

Item No.: 19

Date: 23 2026 JUN



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. VIII
Brgy. Candahug, Palo, Leyte

Sangguniang Panlalawigan
Province of Leyte
RECEIVED

Date: JUN 18 2026
By: [Signature]

The Presiding Officer
and Members of the Sangguniang Panlalawigan
Province of Leyte

Sirs/Mesdames:

Pursuant to Section 2, Article IX-D of the Constitution of the Republic of the Philippines and Section 43 (2) of Presidential Decree (PD) No. 1445, otherwise known as the "Government Auditing Code of the Philippines", and in line with this Commission's efforts toward informing management on how fiscal responsibility had been discharged, we are pleased to transmit the Management Letter on the Compliance of the Province of Leyte to Section 21 of RA 10121 and Section 4.0 of COA Circular No. 2012-002 on the Required Allocation of the Local Disaster Risk Reduction and Management Fund (LDRRMF) and Alignment of the Annual Investment Program, Financial Plan and Budget, with the LDRRM Plan, for the period January 1 to December 31, 2025.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions on compliance auditing (ISSAI 4000). Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.

We acknowledge the cooperation and support extended to our Audit Team during the audit.

Very truly yours,

FOR THE COMMISSION ON AUDIT

By:


ELSA T. BALIÑA
Director IV
Regional Director





REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. VIII
Candahug, Palo, Leyte

Sangguniang Panlalawigan
Province of Leyte
RECEIVED

Date: JUN - 18 2026
By: *[Signature]*

Honorable CARLOS JERICHO L. PETILLA
Governor
Province of Leyte

Dear Governor Petilla:

Pursuant to Section 2, Article IX-D of the Constitution of the Republic of the Philippines and Section 43 (2) of Presidential Decree (PD) No. 1445, otherwise known as the "Government Auditing Code of the Philippines", and in line with this Commission's efforts toward informing management on how fiscal responsibility had been discharged, we are pleased to transmit the Management Letter on the Compliance of the Province of Leyte with Section 21 of RA 10121 and Section 4.0 of COA Circular No. 2012-002 on the Required Allocation of the Local Disaster Risk Reduction and Management Fund (LDRRMF) and Alignment of the Annual Investment Program, Financial Plan and Budget, with the LDRRM Plan, for the period January 1 to December 31, 2025.

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FOR THE COMMISSION ON AUDIT

By:

[Signature]
ELSA T. BALIÑA
Director IV
Regional Director

[Signature]



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. VIII
LGAS-B, PROVINCE OF LEYTE
COA Regional Office No. VIII
Candahug, Palo, Leyte

Office of the Supervising Auditor

11 June 2026

Hon. CARLOS JERICHO L. PETILLA
Governor
Province of Leyte

Management Letter on the Compliance of the Province of Leyte to Section 21 of RA 10121 and Section 4.0 of COA Circular No. 2012-002 on the Required Allocation of the Local Disaster Risk Reduction and Management Fund and Alignment of the Annual Investment Program, Financial Plan and Budget, with the LDRRM Plan For the period January 1 to December 31, 2025.

Dear Governor Petilla:

- 1) We have audited the compliance of the Province of Leyte with Section 21 of Republic Act (RA) 10121 and Section 4.0 of COA Circular No. 2012-002 dated September 12, 2012, on the Required Allocation of the Local Disaster Risk Reduction and Management Fund (LDRRMF) and Alignment of the Annual Investment Program (AIP), Financial Plan and Budget, with the LDRRM Plan for the period January 1 to December 31, 2025.
- 2) We conducted our compliance audit in accordance with the International Standards of Supreme Audit Institutions on compliance auditing (ISSAI 4000). Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.
- 3) Section 21 of RA 10121, requires each local government unit (LGU) to appropriate in their annual budget no less than five percent (5%) of the estimated revenue from regular sources that shall be set aside as the LDRRMF to support disaster risk management activities such as, but not limited to, pre-disaster preparedness programs including training, purchasing life-saving rescue equipment, supplies and medicines, for post-disaster activities, and for the payment of premiums on calamity insurance.
- 4) Meanwhile, COA Circular No. 2012-002 was issued to expound the accounting and reporting of the LDRRMF, NDRRMF transferred to LGUs, funds received from

other LGUs and other sources starting with the unspent balance of the funds for disaster risk reduction and management (DRRM) for calendar year 2011 and years thereafter. The pertinent provisions include the following:

Item No. 4.0. Sources and Allocation of LDRRMF

- 4.1 The LDRRMF shall be sourced from:
 - 4.1.1 Not less than 5% of the estimated revenues from regular sources of the LGUs;
 - 4.1.2 The unexpended balance of the LDRRMF in the preceding years within the five-year validity period of the Special Trust Fund;
 - 4.1.3 funds transferred from the NDRRMF upon approval of the President; and
 - 4.1.4 Funds received from other LGUs and other sources.
 - 4.2 The appropriated funds for LDRRMF shall be used to support disaster risk management activities, such as but not limited to pre-disaster preparedness activities, post-disaster activities and other related activities including payment of premiums on calamity insurance.
 - 4.3 Thirty percent (30%) of the amount appropriated shall be allocated to the Quick Response Fund (QRF) or stand-by fund for relief and recovery projects and activities.
 - 4.4 The unexpended LDRRMF shall accrue to a special trust fund solely for the purpose of supporting disaster risk reduction and management activities of the Local Disaster Risk Reduction Management Council (LDRRMC) within the next five (5) years). The LDRRMCs shall decide on the use of the unexpended balance of the LDRRMF which shall be incorporated in the Local Disaster Risk Reduction Management Fund Investment Plan (LDRRMFIP).
- 5) The Audit Team performed substantive procedures to recalculate the accuracy of, and the compliance of the Province of Leyte's appropriated amounts for LDRRMF with statutory requirements. An assessment was also conducted, along with interviews of responsible officials, to confirm the alignment of the AIP, Financial Plan and Budget, with the LDRRM Plan.
 - 6) We now wish to bring to your attention the results of our compliance audit.

Basis for the Conclusion

- 7) The Provincial Government of Leyte (the Province) formulated the Annual Budget for CY 2025 through Appropriation Ordinance No. 2024-05. The budget included,

among others, the programs, projects, and activities identified for implementation during the year under the 5% LDRRMF. Under this Fund, the Province appropriated ₱202,250,000.00, which was equivalent to 5% of the estimated revenue from regular resources of ₱4,045,000,000.00 that was presented in the Annual Budget.

- 8) The Annual and Supplemental Budgets, AIP, and LDRRMFIP for CY 2025, were submitted by the Provincial DRRM Officer (PDRRMO) and Provincial Budget Officer. We examined the documents and verified the alignment of the items stated in the AIP, Financial Plan and Budget, with the LDRRM Plan for the period covered from January 1 to December 31, 2025. As confirmed, the allocation supported the various programs and activities outlined in the CY 2025 LDRRMFIP.

Conclusion on the Subject Matter

- 9) Based on the audit work performed, the Province is compliant with Section 21 of RA 10121 and Section 4.0 of COA Circular No. 2012-002, on the required allocation for the LDRRMF, and the alignment of the AIP, Financial Plan and Budget, with the LDRRMFIP.

Detailed Observations and Recommendations

- 10) **The Province of Leyte fully complied with the minimum five percent (5%) Local Disaster Risk Reduction and Management Fund allocation requirement for CY 2025, as prescribed by the relevant provisions of RA 10121 and COA Circular No. 2012-002. Furthermore, all programs, projects, and activities reflected in the Annual Investment Program and budget were aligned with the LDRRMF Investment Plan.**
- 11) Section 21 of RA 10121, otherwise known as the “Philippine Disaster Risk Reduction and Management Act of 2010” provides:

Section 21. Local Disaster Risk" Reduction and Management Fund (LDRRMF). - The present Local Calamity Fund shall henceforth be known as the Local Disaster Risk Reduction and Management Fund (LDRRMF). Not less than five percent (5%) of the estimated revenue from regular sources shall be set aside as the LDRRMF to support disaster risk management activities such as, but not limited to, pre-disaster preparedness programs including training, purchasing life-saving rescue equipment, supplies and medicines, for post-disaster activities, and for the payment of premiums on calamity insurance. The LDRRMC shall monitor and evaluate the use and disbursement of the LDRRMF based on the LDRRMP as incorporated in the local development plans and annual work and financial plan. X x x

Of the amount appropriated for LDRRMF, thirty percent (30%) shall be allocated as Quick Response Fund (QRF) or stand-by fund for relief and recovery programs in order that situation and living conditions of people in communities or areas stricken by disasters, calamities, epidemics, or complex emergencies, may be normalized as quickly as possible.

X x x

- 12) Section 4.0 of COA Circular No. 2012-002, dated September 12, 2012, on Sources and Allocation of LDRRMF states:

4.0 Sources and Allocation of LDRRMF

4.1 The LDRRMF shall be sources from:

- 4.1.1 Not less than 5% of the estimated revenues from regular sources of the LGUs;
- 4.1.2 The unexpended balance of the LDRRMF in the preceding years within the five-year validity period of the Special Trust Fund;
- 4.1.3 funds transferred from the NDRRMF upon approval of the President; and
- 4.1.4 Funds received from other LGUs and other sources.

4.2 The appropriated funds for LDRRMF shall be used to support disaster risk management activities, such as but not limited to pre-disaster preparedness activities, post-disaster activities and other related activities including payment of premiums on calamity insurance.

4.3 Thirty percent (30%) of the amount appropriated shall be allocated to the Quick Response Fund (QRF) or stand-by fund for relief and recovery projects and activities.

4.4 The unexpended LDRRMF shall accrue to a special trust fund solely for the purpose of supporting disaster risk reduction and management activities of the Local Disaster Risk Reduction Management Council (LDRRMC) within the next five (5) years). The LDRRMCs shall decide on the use of the unexpended balance of the LDRRMF which shall be incorporated in the Local Disaster Risk Reduction Management Fund Investment Plan (LDRRMFIP).

- 13) For CY 2025, the approved Annual Budget for the Province, enacted through Appropriation Ordinance No. 2024-05, disclosed that the total estimated revenues from regular sources amounted to ₱4,045,000,000.00. Of this amount, the Province

set aside ₱202,250,000.00 or equivalent to 5% of said revenues, as the LDRRMF intended for the implementation of programs, projects, and activities (PPAs) in support of disaster risk management.

- 14) The Province appropriated 30% of the 5% LDRRMF to the QRF while 70% of the Fund was allocated for disaster mitigation, prevention, preparedness, response, rehabilitation programs. A summary of the PPAs outlined under each thematic area in the LDRRMFIP for CY 2025 are presented in Table 1, while the details are in Annex A of this Letter.

Table 1. *LDRRMFIP for CY 2025*

Particulars	No. of PPAs	Amount
<i>Quick Response Program (30%)</i>		
Relief and Rescue Operations Program	1	₱60,675,000.00
Total 30% QRF		₱60,675,000.00
<i>70% Mitigation Fund</i>		
Thematic Area I: Prevention and Mitigation Program	14	41,300,000.00
Thematic Area II: Preparedness	20	76,925,000.00
Thematic Area III: Response	2	15,000,000.00
Thematic Area IV: Rehabilitation and Recovery	3	8,350,000.00
Total 70% Mitigation Fund		₱141,575,000.00
Total 5% LDRRMF		₱202,250,000.00
Special Trust Fund (STF)/Unexpended LDRRMF of previous years	15	₱302,837,324.71
Grand Total CY 2025 LDRRMF and STF	55	₱505,087,324.71

- 15) As confirmed through the examination of submitted documents, the current year LDRFMF appropriation and a portion of the Special Trust Fund were allocated into a total of 55 PPA items. Such allocation was reflected in the Province’s LDRRMFIP, as well as in the AIP and the Financial Plan and Budget.
- 16) In conclusion, the Province is compliant with rules and regulations in obtaining LDRRMF allocations and ensuring the alignment of all Fund planning documents.
- 17) **We commend the Provincial Government, through the Provincial Governor, the PDRRMO, PDRRM Council, Provincial Budget Officer and the Provincial Development and Planning Officer, for its continued adherence to the required minimum 5% LDRRMF allocation and alignment of the AIP and budget with the LDRRMF Investment Plan, as prescribed by RA 10121 and COA Circular No. 2012-002.**
- 18) The management acknowledged the commendation.

Status of Implementation of Prior Year's Audit Recommendations

- 19) The status of implementation of prior year's audit recommendations could not be presented in this Letter since this is the first separate report on the Compliance Audit on Section 21 of RA 10121 and Section 4.0 of COA Circular No. 2012-002 on the required allocation of the LDRRMF and alignment of the AIP, Financial Plan and Budget, with the LDRRM Plan. The audit observations and recommendations of previous years' on this audit area, if any, were incorporated in the Annual Audit Report of the Province and could be found in Part III thereof.

Acknowledgment

- 20) We wish to express our appreciation to the officials/employees of the Province of Leyte, for the cooperation and assistance extended to our Audit Team during the audit.

Very truly yours,

COMMISSION ON AUDIT

By:


KATHLEEN E. CINCO
OIC-Supervising Auditor

Copy furnished:

- The Secretary, Sangguniang Panlalawigan,
Province of Leyte

ANNEX

- List of Programs, Projects, and Activities (PPAs) included in the LDRRMFIP, AIP and Annual Budget

No.

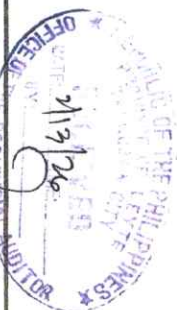
Annex A

Annex A

Provincial Disaster Risk Reduction and Management Fund Investment Plan (LDRRMFIP)

March 6, 2025


Province of Leyte
LDRRM FUND CY 2025

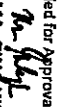


Functional Classification (1)	Program/Project/Activity Code and Description (2)	Implementing Office (3)	Schedule of Implementation Starting Date (4)	Completion Date (5)	Expected Output (6)	Fund Sourcing (LDRRMF) (7)	Amount of Appropriation/Allocation		
							MOOE (8)	CA (9)	TOTAL (10)
9 - Other Purposes	Disaster Risk Reduction and Management	1. PREVENTION and MITIGATION	a) Regular/Special Meetings and other coordination activities of the PDRRM Council and Office	1. Conduct/attend Regular and Special Joint Council Meetings (PDRRM, PPOC, PADAC and PT-ELCAC) and other DRRM related meetings	Reduced the adverse effects of Disasters	(LDRRMF)	1,000,000.00		1,000,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
							500,000.00		500,000.00
	b) Provision of Trainings on: Basic Life Saving, Standard First Aid (SFAT), Evacuation Mgt. Training and other Capacity Building Activities	PDRRMO	January	December					
	1. Conduct Level Training Course on Incident Command System								
	2. Conduct Training on BLS/SFA, WASAR, MOSAR and HALAR to Municipalities and other stake holders								
	c) Climate Change Adaptation and Mitigation Projects:	PNREO	January	June					
	1. Mangrove, Bamboo and Nipa reforestation, planting activity to suitable areas.	OPA							
	2. Planting of early maturing, drought adaptive vegetable varieties to climate change and other farm products	PGO							
	3. Provision of Renewable Energy/Back-up Power								
	d) Insurance of Government Buildings and Equipment	PGSO	January	June					
	1. 2025 Payment for Insurance of Provincial Government Buildings, Offices and Equipment								
	Sub-Total						18,000,000.00	1,000,000.00	19,000,000.00

Functional Classification (1)	Program/Project/Activity Code and Description (2)	Implementing Office (3)	Schedule of Implementation		Expected Output (6)	Fund Sourcing (7)	Amount of Appropriation/Allocation		
			Starting Date (4)	Completion Date (5)			MOOE (8)	CO (9)	TOTAL (10)
	<i>Preparedness continued</i>								
	2. Purchase of Canned Goods, Noodles, Coffee, Energy & etc.					22,000,000.00		22,000,000.00	
	3. Purchase of Various Medicines, Vaccines, Fluids and other Medical Laboratory and other supplies for the different District Hospitals of the Province of Leyte					20,000,000.00		20,000,000.00	
	4. Purchase of Plastic Bags for packing of relief goods					2,000,000.00		2,000,000.00	
	d) Purchase of appropriate Rescue Equipment, Vehicles, Medical Supplies, Equipment, PPEs and others	PDRRMO	January	June			1,000,000.00	1,000,000.00	
	1. Purchase of Hard Hats for Employees of the Leyte Provincial Complex to be use during Emergency Earthquake Evacuation						3,500,000.00	3,500,000.00	
	2. Purchase of 11 First Aid Cabinets with supplies and AEDs						1,000,000.00	1,000,000.00	
	3. Purchase of Chain Saw						1,000,000.00	1,000,000.00	
	4. Purchase of EMS Rescue Vest / Helmets for responders						2,000,000.00	2,000,000.00	
	5. Purchase of Drone/s						500,000.00	500,000.00	
	6. Purchase of Copier / Printer								
	e) Purchase/Orient and Install of Early Warning Monitoring Equipment to municipalities on hydrological hazards.	PDRRMO	January	June			1,000,000.00	1,000,000.00	
	1. Purchase of 4 units Automated Weather Station (AWS) to be installed at strategic location within the Province of Leyte								
	f) Conduct enhancement trainings, orientations and simulation exercises on Earthquake Drill and other related activities	PDRRMO	January	June			500,000.00	500,000.00	
	g) Conduct Provincial Rescue Olympics and attend Annual Regional Rescue Jamboree	PDRRMO	January	June			2,000,000.00	2,000,000.00	
	h) Conduct Training on Emergency Operation Center (EOC)	PDRRMO	January	June			500,000.00	500,000.00	
	Sub-Total						48,000,000.00	9,000,000.00	57,000,000.00

Functional Classification (1)	Program/Project/Activity Code and Description (2)	Implementing Office (3)	Schedule of Implementation		Expected Output (6)	Fund Sourcing (7)	Amount of Appropriation/Allocation		
			Starting Date (4)	Completion Date (5)			M/OC (8)	CO (9)	TOTAL (10)
	5. QUICK RESPONSE a) Purchase of Emergency Supplies and consumables for quick response (Food and Non-food Items)	PEO, PSWDO PHD, OPA	January	December			60,675,000.00		60,675,000.00
	Sub-Total						60,675,000.00	-	60,675,000.00
	TOTAL						171,950,000.00	30,300,000.00	202,250,000.00


Prepared by:

ENGR. ARVIN M. NOLASCO
 PDRRM OFFICER


Recommended for Approval

MA. GINA HIPE
 Provincial Budget Officer

Approved by:

Gov. CARLOS JERICHO L. PETILLA
 Local Chief Executive

Functional Classification (1)	Program/Project/Activity Code and Description (2)	Implementing Office (3)	Schedule of Implementation Starting Date (4)	Completion Date (5)	Expected Output (6)	Fund Sourcing (7)	Amount of Appropriation/Allocation		
							MOOE (8)	CO (9)	TOTAL (10)
	<i>Rehabilitation and Recovery continued</i>								
	4. REHABILITATION and RECOVERY	PEO, PSWDO	January	December					
	a) Provision of Assistance to affected Municipality/Community, Families/Individuals affected by a calamity	PHO, OPA							
	1. Const./Reliab. of damage Infrastructure facilities, Evacuation Centers and Multi-purpose Buildings						34,000,000.00		34,000,000.00
	2. Construction of Permanent Housing units resilient to disaster						50,000,000.00		50,000,000.00
	3. Provide rehabilitation assistance to Farmers and Fishermen affected by a calamity or disaster						10,000,000.00		10,000,000.00
	4. FA for Typhoon, Flood and Landslide Victims						10,000,000.00		10,000,000.00
	5. FA for Fire Victims						10,000,000.00		10,000,000.00
	6. FA for Earthquake Victims						10,000,000.00		10,000,000.00
	5. QUICK RESPONSE								
	a) Purchase of Emergency Supplies and consumables for quick response (Food and Non-food Items)	PEO, PSWDO	January	December					
		PHO, OPA							
	Sub-Total						191,568,520.65	-	191,568,520.65
	TOTAL						302,837,324.71	-	302,837,324.71

Prepared by:

ENGR. ARVIN M. MORINGSE
 PDPM OFFICER

Recommended for Approval

MA. DORIS M. DELAY
 Provincial Accountant

Approved by:

Gov. CARLOS J. ERICHON L. PETILLA
 Local Chief Executive

PROVINCE OF LEYTE

AGENCY ACTION PLAN and STATUS OF IMPLEMENTATIONS

**Audit Observations and Recommendations – Compliance on Section 21 of RA 10121 and Section 4.0 of COA Circular No. 2012-002 on the Required Allocation of Local Disaster Risk Management Fund (LDRRMF) and Alignment of Annual Investment Program, Financial Plan and Budget with the LDRRM Plan
For Calendar Year 2025**

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay, Non-implementation if applicable	Action taken/ Action to be taken
			Action Plan	Person/Dept. Responsible	Target Implementation				
					From	To			

Agency sign off:

Honorable Carlos Jericho L. Petilla
Governor

Date _____

Note: Status of Implementation may either be (a) Fully Implemented (b) Ongoing (c) Not Implemented (d) Partially Implemented, or (e) Delayed