

**PART III –  
STATUS OF IMPLEMENTATION OF PRIOR  
YEARS' AUDIT RECOMMENDATIONS**

### Part III- STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

We made a follow-up on the action taken by the District to implement the recommendations of CY 2023, 2022, and 2021 AARs and noted the following:

Status of Implementation	No. of Recommendations	Percentage
Fully Implemented	13	68.42%
Not Implemented (For Implementation)	6	31.58%

Ref.	Audit Observation	Audit Recommendation(s)	Status of Implementation
AAR 2023 Finding No. 1	Accounts Receivable amounting to P2,587,055.80 per Accounting Records is not fairly presented at its net receivable value as of December 31, 2023 due to inadequate provision of Allowance for Impairment- Accounts Receivable of only P398,363.71, resulting to overstatement of asset and income accounts, contrary to Philippine Accounting Standards (PAS) 39 and COA Circular No. 2016-005 dated December 19, 2016.	To review, send confirmations letters and examine all long overdue accounts receivables and prepare adjusting journal entry reflecting appropriate Allowance for Impairment - Accounts Receivables	Fully Implemented
		Through the Accountant, to conduct regular and periodic verification, analysis, and validation of the existence of receivables;	Fully Implemented
		To set up Allowance for Impairment – Accounts Receivables based on collectability and evaluation of factors such as aging of accounts, collection experiences of the agency, expected loss experiences and identified doubtful accounts; and	Fully Implemented
		Upon identification of actual unrealizable receivables, to request for write-off of accounts abiding COA Circular 2016-005 dated December 19, 2016 specifically on items 8.2. to 8.3 in order to achieve fair presentation of financial statements.	Not Implemented  Reiterated this CY Audit Findings



AAR 2023 Finding No. 2	The existence, accuracy and completeness of the recorded balance of Property, Plant and Equipment (PPE) account with carrying amount of P59,444,166.96 as at December 31, 2023 could not be ascertained due to the (a) non- reclassification of tangible properties with cost below the P50,000.00 capitalization threshold contrary to COA Circular 2022-004 dated May 31, 2022, and (b) non-disposal of unserviceable properties and are still carried out in the books, inconsistent with Section 79 of PD No. 1445.	Draw the necessary adjusting entries to charge to expenses or Retained Earnings the carrying values of the tangible properties with cost below the P50,000 capitalization threshold to accurately reflect the correct balances of the PPE, Accumulated Depreciation and Retained Earnings in the FS;	Not Implemented  The Accountant will adjust the necessary entries in CY 2025
		Observe the P50,000 capitalization threshold when classifying and recording tangible items as PPE in compliance with COA Circular 2022-004 dated May 31, 2022;	Not Implemented  Reiterated this CY Audit Findings
		Establish a Disposal and Appraisal Committee that will oversee and manage the disposal of unserviceable properties in compliance with existing regulations. This will prevent further deterioration and depreciation in the value of these assets	Fully Implemented
		Adopt and implement the guidelines and procedures set forth under COA Circular 2020-006 for the one-time cleansing of PPE account balances of government agencies to reconcile the PPE accounts with the latest inventory and appraisal reports to ensure that the balance of their PPE accounts is accurate and reliable.	Fully Implemented
AAR 2023 Finding No. 3	The existence, completeness, accuracy, and ownership rights of the Land account amounting to P2,804,309.23 as of December 31, 2023, could not be ascertained due to Management's failure to expedite the transfer of the titles of three (3) lots in the name of the District, contrary to Section 39 (2) of PD No.	We recommended the General Manager to instruct the concerned personnel to accelerate efforts to facilitate the transfer of the titles of the aforementioned parcels of land in the name of the District to ascertain absolute ownership of the District and to protect its interest.	Not Implemented  Reiterated this CY Audit Findings



	1445, Sections 51 and 52 of Presidential Decree (PD) No. 1529, Philippine Accounting Standards (PAS) 1 and PFRS Framework.		
AAR 2023 Finding No. 4	The District was unable to prepare a comprehensive plan, provide adequate budgetary allocations and implement various projects, activities and programs concerning Disaster Risk Reduction and Management (DRRM) inconsistent with the provisions of Republic Act (RA) No. 10121 and Section 40, Volume I of General Appropriations Act of 2023 (RA 11936) thus, leaving the District incapable of being ready prior to, during and after every disaster.	Allocate adequate budget for DRRM programs and activities;	Fully Implemented
		Develop a DRRM Program and have a framework for disaster preparedness, response, prevention and mitigation, and rehabilitation and recovery, pursuant to RA 10121; and	Fully Implemented
		Prepare and submit to the Audit Team a Disaster Risk Reduction and Management (DRRM) Plan and Budget for CY 2024.	Fully Implemented
AAR 2023 Finding No. 5	Annual GAD Plan and Budget (GPB) and Accomplishment Report were not submitted contrary to Joint Circular No. 2012-001 of Department of Budget and Management (DBM), National Economic and Development Authority (NEDA) and Philippine Commission on Women (PCW) thereby bringing difficulty to determine whether the gender issues identified were approved by DILG/ PCW and whether the gender issues had been fully addressed.	We recommended the Management to submit the GAD Plan and Budget and the Accomplishment Report within the deadline prescribed by PCW- DILG- DBM-NEDA Joint Memorandum Circular No. 2013-01 and COA Circular 2014-001.	Fully Implemented
AAR 2022 Finding No. 2	Past due and dormant Receivables aging one to more than three years amounting P3,410,866.07 remained uncollected and were classified under current assets contrary to Philippine Accounting Standards (PAS) 1 and 39 and GOA Circular No. 2016-005 dated December 19, 2016.	Require the Accountant to classify these past-due and dormant accounts receivable, aging one year and over, as non-current in the financial statements pursuant to PAS 1;	Fully Implemented
		Exert efforts to collect the receivables thru demand letters; and	Fully Implemented

		File the request for authority to write-off dormant receivable accounts following the provisions of COA Circular No. 2016-005 dated December 19, 2016	Not Implemented  Reiterated this CY Audit Findings
AAR 2022 Finding No. 5	The Non-Revenue Water (NRW) of the District is equivalent to 29.55 per cent which exceeded the 20 percent maximum acceptable NRW prescribed by LWUA resulting to unaccounted water losses, which is not in accord with LWUA Memorandum Circular No. 014-10 dated December 2, 2010 and LWUA Resolution No. 444 series of 2009, hence, resulting to additional losses to the District.	Conduct regular performance audit on all its water meters (i.e., flow meters and service meters) and pipes to be able to detect and replace all those that are defective and prepare a report for easier monitoring; and	Fully Implemented
		Ensure that the NRW level is reduced and shall not exceed the 20 per cent maximum	Not Implemented  The Management will identify the pipes that have leakage and keeps on bursting
AAR 2021 Finding No. 7	The District failed to prepare its Septage Management Plan (SMP) as required by RA 9275 and PD 198 depriving its concessionaires of a sound wastewater treatment and disposal system.	We recommend that Management prepare its Septage Management Plan (SMP) providing for a strategic objective of the District, the courses of action to be undertaken with its desired/expected outcomes and outputs, target timelines, accountabilities, means of monitoring and evaluation, and key performance indicators, among other items, for an effective and efficient implementation and monitoring.	Fully Implemented