

EXECUTIVE SUMMARY

A. INTRODUCTION

The Regional Development Council shall be the primary institution in the region which shall set the direction of economic and social development of the region and through which the regional development efforts shall be coordinated. The Council is being reorganized and strengthened to make it a more effective institution in the region responsible for ensuring sustainable, participatory and equitable development.

B. FINANCIAL HIGHLIGHTS

	2005	2004	Inc./ (Dec.)
Notice of Cash Allocation Received	3,183,005.00	1,177,000.00	2,006, 005.00
Allotment Received	3,564,501.00	1,199,00.00	2, 365,501.00
Continuing Appropriation	-	-	-
Obligation Incurred	3,563,686.00	1,198,499.00	2,365,187.00
Unexpended Balance	851.00	501.00	314.00

C. SCOPE OF AUDIT

The audit covered the accounts and operations of Regional Development Council, Region IX, Zamboanga City for the calendar year 2005. The objectives of the audit were to ascertain compliance to existing rules and regulations in the disbursements of funds and resources of the agency and to determine whether the plans, programs, projects, and activities for the year were attained in an efficient, economical and effective manner.

D. AUDITOR'S REPORT

An qualified opinion on the fairness of the presentation of the financial statements is rendered.

E. OBSERVATION AND RECOMMENDATION

Items with serviceable life of more than one year but small enough to be considered as Property, Plant and Equipment(PPE) were still included in the Inventory Report as of December 31, 2005; correspondingly, no Inventory Custodian Slips for the small tangible items were prepared as required under COA Circular No. 2005-02 dated April 14, 2005.

It is recommended that the Report on Physical Count of Property, Plant and Equipment as of December 31, 2005 must be revised to exclude items that are small enough to be considered as PPE. Moreover, the appropriate accounting entry to adjust the recording of these items should be made. Thereafter, corresponding Inventory Custodian Slip shall be issued..

F. IMPLEMENTATION OF PRIOR YEARS' RECOMMENDATIONS

The only only one (1) audit recommendation contained in the 2004 Audit Report and this had been fully implemented.by management.