

## EXECUTIVE SUMMARY

### A. Introduction

In March 1901, the Municipality of Ivana was officially established by virtue of Act 2711 otherwise known as the Revised Administrative Code of the Philippines.

The municipal Government as a Local unit is mandated and assumed to build its own capabilities for self-governance and to build and develop as a self-reliant community, which is the essence of Local Autonomy and the meaning of Devotion of Powers and Autonomy.

The Municipality's goal is to alleviate its constituents and provide social equity and attain wholesome environment to live in through the proper protection, conservation and utilization of its natural resources. It also aims to provide the basic services needed and to pursue an integrated and sustainable development for the general welfare of its people.

We envision people who are healthy; self-reliant' productive, progressive and democratic community, with an ecologically-balanced environment of pristine beauty.

### B. Highlights of Financial Information

Presented below are the financial position and sources of funds, appropriations and obligations of the Municipality for the years 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Assets	P47,355,026.02	P45,650,931.40
Liabilities	24,552,653.77	22,345,613.36
Government Equity	22,802,372.25	23,305,318.04
Total Income	31,160,895.41	30,942,423.36
Total Expenses	33,945,132.84	33,416,517.33
Total Appropriations	37,888,417.60	38,544,553.55
Total Obligations	33,610,195.42	28,865,918.34

### C. Operational Highlights

Among the significant accomplishments of the Municipality as of December 31, 2016 were as follows:

<b>Program/ Project/Activity</b>	<b>Appropriation</b>	<b>Expenditure</b>	<b>Percentage of Accomplishment</b>
Construction of Kapasuan-Aved	200,000.00	89,150.00	100%

FMR			
Construction of Sayed-Idiang Foot Bridges	424,625.00	335,296.00	100%
Construction of Municipal Streetlights	400,000.00	396,577.00	100%
Construction Welcome Arch	350,000.00	236,159.00	100%
Const. of Municipal Streets Concrete Pavements	80,000.00	30,795.00	100%
Construction of Additional Reyna Water Tank	300,000.00	142,719.00	100%
Construction of San Vicente Shelter Public CR	130,000.00	77,397.00	100%
Construction of Multi-Purpose Building -Tuhel	700,000.00	571,530.00	100%
Extension of Vatang Irrigation	200,000.00	147,750.00	100%
Construction of San Vicente Multi-purpose Building	700,000.00	424,408.00	97%
Improvement of Kadpidan Beach	2,000,000.00	1,529,902.12	85%
Construction of Radiwan MPB	700,000.00	560,656.00	80%
Construction of Bahay Pag-asa	2,500,000.00	1,584,604.35	70%
Solid Waste Management	350,000.00	288,827.36	96%
Maintenance of Portable Water System	150,000.00	298,191.62	100%
Reforestation & Urban Greening	1,319,072.20	141307.36	94%

#### **D. Scope of Audit**

A financial and compliance audit was conducted on the accounts and operations of the Municipality of Ivana for the period ended December 31, 2016. The audit was aimed at ascertaining the propriety of disbursements, the reliability of financial reports and the adequacy of accounting books and records. Likewise, the audit was conducted to identify the practices that require compliance with laws, rules and regulations for the purpose of recommending measures to correct them.

#### **E. Auditor's Opinion on the Financial Statements**

The Auditor rendered a qualified opinion on the fairness of presentation of the LGU's financial statements as of December 31, 2016.

## **F. Significant Findings and Recommendations**

1. The Cash in Bank balance amounting to P 25,520,305.57 as of December 31, 2016 could not be relied upon due to non-adjustment of all valid reconciling items with a net total amount of P1,804,900.57 which resulted to overstatement of Cash In Bank account by the same amount contrary to provisions of Section 74 of Presidential Decree No. 1445 and Section 3.2 & 3.3 of COA Circular No. 96-011 dated October 2, 1996.

We recommended that the Local Chief Executive require the Acting Municipal Accountant to record all reconciling items as reflected in the Bank Reconciliation statement and pursuant to the provision of the above cited rules and regulations.

2. Cash Advances were granted to the Municipal Treasurer for the purchased of supplies, Materials and Equipment totaling to P450,000.00 contrary to COA Cir. 97-002 dated February 10, 1997 and Sec. Sec. 2 of the revised IRR of R.A 9184.

We recommended that the Local Government Unit stop once and for all the practice of procuring of supplies, materials and equipment through cash advance. Follow strictly the rules and regulations on government procurement.

3. Procurement of goods and materials amounting to P767,409.40 through public bidding were not supported with complete supporting documents contrary to Section 23.6 of IRR of R.A 9184 and item 9.1 of COA Circular No. 2012-001 dated June 14, 2012

We recommended that management strictly adhere with the provision of Sec. 23.6 of RA 9184 and COA Circular No. 2012-001 dated June 14, 2012 on the documentary requirement of public bidding transactions

4. The unutilized balances of fund transfer in the amount of P54,015.07 was not yet returned/remitted to respective Source Agencies and are still recorded in the books as Due to National Government Agencies under Trust Fund contrary to COA Circular N0. 2012-001 dated June 14, 2012.

We recommended that Management return/remit the unutilized balances of fund transfer from the respective source agencies in compliance to above-mentioned laws, rules and regulations.

## **G. Status of Implementation of Prior Year's Recommendation**

Of the Sixteen (16) recommendations incorporated in the 2015 AAR Twelve (12) were fully implemented, two (2) were partially implemented, and two (2) were not implemented.