

**AGENCY ACTION PLAN and
STATUS OF IMPLEMENTATION
Audit Finding and Recommendations
For Calendar Year 2017
As of December 31, 2018**

TEAM 5, AUDIT GROUP A
COA, REG. I
DATE: 12-24-18
RECEIVED BY: *Johnol*

Name of Agency: Mangaldan Water District

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation	Action taken/Action to be taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
1.	Out of the ₱2,825,056.56 total balance of accounts receivable, ₱ 720,725.26 or 25.5% remained uncollected for more than 181 days to 20 years, which is a manifestation of the management's weak and inadequate collection system. This deprived the District from recovering of investment resources on water production and other costs of water services consequently affecting its over-all operations. Further, ₱223,132.96 or 7.9% was determined to be dormant or outstanding for more than ten years, casting doubts on its collectability which could affect its existence and validity as an asset in the Financial Statements which contravenes the asset recognition principle as prescribed under Philippine Financial Reporting Standards.	COA recommended that Management intensify its collection efforts by sending demand letters to delinquent customers and review its disconnection policy. We also recommended that Management expedite the evaluation of all overdue accounts to determine its proper disposition or write-off pursuant to Circular 2016-005 dated December 9, 2016.	Dormant Accounts amounting to P 95,949.85 will be written off and demand letters will be sent to accounts that are more than 10 years dormant	Commercial	May 2018	Dec.31, 2019	Fully Implemented	Sending of demand letters is in process.	Dormant accounts amounting P 95,949.85 were already written off. Demand letters were being sent to consumers.

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2.	Procurement of various water connection supplies and materials of the District were made through alternative mode of procurement contrary to Section 48 and Section 52.1 of the Revised IRR of RA 9184, which resulted to splitting as defined under COA Circular No.76-41 and casting doubt on whether management was able to obtain the most advantageous price and best quality of goods that is most beneficial to the government.	COA recommended that Management, particularly the Bids and Award Committee, strictly observe the procurement procedures, rules and regulations provided under the Revised IRR of RA 9184 to ensure proper competition among suppliers and to obtain the most economical cost of goods without sacrificing its quality. To avoid the aforesaid violations, procurement of the District's common-use goods should be made on one time in bulk for at least per quarter. COA also recommended that proper sanctions against erring personnel be enforced, if circumstances so warranted, for their disregard of implementing rules and regulations on procurement.	The procurement of Construction Materials particularly Water Meters & P.E tubings were made thru Quotation. The reason is that the Water District needs to procure from known suppliers who provide uniform quality and performance of goods such as Water Meters and P.E tubings which are vital in the operation of the District. However, the Management is willing to comply with COA's recommendations on the last quarter of the year.	BAC & Management	Oct.2018	Dec. 2018	Delayed	To be implemented last quarter of the current year	For compliance in the last quarter.

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3.	The District continued to grant Year End Financial Assistance to its officials and employees in a total amount of ₱813,128.00 for CY 2017 despite the Audit Team's previous findings and recommendations pertaining to the same. The grant of the incentive is considered irregular as enumerated under the provision of COA Circular No.2013-003 dated January 30, 2013, hence shall be grounds for disallowance in audit.	COA recommended that Management require all officers and employees of the District to refund the amount of ₱813,128.00 Year-End Financial Assistance disbursed without legal basis and to stop the granting of the same so as to avoid the filing of appropriate case against the erring officials.	Stop	Finance Dept.	January 2018		Fully Implemented		
4.	The District continued to grant Rice allowance of ₱1,500.00 per month to each officer/employee. The grant is considered unauthorized and illegal as embodied in Section 9.6 of COA Circular No. 2012-003 dated October 29, 2012 and as enumerated under Section 3.6 and 3.12 of Annex B of same Circular, hence not allowed in audit.	COA recommended that Management stop the practice of paying the monthly rice allowance to each officer/employee, pursuant to COA Circular No. 2012-003 dated October 29, 2012.	Stop	Finance Dept.	January 2018		Fully Implemented		

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5.	The activities for the Gender and Development for CY 2017 did not address the goals and objectives of the District's GAD Program and were not in consonance with the original GAD budget and plans submitted to the Local Water Utilities Administration (LWUA). Moreover, Accomplishment Report as to its implementation was not prepared by the District not in conformity with Section 10 of Joint Circular 2012-01 of PCW-NEDA-DBM.	COA recommended that Management: a. Utilize the GAD budget for the year in accordance with the GAD plan to significantly address gender issues while improving the mandates of the District; and b. Coordinate with the Budget Officer and prepare the accomplishment report for the year containing actual accomplishments as well as the corresponding financial resources utilized in compliance with par.2 of Memorandum Circular No. 2015-03 of Philippine Commission on Women (PCW).	Prepared GAD Plan Budget for CY 2018	Bernadeth D. Dizon	Jan. 2018	Dec.2018	Delayed	Still under review by LWUA	Submitted to LWUA for approval.


ENGR. MARCELO M. PETONIO
 General Manager

12/28/18
 Date

Note: Status of Implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed