

EXECUTIVE SUMMARY

A. HIGHLIGHTS OF FINANCIAL OPERATIONS

A.1. Sources and Application of Funds

	2013	2012	Inc/Dec	%
INCOME:				
General Fund	46,252,714.23	40,177,566.50	6,075,147.73	15.10
Special Educ.Fund	831,916.31	760,170.64	71,745.67	9.40
MEEDO	970,704.78	921,206.09	49,498.69	5.40
Total	48,055,335.32	41,858,943.23	6,196,392.09	14.80
EXPENSES:				
General Fund	40,689,949.92	37,433,257.70	3,256,692.22	8.70
Special Educ.Fund	578,773.96	636,464.94	-57,690.98	-9.06
MEEDO	2,960,346.30	2,816,051.28	144,295.02	5.12
Total	44,229,070.18	40,885,773.92	3,343,296.26	8.17

A.2. Financial Profile

	2013	2012	Inc/ Dec	%
Assets	65,141,483.23	64,345,706.68	795,776.55	1.24
Liabilities	19,694,404.77	19,341,146.98	353,257.79	1.83
Appropriations	51,714,146.83	47,106,248.13	4,607,898.70	9.78
Obligations	46,535,042.71	43,088,093.70	3,446,949.01	8.00
Government Equity	45,447,078.46	45,004,559.70	442,518.76	0.98

A.3. Appropriations and Obligations

A.4. Financial Ratios

	2013	2012	Inc/Dec	%
Current Ratio	2.08:1	2.68: 1	-0.60	-22.38
Debt Equity Ratio	.43:1	.43:1	0	0

B. SCOPE OF AUDIT

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent sections of Presidential Decree No. 1445, we conducted a Financial and Compliance Audit on the accounts and operations of the Municipality of Tangalan, Aklan for the year ended December 31, 2013.

C. AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

The auditor rendered a qualified opinion on the consolidated financial statements of the Municipality of Tangalan, Aklan for CY 2013.

D. SIGNIFICANT FINDINGS AND RECOMMENDATIONS

- 5. The accounts Due from Other National Government Agencies (NGAs) and Other Receivables aggregating to P960, 973.21 remained dormant since CY 1982. These are not supported by aging schedules, records or documents, thus rendering the account balances doubtful as to existence and validity.**

We recommend that the Accounting Unit should exert efforts in locating the documents to support the request for the dropping of the particular accounts from the books and submit the schedule to the Office of the Audit Team Leader. In case it is impossible to locate the same, a request should be made to transfer the same to the Registry of Dormant Account following the guidelines and procedures in dropping of accounts prescribed under COA Circular No. 97-001 dated February 5, 2007.

- 6. Republic Act No. 9003 known as the Ecological Solid Waste Management Act of 2000 was not implemented by the Municipality of Tangalan, thus goals and objectives and the intent of the subject Act were not achieved.**

We recommend that the Municipality should enact a municipal ordinance to address the problems on Solid Waste in accordance with the mandates of RA 9003. Moreover, we recommend that the penal sanctions on violators be imposed as inclusion to the municipal ordinance that will be enacted to effectively maintain cleanliness in the Municipality and gain other source of income for the municipality.

- 7. The reliability of the Property, Plant and Equipment (PPE) accounts in the total amount of P47,067,736.01 was impaired due to the failure of the Municipal Accounting Office to reconcile its records with the Inventory Report prepared by the General Services, contrary to Section 114 of the NGAS Manual, Volume I. Furthermore, the discrepancies between the General Ledger Account and Equipment Ledger Cards (ELCs) within the Accounting Office could not facilitate such reconciliation.**

We recommend that management cause the Accountant and the General Services Office to review and reconcile their records for property, plant and equipment in order to identify the items causing the discrepancy and to correct/take up the necessary adjustments.

Lastly, the Accounting Office should total and reconcile their equipment ledger cards with the general ledger account to establish the reliability of the accounts.

- 8. The use of government vehicles were not properly controlled and regulated in violation of Section V of COA Circular No. 75-6 dated November 7, 1975, hence, the reasonableness of fuel consumption compared to distance traveled could not be ascertained.**

We recommend that the LGU officials should strictly adhere and comply with the basic rules in the utilization of fuel of government vehicles as provided for in Section V of COA Circular No. 75-6 November 7, 1975.

E. STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

All of the three (3) recommendations embodied in the Interim Audit Report were fully implemented.