



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. X  
Cagayan de Oro City

*[Handwritten signature]*  
LEONARDO B. JESGUERRA  
3-11-14 4:20 PM

March 17, 2014

**BUENALITA B. RAÑISES**  
General Manager  
Kapatagan Water District  
Kapatagan, Lanao del Norte

Dear Manager Rañises,

We are pleased to transmit the Annual Audit Report (AAR) of Kapatagan Water District, Kapatagan, Lanao del Norte for the year ended December 31, 2013, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445 otherwise known as the Government Auditing Code of the Philippines.

The audit was aimed at ascertaining the propriety of financial transactions, compliance by the Corporation with prescribed laws rules and regulations, the accuracy of financial records and reports and ultimately the fairness of presentation of the financial statements. Further, the audit was conducted in accordance with the generally accepted auditing standards and we believe that it provides reasonable basis for the results of the audit.

The report consists of four (4) parts, Part I – Audited Financial Statements, Part II – Observations and Recommendations, Part III – Status of Implementation of Prior Year’s Audit Recommendations, which were discussed with concerned management officials and staff and Part IV – the Annexes.

We will appreciate being informed of the actions taken on the recommendations, contained in the report, within sixty (60) days from the date of receipt thereof.

We acknowledge the support and cooperation extended to our Audit Group by the officials and employees of the Kapatagan Water District.

Very truly yours,

*[Handwritten signature]*  
**ATTY. ROY L. URSAL**  
Director IV  
Regional Director



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. X  
Cagayan de Oro City

*[Handwritten Signature]*  
LEONARDO B. EJGUERRA  
3-11-14 4:20 PM

March 17, 2014

The Chairman  
Board of Directors  
Kapatagan Water District  
Kapatagan, Lanao del Norte

Gentlemen:

We are pleased to transmit the Annual Audit Report (AAR) of Kapatagan Water District, Kapatagan, Lanao del Norte for the year ended December 31, 2013, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445 otherwise known as the Government Auditing Code of the Philippines.

The audit was aimed at ascertaining the propriety of financial transactions, compliance by the Corporation with prescribed laws rules and regulations, the accuracy of financial records and reports and ultimately the fairness of presentation of the financial statements. Further, the audit was conducted in accordance with the generally accepted auditing standards and we believe that it provides reasonable basis for the results of the audit.

The report consists of four (4) parts, Part I – Audited Financial Statements, Part II – Observations and Recommendations, Part III – Status of Implementation of Prior Year’s Audit Recommendations, which were discussed with concerned management officials and staff and Part IV – the Annexes.

We have requested the General Manager, Kapatagan Water District, for the information on the actions taken on the recommendations, contained in the report, within sixty (60) days from the date of receipt thereof.

We acknowledge the support and cooperation extended to our Audit Group by the officials and employees of the Kapatagan Water District.

Very truly yours,

*[Handwritten Signature]*  
**ATTY. ROY L. URSAL**  
Director IV  
Regional Director



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. X  
Cagayan de Oro City

*OFFICE OF THE SUPERVISING AUDITOR*  
**Audit Group I -Water Districts**

March 17, 2014

**Atty. Roy L. Ursal**  
Regional Director  
Commission on Audit  
Regional Office No. X  
Cagayan de Oro City

Sir:

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we audited the accounts and operations of **Kapatagan Water District, Kapatagan, Lanao del Norte** for the year ended December 31, 2013.


The audit was conducted to ascertain the propriety of the agency's financial transactions; its compliance with laws, rules and regulations; and the efficiency of its operations. It was also conducted to ascertain the accuracy of the financial records and reports and the fairness of presentation of the financial statements.

Our report consists of four (4) parts, namely, Part I – Audited Financial Statements, Part II – Observations and Recommendations, Part III – Status of Implementation of Prior Years' Audit Recommendations and Part IV - Annexes. The observations and recommendations were communicated to Management thru Audit Observation Memorandum and discussed with management officials and staff. Their comments are included in the appropriate portion of this report.

There is reasonable assurance that the financial statements/records/reports are free of material misstatements and are prepared in accordance with Philippine Financial Reporting Standards (PFRS)/accounting principles generally accepted in the Philippines.

Our audit was conducted in accordance with the Philippine Standards on Auditing (PSA) and we believe that the audit evidence we have obtained provides reasonable basis for our audit opinion/report.

Very truly yours,

  
**EDWIN GAA CANIOS**  
State Auditor V  
Supervising Auditor



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. X  
Cagayan de Oro City

**Team 5, Audit Group I – Water Districts**

March 17 2014

**Mr. Edwin Gaa Canios**  
State Auditor V  
Supervising Auditor  
Audit Group I- Water District  
Commission on Audit  
Regional Office No. X  
Cagayan de Oro City

S i r:

In compliance of Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we audited the accounts and operations of the **Kapatagan Water District**, Kapatagan, Lanao del Norte, for the year ended December 31, 2013.

The audit was conducted on a test basis to ascertain the propriety of financial transactions and compliance of the agency to prescribed rules and regulations. It was also made to ascertain the accuracy of financial records and reports and the fairness of the presentation of the financial statements.

Our attached report consists of four parts, Part I – Audited Financial Statements, Part II – Observations and Recommendations which were discussed with concerned management officials and staff during the exit conference conducted on March 13, 2014, Part III – Status of Implementation of Prior Year’s Recommendations, and Part IV – Annexes.

In our opinion, except for the effects of the matters discussed in Part II of this report, there is reasonable assurance that the financial statements are free from material misstatement(s) and were prepared in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting principles.

Our audit was conducted in accordance with generally accepted state auditing standards, and we believe that it provides reasonable basis for the results of audit.

Very truly yours,

  
**MACRINA M. GENTILES**

State Auditor III  
Audit Team Leader



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue  
Quezon City

# **ANNUAL AUDIT REPORT**

**ON THE**

## **KAPATAGAN WATER DISTRICT**

Kapatagan, Lanao del Norte  
Province of Lanao del Norte

**For the Year Ended December 31, 2013**

## **EXECUTIVE SUMMARY**

### **INTRODUCTION**

The Kapatagan Water District (KAPWD) is a Government-Owned and/or Controlled Corporation (GOCC) established on September 12, 1988 by virtue of PD 198, as amended, otherwise known as the Provincial Water Utilities Act of 1973.

Presently KAPWD provides water services to the barangays of the Municipalities of Kapatagan and Lala.

The district is run by a five-member Board of Directors appointed by the Municipal Mayor, namely:

Angelita P. Robles	-	Chairman
Enrico P. Eya	-	Member
Raul C. Carreon, Sr.	-	Member
Jimmy D. Pamotongan	-	Member
Lito P. Castellano	-	Member

The Water District is getting financial and technical assistance from the Local Water Utilities Administration (LWUA), a Government-Owned and/or Controlled Corporation created by virtue of PD 198 which purpose is to provide financial and technical assistance to local Water Districts. In fact KAPWD at present has an outstanding loan balances in the amount of P36,168,481.66 as of December 31, 2013.

### **Goal**

- To provide adequate potable and economically viable water supply within the areas
- To maintain sanitary condition of the community by maintaining the waste disposal system

### **Vision**

KAPWD, a non-profit but service oriented entity, envisions to improve the people's quality of life, health and sanitation with sustainable water supply.

### **Mission**

KAPWD is committed to provide a 24-hour, safe, adequate, affordable and potable water supply to the consuming public through an inspired leadership with the support of employees, truly dedicated to promote the highest quality of service.

### Organizational Set Up

The District is headed by a General Manager and supported by a five member Board of Directors. The District has a total workforce of twenty-two (22) regular employees and nine (9) casual employees as of December 31, 2013. The district was categorized as Class C and to date has a total service water connection of 3,809 with a noted increase of 222 from last year's service water connections of 3,587.

### Financial Highlights

	<b>2013</b>	<b>2012</b>	<b>Increase / (Decrease)</b>	<b>% over last year</b>
Assets	₱62,350,945.30	₱61,180,621.68	₱1,170,323.62	1.88%
Liabilities	37,954,771.59	40,038,220.51	( 2,083,448.92)	-5.49%
Government Equity	24,396,173.71	21,142,401.17	3,253,772.54	13.34%
Revenue	25,072,270.34	22,838,770.83	2,233,499.51	8.91%
Expenses	21,845,288.60	21,692,951.08	152,337.52	.70%
Income	3,226,981.74	1,145,819.75	2,081,161.99	64.49%

The district's assets, liabilities and equity as of December 31, 2013 were ₱62,350,945.30, ₱37,954,771.59 and ₱24,396,173.71 respectively.

The Agency's revenue amounted to ₱25,072,270.34 which increased by ₱2,233,499.51 or 8.91% compared with last year of ₱22,838,770.83.

For calendar year 2013, the district appropriated ₱28,677,699.82 for the district's operations. A total expenditure of ₱21,845,288.60 was incurred, in which ₱11,384,752.27 was expended for Personal Services, ₱7,695,955.36 was utilized for Maintenance and Other Operating Expenses and ₱2,764,580.97 for Financial Expenses.

### Operational Highlights

As of December 31, 2013, the district has total service connections of 4,083 of which 3,830 are active and metered while 4,083 connections are billed. Total water sales billed was computed at ₱23,640,792.18 and collected a total of ₱23,612,552.73, thereby, registering a collection efficiency of 99.8% as at year-end.

### SCOPE OF AUDIT

A financial and compliance audit was conducted on the accounts of the KAPWD, Kapatagan, Lanao del Norte, for the calendar year 2013. The objectives of the audit were to ascertain the fairness and reliability of the Agency's financial position and results of operation as well as the utilization of funds in line with their mandated functions.

## **INDEPENDENT AUDITOR'S REPORT**

A qualified opinion was rendered on the financial statements due to understatement of liability account by P1,876,349.65 as the earned leave benefits of employees are not properly accounted and disclosed in the financial statement under accrual liability account, thus government equity and income account were overstated by the same amount.

## **SUMMARY OF SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS**

- 1. Cash advance were granted and utilized to officers and employees of the district in the procurement of equipment, spare parts and office supplies amounting to P 269,291.03 causing undue disadvantage to the government and non-adherence with the provision of COA Circular No. 97-002 dated February .**

We have recommended to Management and assured to implement the following:

- To strengthen its internal control on accounting and cash management by paying the transaction in check to the individual suppliers.
  - Ensure the guidelines in granting and utilization of cash advances for a legally specific purpose and in consonance with the provisions of COA Circular No. 97-002 to obtain a sound management operation.
- 2. The grant of benefits and allowances to Board of Directors of the district totaling P450,000.00 was deemed irregular due to lack of adequate legal basis.**

We have recommended and Management affirmed to do the following:

- a) Request all recipients to refund the full amount received being without legal basis for the payment thereof;
- b) Stop granting allowances and other fringe benefits to its Board of Directors without legal basis to preclude disallowances in audit.
- c) Henceforth, strictly observe laws, rules and regulations governing the disbursements of government funds to protect its interest.



3. **The rate of per diems paid to the Board of Directors effective April, 2012 was not in accordance with the prescribed rate set by the Local Water Utilities Administration (LWUA), thereby an overpayment was computed totaling P609,750.00 for CY 2013.**

We have recommended to the Management to require the concerned officers to refund the excess per diems claimed in the amount of P609,750 on or before March 10, 2014.

4. **The district maintained additional bank accounts to serve as mandatory savings for General Fund contrary to NGAs One Fund Concept creating additional burden in the recording of financial accounts of the district.**

We have recommended to the Management to discontinue the practice of maintaining additional bank accounts which are inconsistent under the NGAs One Fund Concept pursuant to Section 4(b), Chapter 2 of NGAs Manual, Volume 1. Closed bank accounts that contribute in the duplication of district's transaction to strengthen internal control.

5. **The district had adopted the other modes of procurement such as repeat order thru credit and shopping in the procurement of goods which is not in conformity with Revised Implementing Rules and Regulations of Republic Act of 9184 otherwise known as the Government Procurement Act.**

We have recommended and Management affirmed the following:

- a) Ensure that all procurements of the district should be through competitive public bidding as required in Section 10 Article IV of Republic Act 9184 and shopping should only be an alternative mode if the situation calls for it. Further, all procurement during the year should be in accordance with approved Annual Procurement Plan and based on this plan, schedule the bidding of all supplies, materials and construction materials;
- b) The BAC shall recommend to the head of the agency the use of alternative methods through a resolution;
- c) Observed the regulations on repeat order that the quantity should not exceed 25% from the original purchased; and
- d) Strictly adhere to the provisions of RA 9184 in the procurement of equipment and materials and attach pertinent supporting documents to the disbursement voucher.

- 6. Due to Other NGAs account in total amount of P280,000.00 as of December 31, 2013 with past due status of more than five years has remained outstanding at year end.**

We have recommended and Management agreed to provide appropriate appropriation and budget and ensure that current obligations or liabilities are given priority.

- 7. The District failed to prepare the prescribed form of the Annual Procurement Plan (APP) thereby the milestone is not indicated which is not in conformity with Section 7.2, Article II of RA 9184.**

We have recommended and Management affirmed to do the following:

- a) Develop an overall plan for the procurement of goods, taking into consideration the objective to be accomplished and its financial capability.
- b) Instruct the Property Officer to prepare the prescribed form of Annual Procurement Plan (APP) together the Project Procurement Management Plan.
- c) Likewise, no purchase of supplies shall be made unless included in or covered by the approved procurement plan.

- 8. Expenses incurred on some accounts of the district for CY 2013 totaling P521,239.74 exceeded its appropriation for the year in violation of Section 4 of Presidential Decree No. 1445.**

We have recommended and Management assured to do the following:

- a) Stop the practice of processing expense for payment without available budget.
- b) Instruct the Accounting Processor A, who was also designed as the Budget Officer, to prepare the required Budget Utilization Worksheet for proper control of appropriations.
- c) Segregate the function of the Accounting Section from Budgeting Section to protect the interest of the district in case of manipulation.

- 9. The Cashier handled the teller functions of the district in violation of internal accounting control principle.**

We recommended and Management affirmed to do the following:

- a) Separate the functions of the Cashier from teller functions to ensure that effective check and balance exist.
- b) Create a position for teller or assign somebody to handle the teller function.

**10. The District failed to provide accrual of liability for the earned leave benefits of the employees totaling P1,876,349.65 as of December 31,2013. As a consequence, employees benefits were not properly accounted for and disclosed in the Financial Statements. This has resulted to understatement of liability, overstatement of government equity and overstatement of net income.**

We have recommended and Management agreed to do the following:

- a. Include in the Budget every year the appropriation for the accrued payable on terminal leave benefits earned by each employee per year to ensure that employees' benefits are properly accounted for and disclosed in the Financial Statements.
- b. Instruct the Accounting Section to make the necessary adjusting entries to record the accrued liability pertaining to the earned leave benefits of the employees after ensuring the correctness of the accumulated leave credit balances of employees as of December 31, 2013.
- c. Set-up a special fund equivalent to the balance of the pensions and benefits reserve account for the accrued earned leave of employees to defray expenses of employees' pensions and benefits in the future.
- d) Suggested adjusting entries to recognized accrued payable on terminal leave benefits earned by each employee per year of the district:

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Operation/ Maintenance Expenses (Earned Leave Expenses)	xxx	
Pension and Benefits Reserve		xxx

To set up accrued payable on terminal leave benefits earned by each employee per year.

- e) Suggested entry every time an employee is paid monetization leave within the year:

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Pension and benefited reserve	xxx	
Cash in bank		xxx

To record payment of monetization leave of district employee.

- 11. Payments out of the Petty cash funds in the total amount of P164,964.96 were not supported with the documentary requirements and recording were not updated daily which might result to misuse of funds.**

We recommended and Management affirmed to do the following:

- Petty cash custodian should properly review the completeness of receipts/documents and shall record/update daily the disbursements in the petty cash fund report.
- Petty cash vouchers should not be released if not properly approved by the immediate supervisor.

- 12. All Purchases of commonly used supplies totaling P P241,117, were not made through Procurement Service (PS) of the Department of Budget and Management as required in AO No. 17 but instead all were done through shopping or direct contracting without the Bids and Awards Committee's recommendations to adopt these alternative modes of procurement in violation of RA 9184 thereby not helping the government owned institution..**

We have recommended and Management agreed to do the following:

- To prepare a BAC Resolution indicating the mode of procurement to be recommended for approval by the Head of the Procuring Entity (HOPE) in each procurement activity.
- For goods to be purchased but not available in the PS-DBM, secure a certification from that unit that requisitioned goods are not available before recommending other alternative modes of procurement.
- Prepare the Annual Procurement Plan for the commonly used supplies and submit to the PS-DBM at the start of the year.

- Personnel involved in the procurement process should attend seminar-workshop on R.A. 9184 for an efficient and effective implementation thereof.

**13. Monetization of accumulated vacation leave credits in excess of the minimum ten (10) days were granted to district officer and employees in the absence of a duly approved letter-request contrary to the provisions of COA Circular No. 2012-001 dated June 14, 2012.**

We have recommended and Management assured that payment of accumulated leave credits in excess of the ten (10) days to a maximum of thirty (30) days in a year shall be supported with a letter-request of the employees and approved by the head of the agency aside from the approved application for monetization of leave pursuant to the provisions of COA Circular No. 2012-001 dated June 14, 2012.

**14. The Management failed to settle the Disallowances in the amount of P1,192,750 for the prior year audit disallowances.**

We have recommended to Management the following:

- To exert effort to cause the settlement of audit disallowance. Settlement of audit disallowances can be immediately enforced by withholding the salaries or other claims due the persons liable, in satisfaction of the amounts disallowed or charged. On the other hand, legal remedies should be employed by management to ensure the settlement of the liabilities of those officials and employees who are already separated from the government service.
- Further, the disallowances should be acted upon within the required timelines.

**STATUS OF IMPLEMENTATION BY THE AUDITEE OF PRIOR YEAR'S AUDIT RECOMMENDATIONS**

Monitoring and evaluation of the actions taken by the management relative to the implementation of the prior year's audit recommendations disclosed that of the 19 audit recommendations embodied in 2013 Annual Audit Report, 8 were fully implemented, 2 were partially implemented, while 9 were not implemented.

## TABLE OF CONTENTS

		Page No.
Part I	- Result of Financial Statement Audit	
	- Independent Auditor's Report	1
	- Statement of Management's Responsibility for Financial Statement	3
	- Financial Statements	
	- Detailed Balance Sheet	4
	- Detailed Statement of Income and Expenses	6
	- Detailed Statement of Cash Flow	7
	- Detailed Statement of Changes in Equity	9
	- Notes to Financial Statements	10
Part II	- Findings and Recommendations	15
Part III	- Status of Prior Years' Audit Recommendations	34
Part IV	- Annexes	43
	A - List of Cash Advances who were granted to purchase equipment, spare parts and office supplies	
	B - Various Allowances granted to KAPWD Board of Directors	
	C - Letter from LWUA for the Rate of per diem of KAPWD BOD	
	D - Schedule of overpayment of BOD per diems	
	E - List of Procurement with Deficiencies	
	F - List of expense accounts incurred for CY 2013 which exceeded the appropriation for the year	
	G - Accumulated earned leave benefits of the employees	
	H - Payments out of the Working Fund with no complete documentation	
	I - List of office supplies procured not made in PS-DBM	
	J -List of personel who ere granted monetization in excess of the minimum	
	K - Schedule of BIR Remittances	

# **PART I – AUDITED FINANCIAL STATEMENTS**



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. X  
Cagayan de Oro City

## **INDEPENDENT AUDITOR'S REPORT**

### **The Board of Directors**

Kapatagan Water District  
Kapatagan, Lanao del Norte

We have audited the accompanying financial statements of Kapatagan Water District which comprise the balance sheet as of December 31, 2012, and the statements of income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and are free from material misstatement, whether due to fraud error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Public Sector Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion.

*Basis for Qualified Opinion*

As discussed in Part II of the report, , earned leave benefits of employees totaling P1,876,349.65 as of December 31, 2013 was not properly accounted for and this was not disclosed in the financial statement under accrual liability account. This has resulted to understatement of liability account, overstatement of government equity and income account by the same amount..

*Qualified Opinion*


In our opinion, subject to the effects on the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Kapatagan Water District as of December 31, 2013, and of its financial performance and its cash flows for the year ended in accordance with state accounting principles.

*Other Matters*

The exit conference for the results of the financial and compliance audit of the CY 2013 operations was conducted on March 13, 2014.

COMMISSION ON AUDIT

By:

  
**EDWIN GAA CANIOS**  
State Auditor V  
Supervising Auditor


March 11, 2014



## STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the **Kapatagan Water District, Kapatagan, Lanao del Norte** is responsible for all information and representation contained in the Balance Sheet as of **December 31, 2013** and the related Statement of Income and Expenses, Statement of Cash Flows and Statement of Changes in Government Equity for the period then ended. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on best estimates and informed judgment of management with an appropriate consideration of materiality.

In this regards, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded; assets are safeguard against unauthorized use or disposition and liabilities recognized.

  
**LEEVENA S. BALILI**  
Accounting Processor

  
**GM BUENALITA B. RAÑISES**  
General Manager

Kapatagan Water District  
**Balance Sheet**  
For the Year Ended December 31, 2013  
(With Comparative Figures for December 31, 2012 )

	Notes	2013	2012
<b>ASSETS</b>			
Current Assets			
Cash	2	₱ 2,942,055.32	₱ 1,383,937.44
Receivables	3	599,216.84	525,086.32
Inventories		1,368,898.55	1,358,377.78
Prepayments			-
Other Current Assets			-
Total Current Assets		₱ 4,910,170.71	₱3,267,401.54
Investments			
Investment in Securities			-
Sinking Fund			-
Total Investments		-	-
Property, Plant and Equipment			
	4		
Land		₱ 529,309.23	₱ 529,309.23
Land Improvements		37,399,673.42	36,765,435.23
Buildings		-	-
Office Equipment, Furniture and Fixtures		975,579.64	964,807.34
Machineries and Equipment		10,434,311.55	10,329,571.55
Transportation Equipment		969,975.89	739,975.89
Other Property, Plant and Equipment		1,507,601.01	1,507,601.01
Construction in Progress		12,608,925.08	12,608,925.08
Accumulated Depreciation		(6,984,601.23)	(5,700,331.47)
Total Property, Plant and Equipment		₱ 57,440,774.59	₱ 57,745,293.86
Other Assets		-	₱ 167,926.28
<b>TOTAL ASSETS</b>		₱ 62,350,945.30	₱61,180,621.68
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Current Liabilities	5	₱ 1,690,208.41	₱ 1,439,037.82
Long-Term Liabilities	6	36,264,563.18	37,633,816.69
Deferred Credits	7		965,366.00
Total Liabilities		₱ 37,954,771.59	₱ 40,038,220.51
<b>EQUITY</b>			
Government Equity, Beginning		₱ 4,000,013.34	₱ 4,000,013.34

Add/Deduct:		
Retained Operating Surplus	20,396,160.37	17,142,387.83
Prior Year's Adjustments		-
Transfers to Registry		-
Government Equity, End	<u>₱ 24,396,173.71</u>	<u>₱ 21,142,401.17</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>₱ 62,350,945.30</u></u>	<u><u>₱ 61,180,621.68</u></u>

(See accompanying Notes to Financial Statements)

Kapatagan Water District  
**Statement of Income and Expenses**  
For the Year Ended December 31, 2013  
(With Comparative Figures for December 31, 2012)

	2013	2012
Income:		
Local Taxes		
Permits and Licenses		
Service Income		
Business Income	₱ 24,100,345.82	₱ 21,785,147.35
Other Income	971,924.52	1,053,623.48
Total Income	₱ 25,072,270.34	₱ 22,838,770.83
Less: Expenses		
Personal Services	11,384,752.27	11,461,972.91
Maint. & Other Operating Expenses	7,695,955.36	7,356,773.94
Financial Expenses	2,764,580.97	2,874,204.23
Total Expenses	₱ 21,845,288.60	₱ 21,692,951.08
Net Operating Income	₱ 3,226,981.74	₱ 1,145,819.75
Add: Subsidies from Other LGUs		
Total	₱ 3,226,981.74	₱ 1,145,819.75
Less:		
Less: Subsidies to Other LGUs		
NET INCOME	₱ 3,226,981.74	₱ 1,145,819.75

**Kapatagan Water District**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2013  
(With Comparative Figures for CY 2012)

	<b>2013</b>	<b>2012</b>
<b>Cash Flows from Operating Activities:</b>		
Cash Inflows:		
Service Income	-	
Business Income	-	
Permits and licenses	-	
Other Income	₱ 524,829.26	₱ 469,783.64
Receivables		22,214,606.53
Other Receipts	24,777,875.95 456,807.05	102,201.82
<b>Total Cash Inflow</b>	<b>₱ 25,759,512.26</b>	<b>₱ 22,786,591.99</b>
Cash Outflows:		
Personal Services	₱ 7,773,459.76	₱ 9,765,442.31
Maintenance & Other Operating Expenses	6,747,363.05	2,700,607.31
Prepayments, deposits & deferred charges		
Payables	4,734,393.49	3,384,744.21
Other Disbursements	16,466.00	2,716,185.18
<b>Total Cash Outflow</b>	<b>₱ 9,271,682.30</b>	<b>₱ 8,566,979.01</b>
<b>Net Cash from Operating Activities</b>	<b>₱ 6,487,829.96</b>	<b>₱ 4,219,612.98</b>
<b>Cash Flows from Investing Activities:</b>		
Cash Inflows:		
Sale of Property, Plant and Equipment	-	-
Sale of Investments	-	-
Proceeds from matured investment	-	-
Interest and dividends	-	-
<b>Total Cash Inflows</b>	<b>-</b>	<b>-</b>
Cash Outflows:		
To Purchase Property, Plant and Equipment	₱ 265,987.75	₱ 121,779.01
To Purchase Debt Securities of Other Entities		
<b>Total Cash Outflow</b>	<b>₱ 265,987.75</b>	<b>₱ 121,779.01</b>
<b>Net Cash from Investing Activities</b>	<b>₱ (265,987.75)</b>	<b>₱ (121,779.01)</b>

Cash Flows from Financing Activities:

Cash Inflows:		
From Acquisition of Loan		
Total Cash Inflow		-
Cash Outflows:		
Payment of Loan Amortization	₱ 4,229,916.00	₱4,088,787.16
Financial Expenses		
Total Cash Outflow	₱ 1,465,335.03	₱ 4,088,787.16
Net Cash from Financing Activities	₱ (1,465,335.03)	₱(4,088,787.16)
<b>Net Increase in Cash</b>	1,991,926.21	9,046.81
<b>Cash at Beginning of the Period</b>	950,129.11	1,374,890.63
<b>Cash at the End of the Period</b>	₱ 2,942,055.32	₱ 1,383,937.44

**Kapatagan Water District**  
**Detailed Statement of Changes in Equity**  
**Year Ended December 31, 2013**  
**(With comparative figures for 2012)**

	KAPATAGAN WATER DISTRICT	
	2013	2012
	(1)	(2)
<b>Government Equity</b>		
Balance at beginning of period	₱4,000,013.34	₱4,000,013.34
Additions (deductions)		
Balance at end of period	₱4,000,013.34	₱4,000,013.34
<b>Restricted Capital</b>		
Balance at beginning of period		
Additions (deductions)		
Balance at end of period	-	-
<b>Donated Capital</b>		
Balance at beginning of period		
Additions (deductions)		
Balance at end of period	-	-
<b>Retained Earnings</b>		
Balance at beginning of period	₱17,142,387.83	₱15,996,568.08
Prior period adjustments	26,790.80	
Changes during the period		
Net income (loss) for the period	3,226,981.74	1,145,819.75
Balance at end of period	₱ 20,396,160.37	₱17,142,387.83
<b>TOTAL EQUITY</b>	<b>₱24,396,173.71</b>	<b>₱21,142,401.17</b>



**KAPATAGAN WATER DISTRICT**  
Kapatagan, Lanao del Norte

**Notes to Financial Statement**

**1. Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared on the basis of Generally Accepted Accounting Principles and pertinent provisions contained in the Commercial Practices Manual for Local Water Utilities Administration and the New Government Accounting system (NGAS).

The accrual method of accounting is adopted for both income and expenses.

In recording expenditures, the voucher system is followed in which vouchers is credited prior to payment and debited when paid.

Property, Plant and Equipment is carried at cost minus salvage at 10% of the cost of the property. Depreciation is computed on a straight line method based on the estimated useful life ranging from five (5) to ten (10) years in accordance with COA Circular No. 2003-007 dated December 11, 2003.

**2. Cash**

This account consists of:

<i>Accounts</i>	<i>Account No.</i>	<i>2013 Amount</i>	<i>2012 Amount</i>
Cash on Hand		363,725.03	14,933.36
Petty Cash Fund		4,898.30	20,000.00
Payroll Fund		70.58	
Cash in Bank		2,573,361.41	1,349,004.08
<b>TOTAL AMOUNT</b>		<b>P 2,942,055.32</b>	<b>P 1,383,937.44</b>

<i>Details of the Cash in bank accounts are as follows :</i>			
		<i>2013</i>	<i>2012</i>
Cash in Bank (FVB)	22-00008-5	1,068,055.14	90,259.3
Cash in Bank (LBP)	0802-1078-11	280,266.41	295,773.04
Cash in Bank (LBP)	0801-0610-87	1,151,707.17	916,865.35
Cash in Bank (FVB)	51-19772-1	73,332.69	46,106.39
<b>Total</b>		<b>P2,573,361.41</b>	<b>P1,349,004.08</b>

- The 1<sup>st</sup> Valley Bank (22-00008-5) is the depository bank of the district pertaining to daily deposit of collections and withdrawal of funds for operations;

- LBP Account No. 0802-1078-11 was utilized to withdraw funds to remit employee and government shares for GSIS, Pag-ibig, Philhealth and BIR;
- LBP Account No. 0801`-0610-87 served as the joint savings account between LWUA and KAPWD;
- 1<sup>st</sup> Valley Bank Account No. 51-19772-1 served as their combo account of GAD, Calamity, and local mandatory savings account where they withdraw funds to pay agency bonus and other personnel benefits during the year;

### 3. Receivables

a) Account Receivables as of December 31, 2013 consist of the following :

	<b>2013</b>	<b>2012</b>
A/R- Customers	₱ 524,972.03	₱ 497,770.57
Allow. for doubtful Accounts		(26,790.80)
A/R – Others (New SVC Loan)	70,055.75	45,555.75
Due from Officers & Employees	1,670.64	6,760.00
Other Receivable	2,518.42	2,000.00
<b>TOTAL</b>	<b>₱ 599,216.84</b>	<b>₱ 525,086.32</b>

### 4. Property, Plant and Equipment

<i>Accounts</i>	<b>2013</b>	<b>2012</b>
	<i>Amount</i>	<i>Amount</i>
Land	₱ 529,309.23	₱ 529,309.23
Land Improvements – Transmission	37,399,673.42	40,591,879.35
Transportation Equipment	969,975.89	739,975.89
Machineries & Equipment – Power Production, Water treatment, Pumping, , Tools & Garage, & Reservoir	11,722,307.56	7,823,623.44
Telegraph, Telephone, Cable, TV & Radio Equipment	219,605.00	187,105.00
Office Equipment, Furniture & Fixtures	975,579.64	964,807.34
Construction in Progress	12,608,925.08	12,608,925.08
Accumulated Depreciation	(6,984,601.23)	(5,700,331.47)
<b>TOTAL AMOUNT</b>	<b>₱ 57,440,774.59</b>	<b>₱ 57,745,293.86</b>

Utility Plant Accounts in the total amount of P57,440,774.59 includes properties of relatively permanent in character that are used in normal utility operations of water district that were carried at historical cost less accumulated depreciation using the straight line method over the estimated useful lives of the properties pursuant to COA Circular No. 2003-007 dated December 11, 2003. An inventory report as of December 31, 2013 of

these PPE accounts were submitted by the district in compliance with the COA rules and regulations.

## 5. Current Liabilities

<i>Accounts</i>	<i>2013</i>	<i>2012</i>
	<i>Amount</i>	<i>Amount</i>
1. Due to Officers & Employees	₱ -	₱ 1,718.92
2. Accrued Expenses Payable	1,437,671.86	1,249,630.64
3. Due to BIR	72,622.51	42,736.84
4. Due to GSIS	127,293.67	115,132.65
5. Due to Pag-ibig	43,223.39	21,419.77
6. Due to Philhealth	9,396.98	8,399.00
<b>TOTAL AMOUNT</b>	<b>₱ 1,690,208.41</b>	<b>₱ 1,439,037.82</b>

Accrued Expenses Payable amounting to P1,437,671.86 consists of utility expenses already incurred but not yet paid. On the other hand, Due to BIR, Due to GSIS, Due to Pag-ibig and Due to Philhealth accounts amounting to P72,622.51, P127,293.67, P43,223.39 and P9,396.98 respectively, represent remittances of employees and employer government shares deducted for the month of December 2013 to be remitted in the month of January, 2013.

## 6. Long-Term Liabilities

<i>Accounts</i>	<i>2013</i>	<i>2012</i>
	<i>Amount</i>	<i>Amount</i>
1. Loans Payable-Regular	₱ 4,719,517.33	₱ 4,986,072.36
2. Loans Payable-Soft	868,216.09	921,781.09
3. Loans Payable-KFW LA# 4-2262A-RL	13,378,013.00	13,760,643.00
4. LA# 4-2262B-RL	2,178,607.00	2,240,904.00
6. Loans Payable-Butadon Expansion Arrears	2,922,287.76	3,226,494.24
7. NLIF Partial Funds	12,197,922.00	12,497,922.00
<b>TOTAL AMOUNT</b>	<b>₱ 36,264,563.18</b>	<b>₱ 37,633,816.69</b>

For the purpose of providing a safe, reliable, sound and economically viable water supply and wastewater disposal system, the district entered into various loans and financial assistance contracts as follows:

The KFW loan account No. 4-2265 is a Level III Regular Loan entered by the district on December 15, 2004 in the total amount of P19.724 Million with interest rate of 8.5% per annum for the 1<sup>st</sup> P2M, 10.5% per annum for the next P5M and 12.5% interest per annum for the next P13M. The Regular Loan Component of P17.752M comprised with the Foreign Loan Component(KFW) P15.266M and the LWUA Counterpart of P2.486M while the WD Equity is P1.972M all with interest rate of 12.5% per annum. Except for the Foreign Loan Component (LA#4-2262A) and LWUA Counterpart (LA#4-2262B) had a repayment period of 20 years and estimated monthly amortization of P173,443.00

and P28,244.00, respectively.

The loan account No. 3-703 is a Level III Loan entered by the district on March 15, 1995 with LWUA in the amount of P8.559M with interest rate of 8.5% per annum for the 1<sup>st</sup> P2M, 10.5% per annum for the next P5M and 12.5% interest per annum in excess of P7M. The principal and interest of the regular loan portion is payable within 26 years at the rate of P62,591 per month while the principal and interest of the soft loan portion is payable within 20 years at the rate of P13,694.25 per month. However, on December 1997 the Regular Loan was closed and the remaining payable was charged to Soft Loan with monthly amortization of P9,776.00 payable for 20 years using the 8.5% interest rate.

The Loan account No. 4-2435 is a Regular Loan of P4.414M entered on November 21, 2008 by the district with LWUA with interest rate of 7.5% and the repayment period shall be 10 years after project completion with estimated amortization of P52,393 per month.

## **PART II – OBSERVATIONS AND RECOMMENDATIONS**

## PART II – OBSERVATIONS AND RECOMMENDATIONS

### Granting and Utilization of Cash Advances

1. **Cash advance were granted and utilized to officers and employees of the district in the procurement of equipment, spare parts and office supplies amounting to P 269,291.03 causing undue disadvantage to the government and non- adherence with the provision of COA Circular No. 97-002 dated February .**

COA Circular No. 97-002 dated February 10, 1997 provides the guidelines in the granting and liquidation which are as follows:

#### “4.GRANTING AND UTILIZATION OF CASH ADVANCE;

4.1.4 Only permanently appointed officials shall be designated as disbursing officers;

4.1.5 Only duly appointed or designated disbursing officers may perform disbursing functions officers and employees who are given cash advances for official travel need not be designated as Disbursing Officer.

In addition, under the general principles, all payments must be made by check and only payments in small amounts may be made through the petty cash fund (PCF).

Review of the paid transactions of the district revealed that payments in the purchase of equipment, spare parts and office supplies used in the operation of the district were made in cash thru cash advances granted to the officers and employees concerned totaling P269,291.03 (ANNEX A ).

Cash advance may be granted only to official or an employee who is designated as disbursing officer. The practice of the district to grant cash advances to its officers and employees for the purchase of equipment and office supplies violated to the provisions of COA Circular 97-002.

The district was amenable with the deficiency noted and promised to improve the system pertaining to the granting of cash advances.

**We have recommended to Management and assured to implement the following:**

- **To strengthen its internal control on accounting and cash management by paying the transaction in check to the individual suppliers.**
- **Ensure the guidelines in granting and utilization of cash advances for a legally specific purpose and in consonance with the provisions of COA Circular No. 97-002 to obtain a sound management operation.**

## **Additional Allowances Granted to the Members of the Board of Directors (BOD)**

### **2. The grant of benefits and allowances to Board of Directors of the district totaling P450,000.00 was deemed irregular due to lack of adequate legal basis.**

Section 3 of Executive Order No.65, dated January 2, 2012, prescribing the rules to govern the compensation of members of the Board of Directors states that the compensation of members of the Board of Directors of Local Water Districts, states that Salaries, Allowances, Benefits, and other Bonuses shall not be allowed unless specifically authorized by law or charter and approved by the President, provided that the total of the foregoing compensation and per diem shall not exceed the limits stipulated under Section 4 of the said Executive Order.

Examination of the accounts disclosed that during the year, the district paid the board of directors benefits and allowances, without legal basis, as follows:

<b>Particulars</b>	<b>Amount per Board Member Total</b>	<b>Total Amount (5 BODs)</b>
Clothing Allowances	₱ 5,000.00	₱ 25,000.00
Gasoline Allowances	13,500.00	67,500.00
Load Allowances	13,500.00	67,500.00
Cash Gifts	2,500.00	12,500.00
Mid-year	9,500.00	47,500.00
Productivity Incentive Bonus	10,000.00	50,000.00
PERA	36,000.00	180,000.00
<b>Total Allowances &amp; Benefits</b>	<b>₱ 90,000.00</b>	<b>₱ 450,000.00</b>

Granting additional benefits totaling P450,000.00 (**ANNEX B**) without legal basis is in violation of Section 3 of Executive Order No. 65 which explicitly provided that no additional salaries, allowances, benefits, and other bonuses shall be given unless specifically authorized by law or charter and approved by the President.

In effect, there was an overstatement of the Operating Expenses and understatement of the Net Income of the district during CY 2013 due to the payment of benefits without legal basis.

We reiterate the prior year's recommendation to management to discontinue paying allowances to the district's Board of Directors unless supported with legal basis.

#### **We have recommended to the management the following:**

- Request all recipients to refund the full amount received being without legal basis for the payment thereof;**
- Stop granting allowances and other fringe benefits to its Board of Directors without legal basis to preclude disallowances in audit.**
- Henceforth, strictly observe laws, rules and regulations governing the disbursements of government funds to protect its interest.**

### **Excessive Payments of Per Diems Given to the Members of the Board of Directors**

- 3. The rate of per diems paid to the Board of Directors effective April, 2012 was not in accordance with the prescribed rate set by the Local Water Utilities Administration (LWUA), thereby an overpayment was computed totaling P609,750.00 for CY 2013**

Per letter dated March 23, 2012 duly signed by the Officer In-Charge – Administrator of LWUA, the Chairman of the board of Directors was informed about the reclassification of Kapatagan Water District as Category C effective April, 2012, thereby, the corresponding rate of per diems for the Kapatagan Water District BOD shall therefore be adjusted to P3,150.00 effective April, 2012 per director per meeting actually attended but not to exceed two (2) meetings per month (**Annex C**), as provided for in Section 5 of Executive Order 65 and LWUA Circular 005.12.

In our review of the disbursements made by the District pertaining to the per diems collected by the Board of Directors, the amount of per diems in four (4) sessions/meetings for any given month was collected every month. Thus, payment of per diems to the Board of Directors disclosed an overpayment amounted to P609,750.00 during the period January to September 30, 2013 as shown under **Annex D** that leads to the overstatement of the account balance.

This is a prior audit finding and was reiterated in this report due to same rate of diem granted from January 1 to September 30, 2013.

The management admitted the deficiency noted and assured the team to implement the recommendations. In fact, in the last quarter of 2013 the district granted only the allowed rate of per diem to the BOD.

**We have recommended to the management to require the concerned officers to refund the excess per diems claimed in the amount of P609,750 on or before April 30, 2014.**

### **Additional Savings Account Maintained as Mandatory Savings**

- 4. The district maintained additional bank accounts to serve as mandatory savings for General Fund contrary to NGAs One Fund Concept creating additional burden in the recording of financial accounts of the district.**

*Section 4(b), Chapter 2 of NGAs Manual, Volume 1 provides that –*

*(b) One Fund Concept – This system adopts the one fund concept. Separate fund accounting shall be done only when specifically required by law or by a donor agency or when otherwise necessitated by circumstances subject to prior approval of the Commission. As required under Section 308, 309 and 310 of the Local Government Code, separate books shall be maintained for the General Fund, Special Education Fund and Trust Fund.*



As of December 31, 2013, the district maintained Four (4) depository accounts. Two (2) accounts were maintained with the First Valley Bank of Kapatagan, Lanao del Norte, a private bank. The new savings account #51-19772-1 was intended for mandatory savings for calamity, GAD and the other Current Account No. #22-0008-5 was for deposits of collections and a disbursement for the district's operating expenses. Two (2) accounts were maintained in Land Bank of the Phil., Tubod, Lanao del Norte by the board as special deposits. Details of said bank accounts were listed as follows:

Name of Bank	Account No.	Amount Deposited As of December 31, 2013
LBP (To w/draw funds for GSIS, Pag-ibig, Philhealth and BIR)	0802-1078-11	₱ 280,266.41
LBP (JSA Account)	0801-0610-87	1,151,707.17
1st Valley Bank (mandatory savings for officers & employees bonuses)	51—19772-1	383,332.69
1st Valley Bank (deposits of collections & withdraw funds for operations)	22-00008-5	1,068,055.14
<b>TOTAL</b>		<b>₱ 2,883,361.41</b>

As required by LWUA, LBP account No. 0801-0610-87 is being utilized for the required deposit of at least 3% sinking fund, based on actual collections while LBP account No. 0802-1078-11 is being maintained for LBP for GSIS, Pag-ibig, Philhealth and BIR remittances.

Deposit of daily collections and withdrawals of funds for operations were being made by the district with the 1<sup>st</sup> Valley Bank. The district maintained LBP account No. 0802-1078-11 for the issuance or check payments intended for National Government Offices such as remittance of GSIS, Pag-ibig, Philhealth, BIR and other government entities. In addition, Ist Valley Bank account Nos. 51-19772-1 is being utilized to deposit local mandatory savings purposely for year end benefits and bonuses of KAPWD officers and employees/.

With this set up, part of the funds from the General Fund was separately deposited in three (3) bank accounts not in accordance with the NGAs One Fund Concept. These resulted to additional burden on the part of the accounting office due to volume of transactions and complexity of transferring and drawing funds with inadequate knowledge of proper recording and bookkeeping of accounts. The district could have simplify things and avoid confusion had they maintained subsidiary ledgers to account for funds intended for yearend benefits and/or bonuses.

This is a reiteration of the prior years' audit findings which the agency failed to implement.

**We have recommended to the Management to discontinue the practice of maintaining additional bank accounts which are inconsistent under the NGAs One Fund Concept pursuant to Section 4(b), Chapter 2 of NGAs Manual, Volume 1. Closed bank accounts that contribute in the duplication of district's transaction to strengthen internal control.**

**The management was amenable with the recommendation and promised to make the necessary adjustments in the ensuing year.**

#### **Deposit of Collections in Private Banks**

- 5. Kapatagan Water District maintained two depository accounts at the 1<sup>st</sup> Valley Bank of Kapatagan, a private institution contrary to the provision of Department of Finance Order No. 32-03 dated November 16,2003, thus funds deposited are improper and possible risk could not be prevented.**

The Department of Finance Order No. 32-03 dated November 16,2003, provides that all government offices must deposit their funds and maintain depository accounts preferably with the Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP).

Records showed that the district maintain four (4) depository accounts. Two accounts are maintains with the 1<sup>st</sup> Valley Bank of Kapatagan as follows:

1. Saving Account No. 51-19772-1 – for mandatory savings for calamity, GAD;
2. Current Account No. 22-0008-5 – deposit of collections and withdrawals/disbursements for the district operating expenses.

While the two (2) other accounts are maintained at the Land Bank of the Philippines (LBP), Tubod Branch, an authorized government depository bank with the board resolution as the special deposits for the following purpose:

CA 0802-1078-11 – GSIS, PHILC, HDMF, BIR remittances  
CA 0801-0610-87 – Joint Saving Accounts.

The audit disclosed that the two (2) depository accounts maintained at the 1<sup>st</sup> valley Bank of Kapatagan is in violation of the cited regulation; thus the depositories are not proper, so possible risk could not be prevented.

By way of convenience, the district maintained an account with the 1st Valley Bank which able to secure approval from the Banko Sentral. However, the Department of Finance which has regulatory control of all government financial agencies including water districts has clearly defined the official government depository banks, thus the violation. In this light, the district should also have seek permission from the Department of Finance.

This is a reiteration of prior year's audit finding in the Annual Audit Report for management immediate implementation.

**We have recommended to Management the following:**

- **Adhere strictly the provisions of the Department of Finance Order No. 32-03 to prevent improper deposits and to safeguard government funds.**
- **Discontinue the practice of depositing government funds to private banks as provided by regulations.**
- **Maintain one (1) depository account for special deposit and support it with subsidiary ledgers for every account as basis in the general ledger control account.**

### **Procurement of goods not made through competitive bidding**

- 6. The district had adopted the other modes of procurement such as repeat order thru credit and shopping in the procurement of goods which is not in conformity with Revised Implementing Rules and Regulations of Republic Act of 9184 otherwise known as the Government Procurement Act.**

Republic Act No. 9184, the Government Procurement Reform Act provides for the modernization, standardization and regulation of the procurement activities of the government and for other purposes.

Post audit of the disbursement vouchers showed that the purchase orders and contract entered into by the General Manager were not made through competitive bidding or any appropriate alternative mode of procurement. Repeat Order was common to almost all of the purchases on goods and materials of the district because they availed with this through credit with the suppliers. Review of the transactions of the purchase of goods and materials of the district revealed that these were paid through installment basis to the usual supplier of the district.

The District did not observe RA 9184 and its Implementing Rules and Regulations (IRR) on the purchases made totaling P 2,890,937.90 ( **Annex E**) as follows:

- Purchases of materials were procured on a staggered basis without undergoing other mode of procurement;
- Canvass/shopping method was frequently used as an alternative mode of procurement, which was inconsistent with Section 52 of IRR of RA 9184 which provides the instances when shopping may be resorted to and no resolution coming from the BAC;
- Repeat Order was made even the previous transaction was not done thru public bidding;

The non-compliance to the rules and regulations prescribed under the Government Procurement Reform Act or R.A. 9184 and its IRR affected the efficient and effective implementation of the procurement process. The non-compliance would

also subject the responsible officials to appropriate charges pursuant to Rule XXI and XXII of the Revised IRR, Offenses and Penalties, and Civil Liability, respectively.

It can be construed that prudence was not observed in efficiently managing the resources of the District, a pre-requisite prior to embarking into any government undertaking.

**We have recommended and Management affirmed to implement the following:**

- a) **Ensure that all procurements of the district should be through competitive public bidding as required in Section 10 Article IV of Republic Act 9184 and shopping should only be an alternative mode if the situation calls for it. Further, all procurement during the year should be in accordance with approved Annual Procurement Plan and based on this plan, schedule the bidding of all supplies, materials and construction materials;**
- b) **The BAC shall recommend to the head of the agency the use of alternative methods through a resolution;**
- c) **Observed the regulations on repeat order that the quantity should not exceed 25% from the original purchased; and**

#### **Past Due Accounts Remained Unsettled**

7. **Due to Other NGAs account in total amount of P280,000.00 as of December 31, 2013 with past due status of more than five years has remained outstanding at year end.**

*Section 2 of PD 1445 states that – It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.*

The Financial Statement of the district as of December 31, 2013 showed an outstanding obligation of P280,000.00 to the Commission on Audit. This amount represents audit fees for past five years.

As good father of the family, the head of the agency should ensure that government funds were managed, expended or utilized in accordance with law and regulations and that appropriate budgeting and appropriations shall be embodied in the annual budget of the water district.

This observation is a reiteration of the of the prior year's audit findings embodied in our annual audit report in CY 2012.

**We have recommended and Management agreed to provide appropriate appropriation and ensure that current obligations or liabilities are given priority.**

#### **Non-Compliance of Prescribed Annual Procurement Plan (APP)**

- 8. The District failed to prepare the prescribed form of the Annual Procurement Plan (APP) thereby the milestone is not indicated which is not in conformity with Section 7.2, Article II of RA 9184.**

Section 7.2 of the Revised IRR of R.A 9184 provides that “No procurement shall be undertaken unless it is in accordance with the approved Annual Procurement Plan (APP) of the Procuring Entity. The Annual procurement Plan shall bear the approval of the Head of the Procuring Entity or second ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget.

Our review disclosed that management did not use the prescribed form in the preparation of the Annual Procurement Plan (APP) during the year, as required under the above-mentioned provisions. Review on test basis disclosed procurement of supplies and materials during the year that were considered crucial to the efficient discharge of the district operations were not consolidated as part of the APP. The Project Procurement Management Plan was not also prepared by the district.

The non-preparation of the district on the prescribed form of the Annual Procurement Plan violates the requirements of RA 9184. This will result to the piecemeal purchases of needed supplies and materials and the non-consolidation of ordinary and regular purchases that maybe done in bulk procurements through public bidding, which was not advantageous to the agency.

To have a better planning in the procurement based on the available resources, each division of the district should prepare their supplies requirement for the year for integration by the Property Officer to the APP. The engineering shall also prepare the Project Procurement Management Plan (PPMP). All materials requirement shall also be included in the annual procurement plan. Thus, the agency could ascertain whether procurement of supplies and materials were acquired at an acceptable cost with appropriate quality and quantity.

**We have recommended and management affirmed to do the following:**

- Develop an overall plan for the procurement of goods, taking into consideration the objective to be accomplished and its financial capability.**
- Instruct the Property Officer to prepare the prescribed form of Annual Procurement Plan (APP) together the Project Procurement Management Plan.**

## **Some Expense Accounts Exceeded the Approved Budget**

### **9. Expenses incurred on some accounts of the district for CY 2013 totaling P521,239.74 exceeded its appropriation for the year in violation of section 4 of Presidential Decree No. 1445.**

Section 4 (1) of presidential Decree No. 1445 provides that “no money shall be paid out of any treasury or an appropriation law or other specific statutory authority.”

Section 28 of the Manual on the New Government Accounting System also states the basic requirements applicable to all types of disbursements which are the existence of a lawful and sufficient allotment certified as available by the Budget officer.

Review of expenses incurred for CY 2013 disclosed that some expense accounts of the district totaling P2,736,239.74, exceeded the approved budget appropriation of P2,215,000.00 specific to these projected expenses. An excess of 23.53% or its equivalent P521,239.74. (**Annex F**).

Analysis of the flow of transaction of the district disclosed that the expenses were carried out without control from the budget section. The Registers or the budget and Utilization Worksheet for each expense class was not maintained by the accounting Processor A, who is also the Budget Officer. As a result, there was no control measures set up to check whether each expense incurred has appropriation or has exceeded its appropriation set.

Expending government funds in excess of what was appropriated for such expenses violated the provision of law which enjoins that all payments of any sum out of the local treasury or depository unless authorized by an approved appropriation ordinance, or local budget.

#### **We have recommended and Management assured to do the following:**

- **Stop the practice of processing expense for payment without available budget.**
- **Instruct the Accounting Processor A, who was also designed as the Budget Officer, to prepare the required Budget Utilization Worksheet for proper control of appropriations.**
- **Segregate the function of the Accounting Section from Budgeting Section to protect the interest of the district in case of manipulation.**

**During the exit conference, management commented favorably on our audit recommendation and committed to implement our recommendation.**

## **Weak Internal Control System**

### **10. The Cashier handled the teller functions of the district in violation of internal accounting control principle.**

Section 123 of Presidential Decree No. 1445 states that internal control is a plan of organization or agency to safeguard its assets, check the accuracy and reliability of the accounting data, and encourage adherence to prescribed management policies.

In line with this assumption, an internal control must be set-up by an agency. It must relate to both cashiering and administrative efficiency and adhere to prescribed managerial policies. It must also be set-up for clear-cut delegation of authority and definite assignment of responsibility. The work should be distributed among them so that the work of one employee is automatically checked by other personnel. No employee must have complete control of a transaction.

Section 50 of Government Accounting and Auditing Manual states the separation of offices and individuals holding key duties and functions such as authorization, custody and accounting to eliminate opportunities to conceal error and irregularities.

Review of the District's Plantilla of Personnel for CY 2013 revealed that the district has no position created for Teller. The District's Cashier, who acted as Teller at the same time.

The no segregation of duty or acted in dual function could possibly lead to manipulation of transactions of the district. The records are exposed to possible error and check and balance if the separation of duties is not maintained in violation of the cardinal principles of internal control in the separation of cashier and teller function.

#### **We have recommended to the Management to do the following:**

- 1. Separate the functions of the Cashier from Teller functions to ensure that an effective check and balance exist.**
- 2. Create a position for teller or assign somebody to handle the Teller function.**

During the exit conference, management assured compliance of our audit recommendations.

## **Non-Accrual of Earned Leave Benefits**

### **11. The District failed to provide accrual of liability for the earned leave benefits of the employees totaling P1,876,349.65 as of December 31,2013. As a consequence,**

**employees benefits were not properly accounted for and disclosed in the Financial Statements. This has resulted to understatement of liability, overstatement of government equity and overstatement of net income.**

The International Accounting Standards (IAS) No. 19 states in its objective to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize a liability when an employee has provided service in exchange for employee benefits to be paid in the future.

The Manual on the New Government Accounting System for Financial Corporate Transactions provides that in view of the preparation of the Statement of Income and Expenses, there is a need for a proper matching of revenues and expenses. Under the matching principle, adjustment should be made for economic activities that have taken place but are not yet recorded at the time the financial statements are prepared. Adjustments are of two main types: accrued items and deferred items.

This Manual further provides that an adjustment for accrued item is an adjusting entry for economic activity already undertaken but not yet recorded as an asset and revenue accounts or a liability and expense accounts. Liability/Expense adjustments involve liability and expense which already exist in the accounting period but are not yet recorded.

Records of the district disclosed that the estimated accrued payable on terminal leave benefits based on the balances of accumulated leave credits of employees amounted to P1,876,349.65 but records of the district also disclosed that the failure to provide for the accrued payable on terminal leave benefits under Pension and Benefits Reserved Fund (Account 257) for employees earned leave as of December 31, 2013 (**Annex G**).

The Commercial Practices Manual for Water Districts defines Account 257- Pension and Benefits Reserve Fund includes provisions made by the District for pensions and benefits to employees in addition to those provided by the GSIS/SSS. Payments by the District for the purpose for which this reserve is established are charged to this account.

Interview with the Accounting personnel disclosed that every year a budget for Monetization was incorporated and Terminal Leave for those due for retirement are appropriated. She confirmed that accrued payable on terminal leave benefits earned by each employee per year of the district under Pension and Benefits Reserve Fund is not taken up in the book of accounts. Expenses are only recognized every time an employee monetized their leave for the year.

Failure to record the accrued payable on terminal leave benefits earned by each employee per year of the district overstated the net income, understated the liabilities and overstated the government equity accounts of the district.

**We have recommended and Management agreed to do the following:**

- a. Include in the Budget every year the appropriation for the accrued payable on terminal leave benefits earned by each employee. This**



is to ensure that employees' benefits are properly accounted for and disclosed in the Financial Statements.

- b. Instruct the Accounting Section to make the necessary adjusting entries to record the accrued liability pertaining to the earned leave benefits of the employees after ensuring the correctness of the accumulated leave credit balances of employees as of December 31, 2013.
- c. Set-up a special fund equivalent to the balance of the pensions and benefits reserve account for the accrued earned leave of employees to defray expenses of employees' pensions and benefits in the future.
- d. Suggested adjusting entries to recognized accrued payable on terminal leave benefits earned by each employee per year of the district:

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Operation/ Maintenance Expenses (Earned Leave Expenses)	xxx	
Pension and Benefits Reserve		xxx

To set up accrued payable on terminal leave benefits earned by each employee per year.

- e. Suggested entry every time an employee is paid monetization leave within the year:

Account Title	Debit	Credit
Pension and Benefits Reserve	xxx	
Cash in bank		xxx

To record payment of monetization leave of district employee.

#### **Weak Internal Control-Incomplete Documentation of Working Fund Payments**

- 12. Payments out of the Petty cash funds in the total amount of P164,964.96 were not supported with the documentary requirements and recording were not updated daily which might result to misuse of funds.

The district maintain a working fund amounting to P20,000.00 which was utilized for payments of petty operating expenses of the district.

Section 4.6 of Presidential Decree No. 1445 provides that claims against government funds shall be of complete documentation.

In addition, Section 1.2.2 of COA Circular No. 2012-001 dated June 14, 2012 prescribes the documentary requirements for the liquidation of petty cash funds.

Post audit of replenishment, disclosed the following deficiencies:

11.1 Some petty cash vouchers were not properly signed by appropriate officials.

Box A - no signature of the requestor and not approved by immediate supervisor

Box B - no signature of the petty cash custodian for the 'paid by' portion and the requestor for the 'cash received by' portion

Box C - no signature of the petty cash custodian for the 'received refund' and 'reimbursement paid' portion

Box D - no signature of the payee for the 'liquidated submitted' and 'reimbursement received by' portion

11.2 Some petty cash vouchers were not supported with complete supporting documents, to wit:

- payments for purchases of office supplies and materials for maintenance were not supported with purchase request (PR) and Certificate of Inspection and Acceptance.
- payments for purchases of gasoline were not supported with approved trip tickets.
- claimed for meals and snacks have no attached or list of visitors.

Details of petty cash fund with deficiencies were shown as **Annex H**.

The absence of the documentary requirements to support payments out of the working fund is a clear indication of lapses as to administrative controls in compliance with Section 4 of P.D. No. 1445 and COA Circular No. 2012-001.

Likewise, recording of disbursement in the petty cash fund cashbook were not updated daily, thus, cash balance cannot be determined which might result to misuse of funds. Preparation of the petty cash fund record was only made upon replenishment.

**We recommended and Management affirmed to do the following:**

- **Petty cash custodian should properly review the completeness of receipts/documents and shall record/update daily the disbursements in the petty cash fund report.**
- **Petty cash vouchers should not be released if not properly approved by the immediate supervisor.**

## **Non-Compliance of RA 9184**

- 13. All Purchases of commonly used supplies totaling P241,117, were not made through Procurement Service (PS) of the Department of Budget and Management as required in AO No. 17 but instead all were done through shopping or direct contracting without the Bids and Awards Committee's recommendations to adopt these alternative modes of procurement in violation of RA 9184 thereby not helping the government owned institution.**

Section 4 of Administrative Order No. 17 dated July 2011 and DBM Circular No. 2011-006 dated August 25, 2011 provides that common use supplies shall be procured directly from the PS or its depots without need of public bidding as provided in Section 53.5 of the Implementing Rules and Regulations of RA 9184.

In the course of our audit, it was noted that commonly used supplies totaling P 631,842.21 were not purchased from the Procurement Service of the DBM but instead through shopping or direct contracting without BAC's recommendation to adopt these alternative modes of procurement. Moreover, no certification from PS-DBM was obtained to support that the goods were not available for sale during that time (ANNEX I).

With the non-availment of the PS-DBM in the procurement of commonly use supplies, there was no assurance that the Management got the most advantageous price considering that the determination of participants may have been limited to suppliers known by the district official and the management is not helping the government owned institution.

Procuring Entity must consider the services of PS-DBM in the procurement of all kinds of commonly used supplies. This will free them from the tediousness of attending to recurring transactions, and provide greater time for the procurement of high value, specialized requirements for its more significant projects.

### **We have recommended and management agreed to do the following:**

- **To prepare a BAC Resolution indicating the mode of procurement to be recommended for approval by the Head of the Procuring Entity (HOPE) in each procurement activity.**
- **For goods to be purchased but not available in the PS-DBM, secure a certification from that unit that requisitioned goods are not available before recommending other alternative modes of procurement.**
- **Prepare the Annual Procurement Plan for the commonly used supplies and submit to the PS-DBM at the start of the year.**

- Personnel involved in the procurement process should attend seminar-workshop on R.A. 9184 for an efficient and effective implementation thereof.

#### **Incomplete Documentation – Claim of Monetization**

#### **14. Monetization of accumulated vacation leave credits in excess of the minimum ten (10) days were granted to district officer and employees in the absence of a duly approved letter-request contrary to the provisions of COA Circular No. 2012-001 dated June 14, 2012.**

Item No. 5.14 of COA Circular No. 2012-001 dated June 14, 2012 provides the general guidelines pertaining to monetization of accumulated vacation leave credits, which states that:

*“Officials and employees in the career and non-career service, whether permanent, temporary, casual or coterminous, who have accumulated fifteen (15) days of vacation leave credits shall be allowed to monetize a minimum of ten(10) days: Provided that at least five (5) days is retained after monetization and provided further that a maximum of thirty (30) days may be monetized in a given year. (Sec. 22 of Omnibus Rules on Leave, rule XVI of the Omnibus Rules Implementing Book V of Executive Order No. 292).*

*Under Sec. 23 of Omnibus Rules on Leave, monetization of fifty percent (50%) or more of accumulated leave credits may be allowed for valid and justifiable reasons, such as:*

- *Health, medical and hospital needs of the employee and the immediate members of his family;*
- *Financial aid and assistance brought about by force majeure events such as calamities, typhoons, fire, earthquake and accidents that affect the life, limb and property of the employee and his/her immediate family;*
- *Educational needs of the employee and the immediate members of his/her family;*
- *Payment of mortgages and loans which were entered into for the benefit or which inured to the benefit of the employee and his/her immediate family;*
- *In cases of extreme financial needs of the employee or his/her immediate family where the present sources of income are not enough to fulfill basic needs such as food, shelter and clothing;*
- *Other analogous cases as may be determined by the Commission*

*The monetization of 50% or more of the accumulated leave credits shall be upon the favorable recommendations of the agency head and subject to availability of funds.”*

Records show that some personnel were granted fifty (50) days monetization of accumulated leave credits during the year in excess of the minimum ten (10) days as provided by existing regulations. (**Annex J**)

The audit disclosed that the payment of monetization have not been supported with the letter-request of the employees stating among others, the valid and justifiable reason(s) for such request and duly approved by the head of the agency pursuant to the abovementioned Circular.

The payment of monetization of leave credits equivalent to a maximum of fifty (50) days in a given year even the absence of an approved letter-request from the employees has been practiced by the district. Which payment did not conform to existing CSC and auditing guidelines.

**We have recommended and Management assured that payment of accumulated leave credits in excess of the ten (10) days to a maximum of thirty (30) days in a year shall be supported with a letter-request of the employees and approved by the head of the agency aside from the approved application for monetization of leave pursuant to the provisions of COA Circular No. 2012-001 dated June 14, 2012.**

#### **No Settlement of Prior Year Audit Disallowances**

#### **15. The Management failed to settle the Disallowances in the amount of P1,192,750 for the prior year audit disallowances.**

Section 7.1 of the Rules and Regulation on Settlement of Accounts provides, among others, that the Head of the Agency shall ensure that disallowances and charges are settled within the prescribed period, the requirements of transactions suspended in audit are complied with, and appropriate actions are taken on the deficiencies noted as contained in the Audit Observation Memorandum.

Verification of records disclosed that the district failed to settle the outstanding audit disallowances. Notices of Disallowance were issued with Nos. 2012-001 to 051 (CY 2012) totaling P1,192,750. No settlements were made on all these disallowances .

Details of the prior year Notice of Disallowances are as follows:

Date	Notice of Diallowance No.	Payees	Particular	Amount
June 12, 2013	2013-001-101(2012)	Angelita P. Robles	Excess payment of per diem as Board of Director Jan. To Dec. 2012 not in accordance per	₱134,250

			EO 65. dated Jan. 02, 2012 and LWUA Circular 005-12.	
June 12, 2013	2013-001-101(2012)	Enrico P. Eya	-do	134,250
June 12, 2013	2013-001-101(2012)	Raul C. Carreon, Sr.	-do-	134,250
June 12, 2013	2013-001-101(2012)	Jimmy D. Pamotongan		134,250
June 12, 2013	2013-001-101(2012)	Lito P. Castellano		134,250
June 12, 2013	2013-001-101(2012)	Cheriebelle T. Devaras-Board Recording Secretary	No legal basis for payment of honorarium as Board recording secretary	64,000
June 12, 2013	2013-002-101(2012)	Angelita P. Robles	Unauthorized payment of various allowances and Fringe benefits	91,500
June 12, 2013	2013-002-101(2012)	Enrico P. Eya	-do	91,500
June 12, 2013	2013-002-101(2012)	Raul C. Carreon, Sr.	-do-	91,500
June 12, 2013	2013-002-101(2012)	Jimmy D. Pamotongan	-do-	91,500
June 12, 2013	2013-002-101(2012)	Lito P. Castellano	-do-	91,500
		<b>TOTAL</b>		<b>₱1,192,750</b>

The inability of the concerned officials to settle the disallowances found in audit is contrary to the aforementioned regulations.

**We have recommended to Management the following:**

- **To exert effort to cause the settlement of audit disallowance. Settlement of audit disallowances can be immediately enforced by withholding the salaries or other claims due the persons liable, in satisfaction of the amounts disallowed or charged. On the other hand, legal remedies should be employed by management to ensure the settlement of the liabilities of those officials and employees who are already separated from the government service.**
- **Further, the disallowances should be acted upon within the required timelines**

## Gender and Development

### **16. The district failed to identify the expenditures for Gender and Development activities because of absence of GAD plan and no GAD focal point was designated to attend the GAD seminar.**

Section 31 of the General Provisions of Republic Act No. 10147, otherwise known as the General Appropriation Act of CY 2011, requires all departments, including their attached agencies, offices, bureaus, SUCs, GOCCs, LGUs and other government instrumentalities shall formulate a Gender and Development (GAD) Plan designed to address gender issues within their concerned sectors or mandate and implement applicable provisions in the Convention on the Elimination of all Forms of Discrimination Against Women, the Beijing Platform for Action the Millennium Development Goals (2000-2015), the Philippines Plan for Gender-Responsive Development (1995-2025), the Framework Plan for Women, and the Ten-Point Legacy Agenda of the Macapagal Arroyo Administration. The cost of implementing the GAD Plan shall be at least five percent (5%) of the agency's total appropriations.

The development of the GAD Plan shall proceed from the conduct of gender analysis, the generation and review of sex disaggregated data, and consultations with gender advocates and women clientele. Its implementation shall contribute to poverty alleviation, the economic empowerment especially of marginalized women, the protection, promotion, and fulfillment of women's human rights, and practice of gender-responsive governance. Utilization of the GAD budget shall be evaluated based on the GAD performance indicators identified by the agency.

A GAD Budget is the total amount provided in the District to finance the programs, and activities (PPAs) in the GAD Plan. The earmarking of at least 5% of the total annual appropriation for GAD related activities is an indicative figure that should be attributed in the existing PPAs of the Districts' budgets.

The GAD Focal point Chairperson, in close coordination with the District's Budget Officer, shall be responsible for the preparation of the GAD Budget.

The costs of functions and PPAs to implement the GAD Plan may include any or all of the following items:

- a. Personal Services
- b. Maintenance and Other Operating Expenses, and
- c. Capital Outlays

Verification on the implementation of GAD activities for the year 2013 revealed that the district failed to identify GAD activities that were already been incorporated for failure to designate GAD focal point to attend seminar on GAD issues and financial transaction.

The absence of GAD Plan and budget deprived the targeted beneficiaries in the workplace the opportunity to enjoy and avail of its outcome in alleviating poverty,

economic empowerment especially of marginalized women, human rights and practice of gender responsive governance.

During the exit conference, the Management committed to comply with the above provision of rules and regulations. Towards this, the team shall undertake periodic monitoring.

**We have recommended to the Management to implement the following:**

- **Abide by the requirement of Section 31 of the General Provisions of Republic Act No. 10147 in formulating GADs Plan. The GAD Plan should comprise programs, projects and activities that will address existing and future potential gender issues. Prioritize GAD as a dynamic, modern and international concept.**
- **Create a GAD Focal Point that advocates for, coordinates, guides and monitors the development and implementation of the district's GAD plan and gad-related programs, activities and projects and also tasked to prepare the annual GAD plan and budget in coordination pursuant to Section 31 of the General Provisions of Republic Act No. 10147.**

### **Compliance With Tax Laws and Regulations**

The Management as a withholding agent of the bureau of Internal Revenue fully complied with BIR Regulations on withholding of taxes. They remitted the value added and expanded withholding tax for the supplies and materials, equipment and services it procured and taxes withheld on compensation for Calendar Year 2013 in the total amount P1,045,449.35 of to the government in accordance with the BIR Regulations. (**Annex K**)

### **Suspensions, Disallowances and Charges**

Disallowances in the total amount of P2,252,500 were issued to the district representing prior year accounts of P1,192,750 and 2013 transactions in the amount of P 1,059,750.



**PART III – STATUS OF IMPLEMENTATION OF PRIOR YEAR’S AUDIT  
RECOMMENDATIONS**

**PART III - STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT  
RECOMMENDATIONS**

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Ref</b>	<b>Management Action</b>	<b>Status of Implementation</b>	<b>Reason for Partial/Non-Implementation</b>
<p>1. Excess materials delivered for NLIF project undertaken for CY 2011 amounting to P338,156.16 was booked-up as accounts payable for the year 2012 contrary to Section 119 of PD 1445, thus the obligation was doubtful and irregular, resulting payments to disallowance in audit.</p>	<p>We have recommended to the management the following:</p> <ul style="list-style-type: none"> <li>• Abide and/ or follow strictly rules and regulations pursuant to Section 119 of PD 1445 in the accounting for obligations.</li> <li>• Stop granting of payments to the accounts payable to avoid illegal and irregular transactions for the interest of the government.</li> </ul>		<p>The deficiency noted was taken into consideration by the management.</p>	<p align="center"><b>Not Implemented</b></p>	<p>The auditee processed their transactions based on the approval of KAPWD officials.</p>
<p>2. Gasoline, oil and lubricants expenses in the aggregate amount of P249,662.81 were supported with inadequate documentation resulting to non-monitoring and no proper controls in the receipt and utilization of said expenses in the operation of the district.</p>	<p>We have recommended the following to the management :</p> <ul style="list-style-type: none"> <li>• Trip tickets used as supporting documents should be properly and completely filled as to the information required and pre-numbered to improve monitoring of approved travel orders. Ensure that disbursement vouchers for the payment of fuel purchases should be supported with duly approved trip tickets and requisition slip to properly account for gasoline, oil and lubricants used.</li> <li>• Prepare the Monthly Report of Fuel Consumption/ Utilization and Monthly Report of Approved Official</li> </ul>			<p align="center">Implemented</p>	

<p>3. The district paid overtime works totaling P977,385.17 with inadequate supporting documents contrary to Section 4 &amp; 6 of PD 1445.</p> <p>4. Inadequate recording of transactions under Working Fund (GL 121) account.</p>	<p>Travel supported with duly approved trip tickets to monitor and improve internal control in the receipt and utilization of fuel, oil and lubricants.</p> <ul style="list-style-type: none"> <li>• Establish proper control such as using duly signed and pre-numbered gasoline slips in the issuance/ withdrawal of gasoline, oil and etc. to the gasoline station where the district had credit line to strengthen internal control.</li> </ul> <p>We have recommended the following to the management:</p> <ul style="list-style-type: none"> <li>• Manage the resources of the district efficiently by evaluating the necessity of overtime services;</li> <li>• Rendition of overtime must be supported with accomplishment report.</li> </ul> <p>We have recommended and management instructed the Accountant to effect the necessary adjusting entries:</p> <p style="padding-left: 40px;"><i>WF</i> <i>20,000</i> <i>Cash in Bank</i></p> <p style="padding-left: 40px;"><i>20,000</i> <i>To record initial WF.</i></p> <p style="padding-left: 40px;"><i>Various expenses –</i></p>				
--	--	--	--	--	--

<p>5. Cash advance for traveling expenses amounting to P 200,000.00 were granted without the accomplished itinerary of travel, liquidations were inadequately documented, not properly classified, and claims of transportation fares were excessively granted contrary to EO 298.</p> <p>6. Payment of the clothing allowances were made twice for the year contrary to the provisions of Section 6 of the DBM Budget Circular 2012-1.</p>	<p><i>WF xxx</i> <i>WF</i></p> <p><i>xxx</i> <i>To record liquidations of WF.</i></p> <p><i>WF</i> <i>xxx</i> <i>Cash in Bank</i> <i>xxx</i> <i>To record subsequent replenishment.</i></p> <p>We have recommended the following to the management:</p> <ul style="list-style-type: none"> <li>• accomplish the itinerary of travel to support the cash advance;</li> <li>• prepare a revised itinerary of travel to support the reimbursement in case of liquidation;</li> <li>• attach complete documents relative to the expense like certificate of appearance/training, boat/plane tickets, terminal fees, bill of lading to the liquidation voucher;</li> <li>• Attach photocopy of machine validated receipts together with the original;</li> <li>• Classify the accounts accordingly and strictly comply the travel law, Executive Order No. 298.</li> </ul> <p>We have recommended and management affirmed the recommendation:</p> <ul style="list-style-type: none"> <li>○ To refrain from granting payments of clothing allowances twice a year.</li> </ul>				
---	---	--	--	--	--

<p>7. The District did not comply with RA 9184 and IRR-A on procurement of supplies, materials and equipment.</p>	<ul style="list-style-type: none"> <li>○ The clothing allowances received amounting to P160,000 for employees supposedly for the CY 2013 be immediately returned/refunded by the concerned persons.</li> <li>○ Abide and/ or follow strictly rules and regulations pursuant to Pursuant to Section 40 of the RA No. 10155 otherwise known as the GAA of 2012, DBM BC No. 2012-1.</li> </ul> <p>We have recommended the following to the management:</p> <ul style="list-style-type: none"> <li>○ Procurement shall be done through bidding or, when applicable, through alternative methods of procurement;</li> <li>○ The BAC shall recommend to the head of the agency the use of alternative methods through a resolution;</li> <li>○ Observe the regulations on repeat order that the quantity should not exceed 25% from the original purchase; and</li> <li>○ Strictly adhere to the provisions of RA 9184 in the procurement of equipment and materials and attach pertinent supporting documents to the disbursement voucher.</li> </ul>				
<p>8. Services not yet rendered were collected in advance contrary to Section 88 of PD 1445.</p>	<p>We have recommended to the management not to release checks in advance before payday and to pay for services not yet rendered.</p>			<p>Partially Implemented</p>	<p>The auditee processed their transactions based on the approval of KAPWD officials.</p>

				Not Implemented	The auditee processed their transactions based on the approval of KAPWD officials.
9. The First Valley Bank of Kapatagan remained to be the depository bank of Kapatagan Water District despite prior year audit recommendation to transfer their bank transactions with Land Bank of the Philippines as authorized government depository bank.	Discontinue the practice of depositing collections at First Valley Bank of Kapatagan and transfer bank transactions with Land Bank of the Philippines.  Open a combo account with LBP to account simultaneously the receipts/deposits of collections as well as disbursements of government funds.		The auditee continued to deposit and remained their regular transactions with First Valley Bank during the year.	Not Implemented	The district chooses to remained with First Valley Bank for security reasons.
			Effort was exerted by the management however, the accounting personnel in charge still lacks the expertise and knowledge to do the job.	Partially Implemented	The concerned accounting personnel in charge still needs appropriate training to conduct proper reconciliation of cash in bank statements.
10. Failure of the auditee to set aside the required sinking fund of 3% for cash reserve or equivalent amount of P570,508.24 computed based on the agency's gross receipts contrary to the Loan Contract and Article 2 of the Loan or Arrears Restructuring Agreement.	We recommended that management strictly comply with the requirement of the loan agreement to allocate at least 3% on a monthly basis for cash reserve fund for possible future repair and expansion of the district's facilities.			Implemented	
11. Delayed repayments of Long-term Loans Payable during the year with arrears status could result to possible loan penalties disadvantageous to	Exercise economy measures in the district's operating expenses and avoid unnecessary expenses which are not consistent with the vision and mission of the auditee.  Ensure prompt payments of			Implemented	

the district.	loans payable to avoid possible penalties in the future which is rather disadvantageous to the district. Otherwise, losses of government funds through possible penalties could be attributed to negligence in the keeping and managing of said funds by concerned officer of the district pursuant to Section 105(b) of PD 1445.				
12. The auditee failed to prepare Gender and Development (GAD) programs/projects for the calendar year 2010 depriving the targeted recipients of the optimum benefits that could have been delivered from such GAD projects.	We recommended the management to prepare the required GAD plans and programs so that government funding for GAD activities could be efficiently and effectively identified. In this way, GAD projects and programs for implementation could also be measured and evaluated against their actual accomplishment and in the process address gender issues and concerns of their respective sectors and constituents.		The management allots budget appropriation for GAD projects.	Partially Implemented	The KAPWD personnel need more information pertaining to GAD projects and implementation.
13. Goods, supplies and materials were procured without BAC proceedings omitting the purpose of obtaining the most advantageous price favorable to the government inconsistent with the guidelines under prescribed under Republic Act 9184.	The agency through their organized BAC should adhere to the guidelines in the procurement of goods, supplies and materials, pursuant to RA 9184 and Generic Procurement Manual, Volume 2 to promote economy and efficiency and at the same time ensure the most advantageous price in favor to the government. Require the BAC to actively participate in every procurement of the agency through BAC meetings and/or proceedings and submit recommendation report duly signed by BAC Chairman and its members to the agency head. Make this BAC report as integral part or supporting documents of every procurement transactions.		Similar manner or same practice in the procurement of goods, supplies and materials during the year.	Not Implemented	The concerned BAC need to be informed of their responsibilities thru more trainings/seminars of RA 9184.

<p>14. Deficiencies noted in the handling of cashbook by the cashier/ disbursing officer resulted to poor monitoring and in determining the cash position of the district in a given period due to weak internal control.</p>	<p>Require the cashier/ disbursing officer and the Accountant to reconcile their records (the cashbook and the subsidiary/ general ledger) at least at the end of each quarter to correct cash balances in a given period.</p> <p>Deficiency noted in recording transactions in the cashbook should be corrected and improved and in the process enhance strong internal control in recording/ monitoring cash records of the district. Corrective measures will avoid errors and therefore, avoid possible misleading information in the financial statements.</p>		<p>Some deficiencies were still noted in the handling of cashbook by the district's cashier.</p>	<p>Not Implemented</p>	<p>Due to heavy workload and other priority activities of the cashier.</p>
<p>15. The district could have earned savings from operating expenses had they availed of compensatory time-off in lieu of overtime pay in the total amount of P504,751.84 pursuant to Section 1(D) of Administrative Order No. 103.</p>	<p>Manage the resources of the district efficiently and economically by evaluating the necessity of overtime works.</p> <p>Direct the management to adopt the austerity measures by availing the compensatory time-off in lieu of overtime pay to lessen operating expenses and earn savings for the future operations of the district.</p>		<p>Options to avail of the compensatory time-off in lieu of overtime pay were taken into consideration by the district.</p>	<p>Not Implemented</p>	<p>The district prefers overtime pay over compensatory time-off.</p>
<p>16. Collection balances did not tally per cashier's cashbook against the accounting's general ledger and bank records resulting to a difference of P7,107.00 and P116,948.65 respectively, as of December 31, 2010 due to non-reconciliation of accounting records with that of the cashier's cashbook.</p>	<p>Require the accounting section to conduct reconciliation of records pertaining to the amounts collected and the amounts deposited per bank statements as against the cashbooks. Effect the necessary adjustments either at the end of the month or at year end.</p> <p>Ensure that cashbooks were maintained in accordance with the prescribed procedures so that proper reconciliation could be made between the accounting records as well as with the bank records or bank</p>		<p>Effort to reconcile balances between the cashier's cashbook and record of the accounting was not made or conducted by the concerned KAPWD personnel.</p>	<p>Partially Implemented</p>	<p>Due to lack of personnel and other priority activities of said concerned KAPWD personnel.</p>



	<p>statements.</p> <p>Hire competent accounting personnel preferably accounting graduate with work experience to strengthen the accounting records of the district and in the process minimize its recurring errors/mistakes in the future.</p>				
<p>17. Ten percent (10%) Retention Money amounting to P612,776.34 was released upon final payment of the NLIF Project of the district without the special bank guarantee equivalent to 10% of the contract price to cover for all defects for a period of one year after project completion contrary to Section 62.1 Rule XIX of RA 9184.</p>	<p>We recommended the management to direct the district to require the contractor of future KAPWD projects to post bank guarantee bond equivalent to 10% contract price in lieu of the 10% retention money purposely to cover for all defects that may be detected including maintenance costs for one year after project completion in pursuant with the guidelines prescribed under the Generic Procurement Manual, Volume 3. Otherwise, 10% retention money should be retained in the final payment of the project contract until such time that the defect liability period of one year expires. Adhere with the guidelines, policies, rules and regulations under the Generic Procurement Manual to avoid future suspensions/disallowances in audit.</p>		<p>The auditee showed interest to know more policies, rules and regulations of RA 9184 relative to the implementation of projects.</p>	<p>Not Implemented</p>	<p>KAPWD officials and personnel lack knowledge and expertise pertaining to procurement and implementation of projects.</p>

## **PART IV - ANNEXES**

## **Annexes**

- A - List of Cash Advances who were granted to purchase equipment, spare parts and office supplies
- B - Various Allowances granted to KAPWD Board of Directors
- C - Letter from LWUA for the Rate of per diem of KAPWD Board of Directors
- D - Schedule of overpayment of BOD per diems
- E - List of Procurement with Deficiencies
- F - List of expense accounts incurred for CY 2013 which exceeded the appropriation for the year
- G - Accumulated earned leave benefits of the employees
- H - Payments out of the Working Fund with no complete documentation
- I - List of office supplies procured not made in PS-DBM
- J - List of personel who ere granted monetization in excess of the minimum
- K - Schedule of BIR Remittances

**LIST OF EMPLOYEES WHO WERE GRANTED CASH ADAVANCE TO PURCHASE VEHICLE AND OFFICE SUPPLIES**

As of December 31, 2013

DATE	CHECK NO.	DVs NO.	PAYEES	Purpose of Cash Advance	AMOUNTCASH ADVANCE
9-Jan	0878133	13-01-0010	Engr. Manatom, Jr.	To renew of SHJ vehicle at LTO	7,791.03
15-Jan	0879166	13-01-0042	Engr. Manatom, Jr.	To pick up 15 bottles for bacti & Galloper reg.	4,000.00
7-Feb	0880059	13-02-0085	D. Galbines	To purchase fuse	4,000.00
22-Feb	0905601	13-02-0125	D. Galbines	To purchase office supplies	8,000.00
14-Mar	0906259	13-03-0181	D. Galbines	To purchase of power supplies	10,000.00
18-Mar	0906261	13-03-0183	Engr. Manatom, Jr.	To purchase of 15 sterilized bottles for bacti-test	7,500.00
18-Apr	0907151	13-04-0272	D. Galbines	To purchase of helmet	3,000.00
16-May	0907811	13-05-0329	Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	7,500.00
12-Jun	0908618	13-06-0385	Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	7,500.00
13-Jun	0908612	13-06-0379	Dir. Carreon, Sr.	Partial payment of 1unit vehicle for KAPWD technical operation	130,000
7-Aug	0925950	13-08-0512	Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	7,500.00
11-Sep	0910042	13-09-0601	Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	7,500.00
9-Oct	0926848	13-10-0655	Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	7,500.00
25-Oct	0927732	13-10-0686	C. Devaras	To payment for the expenses of KAPWD candidate for Mutya ng Kapatagan 2013	10,000.00
8-Nov	0928507	13-11-0711	J. Yonson	To purchase fuse for 20 & 30 Hp motor	5,000.00
14-Nov	0928523	13-11-0726	Engr. Manatom, jr.	To purchase 15 sterilized bottles for bacti - test	7,500.00
4-Dec	0929551		Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	22,500.00
20-Dec	0955210		Engr. Manatom, Jr.	To purchase 15 sterilized bottles for bacti - test	5,000.00
15-Jan	0879165	13-01-0041	Engr. Manatom, Jr.	To purchase 15 sterilized bottles	7,500.00
<b>TOTAL AMOUNT</b>					<b>269,291.03</b>

**KAPATAGAN WATER DISTRICT**

*Kapatagan, Lanao del Norte*

**(GOCC)**

**SCHEDULE OF BOD'S CLAIMS**

*CY 2013*


DATE	CHECK #	DV#	PAYEE	PARTICULARS	PERA	CLOTHING	MIDYEAR & CASH GIFT	GAS. & LOAD ALLOW.	ALLOWANCE	TOTAL
Jan. 14	0878136	13-01-0013	Dir. Carreon, et al.	Payment of BOD's clothing allowance for 2013		₱25,000.00				₱25,000.00
14-Jan	0878135	13-01-0012	L. Simeon	C/A for refund of BOD's gasoline & load allowance				₱15,000.00		15,000.00
Jan. 14	0878142	13-01-0019	Dir. Carreon, et al.	Payment of BOD's PERA for Jan.2013 & backpay Jan.2009	₱20,000.00					20,000.00
12-Feb	0880068	13-02-0094	Dir. Carreon, et al.	Payment for BOD's PERA for Feb. 2013 & backpay Feb. 2009	20,000.00					20,000.00
Feb. 12	0880069	13-02-0095	L. Simeon	C/A for BOD's gasoline & load allowance				15,000.00		15,000.00
11-Mar	0905633	13-03-0157	L. Simeon	C/A for refund of BOD's gasoline & load				15,000.00		15,000.00
11-Mar	0905632	13-03-0156	Dir. Carreon, et al.	Payment for BOD's PERA for March 2013 and backpay March 2009	20,000.00					20,000.00
11-Apr	0906815	13-04-0236	L. Simeon	C/A for BOD's PERA for April 2013 & back pay for April 2009	20,000.00					20,000.00
11-Apr	0906817	13-04-0238	L. Simeon	C/A for refund of BOD's gasoline & load allowance				15,000.00		15,000.00

3-May	0907173	13-05-0293	Dir. Carreon, et al.	Payment for BOD's Midyear Cash Gifts			60,000.00			60,000.00
	0907174	13-05-0294	Dir. Carreon, et al.	Payment for BOD's Midyear Bonus	20,000.00					20,000.00
14-May	0907191	13-05-0309	L. Simeon	C/A for BOD's gasoline & load allowance				15,000.00		15,000.00
10-Jun	0908608	13-06-0375	L. Simeon	C/A for BOD's PERA for June 2013 & Backpay for June 2009	20,000.00					20,000.00
10-Jun	0908606	13-06-0373	L. Simeon	C/A for refund of BOD's gasoline & load allowance for June 2013				15,000.00		15,000.00
3-Jul	0925208	13-07-0422	L. Simeon	C/a for BOD's PERA for July 2013 & backpay for July 2009	20,000.00					20,000.00
3-Jul	0925207	13-07-0421	L. Simeon	C/a for refund of BOD's gasoline & load allowance for July 2013				15,000.00		15,000.00
2-Aug	0925938	13-08-0501	L. Simeon	C/a for BOD's PERA for Aug. 2013 & Back pay for Aug. 2009	20,000.00					20,000.00
2-Aug	0925939	13-08-0502	L. Simeon	C/a for BOD's gasoline & load allowance				15,000.00		15,000.00
Sept. 2	0910007	13-09-0568	L. Simeon	C/a for BOD's refund of gasoline & load allowance for September 2013				15,000.00		15,000.00
2-Sep	0910006	13-09-0567	Dir. Carreon, et al.	Payment for BOD's PERA for Sept. 2013 & backpay for Sept. 2009	20,000.00					20,000.00
	0929577	13-12-0778	Dir. Carreon, et al.	Reimbursement for monthly allowance					50,000.00	50,000.00
				<b>TOTAL</b>	<b>₱180,000.00</b>	<b>₱25,000.00</b>	<b>₱60,000.00</b>	<b>₱135,000.00</b>	<b>₱50,000.00</b>	<b>₱450,000.00</b>

Prepared by:

  
**MACRINA M. GENTILES**  
 State Auditor III- Audit Team Leader

Checked by:

  
**EDWIN GAA CANIOS**  
 State Auditor V- Supervising Auditor

23 March 2012

Ms. ANGELITA B. ROBLES  
Chairperson  
Kapatagan Water District  
Kapatagan, Lanao del Norte


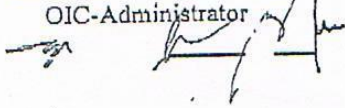
Dear Chairperson Robles:

Pursuant to the LWD-MaCRO, your water district has been classified as Category "C" effective March 2012, as reflected in the attached Evaluation Sheet.

The rate of per diem for the Kapatagan Water District Board of Directors shall be therefore be adjusted to PHP 3,150 per meeting effective April 2012, as provided in Section 5 of Executive Order No. 65, "*prescribing Rules to Govern the Compensation of members of the Board of Directors of Local Water Districts Pursuant to Section 5 of Executive Order No. 24 (series 2011)*" and LWUA Circular 005.12.

Please be guided accordingly.

Very truly yours,

  
EDUARDO C. SANTOS  
OIC-Administrator  


**KAPATAGAN WATER DISTRICT**  
*Kapatagan, Lanao del Norte*  
**(GOCC)**  
**SCHEDULE OF OVERPAYMENT OF BOD'S PER DIEM**  
 CY 2013

<i>Payee</i>	<i>GV #</i>	<i>Chk #</i>	<i>Date of Chk</i>	<i>Particular</i>	<i>BOD Present</i>	<i>As Claimed DATE</i>	<i>Per Audit</i>	<i>DATE</i>	<i>Dates of Meetings Per Audit</i>	<i>Claimed/ Booked As</i>	<i>Amount Per Audit</i>	<i>Disallowed</i>	<i>Disallowed</i>
A. Robles, et al	13-01-0020	878143	1/14/2013	BOD Per Diems - Jan. 2013	Angelita P. Robles	Jan. 4	4 X 4,725 = 18,900	Jan. 4, 2013	3,675 X 2 = 7,350	P 18,900.00	P7,350.00	11,550.00	
					Enrico P. Eya	Jan. 8,	4 X 4,725 = 18,900	Jan. 8, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	Jan. 11	4 X 4,725 = 18,900	Jan. 11, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	Jan. 15, 2013	4 X 4,725 = 18,900	Jan. 15, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
												11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			P10,000 .00		10,000.00	
	<b>Sub-Total</b>									<b>104,500.00</b>	<b>36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	13-02-0096	880070	2/12/2013	BOD's per diem for Feb. 2013	Angelita P. Robles	Feb. 5	4 X 4,725 = 18,900	Feb. 05, 2013	3,675 X 2 = 7,350	P 18,900.00	P7,350.00	11,550.00	
					Enrico P. Eya	Feb. 6, 20113	4 X 4,725 = 18,900	Feb. 6, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	Feb. 11, 2013	4 X 4,725 = 18,900	Feb. 11, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	Feb. 13, 2013	4 X 4,725 = 18,900	Feb. 13, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
												11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			P10,000 .00		10,000.00	
	<b>Sub-Total</b>									<b>104,500.00</b>	<b>36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>



-do-	13-03-0158	807971	3/11/2013	BOD Per Diems - Mar. 2013	Angelita P. Robles	March. 05,2013	4 X 4,725 = 18,900	5-Mar-13	3,675 X 2 = 7,350	P 18,900.00	P7,350.00	11,550.00	
					Enrico P. Eya	7-Mar-13	4 X 4,725 = 18,900	7-Mar-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	8-Mar-13	4 X 4,725 = 18,900	8-Mar-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	12-Mar-13	4 X 4,725 = 18,900	March 12,2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
												11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			P10,000 .00		104,,000.00	
	<b>Sub-Total</b>									<b>104,500.00</b>	<b>36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	13-04-0239	906818	4/12/2013	BOD Per Diems - Apr. 2013	Angelita P. Robles	5-Apr-13	4 X 4,725 = 18,900	5-Apr-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya	10-Apr-13	4 X 4,725 = 18,900	10-Apr-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	11-Apr-13	4 X 4,725 = 18,900	11-Apr-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	21-Apr-13	4 X 4,725 = 18,900	21-Apr-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			P 10,000 .00		10,000.00	
	<b>Sub-Total</b>									<b>P 104,500</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	13-05-0310	908607	5/14/2013	BOD Per Diems - May 2013	Angelita P. Robles	3-May-13	4 X 4,725 = 18,900	3-May-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya	7-May-13	4 X 4,725 = 18,900	7-May-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	10-May-13	4 X 4,725 = 18,900	10-May-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	15-May-13	4 X 4,725 = 18,900	15-May-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
	<b>Sub-Total</b>									<b>P 104,500.00</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	13-06-0374		6/10/2013	BOD Per Diems - June 2013	Angelita P. Robles	3-Jun-13	4 X 4,725 = 18,900	3-Jun-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya	5-Jun-13	4 X 4,725 = 18,900	5-Jun-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	

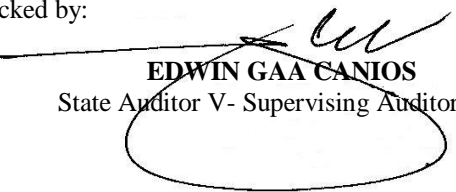
					Raul C. Carreon, Sr.	7-Jun-13	4 X 4,725 = 18,900	7-Jun-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	11-Jun-13	4 X 4,725 = 18,900	11-Jun-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			<b>P10,000.00</b>		<b>10,000.00</b>	
	<b>Sub-Total</b>									<b>P 104,500.00</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	13-07-0423	925209	7/3/2013	BOD Per Diems - July 2013	Angelita P. Robles	July 1 3, 2013	4 X 4,725 = 18,900	July 1 3, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya	20-Jul-13	4 X 4,725 = 18,900	20-Jul-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	2-Jul-13	4 X 4,725 = 18,900	2-Jul-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	4-Jul-13	4 X 4,725 = 18,900	4-Jul-13	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			<b>P 10,000.00</b>		<b>10,000.00</b>	
	<b>Sub-Total</b>									<b>P 104,500.00</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	13-08-0496	925933	8/2/2013	BOD Per Diems - Aug. 2013	Angelita P. Robles	Aug. 2013	4 X 4,725 = 18,900	Aug. , 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 6,000			<b>P 10,000.00</b>		<b>10,000.00</b>	
	<b>Sub-Total</b>									<b>P 104,500.00</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	12-09-0158	910005	9/2/2012	BOD Per Diems - Sept. 2013	Angelita P. Robles	Aug. 13, 2013	4 X 4,725 = 18,900	Aug. 13, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya	Sept. 3, 2013	4 X 4,725 = 18,900	Sept. 3, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	Sept. 5 2013	4 X 4,725 = 18,900	Sept. 5 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	

					Jimmy D. Pamotongan	Sept. 10, 2013	4 X 4,725 = 18,900	Sept. 10, 2013	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			<b>10,000.00</b>	-	<b>10,000.00</b>	
	<b>Sub-Total</b>									<b>P 104,500.00</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
-do-	12-10-0635	869625	10/9/2012	BOD Per Diems - Oct. 2012	Angelita P. Robles	Sept. 24, 2012	4 X 4,725 = 18,900	Sept. 24, 2012	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Enrico P. Eya	Oct. 1, 2012	4 X 4,725 = 18,900	Oct. 1, 2012	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Raul C. Carreon, Sr.	Oct. 5, 2012	4 X 4,725 = 18,900	Oct. 5, 2012	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Jimmy D. Pamotongan	Oct. 11, 2012	4 X 4,725 = 18,900	Oct. 11, 2012	3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Lito P. Castellano		4 X 4,725 = 18,900		3,675 X 2 = 7,350	P 18,900.00	P 7,350.00	11,550.00	
					Cheriebelle T. Devaras-Board Recording Secretary		4 X 2500 = 10,000			<b>10,000.00</b>	-	<b>10,000.00</b>	
	<b>Sub-Total</b>									<b>P 104,500.00</b>	<b>P 36,750.00</b>	<b>67,750.00</b>	<b>67,750.00</b>
<b>GRAND TOTAL DISALLOWED</b>													<b>P609,750.00</b>

Prepared by:

  
**MACRINA M. GENTILES**  
 State Auditor III- Audit Team Leader

Checked by:

  
**EDWIN GAA CANIOS**  
 State Auditor V- Supervising Auditor

KAPATAGAN WATER DISTRICT  
LIST OF PROCUREMENT WITH DEFICIENCIES  
As of December 31, 2013

DATE	CHECK NO.	DVs NO.	JEV NO.	PO NO.	DATE OF PO	PAYEES	PARFTICULAR	AMOUNT	Mode of Procurement	Remarks
Jan. 14, 2013	878140	13-01-0017				FSWT	Payment of materials (payables)	129,185.21	Repeat Order	No Minutes of the BAC..No BAC Resolution
Jan. 14, 2013	878141	13-01-0018				Jhaycor	Payment of materials (payables)	81,927.89	Shopping	No abstract proposal ,Bidders Bond,Minutes of the BAC. No BAC Resolution
16-Jan	878150	13-01-0027				New Datche	Partial payment of 1 unit toshiba digital copier	9,375.00	Shopping	No abstract proposal ,Bidders Bond,Minutes of the BAC. No BAC Resolution
15-Jan	879151	13-01-0028				Real Computer	Payment of 10 boxes official receipts continuous form	78,750.00	Shopping	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
29-Jan	879186	13-01-0062				Sonjay	Payment of computer ink	20,156.25	Shopping	No abstract proposal ,Bidders Bond,Minutes of the BAC.
4-Feb	879190	13-02-0066				Real Computer	Payment of 10 boxes billing statement continuous forms	60,000.00	Shopping	No abstract proposal ,Bidders Bond,Minutes of the BAC.

13-Feb	880075	13-02-0101				FSWT	Payment of materials (payables)	93,750.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
13-Feb	880076	13-02-0102				Jhaycor	Payment of materials (payables)	46,875.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
	880078	13-02-0104				Pall Roces Corp.	Payment of Chlorinator (payables)	₱37,725.00	Shopping	No Minutes of the BAC..No BAC Resolution
15-Feb	880084	13-02-0110				Sonjay	Partial payment of computer ink	10,000.00	Shopping	No Minutes of the BAC..No BAC Resolution
	880086	13-02-0112				New Datche	Partial Payment of 1unit toshiba digital copier	9,375.00	Shopping	No abstract proposal ,Bidders Bond,Minutes of the BAC. No BAC Resolution
2-Mar	905617	13-03-0141				FSWT	Payment of materials (payables)	184,125.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
	905624	13-03-0148				Sonjay	Full payment of ink (payables)	12,171.88	Shopping	No Minutes of the BAC..No BAC Resolution
11-Mar	905639	13-03-0163				Real Computer	Payment of meter reading cards & service contract	20,625.00	Shopping	No Minutes of the BAC..No BAC Resolution

14-Mar	906254	13-03-0177				FSWT	Partial payment of materials (payables)	57,318.75	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
14-Mar	906255	13-03-0178				Jhaycor	Partial payment of materials (payables)	54,776.92	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
11-Apr	906810	13-04-0231				Pall Roces	Partial payment of materials	15,000.00	Shopping	No Minutes of the BAC..No BAC Resolution
11-Mar	906812	13-04-0233				New Datche	Full payment of 1unit digital copier	9,375.00	Shopping	No Minutes of the BAC..No BAC Resolution
12-Apr	906819	13-04-0240				Jhaycor	Partial payment of materials	93,750.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
15-Apr	906833	13-04-0254				Sonjay	Partial Payment of computer ink	13,598.44	Shopping	No Minutes of the BAC..No BAC Resolution
15-Apr	906838	13-04-0259				FSWT	Full Payment of materials for July to November payables	130,181.25	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
14-May	907196	13-05-0314				Sonjay	Full Payment of computer ink (payables)	13,598.44	Shopping	No Minutes of the BAC..No BAC Resolution

14-May	907197	13-05-0315				Solarcom	Partial payment of spare battery pack for handheld radio	14,484.38	Shopping	No Minutes of the BAC..No BAC Resolution
16-May	907808	13-05-0326				Real Computer	Payment of 1000pcs leave cards	14,062.50	Shopping	No Minutes of the BAC..No BAC Resolution
20-May	907818	13-05-0335				FSWT	Payment of materials received last Feb. 20, 2013	97,673.44	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
	907819	13-05-0336				Jhaycor	Full payment of materials	₱93,750.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
3-Jun	907830	13-06-0347				Solarcom Mktg	Full Payment of spare battery pack for Hand held radio	14,484.37	Shopping	No Minutes of the BAC..No BAC Resolution
3-Jun	907835	13-06-0352				Pall Rocas	Full payment of 1unit chlorinator	15,000.00	Shopping	No Minutes of the BAC..No BAC Resolution
12-Jun	908622	13-06-0389				FSWT	Payment of materials for new SVC (payables)	115,266.25	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution


	908623	13-06-0390				Jhaycor	Partial payment of materials for SVC	80,956.25	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
11-Jul	925239	13-07-0453				Jhaycor	Full payment of materials received last May 21, 2013 Per PO# 20130521	100,000.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
15-Jul	925249	13-07-0463				FSWT	Payment of flow meter as replacement for reservoir 2	97,335.94	Shopping	No Minutes of the BAC..No BAC Resolution
1-Aug	925935	13-08-0498				Sonjay	Partial payment of computer ink	15,806.25	Shopping	No Minutes of the BAC..No BAC Resolution
14-Aug	909511	13-08-0523				FSWT	Partial payment of materials for new SVC	₱114,752.82	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
14-Aug	909522	13-08-0534				Sonjay	Full payment of computer ink	15,806.25	Shopping	No Minutes of the BAC..No BAC Resolution



11-Sep	910036	13-09-0595				FSWT	Partial Payment of materials	93,750.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
11-Sep	910038	13-09-0597				JPT	Payment of materials and supplies	81,157.50	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
11-Sep	910041	13-09-0600				Solarcom Mktg.	Payment of 1unit handheld radio and battery pack	7,031.25	Shopping	No Minutes of the BAC..No BAC Resolution
1-Oct	926822	13-10-0630				Sonjay	Partial payment of ink (P.O# 20130902)	17,123.44	Shopping	No Minutes of the BAC..No BAC Resolution
	926824	13-10-0632				FSWT	Payment of materials (C.I# 17340/DR# 43941)	66,240.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
	926825	13-10-0633				FSWT	Full payment of materials (CI# 17094/DR# 43145)	93,750.00	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
4-Nov	927743	13-11-0697				Sonjay	Full payment of computer ink (C.I - TRN# 1970)	17,123.44	Shopping	No Minutes of the BAC..No BAC Resolution

5-Nov	927748	13-11-0702				Real Computer	Payment of OR in compliance to BIR RMC No. 44 - 2013		Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
13-Nov	928514	13-11-0717				JPT	Payment of materials (DR# 2675)		Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
13-Nov	928515	13-11-0718				JPT	Payment of materials (payables)		Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
4-Dec	929555					Power Systems, Inc	Payment of payables (CI# 94211; CI# 94205; CI# 94212)	30,562.50	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
18-Dec	929600					FSWT	Payment of payables (SI# 2092; DR# 0085)	₱ 61,708.13	Repeat Order	No abstract proposal ,Bidders Bond,Minutes of the BAC.No copy of advertisement/invitation to bid tender of winning bidder and other participants,No BAC Resolution
6/13/200	908612	13-06-0379				Dir. Carreon, Sr.	Partial payment of 1unit vehicle for KAPWD technical operation	130,000.00	Shopping	No Minutes of the BAC..No BAC Resolution
30-Jul	925920	13-07-0483				Kapatagan Top Gear	Full payment of 1unit surplus vehicle w/ plate# JFK 647	100,000.00	Shopping	No Minutes of the BAC..No BAC Resolution
<b>TOTAL</b>								<b>₱2,890,937.90</b>		

Prepared by:

  
**MACRINA M. GENTILES**  
 State Auditor III- Audit Team Leader

Checked by:

  
**EDWIN GAA CANIOS**  
 State Auditor V- Supervising Auditor

LIST OF EXPENSE ACCOUNTS INCURRED FOR CY 2013 WHICH EXCEEDED THE BUDGET  
APPROPRIATION FOR THE YEAR

AS of December 31, 2013

		Budget		Actual		Difference
		Allocation		expenses		(Incr./Decr.)
811	Overtime & Holiday Pay	₱ 750,000.00		₱ 851,507.25		₱ -101,507.25
849	Office Supplies Expenses	450,000.00		631,842.21		-181,842.21
889	Grants & Donation	15,000.00		31,422.73		-16,422.73
	Maintenance expenses	₱1,000,000.00		₱1,221,467.55		-221,467.55
GRAND TOTAL					<b>PHP</b>	₱ -521,239.74

Prepared by:

  
**MACRINA M. GENTILES**  
State Auditor III  
Audit Team Leader

**ACCUMULATED EARNED LEAVE BENEFITS OF THE EMPLOYEES  
KAPATAGAN WATER DISTRICT**

NAME	UNUSED LEAVE CREDITS	AMOUNT
1. GM Buenalita B. Rañises	10.0	Php 22,757.42
2. Adolfo, Marlon F.	51.32	Php 22,081.88
3. Arcayena, Doroteo T.	275.61	Php 173,667.00
4. Buhangin, Roberto C.	348.75	Php 215,435.50
5. Campeciño, Jose Nestor L.	57.50	Php 28,592.35
6. Cano, Jr. Crispin I.	134.49	Php 66,876.27
7. Canonigo, Rito U.	112.65	Php 62,667.42
8. Devaras, Cheriebelle T.	7.77	Php 4,153.45
9. Esguerra, Leevena B.	36.34	Php 25,940.64
10. Emot, Susan P.	26.71	Php 23,221.71
11. Galbines, Dinno B.	21.58	Php13,330.75
12. Goc-ong, Felecio L.	143.60	Php 76,761.25
13. Hingpit, Clyde F.	70.12	Php 43,748.12
14. Ignacio, Othello P.	15.82	Php 10,716.49
15. Janiola, Zosimo L.	207.94	Php 115,677.44
16. Luardo, Franz Joseph M.	96.42	Php 51,541.22
17. Mahanlud, Nestor Q.	173.49	Php 96,371.84
18. Manatom, Ricky R.	259.66	Php 165,255.26
19. Engr. Manatom, Jr. Roberto R.	147.38	Php 147,656.94
20. Ortiz, Jr. Antonio C.	134.61	Php 66,935.94
21. Pagente, Robert C.	55.0	Php 27,349.21
22. Rabe, Jeanet M.	116.57	Php 50,157.54
23. Reyes, Garry G.	11.42	Php 5,678.69
24. Reyes, Nick J.	61.99	Php 35,620.25
25. Engr. Sienes, Wilson O.	48.29	Php 39,836.31
26. Simbajon, Ryan Lou M.	29.0	Php 14,420.49
27. simeon, Leonita B.	28.79	Php 24,469.86
28. Sumapig, Jennifer A.	38.21	Php 27,275.50
29. Tariman, Danilo C.	109.50	Php 68,317.44
30. Valera, Jr. Ignacio B.	208.55	Php 117,163.40
31. Yonson, Jhufer S.	52.89	Php 32,672.07
	<b>Grand Total</b>	<b>Php 1,876,349.65</b>

Prepared by:

  
**JENNIFER SUMAFIG**

Administrative Service Assistant - C

**PAYMENTS OUT OF THE WORKING FUND WITH NO COMPLETE DOCUMENTATION**

CY 2013

Name of Agency: <u>KAPATAGAN WATER DISTRICT LANA O DEL NORTE</u>						
Fund: <u>PETTY CASH FUND</u>						
Date	Petty Cash No.	Check No.	Payee	Particulars	Amount	Remarks Remarks for Disallowed/Suspension
1/15/2013		879154  V# 13-01-0031		Payment of 1 stub checkbook	200.00	Box A, B, and D-No signature of requestor
				Payment of Gasoline	360.00	Attach Driver's trip ticket
				Payment of Snacks for Technical Personnel	100.00	No OR and Attendance Sheet
				Payment of Snack for Kapatagan Water District employees	240.00	No OR and Attendance Sheet
				Payment of Bushing Reducer	36.00	Box D- No signature
				Payment of Materials for Technical Operation	480.00	No Sales Invoice
				Payment of Paint and Thinner	300.00	No Sales Invoice
				Payment of Snack for Kapatagan Water District employees	120.00	Box D- No signature No Sales Invoice and Attendance Sheet

				Payment of Snack for Kapatagan Water District employees	300.00	Attach Attendance Sheet
				Payment of Seal Tape	88.00	Refund the excess amount
				Payment of Staple Wire and Folder	77.00	Refund the excess amount
				Payment of Seal Tape (Tape 1)	200.00	Box D- No signature
				Payment of Cup hook dry wall screw	80.00	Box D- No signature
				Payment of Office Suppies	482.00	Box D- No signature
				Payment of Snacks for Kapatagan Water District Employees	282.25	Attach Attendance Sheet
				Payment of Meals	285.00	No approval of GM and attach attendance sheet
				Payment of Additional Meals for Kapatagan Water District Employees	195.00	Attach OR and Attendance Sheet
				Payment of Additional Meals for Kapatagan Water District Employees	405.00	Attach OR and Attendance Sheet
				Payment of Additional Meals for Kapatagan Water District Employees	457.00	Attach OR and Attendance Sheet
				Payment of Load Allowance	300.00	No Legal basis
				Payment of Door Lock	116.00	No Legal basis
				Payment of Bread	100.00	Attach Attendance Sheet
				Sub-total	<u>5,503.25</u>	

2/16/2013		879198 V# 13-02- 0074		Payment of Additional Viand for BOD Meeting  Purchase of Eectrical Supply Payment of Snacks for Kapatagan Water District Employees Payment of Snacks for Kapatagan Water District Employees  Payment of Snacks for Kapatagan Water District Employees	1, 200.00  190.00 250.00 250.00  130.00	Box A, B, and D-No signature and Attach attendance Sheet   Box - No signature  No OR and Attendance Sheet  Attach Attendance Sheet and Sales Invoice for P105.00 Box D- No signature Attach Attendance Sheet  Box D- No signature
				Payment of CD and Soap  Payment of 5 Sacks of Sand Repair of 1 unit Handheld Radio Payment of Snack for Kapatagan Water District employees  Payment of Meals of Empoyees	222.00  100.00 500.00 200.00  285.00	Refund the excess amount and Attach OR Box D- No signature Box D- No signature Attach Official Receipt No Sales Invoice for 107.00 and Attach Attendance Sheet  Box D- No signature No OR and Attendance Sheet

				Payment of Seal Tape	400.00	Box D- No signature
				Payment of Fuel for Water Pump	100.00	Box D- No signature
				Payment of Snack for COA Employee	100.00	Attach Sales Invoice Box D- No signature
				Payment of Meal for Pick up of Water Sample	260.00	Attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employees	217.00	No OR and Attendance Sheet
				Payment of 1 pc. Power Computer AVR 220 volt	500.00	Attach ARE and Waste Material Report
				Payment of Coffee for Kapatagan Water District Employees	88.00	No Sales Invoice
				Payment of Snacks for Kapatagan Water District Employees	120.00	No Sales Invoice for P70.00 and Attendance Sheet
				Payment of Office Supply	200.00	Box D- No signature
				Payment of Electrical Supplies	560.00	Box B and D- No Signature
				Sub-total	<u>4,922.00</u>	
2/21/2013		879154 V# 13-02-0127		Payment of 1 stub checkbook	P 200.00	Box B, and D-No signature and no approval of GM
				Payment of Office Table	800.00	Attach ARE
				Payment of Lysol and Baygon Spray	500.00	Box D- No signature
				Payment of Alcohol and Lysol Spray	500.00	Box D- No signature



				Payment of Meals of Employees	285.00	Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	112.25	Attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	218.00	No OR and Attach Attendance Sheet
				Payment of Seminar Fee at BIR	100.00	Box D- No signature and Attach OR
				Payment of Meal Snack	85.00	No OR and Attach Attendance Sheet
				Payment of Electrical Supplies	450.00	Box D- No signature
				Payment of Snack at Field	100.00	Attach Attendance Sheet
				Payment of Snacks	200.00	Attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	200.00	Attach Attendance Sheet
				Payment of Expenses for Registration of Multicab SFP-461	500.00	Attach Official Receipt
				Payment of Snacks for Kapatagan Water District Employee	58.75	Attach Attendance Sheet
				Payment of Meals and Snacks	1,350.00	Attach Attendance Sheet
				Payment of Spare Parts	285.00	Attach Waste Material reports
				Payment of Snacks for Kapatagan Water District Employee	180.00	Attach Attendance Sheet
				Payment of Notarial Service	150.00	Attach Official Receipt

				Payment of Office Supplies	500.00	Box D- No signature and refund the excess amount of P125.00
				Payment of Brake shoe	400.00	Attach Waste Materials reports
				Payment of meals for BOD meeting	480.00	No OR and Attach Attendance Sheet
				Payment of meals for BOD meeting	320.00	No OR and Attach Attendance Sheet
				Payment of 4 pcs. Brake bonding	760.00	Attach Waste Materials report
				Payment of Office Supplies	300.00	Box D-No signature
				Payment of Office Supplies	435.00	Box D-No signature
				Payment of Curtain Tailored	450.00	
				Payment of Solicitation to Dunngo-an E/S	500.00	No Legal basis and no approval of GM
				Reimbursement of TEV	70.00	Attach bus ticket
				Payment of Snacks for Kapatagan Water District Employee	50.00	No OR and Box D- No signature
				Payment of Pandesal	150.00	Attach Attendance Sheet
				Payment of 1 stub of Checkbook	200.00	Box D-No signature
				Sub-total	<u>10,689.00</u>	
3/13/2013		905648 V# 13-03-0171		Payment of Repair of Power Supply	P300.00	Box B, and D-No signature and official receipt
				Payment of 1 COM Charger repair	488.00	Box D-No signature and official receipt
				Payment of Office Supplies	500.00	Box D- No signature
				Payment of Snacks for Kapatagan Water District Employee	120.00	Box D- No signature and no Attendance Sheet and OR

				Payment of Transportation	240.00	No Approval of GM
				Payment of Office Supplies	500.00	Box D-No signature
				Payment of Machine copy	50.00	Box D-No signature and no OR attached
				Payment of Meals BOD meeting	465.00	Box D- No signature and attach Attendance Sheet and official receipt
				Payment of Additional Viand	310.00	Attach OR and Attendance sheet
				Payment of Supplies	500.00	Box D- No signature
				Payment of Office Supplies	500.00	Box D- No signature
				Payment of Snacks for Kapatagan Water District Employee	250.00	Box D- No signature and attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	195.00	Attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	250.00	Attach OR and Attendance sheet
				Payment of Snacks for Kapatagan Water District Employee	200.00	Box D-No signature Box D-No signature and attach OR for 170.00 and Attendance Sheet
				Payment of Supply-value	600.00	No official receipt for P310.00
				Payment of Load Allowance	300.00	No Legal basis
				Payment of Snacks for Kapatagan Water District Employee	346.00	Attach Attendance Sheet
				Payment of Meals/Snacks	200.00	Box D-No signature and attach Attendance Sheet
				Payment of Meal COA personnel	335.00	Box D- No signature and attach attendance sheet

				Payment of Transportation	100.00	Box D-No signature and Bus ticket
				Payment of Snacks for Kapatagan Water District Employee	105.00	Box D- No signature and attach OR with attendance sheet
				Payment of Lysol and Baygon spray	500.00	Box D- No signature and attach OR with attendance sheet
				Sub-total	<u>7,054.00</u>	
3/27/2013		906283 V# 13-03-0205		Payment of Additional Laborers for leaking excavation	P2,000.00	Submit Labor Payroll and no signature on Box D
				Payment of Snacks for Kapatagan Water District Employee	208.75	Box D-No signature and attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	306.00	No OR and Attendance sheet
				Payment of Repair of SFP 461	500.00	Attach OR and Waste Materials Report
				Payment of Office Supplies	200.00	Box D-No signature
				Payment of Meals	745.00	Attach Attendance Sheet
				Payment of Transportation	285.00	Box D-No signature
				Payment of Snacks for Kapatagan Water District Employee	250.00	Box D- No signature and attach Attendance Sheet
				Payment of Supplies	500.00	Box D- No signature
				Payment of Meals	265.00	Attach Attendance Sheet
				Payment of 2 Wooden Stool	800.00	Petty Cash Voucher- Not properly filled up
				Payment of Meals and Snacks of Employees	600.00	Box D- No signature and attach OR for P120.00 and Attendance Sheet

				Payment of Additional Laborer/Workforce Payment of Snacks for Kapatagan Water District Employee Payment of Transportation (hauling) Payment of Snacks for BOD and Mayor Payment of 1 ream Onion skin Payment of Transportation (hauling) Payment of 1 stub Checkbook	1,000.00 500.00 255.00 500.00 80.00 270.00 200.00	Submit Labor Payroll and no signature on Box B and D Box D- No signature and attach OR for P120.00 and Attendance Sheet Attach OR of 17 containers of Diesel fuel PCV not properly filled-up Box B and D- No signature Attach OR of 18 containers Box B and D- No signature
				Sub-total	<u>7,464.75</u>	
4/24/2013		907159 V# 13-04-0280		Payment of Repair of Power Supply Payment of Flowers Payment of Snacks for Kapatagan Water District Employee Payment of 2 Reams Bond paper Payment of 10 pcs. 2x2x10 Wood Payment of Snacks for Kapatagan Water District Employee	P240.00 750.00 200.00 380.00 640.00 300.00	Attach OR of 16 containers of crude oil No Legal basis Box D- No signature and attach Attendance sheet Box D- No signature Box II -No entry No Approval of GM Box D- No signature and attach Attendance sheet

				Payment of Snacks for Kapatagan Water District Employee	148.00	No OR and Attendance sheet
				Payment of 2 Additional Worker	400.00	Box D- No signature Attach Labor Payroll
				Payment of Transportation (hauling)	255.00	Attach receipt for 17 containers
				Payment of 1 stub Checkbook	200.00	Box D- No signature
				Payment of Meals	275.00	No Attendance sheet
				Payment of 2 Reams Bond paper	380.00	Box D- No signature
				Payment of Office Supplies	490.00	Box D- No signature
				Payment of Lysol and Baygon Spray	475.00	Box D- No signature and Attach OR
				Payment of Meals for BOD Meeting	800.00	Attach OR and Attendance sheet
				Payment of Additional Viand	1,085.00	Attach OR and Attendance sheet
				Payment of Hauling	195.00	Attach OR for 13 containers
				Payment of Snacks for Kapatagan Water District Employee	250.00	Box D-No signature and attach Attendance Sheet
				Payment of Snacks for Kapatagan Water District Employee	120.00	Attach OR and Attendance sheet
				Payment of Office Supplies	500.00	Box D- No signature
				Payment of Snacks for Employees	300.00	Box D-No signature and attach Attendance Sheet

				Payment of 1 stub Checkbook	200.00	Box D- No signature
				Payment of Hauling	210.00	Attach OR for 14 containers
				Payment of Snacks for employees	395.00	Box D-No signature and attach OR and Attendance Sheet
				Payment of Additional Load allowance	500.00	No Legal basis
				Payment of Office Supplies	387.00	Box D- No signature
				Payment of BNS Load allowance	300.00	Box B- No signature
				Payment of Hauling	165.00	No Legal basis and attach official receipt
				Payment of Tire for XRM SK-3399	590.00	No OR for 11 containers
				Payment of Snacks for Employees	239.00	Attach Waste Materials report
				Payment of Office Supply	100.00	Box D- No signature and Attach OR and Attendance sheet
				Payment of Snacks of employees	100.00	Box D- No signature
				Payment of Office Supplies	500.00	Attach Attendance Sheet and Official Receipt
						Box D- No signature
				Sub-total	<u>11829.00</u>	
5/21/2013		907825		Payment of Additional Laborers for leaking excavation	P300.00	Attach Attendance Sheet
		V# 13-05- 0342		Payment of Snacks for Employees	176.00	Box D-No signature and attach Attendance Sheet
				Payment of Snacks for Employees	105.00	Attach Attendance Sheet
				Payment of 3 pcs. Spark plug	540.00	Attach Waste Materials Report

				Payment of Snacks for Employees	200.00	Box D-No signature and attach Attendance Sheet
				Payment of Capacitor	600.00	Attach Waste Materials Report
				Payment of Brown envelope	93.00	Box D-No signature
				Payment of 1 unit Battery SK 3399	780.00	Attach Waste Materials Report
				Payment of USB	500.00	Attach ARE
				Payment of Meals for BOD meeting	775.00	Attach Attendance Sheet and OR
				Payment of Office Supplies	404.00	Box D- No signature
				Payment of Repair SK 3398	500.00	Attach pre and post inspection
				Payment of Tire XRM/SK 3398	665.00	Attach Waste Materials Report
				Payment of Snacks Employees	329.00	Attach Attendance sheet
				Payment of Snacks Employees	440.00	Attach Attendance sheet
				Payment of 2 reams Bond paper	370.00	Box D- No signature
				Payment of Snacks Employees	300.00	Box D- No signature and no Attendance sheet
				Payment of Snacks for Employees	200.00	Box D- No signature and no Attendance sheet and OR
				Payment of Office Supplies	286.00	Box D- No signature
				Payment of Hauling	240.00	Attach OR for 16 containers
				Payment of Office Supplies	478.50	Box D- No signature
				Payment of 1 pc. Head light	180.00	Attach Waste Materials Report



				Payment of Snacks for Employees	323.00	Attach OR and Attendance sheet
				Payment of 1 stub Checkbook	200.00	Box D- No signature
				Payment of Hauling	180.00	Attach OR for 12 containers
				Payment of Hauling	195.00	Attach OR for 13 containers
				Payment of Office Supplies	598.00	Box D- No signature
				Payment of Load Allowance	300.00	No Legal basis and OR
				Payment of Snacks for Employees	200.00	Box D- No signature and attach Attendance sheet
				Sub-total	<u>0,157.50</u>	
6/18/2013		908640 V# 13-06-0404		Payment of Snacks for Employees	P97.00	No OR and signature on Box D
				Payment of Office Supplies	478.00	Box B and D-No signature
				Payment of Snacks for Employees	174.00	Box C-No signature and attach OR and Attendance sheet
				Payment of Spare parts	495.00	Attach Waste Materials Report
				Payment of Battery	780.00	Attach Waste Materials Report
				Payment of Snacks of Employees	247.75	Attach Attendance Sheet
				Payment of Repair/Overhaul of concrete cutter	600.00	No Approval of GM
				Payment of Spark plug	180.00	No Approval of GM and report of Waste material
				Payment of Hauling	210.00	Attach OR for 14 containers
				Payment of Snacks of Employees	600.00	Attach OR and Attendance sheet

				Payment of Transportation	100.00	Attach REN
				Payment of Snacks of Employees	142.00	Attach Attendance sheet
				Payment of Flourescent Bulb	150.00	No Approval of GM
				Payment of Flowers with stand	800.00	No signatures and entries on PCV
				Payment of Snacks Employees	150.00	Box B,C,D-No signature and attach OR and attendance sheet
				Payment of USB	390.00	Attach ARE
				Payment of Snacks Employees	105.00	Box A B,C,D-No signature and approval of GM and attendance sheet
				Payment of S1 stub Checkbook	200.00	Note: All Box B and C were not signed by concerned employees PCV-No entries and signature
				Payment of Snacks Employees	200.00	PCV-No entries and signature
				Payment of Snacks Employees	150.00	Attach OR and Attendance sheet Attach Attendance Sheet
				Payment of Snacks Employees	150.00	Attach Attendance Sheet
				Payment of Snacks Employees	150.00	Attach Attendance Sheet
				Payment of Snacks for Employees	156.00	Attach OR and Attendance sheet
				Payment of Tricycle	10.00	PCV-No entries and signature
				Payment of Snacks for Employees	252.20	Attach Attendance Sheet

			Payment of USB Payment of Hauling  Payment of Snacks for Employees Payment of Snacks for Employees Payment of 24 Bags of Sand Payment of Load Allowance Payment of Snacks Employees Payment of Snacks Employees Payment of Snacks of Employees Payment of Snacks of Personnel Payment of Meals Payment of Snacks of Employees	540.00  210.00 305.00 380.00 600.00 300.00  250.00 500.00 250.00 230.00  136.00 130.00	Attach ARE Attach OR of 14 containers  Attach OR and Attendance sheet Attach OR and Attendance sheet Attach OR not delivery receipt No Legal basis and OR Attach Attendance sheet  Attach OR and Attendance Sheet Attach Attendance Sheet Attach OR and Attendance Sheet  Attach Attendance Sheet Attach Attendance Sheet
			Sub-total	<u>10,700.95</u>	
7/12/2013		925241 13-17-0455	Payment of Snacks for Employees  Payment of Office Supply Payment of Pictures Payment of Cooler Payment of Snacks  Payment of Cocohusk Doormat	P195.00  80.00 150.00 500.00 150.00  1,000.00	Box D- No signature and no attendance sheet and OR  No Approval of GM No Approval of GM Attach Official Receipt Box D- No signature and Attendance sheet Box D- No signature

				Payment of Supply	200.00	Box D-No signature and OR
				Payment of Handheld Radios	900.00	Attach OR and Job Order
				Payment of Snacks of Employees	70.00	No Attendance sheet and OR
				Payment of Repair of Transaction	850.00	Attach Waste Material Report and OR
				Payment of Hauling	180.00	Attach OR of 12 containers and no approval of GM
				Payment of Meal of CSC visitors	121.00	No Approval of GM
				Payment of Meals of BOD	480.00	Attach OR and Attendance sheet and no approval of GM
				Payment of 2 reams Bond paper	455.00	Box D- No signature
				Payment of Snacks Employees	210.00	Box D- No signature and attach OR and Attendance sheet
				Payment of Snacks Employees	200.00	Box D- No signature and attach OR and Attendance sheet
				Payment of Snacks Employees	70.00	Box D- No signature and attach OR and Attendance sheet
				Payment of Snacks Employees	596.00	Attach Attendance Sheet
				Payment of Office Supplies	496.00	Box D-No signature
				Payment of Snacks Employees	200.00	Box D- No signature and attach Attendance sheet
				Payment of Face Mask	500.00	Box D-No signature
				Payment of Snacks Employees	104.00	Box D- No signature and attach Attendance sheet
				Payment of Repair of 2 way Radio	400.00	Attach OR and Job Order

				Payment of VR-001 JWD Voice Recorder	1,280.00	Box D-No signature and attach ARE
				Payment of Snacks Employees	333.00	Box D- No signature and attach Attendance sheet
				Payment of Electrical Supplies	113.00	No Approval of GM
				Payment of Cleaning of CPU	500.00	Attach OR and Job Order
				Payment of Snacks Employees	150.00	Box D- No signature and attach OR and Attendance sheet
				Payment of Snacks Employees	465.00	Box D- No signature
				Payment of Labor and Laundry	250.50	Box D- No signature
				Payment of Load Allowance	300.00	Box B, C and D- No signature PCV no entries of amount Attach OR No Legal basis
				Payment of Baygon and Lysol	689.00	Box D- No signature
				Payment of Computer Repair	300.00	Attach OR and Job Order
				Payment of Re-format of PC	500.00	Attach OR and Job Order
				Payment of Materials	240.00	Attach OR not DR
				Payment of Meals of Employees	150.00	Attach Attendance Sheet
				Sub-total	<u>13,182.50</u>	

8/1/2013		925930  DV# 13-08-0493		Payment of Snacks Employees  Payment of Office Supplies Payment of Snacks Payment of Materials Payment of Snacks Employees Payment of Transportation Payment of Snacks Employees Payment of Snacks Employees Payment of Snacks Employees Payment of Duck blessing JFK-647 Payment of Snacks Employees Payment of Office supplies Payment of Snacks Employees Payment of Snacks Employees Payment of Tire rim for SK-3398 Payment of 26 pcs. Spoke for SK-3398 Payment of Snacks Employees	P464.75  519.50 60.00 365.00 165.00 200.00 144.00 350.00 120.00 500.00 180.00 460.00 144.00 230.00 685.00 307.00 132.00	Box D- No signature and attach OR and Attendance sheet  Box D- No signature Attach OR and Box D no signature Box C- No signature Box D- No signature and attach OR and Attendance sheet Box D- No signature Box D-No signature/ No OR and Attendance sheet Box D-No signature/ No OR and Attendance sheet Box D-No signature/ No OR and Attendance sheet Attach Official receipt and Box D no signature Box D-No signature/ No OR and Attendance sheet Box D-No signature Box D-No signature/ No OR and Attendance sheet Box D-No signature/ No OR and Attendance sheet Attach Waste materials report Attach Waste materials report Box D-No signature/ No OR and Attendance sheet
----------	--	------------------------------	--	--	--	---

			Payment of of Office supplies	485.00	Box D- No signature
			Payment of Snacks Employees	300.00	Box D-No signature/ No OR and Attendance sheet
			Payment of Load Allowance	300.00	No Legal basis and Official receipt No approval of Gm and Box D no signature Box II of PVC no entries
			Payment of Meals	190.00	No approval of Gm and Attendance sheet
			Payment of Snacks Employees	292.00	Box D- No signature and Attendance sheet
			Payment of Snacks Employees	190.00	Box D- No signature and Attendance sheet
			Payment of Snacks Employees	300.00	Box D- No signature and Attendance sheet
			Payment of 1 stub checkbook	200.00	Box D- No signature and Approvsl of GM
			Payment of Snacks Employees	239.00	Box D- No signature and Attendance sheet
			Sub-total	<u>7,057.50</u>	
8/15/2013		909533 DV# 13-08-0545	Payment of Smart load	600.00	No Legal basis
			Payment of Meals for overtime	240.00	Attach attendance sheet and OR
			Payment of Meals for overtime	503.00	Attach attendance sheet and OR
			Payment of Snacks Employees	330.00	Box D- No signature and attach OR and Attendance sheet
			Payment of Meals	200.00	Attach attendance sheet

				Payment for cleaning of CPU	750.00	Attach OR
				Payment for cleaning of 3 CPU	750.00	Attach OR
				Payment of Tarpaulin	871.31	Box D-No signature
				Payment of Supplies	150.00	Box D-No signature
				Payment of Load allowance	300.00	No Legal basis and OR and Box D no signature
				Payment of Castrol oil	230.00	No approval of GM
				Payment of Change tires and grease oil	160.00	Attach OR
				Payment of Office Supplies	470.00	Box D-No signature
				Payment of Hauling	210.00	Attach OR and 14 containers
				Payment of Meals for BOD	1,700.00	Attach Attendance sheet
				Payment of 1 stub checkbook	200.00	Box D-No signature
				Payment of Snacks for BOD	144.00	Box D-No signature
				Payment of Snacks for Personnel	213.00	Box D-No signature and attach OR and Attendance sheet
				Payment of Office Supplies	370.00	Box D-No signature
				Payment of Server repair	250.00	Attach OR
				Payment of Snacks for Employees	120.00	Box D-No signature
				Payment of Repair of CPU	500.00	Box B and D- No signature and attach Official receipt
				Payment of Meals of Employees	549.00	Attach Attendance sheet
				Payment of Snacks for Employees	250.00	Box D- No signature and Attendance sheet



				Payment of Snacks for Employees	180.00	No OR and Attendance sheet
				Payment of Additional labor	1,100.00	Attach Laboor payroll
				Sub-total	<u>11,340.31</u>	
9/2/2013		910012		Payment of Hauling of Crude oil	P225.00	Attach OR and 15 containers
		DV# 13-09-0572		Payment of Hauling of Crude oil	240.00	Attach OR and 15 containers
				Payment of Installation of CPU	100.00	Box C- No signature
				Payment of Snacks of Employees	249.00	Attach OR and Attendance sheet
				Payment of Load	300.00	No Legal basis and Box D no signature
				Payment of Snacks of Employees	445.00	Attach Attendance sheet
				Payment of Hauling of Crude oil	240.00	Attach OR for 16 containers
				Payment of Materials	100.00	Box D-No signature
				Payment of Snacks of Employees	300.00	Box D-No signature and attach Attendance sheet and OR
				Payment of Snacks of Employees	240.00	Attach OR and Attendance sheet
				Payment of Office supply	500.00	Box D-No signature
				Payment of Table glass	538.00	Box D-No signature
				Payment of Snacks for DBP staff	161.00	Attach Attendance sheet

				Payment of Hauling of Crude oil	210.00	Attach OR of Crude oil
				Payment of Transportation	100.00	No Approval of GM
				Payment of Snacks of Employees	204.00	Box D-No signature and attach Attendance sheet and OR
				Payment of Meals	870.00	Box B and D- No signature and attach Attendance sheet and OR No entry of part of PCV
				Payment of 1 stub Checkbook	200.00	Box D-No signature
				Payment of Snacks of Employees	300.00	Box D-No signature and attach Attendance sheet
				Payment of Office supply	460.00	Box D-No signature
				Payment of 1 plug adaptor	60.00	Box B and D-No signature and no Approval of GM
				Payment of Fare to Tubod	70.00	No Approval of GM
				Payment of 2 reams Bond paper	500.00	Box D-No signature
				Sub-total	6,387.00	
9/13/2013		926804		Payment of Cable Wire for CCTV	P525.00	Box A and B- No signature and Approval of GM
		DV# 13-09-0612		Payment of Electrical Supplies	773.00	Box A- No signature and Approval of GM
				Payment of Meals of Employees	326.00	Attach Attendance sheet
				Payment of Snacks of Employees	160.00	Attach OR and Attendance sheet
				Payment of 1 pc. Steel Saw blade	62.00	Box D-No signature

				Payment of Office supplies	305.00	Box D-No signature
				Payment of Hauling of Crude oil	195.00	Attach OR for 13 containers
				Payment of Snacks of Employees	300.00	Box D-No signature and attach Attendance sheet
				Payment of Snacks of Employees	150.00	Box D-No signature and attach OR and Attendance sheet
				Payment of Load Allowance	300.00	No Legal basis and OR
				Payment of Snacks of Employees	467.50	Attach Attendance sheet
				Payment of Repair of MAZDA JFK 647	1,000.00	Attach Inspection report
				Payment of Spare parts for MAZDA	749.00	Attach Waste materials report
				Payment of Snacks of Employees	204.75	Box D- No signature and no Attendance sheet
				Payment of Snacks of Employees	374.50	Attach Attendance sheet
				Payment of Snacks of Employees	200.00	Attach Attendance sheet
				Payment of Viand	620.00	Box B and C-No signature and approval Attach OR and Attendance sheet
				Payment of Xerox	100.00	Box C-No signature
				Payment of Reformat of Computer	500.00	Attach Official receipt
				Payment of Printer Cleaning	500.00	Attach Official receipt
				Payment of Hauling of Crude oil	255.00	Attach OR of 17 containers
				Payment of Viand for BOD's	465.00	Attach OR and Attendance sheet
				Sub-total	<u>8,006.75</u>	

10/1/2013		926833  DV# 13-10-0641		Payment of Snacks of Employees Payment of Supplies  Payment of Snacks of Employees Payment of Office supplies Payment of PVC materials  Payment of Change casind and etc. Payment of Snacks of Employees Payment of Assemble and set Radio Payment of Meals and Alcohol  Payment of Checkbook  Payment of Snacks of Employees Payment of Hauling of Crude oil Payment of Snacks of Employees Payment of Snacks of Employees Payment of Hauling of Crude oil	P 240.00  465.00  388.00 498.00 150.00  810.00  300.00 450.00 245.00  200.00  200.00  210.00 441.25  200.00 195.00	Attach OR and Attendance sheet  Box D-No signature  Box D-No signature and attach Attendance sheet Box D-No signature No entries on PCV Box D- No signature and approval of GM Attach OR  Attach Attendance sheet Attach Official receipt PCV- No entries and data  No approval and Attendance sheet Box A,B and C- No signature and approval of GM No OR and Attendance sheet  Attach OR of 16 containers Box D- No signature and Attendance sheet Box D- No signature and Attendance sheet Attach OR of 13 containers
-----------	--	------------------------------	--	---	--	--

			Payment of Snacks of Employees	300.00	Attach Attendance sheet
			Payment of Snacks of Employees	240.00	Attach Attendance sheet and OR
			Payment of Starter and Carbon brush	950.00	Attach Waste materials report
			Payment of Snacks of Employees	125.00	Box D- No signature and OR and Attendance sheet
			Payment of Office supplies	664.00	Box D- No signature
			Payment of 1 pc. Speedometer cable	800.00	Box D- No signature
			Payment of Bearing and Grease oil	134.00	Attach Waste materials report
			Payment of Snacks of Employees	262.50	Box D- No signature and OR and Attendance sheet
			Payment of Additional load for GM	500.00	No Legal basis
			Payment of Snacks of Employees	300.00	Box D- No signature and Attendance sheet
			Payment of Snacks of Employees	250.00	Box D- No signature and Attendance sheet
			Payment of Snacks of Employees	244.00	Attach OR and Attendance sheet
			Sub-total	<u>9,521.75</u>	
11/15/2013		927747 DV# 13-11-0700	Payment of Snacks of Employees	P 330.00	Box D-No signature and attach OR and Attendance sheet
			Payment of Snacks of Employees	165.00	Box D-No signature and attach OR and Attendance sheet
			Payment of Change oil, replacement of Steering belt, etc.	600.00	Attach Waste materials report

				Payment of Snacks of Employees	271.00	Box D-No signature and attach Attendance sheet
				Payment of Snacks of Employees	200.00	Box D-No signature and attach Attendance sheet
				Payment of Office supplies	500.00	Box D-No signature
				Payment of Snacks of Employees	433.00	Box D-No signature and Attendance sheet
				Payment of Snacks of BOD	250.00	Attach Attendance sheet
				Payment of (lamas) for meals of BOD	300.00	Box D- No signature and OR
				Payment of 3.6 kilos of Fish for BOD meeting	1,000.00	Box D- No signature and OR
				Payment of 2 reams Bond paper	500.00	Box D- No signature
				Payment of Meals	230.00	Attach Attendance sheet
				Payment of Snacks of Employees	120.00	Box D- No signature and OR and Attendance sheet
				Payment of Make-up for Mutya ng Kapatagan	1,000.00	Box D- No signature and OR
				Payment of 2 reams Bond paper and snacks	494.00	Box C and D- No signature and OR
				Payment for Hauling of Crude oil	210.00	Attach OR for Crude oil
				Payment of Snacks of Employees	200.00	Box D- No signature and OR and Attendance sheet
				Payment of Snacks of Employees	230.00	Box D- No signature and Attendance sheet
				Payment of Office supplies	486.00	Box D- No signature
				Payment of Snacks of Employees	274.50	Box D- No signature and Attendance sheet

				Payment of Load allowance BRS (October 2013)	300.00	No Legal basis and OR
				Payment of Snacks of Employees	290.00	Attach Attendance sheet
				Payment of Snacks of Employees	120.00	Box D- No signature and no OR and Attendance sheet
				Payment of Plastic folder Long	200.00	Box D- No signature
				Payment of 1 pc. Stapler	390.00	Box D- No signature and ARE
				Payment of Snacks of Employees	254.50	Box D- No signature and Attendance sheet
				Sub-total	<u>9,018.00</u>	
11/21/2013		928543		Payment of Materials for inhouse installation	P 1,000.00	Box D-No signature
		DV# 13-11-0744		Payment of Meals to pick up Water samples	295.00	Attach Attendance sheet
				Payment of Repair of 1 COM	850.00	Attach Official receipt
				Payment of Fish for BOD meeting	1,000.00	Attach OR and Attendance sheet
				Payment of Load allowance (Nov. 2013)	300.00	No Legal basis and attach OR
				Payment of Office supply	693.00	Box D-No signature
				Payment of Snacks of Employees	300.00	Attach Attendance sheet
				Payment of Water pump for JFK-647	1,312.50	Attach Waste materials report
				Payment of 2 reams Bond paper Long size	545.00	No entries on PCV-II Box D- No signature

				Payment of Additional viand for BOD meeting	640.00	Attach Attendance sheet
				Payment of Snacks for Kapatagan Water District employees	240.00	Box D- No signature, OR and Attendance sheet
				Payment of Snacks of Employees	225.00	Box D- No signature, OR and Attendance sheet
				Payment of Meals and Snacks of Employees	290.00	Attach OR and Attendance sheet
				Payment of 2 reams Bond paper long	510.00	Box D- No signature
				Sub-total	<u>7,200.50</u>	
12/9/2013		929581 DV# 13-12-0781		Payment of Office Supplies	P 591.00	Box D-No signature
				Payment of Snacks of Employees	282.75	Box D-No signature and attach Attendance sheet
				Payment of Spare parts	875.00	Attach Waste materials report
				Payment of Electrical supply	1,350.00	No approval of GM
				Payment of 4 pcs. Brass valve	960.00	No approval of GM
				Payment of Snacks of Employees	315.00	Attach Attendance sheet
				Payment of Snacks of Employees	338.50	Box D-No signature and Attendance sheet
				Payment of Materials	230.00	Box D- No signature No approval of GM
				Payment of Snacks of Employees	305.00	Box D-No signature and no Attendance sheet and OR
				Payment of Gasoline for KEX 556	1,715.00	Box D-No signature and attach Driver's Trip ticket



				Payment of Snacks for Personnel	552.00	No approval of GM
				Payment of Keyboard and 86 USB	600.00	Attach ARE Box D- No signature No approval of GM
				Payment of Supplies	150.00	No approval of GM
				Payment for Carwash and air freshener	200.00	No approval of GM
				Payment of Office supplies	370.00	Box D- No signature and approval of GM
				Payment of Spare parts	76.00	No approval of GM
				Payment of Engine tune up and repair of Tiring belt for SHJ-401	300.00	Attach OR
				Payment of 4 pcs. Brass ball valve	980.00	No approval of GM No approval of GM
				Payment of Snacks of Employees	150.00	Box D- No signature and OR and Attendance sheet
				Payment of Additional Load allowance of GM	1,000.00	Box B and D- No signature No Legal basis
				Payment of Snacks of Employees	467.25	Box D- No signature and attach Attendance sheet
				Payment of Materials	347.00	Box D- No signature
				Payment of 1 unit ICOM	650.00	Attach Official receipt
				Payment of Snacks of Employees	400.00	Box B,C and D- No signature and attach Attendance sheet
				Payment of Snacks of Employees	307.50	No approval of GM

				Sub-total	<u>12,921.00</u>	Box D- No signature
12/18/2013		955207 DV# 13-12- 0805		Payment of Meals	P 305.00	Attach Attendance sheet
				Payment of Additional viand for BOD Meeting- 12/17/13	1,100.00	Attach Attendance sheet
				Payment of 15 bottles of Mineral water	212.00	Box D-No signature and attach Attendance sheet
				Payment of Additional viand for BOD Meeting- 12/17/13	480.00	Box B,C and D- No signature
				Payment for Hauling of Crude oil	180.00	Box D-No signature and attach Attendance sheet
				Payment of Snacks of Employees	294.00	Attach OR of Crude oil
				Payment of Taxi fare	120.00	Box D-No signature and attach OR and Attendance sheet
				Payment of BBV 1/2 4 pcs. and 2 pcs. Seal	1,000.00	No approval of GM
				Payment of Office supplies	480.00	Box B, C and D- No signature and attach Official receipt
				Payment of Snacks for Personnel	140.00	Box B and C- No signature
				Payment of Supply (SACKS)	400.00	Box B, C and D- No signature and attach Attendance sheet
				Payment of Snacks of Employees	465.70	Box D- No signature
				Payment of BB valve 1/2	885.00	Box D- No signature and attach Attendance sheet
				Payment of 1 set repair kit and 1 bottle Brake fluid	300.00	No approval of GM
				Sub-total	<u>6,056.70</u>	Box C- No signature

				Payment of Repair of clutch lining of SHS-401	P 350.00	No approval of GM
				Payment of 4 pcs. BB valve	980.00	Box B and C- No signature Attach Official receipt No approval of GM
				Payment of P.E adaptor 1/2	455.00	Box B and C- No signature No approval of GM and attach OR Box B,C and D- No signature
				Payment of BRS Load allowance 12/13	300.00	No Legal basis
				Payment BBV 1/2	960.00	Box D-No signature and attach OR No approval of GM
				Payment of Additional meals for BOD Meeting- 12/10/13	955.00	Box C-No signature Attach OR and Attendance sheet
				Payment of Additional viand for BOD Meeting- 12/10/13	650.00	Attach OR and Attendance sheet
				Payment BB Valve 1/2	885.00	No approval of GM Box C-No signature
				Payment of Meals	440.00	Box B and D- No signature and attach Attendance Sheet
				Sub-total	<u>5,625.00</u>	
				<b>GRAND TOTAL</b>	<b>P164,964.96</b>	

Prepared by:

**SAADRA D. ARIMAO**  
State Auditor I  
Audit Team Member

Checked by:

**MACRINA M. GENTILES**  
State Auditor III  
Audit Team Leader

LIST OF OFFICE SUPPLIES PROCURED NOT MADE IN PS-  
DBM  
CY 2013

Date	PAYEE	Particulars	JEV NO.	AMOUNT
3-Jan	D. GALBINES	Office Supplies	13-01-0017	P 4,620.00
29-Jan	L. SEMION	computer ink	<b>13-01-0182/DV# 13-01-0062</b>	21,500.00
1-Feb	SONJAY	Office supplies	1stvb# 13-02-0197	23,650.00
13-Feb	NEW DATCHE	toner	1stvb# 13-02-0297	3,100.00
8-Mar	D. GALBINEZ	office supplies	1stvb# 13-03-0430	877.00
11-Mar	REAL COMPUTER	500pcs of Service card	1stvb# 13-03-0453	2,500.00
11-Mar	REAL COMPUTER	meter reading card & service contract	1stvb# 13-03-0454	22,000.00
8-Apr	SONJAY	computer ink	1stvb# 13-04-0612	29,010.00
16-May	REAL COMPUTER	T000pcs leave cards to Real Computer	1stvb# 13-05-0916	15,000.00
3-Jun	NEW DATCHE	office supplies	1stvb# 13-06-1003	3,460.00
3-Jun	REAL COMPUTER	6 books of pump operator's record	1stvb# 13-06-1024	7,050.00
10-Jun	SONJAY	computer ink last June 10, 2013	1stvb# 13-06-1055	33,720.00
1-Oct	SONJAY	Computer ink	1stvb# 13-10-2361	36,530.00
23-Dec	SONJAY	To purchase computer ink last Nov.20	1stvb# 13-12-3907	38,100.00
<b>TOTAL</b>				<b>P241,117.00</b>

Prepared by:

  
**MACRINA M. GENTILES**  
 State Auditor III  
 Audit Team Leader

**List of personnel who were granted monetization of leave credits in excess of the minimum -ten (10) days  
As of December 31, 2013**

<b>NAME</b>	<b>MONETIZED MORE THAN 10 DAYS OF LEAVE CREDITS</b>	<b>AMOUNT</b>
1. GM Buenalita B. Rañises	27.8	Php 62,582.90
2. Canonigo, Rito U.	15	Php 8,344.53
3. Emot, Susan P.	20	Php 17,388.02
4. Engr. Manatom, Jr. Roberto C.	20	Php 20,037.58
5. Simeon, Leonita B.	50	Php 42,922.65
6. Galbines, Dinno B.	30	Php 18,532.09
7. Hingpit, Clyde F.	20	Php 12,478.07
8. Valera, Jr. Ignacio B.	30	Php 16,854.00
9. Janiola, Zosimo L.	20	Php 11,125.08
10. Mahanlud, Nestor Q.	20	Php 11,125.08
	<b>Overall Total</b>	<b>Php 221,390.00</b>

Prepared by:

  
**JENNIFER A. SUMAPIG**

Administration Services Assistant – C

<b>Schedule of BIR Remittances</b>					
<i>For CY 2013</i>					
<b>Check</b>		<b>DV No.</b>	<b>Payee</b>	<b>Nature of Payment</b>	<b>Amount</b>
<b>Date</b>	<b>No.</b>				
10-Jan	702092	13-01-0004	BIR	Remittance of w/tax from suppliers	₱ 8,866.40
	702093	13-01-0005	BIR	Remittance of franchise tax from January Billing	₱36,030.03
	702094	13-01-0006	BIR	Remittance of w/tax from compensation & overtime pay	₱23,456.67
10-Feb	702099	13-02-0011	BIR	Remittance of w/tax from salaries & Overtime pay	₱32,941.69
	702100	13-02-0012	BIR	Remittance of w/tax from suppliers	₱28,468.52
	802101	13-02-0013	BIR	Remittance of franchise tax from January Billing	₱35,279.50
8-Mar	802107	13-03-0018	BIR	Remittance of w/tax from salaries & Overtime pay	₱31,835.68
	802108	13-03-0019	BIR	Remittance of w/tax from Suppliers	₱29,162.01
18-Mar	802109	13-03-0020	BIR	Remittance of franchise tax from February Billing	₱33,471.49
10-Apr	802114	13-04-0025	BIR	Remittance of w/tax from salaries & overtime pay	₱32,397.35
10-Apr	802115	13-04-0026	BIR	Remittance of w/tax from various suppliers	₱33,723.46
19-Apr	802116	13-04-0027	BIR	Remittance of franchise tax from billing	₱31,231.55
9-May	802119	13-05-0030	BIR	Remittance of w/tax from various suppliers	₱26,481.79
9-May	802120	13-05-0031	BIR	Remittance of w/tax from salaries & Overtime pay	₱26,290.91
20-May	802122	13-05-0033	BIR	Remittance of franchise tax from April billing	₱36,474.75
19-Jun	802126	13-06-0037	BIR	Remittance of w/tax from salaries & wages	₱21,960.99
19-Jun	802127	13-06-0038	BIR	Remittance of franchise tax for May 2013	₱37,056.30
19-Jun	802128	13-06-0039	BIR	Remittance of w/tax from various suppliers	₱24,547.58

5-Jul	802132	13-07-0043	BIR	Remittance of w/tax from salaries & overtime pay	₱27,349.46
	802133	13-07-0044	BIR	Remittance of w/tax from various suppliers	₱26,126.45
17-Jul	802134	13-07-0045	BIR	Remittance of franchise tax for June 2013 billing	₱35,207.57
5-Aug	802136	13-08-0047	BIR	Remittance of w/tax from compensation & OT	₱29,192.41
5-Aug	802137	13-08-0048	BIR	Remittance of w/tax from various suppliers	₱9,206.22
19-Aug	802140	13-08-0051	BIR	Remittance of franchise tax from billing of July 2013	₱37,417.10
9-Sep	802146	13-09-0056	BIR	Remittance of w/tax from salaries & OT for August	₱35,643.87
	802147	13-09-0057	BIR	Remittance of franchise tax for August 2013	₱33,065.94
	802148	13-09-0058	BIR	Remittance of w/tax from various suppliers for August	₱17,887.25
3-Oct	802149	13-10-0059	BIR	Remittance of w/tax from salaries & OT for September	₱34,036.43
	802151	13-10-0061	BIR	Remittance of franchise tax for September 2013	₱37,921.26
	802152	13-10-0062	BIR	Remittance of w/tax from various suppliers for September	₱21,601.08
5-Nov	802156	13-11-0067	BIR	Remittance of franchise tax for October 2013	₱33,270.45
	802157	13-11-0068	BIR	Remittance of w/tax from various suppliers	₱23,405.61
	802158	13-11-0069	BIR	Remittance of w/tax from compensation & overtime	23,901.60
6-Dec	802161	13-12-0073	BIR	Remittance of franchise tax for November 2013	38,745.41
	802162	13-12-0074	BIR	Remittance of w/tax from salaries & overtime pay	30,553.33
	802163	13-12-0075	BIR	Remittance of w/tax from various suppliers	20,241.24
				<b>TOTAL</b>	<b>₱1,045,449.35</b>

Prepared by:

  
**MACRINA M. GENTILES**  
**State Auditor III**  
 Audit Team Leader