

## EXECUTIVE SUMMARY

### INTRODUCTION

The Philippine National Volunteer Service Coordinating Agency (PNVSCA) is a government institution mandated to promote and coordinate volunteer programs and services in the Philippines. Starting from a Committee created in 1964, it evolved into an Agency on December 12, 1980 through Executive Order No. 635 and was subsequently placed under the administrative supervision of the National Economic and Development Authority (NEDA). PNVSCA concretizes the Philippine Government's commitment to the agreement reached during the International Middle Level Manpower Conference held in Puerto Rico in 1962 adopting volunteerism as a tool for socio-economic development.

As provided for in Executive Order No. 635, PNVSCA acts as a clearinghouse for all organized volunteer service matters in the country. It formulates policies and guidelines, coordinates and implements the national volunteer program in support of the development goals and objectives of government. In so doing, it contributes to the country's overall development strategy through volunteerism.

### FINANCIAL HIGHLIGHTS

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Income	11,946,910.04	10,762,070.73	1,184,839.31
Allotment Received	11,535,987.00	11,819,505.70	(283,518.70)
Obligations Incurred	11,087,234.37	11,150,828.54	(63,594.17)
Balances	448,752.63	668,677.16	(219,924.53)

### 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 Motor Vehicle account was overstated by ₱200,000.00. Likewise, Due to Officers and Employees account was overstated by ₱134,885.00.

## **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. Motor Vehicle was overstated by ₱200,000.00 because one (1) unit car already donated by the Agency was still recorded in the books of accounts. It was recommended and Management agreed that proper adjustments in the books of accounts be made by the Accountant.
2. Due to Officers and Employees account was overstated by ₱134,885.00 due to errors in recording. We recommended and Management agreed that Journal Entry Voucher (JEV) be drawn by the Accountant to effect the necessary adjustments in the books of accounts.
3. Due to GSIS was overstated by ₱52,300.89 due to errors in recording. The Accountant is required to draw a Journal Entry Voucher (JEV) to effect the necessary adjustments in the books of accounts.
4. Due to Philhealth was understated by ₱16,800.55 because of erroneous entries. It was recommended and Management agreed that Journal Entry Voucher (JEV) be prepared by the Accountant to correct the entries made.
5. Depreciation of Property, Plant and Equipment was not taken up in the books. We recommended and Management agreed that strict compliance on the new government accounting system specifically depreciation of property, plant and equipment be followed.

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

All the five prior year's audit recommendations were fully implemented during the year.