

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

We made a follow-up on the action taken by the District to implement the recommendations of CY 2017 AAR and noted the following:

<i>Status of Implementation</i>	<i>No. of Recommendations</i>
Fully Implemented	7
Partially Implemented	3
Not Implemented	3

Ref.	Audit Observations	Audit Recommendations	Status of Implementation	Reasons of partially and not implemented
2018-005 (KAPWD)	The non-submission of reports, especially the report on physical count of PPE and Inventory with net book value of P58,206,156.35 and P3,737,552.41 respectively, precluded the auditor from conducting timely audit and from ascertaining the validity, existence and accuracy of reported balances as of year-end.	We recommend that reports should be submitted to the Auditor regularly in accordance with the above-mentioned circulars either in soft or hard copy. If said reports are too bulky to be sent electronically, notice should be given so that the auditor or its representative can be sent to review it.	Not Implemented	The management has reassigned or designate another employee to perform said workload. The employee in charge promise to cope up and submit the required documents by CY 2019.
2018-006 (KAPWD)	The Agency did not procure common-use supplies and materials from the Procurement Service (PS), which is not in compliance with the provisions of Administrative Order No. 17.	We recommended that Management start procuring common-use supplies and materials from the Procurement Service pursuant to the provisions of Administrative Order No. 17. In cases that these items are not available from the PS, the management must secure a certification that said supplies and materials are not	Partially Implemented	The district had sent email once but no response received. The management considers also the possible expenses may incur in getting the supplies.

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		available before procuring the same from other suppliers. The procurement of supplies regularly needed by the Agency should be done on a quarterly basis.		
2018-009 (KAPWD)	The estimated 620,461.60 cu.m. of unaccounted water incurred by the District for CY 2018 is 13.92% more than the maximum acceptable level of NRW of 20% prescribed by LWUA thru Resolution No. 444, series of 2009.	We recommend to the District to improve its efficiency level by significantly reducing water loss to the allowable level of 20% through formulation of a more effective and intensive NRW Reduction Plan and Budget.	Not Implemented	The management has already exerted extra ordinary efforts to resolve common problems of Water District, the NRW. But this year 2019 the district has started implementing NRW reduction program such as replacing the old meters by new ones, since most of the water meters were aged 10 yrs or more as well as old pipes.
2016 AAR Finding No. 1	Monthly allowances were granted to the Board of Directors (BODs) and payments of per diem for their attendance to board meetings exceed the maximum allowable amount per month contrary to Executive Order No. 65 and	Require the BODs to refund the full amount so received in connection to the overpayment of per diems and allowances for lack of legal basis; Stop the granting of monthly allowances and other benefits to its BODs without legal basis; and	Partially Implemented	The management has already stopped the issuances of bonuses and other benefits with no legal basis.

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	Local Water Utility Administration (LWUA) Memorandum Circular No. 015-12 dated November 22, 2012.	Strictly adhere to Executive Order 65 and LWUA Memorandum Circular No. 015-12 relative to the compensation of the BODs of the District.		
2016 AAR Finding No.7	Official receipts were procured from a private printing service provider without securing prior certification from the recognized government printers (RGPs) as required under the General Appropriations Act (GAA) of 2017.	Strictly comply with Section 23 of the General Appropriations Act (GAA) of 2017 in contracting the services of private printers in the production of accountable forms and sensitive, high quality or high volume printing requirements.	Not Implemented	The district preferred the private printing services since they offers lower prices compared to other printing offices. But we will procure to the certified printing offices until our stocks last.
2016 AAR Finding No.8	The accrual of liability for the earned leave benefits of employees totaling P2, 702,878.98 was not provided by the district contrary to PAS 19 on the accounting for employee benefits.	Provide annual budget for the earned leave benefits of the employees; and Require the Human Resource Officer to furnish the Accounting Section with a copy of the schedule of earned leave credits of District personnel with the corresponding money value as basis in accounting of the accrued liability.	Partially Implemented	The district has continued depositing intended for this purpose yet the total savings as of April 30, 2019 is amounting to P1,850,000.
2016 AAR Finding No.10	The General Manager was granted with Representation and Transportation Allowance (RATA) amounting to P17,000	Require Management to strictly comply with the guidelines in the grant of RATA to the General Manager pursuant to DBM National Budget	Not Implemented	The management granted said allowances to GM due to humanitarian

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	<p>while on a 2-month Special Leave contrary to Department of Budget Management (DBM) National Budget Circular No. 548 dated May 15, 2013.</p>	<p>Circular No. 548; and that the General Manager refund the RATA so received.</p>		<p>reasons. She really needs financial support at that time for her major surgical operation.</p>