

EXECUTIVE SUMMARY

Introduction

The National Mapping and Resource Information Authority (NAMRIA) was created as an attached agency of the Department of Environment and Natural Resources (DENR) under Executive Order No. 192. It provides the Department and the government with map making services, and acts as the central mapping agency, depository and distribution facility for natural resources data in the form of maps, chart, texts, statistics, etc. It is responsible for topographic mapping, nautical charting, oceanographic/hydrographic survey, land classification of the public domain, aerial photography and remote sensing, management of resource information and the research and development thereof.

The policy making body of NAMRIA is the Board of Governors with the DENR Secretary as the Chairman; and four other Secretaries as members. Its operation is managed by an Administrator who sits in the Board as the secretary assisted by three Deputy Administrators. It has a total workforce of 814 as of December 31, 2005.

Operational Highlights

The NAMRIA reported an average accomplishment of 87.23% on the 22 projects implemented in CY 2005 (breakdown in Annex 1) summarized as follow:

<i>Department</i>	<i>No. of Project</i>	<i>Target</i>	<i>Accomp.</i>	<i>% of Accomplishment</i>
Coast & Geodetic Survey	6	100	92.59	92.59
Mapping Dept.	4	100	92.62	92.62
Remote Sensing & Resource Data Analysis	4	100	59.56	59.56
Information Management & Statistical Services	4	100	97.68	97.68
Engineering Services	4	100	93.69	93.69
Total	22	100	87.23	87.23

Financial Highlights

The agency's financial condition and funds received and expended as at December 31, 2005 are as follow:

<i>Account</i>	<i>(In ₱0,000)</i>		<i>% of Increase (Decrease)</i>
	<u>2005</u>	<u>2004</u>	
Financial Condition			
Assets	₱ 1,040,420	₱1331,107	(21.84)
Liabilities	<u>1,247,589</u>	<u>1,245,195</u>	00.19
Government Equity			

<i>Account</i>	<i>(In ₱0,000)</i>		<i>% of Increase (Decrease)</i>
	2005	2004	
Allotment Received	372,860	₱ 288,430	29.27%
Obligations Incurred	323,090	288,262	12.08%
Savings	49,770	168	29,525%

Management Responsibility

Section 2 of PD 1445 states that fiscal responsibility rests directly with the chief or head of the agency. This responsibility carries with it the duty to maintain a system of accounting and reporting which provides the necessary controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. It also carries management's responsibility to prepare and present its financial statements in conformity with generally accepted state accounting principles.

Scope of Audit

The audit covered the accounts and operations of NAMRIA for calendar year 2005. The objectives are to ascertain the fairness and reliability of the agency's financial position and results of operation, and to test the regularity of the financial transactions.

Auditor's Report

- It is the opinion of the auditor that due to the materiality of the effects of the deficiencies found in the following accounts, the financial statements do not present fairly the financial condition and results of operation of the NAMRIA as at December 31, 2005:**

<i>Ref.</i>	<i>Account affected</i>	<i>Misstatements</i>	<i>Amount (In ₱0,000)</i>
1 54	Property, Plant and Equipment	Unrecorded acquisition: Land Various equipment	₱ 2,985,240 <u>2,265</u> <u>2,987,505</u>
30	- do -	Disprepancy between the accounting and property records	310,643
41	- do -	Unrecorded improvement of Other Structure	960
27	Cash-Disbursing Officers	Unliquidated cash advances	5,364
66	Cash-LCAA	Unreconciled cash balance	691
	Total		₱ 3,305,163
	Percent to Total Asset		317.68%
10	Other Payables	Outstanding for more than two years without valid claims	₱ 1,128,538
	Percent to Total Liabilities		90.46%

2. Other observations that need to be addressed by management by careful observance of applicable rules and regulations and standard operating procedures.

Ref.	Particulars	Amount (in thousand)
58	Non-remittance of collection daily and intact	
71	Overtime expenses incurred contrary to AO 103	P745
74	Uncollected authorized service fees from government financial institutions and private firms from remittances totaling ₱ 67.21 million	1,344
80 & 84	Payment in advance for pest termite control and automotive diesel oil	695 15,338
87	Procurement of ordinary or regular office supplies and equipment were made from private entities instead of the Procurement Service of the DBM contrary to RA 9184	18,895
90	NAMRIA could have earned income from the sale of old maps	27,533
	Total	₱ 64,550

To correct the deficiencies noted, we recommended that management:

- **give preferential attention on the titling of lands and to secure other documents evidencing its ownership to prevent possible losses of government property;**
- **prepare adjustments and revert the total amount of ₱1,128,537,826.28 to the unappropriated surplus of the general fund of the national government the representing unliquidated balance of account payable;**
- **adjust the books based on the corrected inventory report of the different Offices of NAMRIA by debiting Office Building Account amounting to ₱2,872,738.61;**
- **reconcile the differences of motor vehicles and watercrafts, produce the documents that will support the reconciling items and make the necessary adjustments to correct either record that were misstated;**
- **comply with the provisions of Section 69 of PD 1445 that collections be deposited intact and daily to the authorized depository bank;**
- **reconcile the records of the accountable officers of the Cashier Unit and the subsidiary ledgers of the Accounting Unit monthly or at least once every quarter;**
- **remit outstanding balances of collections;**

- **discontinue processing request for cash advances whenever the accountable officer has outstanding ones to prevent accumulation of unliquidated cash advances;**
- **maintain PPE ledger cards at the accounting section and perform a year-end reconciliation of all PPE accounts with property records in order to obtain accurate and reliable PPE balances;**
- **exert extra effort to establish subsidiary ledgers of existing property, plant and equipment based on the inventory reports and properly maintain these subsidiary records to comply with the provisions of Section 43 of the NGAS Manual;**
- **trace back all expenses that are identifiable with the construction of the MSO that were charged to MOOE and capitalize the total cost to Other Structures;**
- **adjust the depreciation expenses of the affected PPE accounts and prepare a schedule of depreciation charges provided for each PPE item per classification/category to facilitate monitoring and review;**
- **comply Sec. 1 of AO 103 in order to cut cost on overtime expenses;**
- **establish a Provident Fund pursuant to Section 42 of the General Provisions of the Appropriation Act from the authorized deductions enumerated in Section 41 thereof;**
- **comply with Sec. 88 of PD 1445 which prohibits advance payments against government contracts; services not yet rendered should not be paid in advance.**
- **pay suppliers of ADO only after the deliveries, complete with the inspection and acceptance report and a certificate from the head of the agency concerned to the effect that the services or supplies and materials have been rendered or delivered;**
- **properly identify supplies and materials that can be procured thru regular supplier and procure thru the Procurement Service commonly used goods;**
- **sell the old maps thru the Local Government Units (LGU), State Universities and Colleges (SUCs) and other Private and Public Schools; and,**
- **properly record in the books of accounts the equipment purchased from Trust Fund that were charged to MOOE and capitalize the total cost to particular PPE account.**

Status of Prior Years' Recommendations

There were twelve (12) recommendations in the 2004 Annual Audit Report. Of these, three (3) were implemented and nine (9) were partially implemented. (Part III of the report).