

EXECUTIVE SUMMARY

Historical Background

The Inter-country Adoption Board (ICAB) was created by virtue of Republic Act No. 8043 or the Inter-country Adoption Law on June 7, 1995. It is an attached agency of the Department of Social Welfare and Development (DSWD) mandated to be the Central Authority on matters relating to the foreign adoption placement of Filipino Children to applicants who are either former Filipinos or foreigner permanently residing abroad and the policy-making body for purposes of carrying out the provisions of the aforesaid law.

Mission

The mission of ICAB is to find permanent families abroad for Filipino children when there is absolutely no possibility that they can be adopted by families in the Philippines.

Organizational Set-up

The Board is composed of the Secretary of the DSWD who acts as ex-officio Chairman and six (6) other members who were appointed by the President for a non-renewable term of six (6) years. The members are made up of one (1) psychiatrist or psychologist, two (2) lawyers who have at least the qualifications of a regional trial court judge, one (1) registered social worker and two (2) representatives from non-governmental organizations engaged in child-caring and placement activities. Its implementing arm is the Secretariat, which is headed by an Executive Director who acts both as the Executive Officer and Secretary of the Board. Directly under the Office of the Executive Director are two divisions, namely, (a) Operations Division and (b) Administrative Division.

To carry out its functions, the Board has a workforce of 14 regular positions, excluding two (2) detailed personnel of the DSWD. Also, it had engaged the services of 21 workers through a Memorandum of Agreement.

See Annex A for the Board's Organizational Structure.

Financial Highlights

For calendar year 2005, the agency received a total allotment of ₱16,506,000.00, which is 4.77% higher than last year's ₱15,755,000.00 while obligation incurred amounted to ₱16,470,097.16 leaving an unexpended balance of ₱35,902.84.

The agency's assets, liabilities and government equity as of December 31, 2005 were ₱21,014,561.21, ₱4,628,827.74, and ₱16,385,733.47, respectively, which correspondingly increased by 6.85% or ₱1,348,103.97, an increased by 41.77% or

₱1,363,718.09 and a decreased by .10% or ₱15,614.12 over last year's ₱19,666,457.24, ₱3,265,109.65 and ₱16,401,347.59.

Operational Highlights

The Board had the following thrusts committed for calendar year 2005:

- a. Continuing review and amendments of Republic Act 8043.
- b. Strengthening of cooperating agreements with Hague and Non-Hague State Parties.
- c. Pursue research and program innovation.
- d. Streamline inter-country adoption process and procedures by 59%.
- e. Attendance and participation at the 8th Global Consultation on Child Welfare and the 3rd International Conference for Adoptive Parents of Filipino Children.
- f. Promote the development and implementation of post legal adoption services.
- g. Develop and institutionalize an integrated, functional and comprehensive Information System and Records Management.
- h. Intensify monitoring of the implementation of RA 8043 and its amended Implementing Rules and Regulations (IRR) to ensure compliance with The Hague Convention
- i. Strengthen coordination with local stakeholders in the implementation of the inter-country adoption program and its inter-phasing with the domestic program.
- j. Capability building of key partners through trainings, consultation and dialogues.
- k. Sustain Board's, ICPC's and Secretariat's professional and personal growth through a comprehensive and balanced personnel systems and training programs.

Among its major accomplishments for the year are the following:

- a. The Board decided to adopt the Summer Program as a continuing project to serve as one of the strategies for finding possible adoptive parents for Special Needs Child (SNC) who have been cleared for inter-country adoption and have long been waiting for their placement.
- b. For CY 2005, there were 503 new cases of children cleared for inter-country adoption.
- c. Ten (10) children from NCR-based NGO Child Caring Agencies (6) and DSWD RSCC III (4) participated in the 2nd ICAB Summer Program in coordination with one of ICAB's accredited USA-based Foreign Adoption Agency, the Associated Catholic Charities, Maryland.
- d. Hosted the back to back conferences, the 8th Global Consultation on Child Welfare Services and the 3rd International Conference of Adoptive Families of Filipino Children.

The ICAB's other accomplishments are summarized in Annex B.

Scope of Audit

The audit covered the operations of ICAB for calendar year 2005. The objectives of the audit were to ascertain the fairness and reliability of the Council's financial positions and results of operations and to determine whether it adhered to prescribed accounting and auditing laws, rules and regulations.

Auditor's Report

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements for the year ended December 31, 2005 because of exceptions on certain accounts as discussed in the summary of significant audit observations and recommendations.

Summary of Significant Audit Observations and Recommendations

1. Cash advances in the total amount of ₱83,238.41 of which ₱11,100.00 was granted in CY 2004, remain unliquidated at the end of the year (pars. 1-6).

Strictly adhere to the rules and regulations prescribed on COA Circular No. 97-002.

2. Balances of the Office Supplies Inventory and Other Supplies Inventory were not reconciled with the books of original entries, physical count and supplies ledger cards resulting to its non-reliability (pars. 8-14).

We recommend that the issuance of supplies should be strictly and properly documented.

3. The agency is deprived of the additional income amounting to more or less ₱600,000.00 for this audit year from application and processing fees for adoption of children classified under Special Home Finding/Special Home Recruitment (SHF/SHR) or "hard to get children" due to exempting Prospective Adoptive Parents (PAPs) from payment of such fees (pars. 18-27).

Advised to issue a board resolution or amend the existing rule on the payment of application fees.

4. Delay in the submission of Financial Statements (pars. 28-30).

Strictly comply with the submission of these reports within the prescribed period.

These observations were notified to the management through the issuance of Audit Observation Memorandum and management letters.

Follow-Up of Prior Year's Audit Recommendation

Out of ten (10) audit recommendations in the 2004 Annual Audit Report, five (5) or 50% had been fully implemented, three (3) or 30% had been partially implemented while the remaining two (2) or 20% have not been implemented.