

**STATUS OF PRIOR YEAR'S AUDIT RECOMMENDATIONS**

Presented below is the summary of status of prior year's audit recommendations of the District for the period ending December 31,2016

Observations and Recommendations	Management Action/s	Status of Implemented on			Reason for Non Implementation
		FI	PI	NI	
1. The Year End Financial Assistance granted to officials and employees of Mangaldan Water District in a total amount of Php 1,712,790.00 lacks legal basis, hence irregular.	Under Appeal			X	Under Appeal
2. Corporate funds of the Water District were deposited to a private bank, despite the accessibility of a Government Financial Institution (GFI) within the 20 kilometer radius, nor prior approval was also secured from the Department of Finance, hence resulting to a weak internal control over safeguarding of cash and exposes fund to probable loss due to possible bank's bankruptcy.	Complied per Board Res. No. 8 S. 2016 dated May 13,2016	X			
3. Reconciliation of the discrepancy of Php 10,191.35 between the Aging Schedule and the General Ledger is remote due to the billing and collection system's lack of facility to generate an Aging Schedule showing concessionaire's individual receivable balances exclusive of penalties, casting doubt on the accuracy and reliability of accounts receivable balances in violation of Section 12 of the Manual on NGAS, Volume II.	The discrepancy of Php 10,191.35 was already reconciled and adjusted as per JEV #6-140 DATED June 10,2016.		X		Partially implemented pending installation of a facility in the District's billing and collection system to segregate penalties from the Accounts Receivables water sales in the Aging Schedule.

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4. Property, Plant and Equipment were not properly tagged and coded which hindered the proper identification of the assets		X			
5. There was no submitted Statement of Budget Utilization at the end of each month as prescribed under the New Government Accounting System for Corporate Manual, thus, the correctness of the reported unutilized/deficit budget during the year was not ascertained.	Management is already complying with the given recommendation	X			
6. The District allocated Php 1,000,000.00 or 2.18 percent of its total budget appropriation for Gender and Development for CY 2015, out of which only an amount of Php 24,700.00 was spent for GAD activities. The District did not also formulate and prepare its GAD Plan and Accomplishment Report, thereby unable to identify activities and programs appropriate or aligned with the Water District's mandate as well as its sector's GAD's goals and objectives pursuant Sec. 34 of Republic Act 10651.	Management already appointment a focal person to implement the audit recommendation.		X		
7. Non-payment by the District of its tax liabilities totaling Php 9,075,248.40 may result in accumulation of and incurrence of legal repercussions.				X	Delayed implementation is dependent on the action of the BIR. Reiterated under Audit Observation # 7 of the report.

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<b>2014</b>					
8. Procurement of common-use goods or ordinary and office supplies of the District were not in accordance with Sections 48, 51 and 54.2 of the Revised Implemented Rules and Regulation of RA 9184.	Management committed that they will procure their supplies from PS-DBM		X		
9. The District could have saved the amount of Php 1,000,734.89 if management consider the option to fully pay its outstanding loan No. LA No. 3-554 RL to Local Water Utilities Administration (LWUA) earlier on January, 2014, instead of paying the loan amortizations for the rest of the loan term in 4 years.	The subject loan was restructured and the interest was reduced from the 12.5% to 8.2% annually, thus the District was able to save even without paying the loan. By December 2017, said loan will be fully paid.		X		

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*certified true copy*

*[Signature]*  
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