

## **EXECUTIVE SUMMARY**

### **A. Introduction**

The Philippine National Volunteer Service Coordinating Agency (PNVSCA) is the government agency mandated to promote volunteerism and coordinate volunteer programs and services in the Philippines. Started as the Philippine National Volunteer Service Committee on December 17, 1964 by virtue of Executive Order (EO) No. 134, PNVSCA became an agency on December 12, 1980 through EO No. 635. The PNVSCA is under the administrative supervision of the National Economic and Development Authority.

The passage of Republic Act (RA) No. 9418 or the Volunteer Act of 2007 on April 10, 2007 marked a major milestone in the history of volunteerism in the Philippines and further strengthened the PNVSCA which was given the privilege to undertake the implementation and execution of the provisions of that Act.

The agency is mandated to:

- (a) Review and formulate policies and guidelines concerning the national volunteer service programs consistent with national development priorities;
- (b) Coordinate, monitor and evaluate the national volunteer service program in order that volunteer assistance may fit into the total national development goals;
- (c) Act as clearing house for matters pertaining to international volunteer services;
- (d) Develop and implement prototypes and models of volunteering for adoption by institutions and communities;
- (e) Provide technical services and support for capability building of volunteers and volunteer organizations;
- (f) Undertake advocacy for the promotion and recognition of volunteerism as a tool for development;
- (g) Establish and maintain a national network of volunteer organizations and serve as liaison between and among local and foreign governmental private voluntary organizations including the United Nations Volunteers; and

- (h) Administer all PNVSCA funds from all sources including foreign aid in accordance with accounting and auditing requirements.

The PNVSCA is composed of 27 regular personnel headed by Executive Director Joselito C. De Vera. The agency has four divisions namely; Office of the Executive Director, Administrative, Financial and Management Division; Policy Advocacy and Technical Services Division; and, Program Coordination, Monitoring and Evaluation Division.

## B. Financial Highlights

The financial position, performance and the sources and application of funds for Current Year (CY) 2018, with corresponding figures for CY 2017 are summarized below:

Particulars	2018	2017 (as restated)	Increase/ Decrease
<b><i>Financial Position</i></b>			
Assets	₱ 7,426,445.39	₱ 6,644,177.26	₱ 782,268.13
Liabilities	1,075,544.77	635,367.30	440,177.47
Net Assets/Equity	6,350,900.62	6,008,809.96	342,090.66
<b><i>Financial Performance</i></b>			
Revenue	-	-	-
Net Financial Subsidy	31,212,030.19	27,048,025.85	4,164,004.34
Personnel Services	17,225,618.63	14,013,159.95	3,212,458.68
Maintenance and Other	12,573,947.85	11,646,705.14	933,582.71
Operating Expenses			
Financial Expenses	2,400.00	3,450.00	(1,050.00)
Non-Cash Expenses	947,781.26	866,441.86	81,339.40
Surplus/(Deficit)	₱ 462,282.45	₱ 524,608.90	₱ 62,326.45

For CY 2018, the agency has a total appropriation of ₱31.807 million, consisting of Current Appropriations of ₱28.393 million under RA No. 10964; and Continuing Appropriation of ₱1.388 million and Special Purpose Fund of ₱2.026 million. The agency received total allotments of ₱31.807 million, of which total obligations incurred amounted to ₱30.995 million, thereby leaving a balance of ₱0.812 million.

### Allotments, Obligations and Balances

Source of Fund	Allotment	Obligation Incurred	Unobligated Balance
Current Appropriations	₱28,393,000	₱27,606,501	₱786,499
Continuing Appropriation	1,388,223	1,379,333	8,890
Special Purpose Fund	2,025,826	2,009,057	16,769
<b>Total</b>	<b>₱31,807,049</b>	<b>₱30,994,891</b>	<b>₱812,158</b>

## **C. Operational Highlights**

### *Local Volunteer Service*

For 2018, a total of 85 Volunteer for Information and Development Assistance volunteers assisted 32 Local Partner Institutions in 23 provinces across 11 regions in the Philippines on programs and projects in community development that include Social Services, Agriculture and Livelihood development, Alternative Learning systems, Disaster Risk Reduction Management and Natural Resources Management, Peace Building activities and Local Health programs.

### *International Volunteer Service*

The PNVSCA coordinated the deployment of 204 foreign volunteers to priority regions and provinces identified in the National Volunteer Deployment Framework of the Agency. These volunteers are among the 480 in-service foreign volunteers during the period who supported programs and projects in agriculture and fishery, education, environment, health, industry, services and energy, governance, social services, peace and security, safety and resilience, among others. In the same period 42 Filipinos were sent to other developing countries by the Voluntary Service Overseas Philippines to assist the host country's development programs and projects in agriculture, education, governance, health and livelihood development, among others.

### *National Volunteer Month*

The PNVSCA led the nationwide celebration of the National Volunteer Month (NVM) in December 2018, with participation from around 330 individuals and organizations (government agencies, local government units, non-government organizations, corporate groups and academic institutions) across regions. Around 400 activities were conducted that range from advocacy, volunteer services, volunteering events and giving of awards and recognition to volunteers. The theme for the 2018 NVM was "Boluntarismo: Daan Tungo sa Pagbabago." PNVSCA continued to use the social media, print, radio, and TV promotions as campaign strategies for the NVM.

It also conducted a Volunteerism Photo Contest which was anchored on the NVM theme. Three entries were declared winners - one grand prize, one runner-up and one Audience Choice Award.

## **D. Scope of Audit**

The audit covered the financial accounts and operations of the PNVSCA for the year ended December 31, 2018. The audit was conducted to:  
(a) verify the level of assurance that may be placed on Management's assertions on

the financial statements; (b) recommend agency's improvement opportunities; (c) determine the propriety of transactions as well as the extent of compliance with pertinent laws, rules and regulations; and (d) determine the extent of implementation of prior year's audit recommendations.

**E. Independent Auditor's Report on the Financial Statements**

The auditor rendered an unqualified opinion on the fairness of the presentation of the PNVSCA's financial statements.

**F. Summary of Significant Audit Observations and Recommendations**

The audit observations with the corresponding recommendation are discussed in detail in Part II of this report, the more significant of which follows:

Significant delays were noted in the completion of procurement process for publications, audio visual presentation and radio plug due the management's lack of staff and capability to work on it promptly, thus contrary to Section 7.1, Article II of the Revised Implementing Rules and Regulations of RA No. 9184.

**We recommended and Management agreed to meticulously plan their procurement activities and to: (a) designate personnel directly involve in fast tracking publications; (b) ensure that write-ups and sample lay-outs are ready prior to sourcing of possible suppliers; in order to comply with Section 7.1, Article II of the Revised Implementing Rules and Regulations of RA No. 9184.**

The aforementioned audit observations and recommendations were discussed with the concerned Management officials in an exit conference conducted on March 14, 2019. Management's views and comments were also incorporated in the report, where appropriate.

**G. Status of Settlement of Audit Suspensions, Disallowances and Charges**

No audit suspension, disallowance or charge was issued in the audit of various accounts of PNVSCA for CY 2018. The ₱58,868.15 balance includes the amount of ₱52,897.70 that has been lifted per NGAO 1 Decision No. 2000-049 and forwarded to the Commission Proper for review and approval. The Notice of Finality of Decision was issued on March 12, 2019.

**H. Status of Implementation of Prior Year's Recommendations**

The audit recommendation contained in the CY 2017 Annual Audit Report was fully implemented and discussed in detail in Part III of this report.