 1996

Update on Consolidation of Municipal Accounts, COA Regional Office No. VIII, Jan. 31, 1997

Revenue Audit Seminar, COA, Catb., Samar, May 26-30, 1997

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