

EXECUTIVE SUMMARY

A. Introduction

The Senate Electoral Tribunal (SET) was created under Article VI, Section 17 of the 1987 Constitution to be the sole judge of all contests relating to the elections, returns and qualifications of members of the Senate of the Philippines. The Tribunal proper is composed of nine members, three of whom are Justices of the Supreme Court to be designated by the Chief Justice, and the remaining six are members of the Senate who were chosen on the basis of proportional representation from the political parties represented in the Senate. The judicial component of the Tribunal was intended to neutralize the political affiliation of the senatorial membership; thereby making the Tribunal an independent, impartial and non-partisan adjudicatory body. The Senior Justice in the Tribunal acts as its Chairman.

B. Financial Highlights

The financial position and the sources and application of funds for CY 2015 with corresponding figures for 2014 are presented below:

Particulars	<u>2015</u>	<u>2014</u>
Financial Position		
Assets	₱ 9,615,712.61	₱ 11,852,084.29
Liabilities	3,130,100.40	3,853,940.74
Equity	6,485,612.21	7,998,143.55
Sources and Application of Funds		
Appropriations	₱107,440,000.00	₱106,424,272.30
Allotments		
<i>Regular Appropriations</i>	107,440,000.00	100,664,272.30
<i>Special Purpose Funds</i>	3,831,547.00	-
<i>Automatic Appropriations</i>	5,448,000.00	5,760,000.00
Continuing Appropriations	977,266.78	-
Total Allotments	₱117,696,813.78	₱106,424,272.30
Obligations Incurred	110,872,547.97	104,820,562.17
Unexpended Balance	₱ 6,824,265.81	₱ 1,603,710.13

The Statement of Appropriations, Allotments, Obligations, Disbursements and Balances for Calendar Year 2015 is shown in *Annex A*.

C. Operational Highlights

The SET reported the following accomplishments which were validated by the Audit Team:

1. Promulgated a Decision on November 17, 2015 on SET Case No. 001-15 (Rizalito Y. David vs. Mary Grace Poe-Llamanzares) dismissing the Petition for *Quo Warranto* and the verified motion for reconsideration filed by Petitioner David was denied on December 3, 2015.
2. The Information and Communication Systems and Judicial Records Management Service (ICSJRMS) in coordination with the Canvass Board Service (CBS) completed the following activities for the Notices and Requests Aggregation (NoRA) Information System:
 - a) Orientation and System Planning;
 - b) Module Testing;
 - c) Data gathering;
 - d) Data verification/encoding/collating/editing of entries;
 - e) Uploading/editing/proofreading of data; and
 - f) Encoding of GPS Coordinates
3. Compiled Supreme Court (SC) rulings on election cases eBook and tagging of SC Decisions.
4. Completed the Integrated Data Administration for Human Resources (IDA-HR)-personnel database for online access.
5. Completed the initial phase of the Medium Term Information Technology Harmonization Initiative-Information and Communications Technology which is the cabling for the SET offices.

D. Scope of Audit

The audit covered the accounts and operations of the SET for calendar year 2015. It was aimed to ascertain the propriety of the financial transactions, determine the fairness of the presentation of the financial statements and ascertain compliance with laws, rules and regulations.

E. Auditor's Report on the Financial Statements

The auditor rendered an unqualified opinion on the fairness of the presentation of the SET's financial statements.

F. Observations and Recommendations

The Audit Team noted SET's compliance of the following:

- Submitted disbursements vouchers, liquidation reports and payrolls have complete supporting documents and signatures of officials concerned;
- Remittances of contributions to GSIS, PhilHealth, Pag-IBIG and withholding taxes on or before the due dates;
- Renewal of Property Acknowledgement Receipt every three years or whenever there is a change in custodianship or user of the property; and
- Proper Maintenance of Property and Stock Cards by the Procurement and Property Management Service, which are periodically reconciled with the records of the Accounting Service.

However, the audit disclosed the following deficiencies which are discussed in detail in Part II of this report and discussed with concerned officials of the agency during the exit conference on March 3, 2016. Management views and comments were incorporated in the report, where appropriate.

1. Out of the recorded balance of ₱1,181,369.29 of Accounts Payable account, the amount of ₱148,783.91 pertaining to payables to former employees of SET, had been carried in the books of the agency for over two years and has not been reverted to Accumulated Surplus, pursuant to COA Circular No. 99-004 and COA-DBM Joint Circular No. 99-6.

We recommended and Management agreed to determine the whereabouts of the concerned former employees of SET and to send confirmation letters to provide them an opportunity to claim the amount. If there is no reply received, said accounts should be reverted to the Accumulated Surplus pursuant to DBM-COA Joint Circular No. 99-6 and COA Circular No. 99-004.

2. The SET was able to formulate GAD Plan with a budget of ₱1,650,000.00 and accomplished most of the activities stated therein at a cost of ₱1,149,239.04. Of the four projects/activities accomplished, the conduct of Quarterly Gender Sensitivity Trainings exceeded the budgeted amount by ₱153,734.85. The excess in cost was identified by the agency as cost still attributable to GAD. The total GAD budget and the attributed expenses were still less than five percent (5%) of the agency's budget.

The Audit Team recognized the efforts of Management to comply with the requirements of the law on Gender and Development, however, we still recommended that Management exert effort to accomplish all the planned programs and activities and monitor their implementation. We further recommended that in the preparation of the agency's regular budget and in the

formulation of their Major Final Outputs (MFOs), Management should link their GAD objectives, programs, projects and activities to their MFOs to ensure the allocation of budget for GAD following the steps prescribed under PCW, NEDA and DBM Joint Circular No. 2012-01.

G. Implementation of Prior Years' Recommendations

The four prior years' audit recommendations contained in the 2014, 2013 and 2011 Annual Audit Reports were all implemented as of December 31, 2015.