EXECUTIVE SUMMARY

A. Highlights of Financial Operations

A.1. Sources and Application of Funds

	2013	2012	Increase/ (Decrease)	%
INCOME:				
General Fund	73,986,058.36	68,865,979.34	5,120,079.02	7.43
Special Education Fund	1,805,760.42	1,877,423.95	(71,663.53)	(3.82)
Total	**75,791,818.78**	**70,743,403.29**	**5,048,415.49**	**7.14**
EXPENSES:				
General Fund	65,114,970.45	63,392,218.45	1,722,752.00	2.72
Special Education Fund	1,527,597.06	1,553,112.14	(25,515.08)	(1.64)
Total	**66,642,567.51**	**64,945,330.53**	**1,697,236.98**	**2.61**

The Municipality of New Washington collected P75,791,818.78 which is 7.14% higher than last year's collection of P70,743,403.29. Total expenditures for the year of P66,642,567.51 compared last year's P64,945,330.53 expenditures increased by 2.61%.

A.2. Financial Profile

	2013	2012	Increase/ (Decrease)	%
Assets	137,307,107.29	118,671,520.63	18,635,586.66	15.70
Liabilities	40,531,104.92	28,532,656.46	11,998,448.46	42.05
Government Equity	96,776,002.37	90,138,864.17	6,637,138.20	7.36

The Municipality's assets, liabilities and government equity as of December 31, 2013 were P137,307,107.29, P40,531,104.92 and P96,776,002.37 respectively which correspondingly increased by 15.70% on assets, increased by 42.05% on liabilities and increased by 7.36% on government equity over those last year's, 118,671,520.63, P28,532,656.46 and P90,138,864.17 respectively.

A.3 Appropriations and Obligations

	2013	2012	Inc/Dec	%
Appropriations		88,163,385.16		
Obligations		73,877,003.19		

A.4 Financial Ratios

	2013	2012	Increase/ (Decrease)
Current Ratio	1.35:1	1.89:1	(0.54)
Debt equity ratio	0.42:1	0.29:1	0.13

B. SCOPE OF AUDIT

The audit was conducted to ascertain the propriety of financial transactions, compliance of the local government unit to prescribed rules and regulations and how the local government unit gives value on resources/fund entrusted to them. It was also made to ascertain the accuracy of the financial records and reports, as well as the fairness of presentation of the financial statements.

C. AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

The auditor rendered a qualified opinion on the consolidated financial statements of the Municipality of New Washington, Aklan for CY 2013 for unreconciled Property, Plant and Equipment due to absence of PPE records.

D. SIGNIFICANT FINDINGS AND RECOMMENDATIONS

1. **Republic Act No. 9003 known as the Ecological Solid Waste Management Act of 2000 was not implemented, 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 to be imposed on violators should be included in the municipal ordinance that will be enacted.

2. **Advances to Officers and employees totaling to P631,701.56 were not liquidated as of December 31, 2013 contrary to COA Circular No. 97-002 dated February 10, 1997, hence overstated the Government Equity and Receivable account.**

We recommend that management should require the liquidation of cash advances within the time required by law.

Further, we recommend that the Municipal Accountant should monitor the liquidation of cash advances by sending demand letters regularly and the Municipal Treasurer should withhold payment of any money due them in case of their failure to liquidate their cash advances.

Management should institute appropriate charges, if warranted to those who failed to liquidate cash advance pursuant to COA Circular No. 2012-004 dated November 28, 2012.

3. **The existence and correctness of the Property, Plant and Equipment (PPE) totaling ₱70,231,625.62 could not be ascertained due to failure of management to conduct physical count of its PPE and to submit a Report on the Physical Count of PPE (RPCPPE) which should be reconciled with the accounting records contrary to Section 124 of the Manual on New Government Accounting System (NGAS) for Local Government Units (LGUs), Volume I.**

   We recommend that the General Services Officer and the Municipal Accountant should exert effort to update and reconcile their records regularly. Discrepancies noted should be investigated and necessary adjustments should be made in order that PPE accounts are correctly presented in the financial statements.

4. **The failure of the Municipality of New Washington, Aklan to comply with Documentary Requirements and other existing Rules and Regulations on Disbursements of Public Funds resulted to unsettled Notice of Suspensions, Notice of Disallowances and Notice of Charges.**

   We recommend that Management should take necessary actions on the settlement of the Notices of Suspensions, Notices of Disallowances and Notices of Charges as of December 31, 2013 in the total amount of P 881,072.00

E. SUMMARY OF IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Of the seventeen (17) recommendations embodied in our prior year's Annual Audit Report, thirteen (13) were fully implemented while four (4) were partially implemented, hence reiterated in Part II of the report.