


MANGALDAN WATER DISTRICT
Mangaldan, Pangasinan

AGENCY ACTION PLAN and
STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For Calendar Year 2022
As of December 20, 2023

CES 7- A AUDIT TEAM 5
COA REGION - I
RECEIVED
DATE: 12/17/2023
BY: 

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			
AOM No. 2023-01	Various accounts in the Financial Statements of the MAWAD amounting to ₱3,477,082.89 were not properly classified contrary to PAS No. 1 and COA Circular No. 2020-002 dated January 28, 2020, on the RCA for GC, thus affecting the fair presentation of the FS of the District.	We recommend Management require the OIC – Division Manager of the Finance Division reclassify and prepare the necessary adjusting entries to correct the misclassified accounts in accordance with the RCA for Government Corporations.	The Management will prepare, through Board Resolution, the budget realignment of the accounts identified, and supplemental budget of the account Terminal Leave Benefits to correct the misclassified accounts.	Anna Liza Ramos/ Finance Division	May 2023	December 2023	Fully Implemented, May 2023.		Complied.
	Further, the guaranty deposits and the guaranty	We recommend further the Management to	The individual subsidiary ledger of	Anna Liza Ramos/ Finance	May 2023	December 2023	Fully Implemented, June 2023.		Complied.

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	deposits payable were not reconciled posting a discrepancy of ₱392,792.91, thereby, the asset account was not fairly presented in the books of the District.	require the OIC – Division Managers of the Finance and Commercial Divisions to review and analyze the individual subsidiary ledger of consumers who have deposits and determine the correct and actual liability, particularly from those deposits of inactive concessionaires who may have caused discrepancies of records.	consumers will be reviewed to determine actual amount of customers' deposits payable.	Division, Cecille Fabia/ Commercial Division					
AOM No. 2023-02	1. Payments of the RATA to the concerned Officers and Employees of the District were made on the first working day of the month, thus leaves of absence in excess of the required number of days which are construed as not the actual work performance in a	We recommend the Management the following: a. Pay the RATA, PERA, and EME in accordance with the guidelines, rules, and regulations provided under the DBM and COA issuances and other existing applicable laws, rules and regulations pertaining to	To comply with the terms of payment of the herein-stated benefits, which is to integrate the same in the 15th day of every month, effective May	Anna Liza Ramos/ Finance Division, Marlyn C. De Guzman/ Administrative Division	May 2023	December 2023	Fully implemented, May 2023.		Complied.

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	month may not have been pro-rated in the computation of payment of payment contrary to the DBM NBC No. 548 dated May 15, 2013, which may result in irregular payment of funds. Further, two employees who were designated as OICs of the Finance and Commercial Divisions were paid on a commutable basis, contrary to Section 8.0 of the same DBM NBC above-stated, thereby, payments were not validly supported with documents required under COA Circular No. 2012-001 dated June 14, 2012, and may likewise result to irregular	allowances and benefits of government employees. b. Require the employees designated as OICs to claim their RATA on reimbursable basis with supporting documents. c. Stop the payment of TA of the General Manager since the government vehicle is being regularly used in all travels. Claim the allowance in a pro-rated computation if ever no government vehicle is available or when vehicle is under repair for over three days or more and no replacement is provided.	15, 2023 of its general payroll. Payment of RATA of the OICs will be made on 15 th day of the month. ORs would be provided upon the claim of the same. Payment of TA of the GM will also be made on 15 th day of the month.	Anna Liza Ramos/ Finance Division, Cecille Fabia/ Commercial Division Anna Liza Ramos/ Finance Division	May 2023 May 2023	December 2023 December 2023	Fully implemented, May 2023. Fully implemented, May 2023.	Complied. Complied.	

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	<p>payments of government funds.</p> <p>2. Other allowances and benefits such as the PERA and EME of GM were likewise paid on the first working day of the month contrary to Section 5.1 and 5.2 of DBM BC No. 2009-3 dated August 18, 2009, COA Circular No. 2006-001 dated January 3, 2006, and Section 2 of PD No. 1445, thus posed inappropriate disposition of government funds.</p>								
AOM No. 2023-03	The District allocated a GAD budget of ₱2,800,000.00 or 3.4% of the total agency budget of ₱83,390,976.00 contrary to Section 6.a of the JC No. 2012-01 of the	We recommend Management to instruct the GAD focal point person prepare a GPB with an allocation of at least five percent (5%) of the total agency budget appropriations as	To comply with the standard allocation of at least 5% of the total budget for GAD plans and programs.	Bernadeth D. Dizon/ Administrative Division	May 2023	December 2024	Ongoing.	To comply.	

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	<p>PCW, NEDA, and the DBM; and Section 34, second paragraph, of the GAA of 2022 under RA No. 11639. The GAD budget was drawn from the agency's proposed Capital Outlay of ₱18,000,000.00.</p> <p>Further, of the total GAD budget, only ₱1,512,899.11 or 54.03% was utilized, hence, gender related issues were not effectively addressed towards the realization of the objectives of the country's commitments under PCW MC No. 2015-03 dated May 19, 2015.</p>	<p>authorized under the annual GAA which shall correspond to activities supporting GAD plans and programs. The GAD budget shall be drawn from the agency's maintenance and other operating expenses (MOOE), capital outlay (CO), and personnel services (PS).</p> <p>We recommend further Management to implement the GAD activities in accordance with the Plans and Programs in compliance with PCW-NEDA-DBM Joint Circular No. 2012-01 and PCW MC No. 2015-03 dated May 19, 2015. Also, provide timelines on the client-prioritized projects to fully address gender issues towards the</p>							
			<p>The District will monitor the implementation of GAD activities in accordance with the prepared GAD Plan and Budget. It will also improve the presentation of GPB by providing timelines on the projects.</p>	<p>Bernadeth D. Dizon/ Administrative Division</p>	<p>May 2023</p>	<p>December 2024</p>	<p>Ongoing.</p>		<p>To comply.</p>

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		realization of the District's commitments to contribute to poverty alleviation, economic empowerment especially of marginalized women.							
AOM No. 2023-04	Various expenses charged against representation expenses and traveling expenses not requiring ORs were reimbursed or paid using RER contrary to the guidelines under COA Circular Nos. 2017-001 dated June 19, 2017, and 2021-001 dated June 24, 2021, thereby, may result in inappropriate disposition of funds of the government.	<p>We recommend Management to instruct the OIC of the Finance Division review all reimbursements of expenses if validly supported by documents required under COA Circular Nos. 2017-001 dated June 19, 2017, and 2021-001 dated June 24, 2021, to ensure the proper disbursements of government funds.</p> <p>We further recommend Management refrain from attaching RERs on the claim of traveling expenses because these</p>	<p>The District will comply with the COA Circular No. 2021-001 on the use of Reimbursement Expense Receipt (RER) and Certification of Expenses Not Requiring Receipts.</p> <p>It will likewise stop attaching RERs on claims of traveling expenses, noting that</p>	Anna Liza Ramos/ Finance Division	May 2023	December 2023	Fully Implemented, May 2023.		Complied.
				Anna Liza Ramos/ Finance Division	May 2023	December 2023	Fully implemented, May 2023.		Complied.

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		expenses are properly covered by guidelines on travel and the use of RERs.	these expenses are covered by guidelines on travel.						
AOM No. 2023-05	<p>The District hired caretakers under a COS Agreement to safeguard the operation of its pumping stations and as pump operators contrary to the guidelines under COA – DBM JC No. 2, series of 2020 dated October 20, 2020, since COS is limited to consultants, learning service providers and/or other technical experts to undertake special project or job within a specific period.</p> <p>Further, the cost of services of the caretakers which amounted to ₱428,400.00 was</p>	<p>We recommend Management stop hiring workers under a Contract of Service Agreement or Contract/Agreement who are not consultants, learning service providers and/or other technical expert to undertake special project or job within a specific period to prevent improper disposition of government funds. The caretakers may be hired under the Job Order Contract, if necessary, by following the COA-DBM JC No. 2, s. 2020.</p>	<p>The Management humbly maintains that the contracts or agreements entered into with the caretakers is within the ambit of the rules, specifically COA-DBM JC No. 2, s. 2020 (“JC”).</p> <p>Although denominated differently, the stipulations, particularly on the functions of the caretakers, are interpreted as that of job order contracts,</p>	Marlyn C. De Guzman/ Administrative Division	May 2023	December 2023	Fully Implemented, May 2023.		Complied.

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	charged against the labor and wages expense of the MOOE contrary to the updated rules and regulations on the COS and Job Order Workers of the government, thereby, the hiring of COS was inappropriate resulting in the improper disposition of government funds.		which are not prohibited under the said JC.						
AOM No. 2023-06	The Cashier A also holds the position of Officer-in-Charge (OIC) in the Finance Division which is non-compliance with the internal control guideline on the segregation of duties and responsibilities set forth under Section 50 of the Government Accounting and Auditing Manual	We recommend Management direct the General Manager (GM) and Department Manager B to assign separate qualified personnel for the position of Cashier A or Officer-in-Charge in the Finance Division to segregate the duties and responsibilities of the management (authorization), custodianship (processing), and	The Management is planning to designate an OIC from the incumbent employees within the Finance Division, who actually performs the duties of financial reporting and coordinates with the COA	Marlyn C. De Guzman/ Administrative Division Anna Liza Ramos/ Finance Division	November 2023	2024	Ongoing.	To comply.	

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	(GAAM), Volume III and Section 10.1.3 of the Internal Control Standards for Philippine Public Sector (ICSPPS), hence, may lead to higher risks of errors and irregularities in handling government funds.	accounting (recording) functions in compliance with Section 50 of GAAM, Volume III and Section 10.1.3 of ICSPPS. We further recommend the GM hire qualified personnel to fill up the vacant plantilla positions to preclude the District from assigning the same personnel to do incompatible functions.	auditors, including the submission of documents and reports being required by the LWUA. To comply in filling up the vacant plantilla positions.	Marlyn C. De Guzman/ Administrative Division	November 2023	2024	Ongoing.		To comply.


ENGR. MARCELO M. PETONIO
 General Manager *MP*

12/27/2023
 Date

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