

## **EXECUTIVE SUMMARY**

### **A. Introduction**

The News & Information Bureau was created under Executive Order No. 297 dated July 15, 1987.

The Bureau is responsible for providing efficient, effective, productive and economical services relating to the development, formulation and implementation of a domestic and foreign information program for the government in general and the Presidency in particular, including the development of strategies for the dissemination of information on specific government programs.

The News & Information Bureau (NIB) is headed by the Assistant Secretary of the Office of the Press Secretary and concurrent Head, NIB, and assisted by a Director III. The Bureau's authorized plantilla position is 266 where 216 is filled up. The Bureau has four divisions namely: the Administrative and Financial Division (FAD), the Presidential Press Staff (PPS), the Media Accreditation and Relations Division (MARD) and the Philippine News Agency (PNA).

### **B. Financial Highlights**

During the year, the Bureau received Subsidy Income from the National Government amounting to P76,449,169.46, while P462,918.94 unused NCA was reversed resulting to a total income of P75,986,250.52. Total expenses for the year amounted to P82,305,544.54 of which P54,974,748.90 and P27,330,795.64 were expended for Personal Services and Maintenance and Other Operating Expenses, respectively. The excess of expenses over income amounted to P6,319,294.02.

### **C. Scope of Audit**

The audit covered the operations of the Bureau for CY 2005. The objective of the audit was to determine the fairness of presentation of the financial statements and the propriety of financial transactions.

### **D. Auditor's Report**

The auditor rendered a qualified opinion on the fairness of presentation of the financial statements due to the failure to conduct physical count of property, plant and equipment, thus, the existence and correctness of the said property totaling P67,559,503.64 could not be ascertained. The inadequacy of its records did not permit us to complete the alternative procedures applied to determine the validity of these accounts.

## **E. Observations and Recommendations**

For the exception cited above, the Auditor recommended that Management should conduct the physical count of property, plant and equipment and submit the duly reconciled report. In addition, the following are the other significant observations and recommendations:

### 1. Long outstanding accounts receivable – P3,157,962.87

Instruct officers and employees concerned to employ strategies to enforce collection of long outstanding receivables. Management should evaluate and determine the accounts where collections are perceived to be remote or impossible and pursue the proper disposition of the dormant accounts by following the procedures provided under COA Circular No. 97-001.

### 2. Unliquidated cash advances – P1,479,335.87

Instruct the officers and employees concerned to comply with the provisions of Section 89 of P.D. No. 1445 and Sections 4 & 5 of COA Circular No. 97-002 regarding liquidation of cash advances. Management should adopt stricter measures and/or enforce administrative sanctions, if necessary, against the Cashier and the accountable officers concerned for the repeated failure to comply with the various office memoranda on liquidation of outstanding cash advances.

### 3. No physical inventory/Unreconciled Office Supplies – P605,225.10

Require the physical inventory of office supplies and the submission of the report duly reconciled with accounting and property records. Also, require the regular submission of the monthly report of Supplies and Materials Issued.

### 4. No Annual Procurement Plan

Require the Property and Supply Officer to prepare and submit an Annual Procurement Plan duly approved by the Head of the Agency, pursuant to Section 7, Article II of R.A. No. 9184.

The above observations and recommendations contained in the report were discussed with concerned officials of the Bureau on various dates when we served the corresponding Audit Observation Memoranda (AOM). Management views and reactions were considered in the report, where appropriate.

## **F. Implementation of Prior Years' Recommendations**

Of the four audit recommendations embodied in the 2004 Annual Audit Report, three were partially implemented, while one was not implemented.