

## EXECUTIVE SUMMARY

### INTRODUCTION

The National Statistical Coordination Board (NSCB) was created in 1987 by virtue of Executive Order No. 121 to serve as the highest policy-making and coordinating agency on statistical matters in the country. It is an attached agency of the National Economic and Development Authority pursuant to Executive Order No. 149.

The major goal of the NSCB is to promote the independence, objectivity, integrity, responsiveness, and relevance of the Philippine Statistical System (PSS). Its objective is to achieve the development of an orderly statistical system capable of providing timely, accurate and useful data for the planning, programming and evaluation needs of all sectors of the Philippine Economy.

### FINANCIAL HIGHLIGHTS

	2005	2004	Increase/(Decrease)
NCA Received	74,512,557.00	69,969,467.00	4,543,090.00
Allotment Received	78,072,826.00	75,439,770.00	2,633,056.00
Continuing Appropriations	1,641,066.64	2,156,461.35	(515,394.71)
Obligations Incurred	78,778,630.38	75,604,569.94	3,174,060.44
Unexpended Balance	938,262.26	1,991,661.41	(1,056,399.15)

### SCOPE OF AUDIT

The audit covered the financial transactions of the agency for the year 2005 with the objective of ascertaining the fairness and reliability of the agency's financial position and results of operation. We also conducted financial and compliance audit to check the validity and propriety of transactions.

### AUDITOR'S REPORT

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements because Property, Plant and Equipment and Office Supplies Inventory were not reconciled with the physical inventory report. As of December 31, 2005 they showed difference of ₱1,848,190.16 and ₱515,411.01, respectively. Likewise, disbursement vouchers (DVs) and liquidation reports (LRs) amounting to ₱657,253.89 and ₱286,202.08, respectively, remained unsubmitted to the Office of the Auditor, thus, validity of these transactions cannot be determined. Moreover, Motor Vehicle was understated by ₱186,300.00 because transfer of two (2) units Toyota car to other government agency was recorded in the books twice.

## **OBSERVATIONS AND RECOMMENDATIONS**

Hereunder are the observations and the corresponding recommendations which were discussed with concerned management officials and staff. Their comments were incorporated in this report where appropriate:

1. Unreconciled Property, Plant and Equipment. We recommend that management exert extra effort to reconcile the accounting records and the physical inventory report.
2. Office Supplies Inventory was not reconciled with the physical inventory report. It is recommended that management exert extra effort to reconcile the physical inventory report and the accounting records.
3. Disbursement vouchers (DVs) and liquidation reports (LRs) amounting to ₱657,253.89 and ₱286,202.08, respectively, remained unsubmitted to the Office of the Auditor. It is recommended that management strictly comply with the provisions of COA Circulars No. 95-006 and 97-002 particularly Sections 6.05 and 5.3, respectively.
4. Motor Vehicle was understated by ₱186,300.00 due to double recording of the transfer of two (2) units Toyota car to other government agency. The Accountant is required to draw Journal Entry Voucher to correct the entry.
5. Cash Disbursement Register was not prepared by the Disbursing Officer assigned at Region VI. The designated Disbursing Officer is required to prepare and maintain the Cash Disbursement Register as prescribed in COA Circular No. 2004-03 dated June 24, 2004.

## **IMPLEMENTATION OF PRIOR YEAR'S RECOMMENDATIONS**

Out of the four prior year's audit recommendations, two were fully implemented while two were partially implemented during the year.