

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:

Status of Implementation	No. of Recommendations
Fully Implemented	7
Partially Implemented	3
Not Implemented	3

Ref.	Audit Observations	Audit Recommendations	Status of Implementation
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.
2018-004 (KAPWD)	The Agency did not prepare its Corporate Operating Budget as in accordance with the provisions of DBM Corporate Budget No. 22 dated December 1, 2017 and submit it to the Department of Budget and Management within the prescribed deadline.	We recommended that Management prepare its Corporate Operating Budget embodying estimates of revenues and expenditures that would serve as a guide in its operations.	Fully Implemented
2017-003 (KAPWD)	Payments of salaries to Job Order personnel hired for the construction of office building implemented	We recommend that the management should execute the said certifications for the JO Personnel and the	Fully Implemented

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	by administration totaling P983,480.00 were not supported with duly approved Daily Time Record as required under COA Circular 2012-001.	corresponding Daily Time Records must be produced as prerequisite to each payment of salaries. Also, the designated Accounting in-charge must be instructed not to process payments without complete documents attached pursuant to COA Circular 2012-001.	
2017-002 (KAPWD)	The District entered contract with a Job Order Labor Contractor for the manual labor component of its project implemented by administration contrary to the provisions in IRR of RA 9184 and GPPB Resolution No. 018-2006.	We recommend that the management should strictly adhere to the provisions of Appendix 1 in IRR of RA 9184 under GPPB Resolution No. 018-2006 and to submit valid justification in undertaking contract with a job order labor contractor accompanied with Cost-Benefit Analysis to substantiate its decision.	Fully Implemented
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 available before procuring the same from other suppliers. The procurement of supplies regularly needed by the Agency should be done on a quarterly basis.	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.
2017-001 (KAPWD)	Mutilated coins found on hand may result to a	Management should remind the assigned tellers to	Fully Implemented

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	<p>loss of the Agency's realized income amounting to Php 3,900.00 if it can be classified into the conditions stated under Section 22, Chapter V, of Banko Sentral ng Pilipinas (BSP) Circular 829.</p>	<p>exercise utmost care in the performance of their duties so that mutilated or unfit for circulation notes and coins should not be accepted and returned to the concerned concessionaire who presented it.</p> <p>Segregate the mutilated or unfit for circulation coins according to the classification stated under Chapter V, Sections 18, 19, and 22 of BSP Circular dated March 13, 2014.</p> <p>Present the mutilated or unfit for circulation coins to their authorized depository for exchange or to the BSP Regional Office/Branch nearest to the water district, taking into account the cost that may be charged by their authorized depository bank and transporting the same to the nearest BSP Regional Office/Branch, whichever is more cost efficient or economical.</p>	
2018-009 (KAPWD)	<p>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.</p>	<p>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.</p>	<p>Not Implemented</p> <p>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</p>

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			new ones, since most of the water meters were aged 10 yrs or more as well as old pipes.
2018-007 (KAPWD)	The Agency did not undertake preliminary actions on the development of a Water Safety Plan as required in LWUA Memorandum Circular No. 010.14 and DOH Administrative Order No. 2014-0027, as a consequence, risks that threaten the safe quality of drinking water and public health may not have been properly addressed by appropriate control measures.	We recommend that the We recommended that Management carry out the necessary steps in the preparation and development of a Water Safety Plan this CY 2018 as provided under DOH Administrative Order No. 2014-0027.	Fully Implemented
2018-008 (KAPWD)	The Agency did not comply with Section 4 of the Implementing Rules and Regulations of Republic Act 10121 and Section 35 of the General Appropriations Act (GAA) for FY 2018 to implement programs, projects and activities to address the adverse effects of climate change and disaster risk reduction and mitigation.	We recommend that plans, programs, projects and other activities should be implemented to address this need in compliance with Section 4 of the IRR of RA 10121 and Section 35 of the FY 2018 General Appropriations Act.	Fully Implemented

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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 Local Water Utility Administration (LWUA) Memorandum Circular No. 015-12 dated November 22, 2012.	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 Strictly adhere to Executive Order 65 and LWUA Memorandum Circular No. 015-12 relative to the compensation of the BODs of the District.	Partially Implemented The management has already stopped the issuances of bonuses and other benefits with no legal basis.
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	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	Partially Implemented The district has continued depositing intended for this purpose yet the total savings as of April 30, 2019 is

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	employee benefits.	earned leave credits of District personnel with the corresponding money value as basis in accounting of the accrued liability.	amounting to P1,850,000.
2016 AAR Finding No.9	Purchase Orders were not properly accomplished contrary to Section B of COA Circular No. 96-010 dated August, 15, 1996, resulting to the inability to ascertain that the delivery of materials and supplies conform to the terms and conditions of the agreement.	Require the Accountant and officials concerned to fill-up the relevant and required information on the Purchase Order and that the document must be signed and approved only when the required data are complete to ensure that the supplier will deliver the goods in accordance with the terms and conditions of the contract.	Fully Implemented
2016 AAR Finding No.10	The General Manager was granted with Representation and Transportation Allowance (RATA) amounting to P17,000 while on a 2-month Special Leave contrary to Department of Budget Management (DBM) National Budget Circular No. 548 dated May 15, 2013.	Require Management to strictly comply with the guidelines in the grant of RATA to the General Manager pursuant to DBM National Budget Circular No. 548; and that the General Manager refund the RATA so received.	Not Implemented The management granted said allowances to GM due to humanitarian reasons. She really needs financial support at that time for her major surgical operation.

