



**AGENCY ACTION PLAN and
STATUS OF IMPLEMENTATION
Audit Findings and Recommendations
For Calendar Year 2019
As of December 31, 2020**

Annex A

TEAM 5, AUDIT GROUP 4
COA, REG. I
DATE: DEC 28, 2020
RECEIVED BY: Jh

Name of Agency: Mangaldan Water District

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Reason for Partial /Delay /Non-Implementation	Action taken/Action to be taken	
			Action Plan	Person/Dept. Responsible	Target Implementation Date				Status of Implementation
					From	To			
1.	Properties amounting to ₱2,925,164.56 were not properly classified to their corresponding Property, Plant and Equipment (PPE) accounts thereby understating the PPE account and overstating the Inventories account, contrary to Philippine Accounting Standards (PAS) 2 and 16 and COA Circular 2020-002, dated January 28, 2020 on the adoption of the Revised Chart of Accounts for Government Corporations, thereby affecting the faithful presentation of the accounts presented in the Financial Statements.	COA recommended that Management reclassify properly the properties totaling ₱2,925,164.56 to the specific Property, Plant and Equipment, semi-expendable PPE and Intangible Assets accounts in compliance with PAS 2 and PAS 16 using the account prescribed under COA Circular 2020-002, dated January 28, 2020 on the adoption of the Revised Chart of Accounts. COA further recommended that Management identify the assets that are fully depreciated and are no longer serviceable and reclassify them to the Other Assets account and thereafter be disposed of and derecognized from the books to reflect the most accurate balances of the accounts in the Financial Statements.	To adopt the COA recommendation. On going	Finance Division /Violeta Gayaga Administrative Division/ Donald M. Relleve	September 2020	October 2020	Complied	Equipment totaling ₱1,759,959.00 as detailed in Annex A were properly classified to their corresponding Property Plant and Equipment Accounts in compliance with PAS 2 and 16 and COA Circular 2020-002 dated January 28, 2020. Semi-expandable items which includes Machinery and Equipment and Furniture's and Fixtures and Books for a total of ₱702,205.56 and Intangible Assets amounting to ₱463,000.00 were properly classified as semi-expandable PPE and Intangible Assets Accounts in compliance with the PAS 2 and PAS 16 using the Account as prescribed under COA Circular 2020-002 dated January 28, 2020. Likewise, assets that are fully depreciated and are no longer serviceable were removed from the books and already informed the Property Supply Officer for proper disposal.	

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2.	Accrued penalties from late payment of water bills amounting to ₱228,453.50 were recognized as Accounts Receivable and Income in the Financial Statements resulting to overstatement of asset and income accounts contrary to Philippine Accounting Standards, PAS 1 and Section 19 of the Manual on NGAS, Volume I, thus, affecting the fair presentation of the Accounts in the Financial Statements.	COA recommended that Management adopt the cash basis of recording penalties by recognizing income from penalties only upon collection and not upon billing pursuant to Philippine Accounting Standard PAS 1 and Section 19 of the Manual on NGAS, Volume I. COA also recommended that Management prepare a journal entry to reverse the Accounts Receivable representing the recognized asset and income for accrued penalties amounting to ₱228,453.50 to Retained Earnings Account.	Complied	Commercial Division/Violeta O. Garcia	July 30, 2020	present	Complied	Journal Entries already made and reflected in the books.	
3.	The Other Asset account amounting to ₱401,434.35 is of doubtful reliability due to the inclusion of disposed, destroyed and other properties, the status of which were not updated contrary to the Asset Recognition Principle under Philippine Accounting Standards (PAS) No. 1. Further, unserviceable properties were not also disposed as of year-end contrary to Section 79 of Presidential Decree No.79, causing further deterioration thereby depriving the District of additional income from the sale thereof.	COA recommended that Management: a. Update immediately the status of the properties included in the Other Asset Account and derecognize in the books of accounts the disposed, destroyed and unserviceable properties with a total of ₱60,149.50 (₱18,307.00, ₱4,050.00, and ₱37,792.50) to reflect the most accurate balance of the asset account in accordance with PAS No.1; b. Identify the properties in the remaining amount of	a. Complied b. Properties are already	Finance Department/Violeta B. Gayaga	October 2020	1st Quarter 2021 (for the disposal of fully depreciated/un serviceable assets)	a.Complied b. on going	a. Reclassification of Oher Inventory Account in the Property Plant and Equipment Account already complied. b. The proper disposal of identified unserviceable property is still on going.	

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		₱341,284.85 which shall then be appraised and disposed adhering Section 79 of PD 1445.	identified and ready for appraisal and be disposed						
4.	The ratio of employees with the number of active concessionaires, the District being a Category B Local Water District, did not comply with the required ratio prescribed in Section VII.A of the Revised Local Water District Manual on Categorization, Recategorization and Other Related Matters (LWD-MaCRO), thereby affecting the over-all performance of the District.	COA recommended that Management comply with the ratio requirement of employee against its active concessionaires as required under the Revised Local Water District MaCRO by increasing the number of support personnel based on the available and vacant positions indicated in the approved Plantilla. The increase of personnel would certainly match the services the District could offer to its concessionaires in order to attain a more productive and efficient performance as a quality water service provider.	The Water District included additional six (6) employees for 2021 budget another set for 2022 budget to be proposed early October next year.	Administrative Division/ Marlyn C. De Guzman	September 2020	1 st Quarter 2021	Partially Complied	Despite the ratio 1:316 against 1:12- as provided in the LWD-MACRO, the Water District can still sustain the viability of the district for many years without prejudicing the quality of Services being rendered to consumers. Likewise, the Water District, hired additional employee assigned at the storeroom as Assistant to the Property Officer. Also, additional female applicant was hired in September and was assigned in the Finance Department. Hiring of additional employees was discussed in the Board Meeting and same was included in the preparation of MAWAD Budget for CY 2021	

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5.	Accountable forms and other high volume printing requirements of the District amounting to ₱534,950.00 were procured and printed from private printers contrary to Section 23 of the General Appropriation Act (GAA), Appendix 20 of the Implementing Rules and Regulations (IRR) of Republic Act 9184 and the Local Water Utilities Administration (LWUA) Memorandum Circular No. 010-17 dated June 19, 2017.	COA recommended that Management procure its accountable forms including Official Receipts with the Recognized Government printers in accordance with Section 23 of GAA 2019, RA 9184 and it's IRR and LWUA Memorandum Circular No.010-17 dated June 19, 2017.	COA recommendation is adopted in accordance with Section 23 of GAA 2019, RA 9184 and it's IRR and LWUA Memorandum Circular No.010-17 dated June 19, 2017.	Commercial Division/ Violeta O. Garcia	February 2020	present	Complied	<p>We started procuring our Accountable forms – Official Receipts at National Printing Office Edsa Corner NIA North Road, Diliman Quezon City in accordance with Section 23 of GAA 2019, RA 9184 and it's IRR and, LWUA Memorandum Circular No. 010-17 dated June 19, 2017. Copy of the Disbursement Voucher 2020-02-079 and other documents pertaining to the purchase of the Official Receipt hereto attached for your reference.</p> <p>For our other Accountable Forms (a. Statement of Account, b. Notice of Disconnection) we assure your good office that we will also purchase them at the National Printing Office.</p> <p>Other office forms like General Journal, Requisition and Issue Slip, Leave Ledger Cards, Working Fund Voucher, Property Ledger Cards, Bundy Card, Purchase Order, Inspection and Acceptance and Purchase Request which are considered small items and are mostly consumable within one year or more. Mode of Procurement is thru shopping with three (3) quotations.</p>	

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6.	Recording of financial transactions using the Journal Entry Voucher (JEV) and the General Journal (GJ) were not faithfully adhered to as prescribed under Sections 111 and 112 of Presidential Decree No. 1445 and Government Accounting Manual (GAM), Volume II, thus trail of transactions could not be relied upon casting doubts on the reliability and accuracy of the accounts presented in the Financial Statements, contrary to Chapter 3 of the Philippine Financial Reporting Standards.	COA recommended that Management strictly comply with Sections 111 and 112 of PD 1445 in recording financial transactions by using the forms prescribed under the General Accounting Manual (GAM), Vol. II, to provide a reasonable assurance in the fair presentation of accounts reflected in the Financial Statements pursuant to the Philippine Financial Reporting Standards.	The Finance Department already complied with Sections 111 and 112 of PD 1445 in recording financial transactions by using the forms prescribed under the General Accounting Manual (GAM), Vol. II, to provide a reasonable assurance in the fair presentation of accounts reflected in the Financial Statements pursuant to the Philippine Financial Reporting Standards.	Finane Division/ Violeta B. Gayaga	February 2020	present	Complied	Complied	

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7.	<p>The District allocated a total of ₱1,155,000.00 for its GAD programs and projects which is only 1.62% of its annual budget of ₱71,363,644.00, contrary to Section 6.1 of PCW-NEDA-DBM Joint Circular 2012-01 and PCW MC No. 2015-03 dated May 19, 2015. Of the total GAD allocation, only ₱329,701.30 or 28.5% has been spent to implement its GAD's programs and activities. Furthermore, an activity with allotted budget of ₱220,000.00 included in the GAD Plan did not address gender related issue contrary to the examples enumerated under Annex A of the same joint circular.</p>	<p>COA recommended that Management direct the GAD focal person to develop and formulate a realistic GAD Plans and Programs in compliance with PCW-NEDA-DBM Joint Circular No. 2012-01 and PCW MC No. 2015-03 dated May 19, 2015 since most of the activities were not implemented showing a minimal 28.5% accomplishment.</p> <p>COA further recommended that Management, thru the GFPS, conduct a gender analysis by using tools such as gender further mainstreaming evaluation framework, harmonized gender and development guidelines and the analysis of sex-disaggregated data and other relevant information to arrive at a gender related issues aligned with the agency's mandate that will focus on client and organization gender related issues.</p>	<p>Partially Complied</p> <p>Despite that Mangaldan Water District has not received an Approved GAD Plan forwarded to LWUA for proper coordination with the office of the PWC, the Water District tried our best to implement some of the activities in our GAD Plan to comply with the PCW-NEDA-DBM joint Circular No. 2020-01 and PCW MC No. 2015-03 dated May 19, 2015.</p> <p>Likewise, expansion project at Barangay</p>	Administrative Division			Partially Complied	<p>GAD Activity under organization-focused #5 will be removed from the Mangaldan Water District's next GAD Plan if it is not in accordance with the PCW MC No. 2011-01. As to this writing, the Mangaldan Water District has not received an approved GAD Plan forwarded to the Local Water Utilities Administration for proper coordination with the office of the Philippine Women's Commission. However, we try our best to implement some of the activities in our GAD Plan to comply with the PCW-NEDA-DBM Joint Circular No. 2012-01.</p> <p>Rest assured that the GAD Focal person will attend a GAD seminar on Harmonized GAD Guidelines as soon as it is available, and we will try our best to focus on the said activity.</p> <p>Our Agency conducted, GAD Training with Board of Directors, Management and Staff last November 9-10, 2019 at Puerto del Sol, Bolinao, Pangasinan.</p> <p>Expansion of Water System (Excavation, Backfilling, Compaction and Restoration) at Barangay Navaluan-Osiem - 1213 lms 3" with a total cost of ₱368,323.43 and expansion of water lines at Barangay Buenlag, Mangaldan, Pangasinan - 309 lms 2" in the amount of ₱73,905.58.</p>	

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			Osiem, Mangaldan, Pangasinan interconnected with the existing water service lines in the amount of ₱ 2,820,051.00 was already completed December 21, 2020.						
8.	The District has not prepared and developed its Disaster Risk Reduction Management (DRRM) Plans and Programs for the current year contrary to Section 37 of the General Provisions of the General Appropriations Act (GAA) of FY 2019, thus exposing the agency's resources to possible loss in case of disaster/ calamity.	COA recommended that Management prepare its DRRM Plan and Program in conformity with Section 37 of the General Provisions of the General Appropriations Act (GAA) of FY 2019 properly identifying the precautionary measures/ activities that should be implemented in case of calamities/disasters and taking into consideration the necessary actions to adapt and mitigate climate change.	Complied	Administrative Division	July 17,2020	present	Complied	Already prepared Disaster Risk Reduction Management (DRRM) Plan	


ENGR. MARCELO M. PETONIO
 General Manager *MP*

12/28/2020
 Date

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