



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

May 26, 2014

GM Geovanni A. Hera
General Manager
Tubod Water District
Tubod, Lanao del Norte

Dear Manager Hera:

We are pleased to transmit the Annual Audit Report (AAR) of Tubod Water District, Tubod, Lanaodel 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 Tubod Water District.

TUBOD - BAROY WATER DISTRICT	
TUBOD, LANA DEL NORTE	
RECEIVED	
Date: 8/11/14	Time: 1:01 pm
By: <i>Geovanni Hera</i>	

Very truly yours,

Roy L. Ursal
ATTY. ROY L. URSAL
Director IV
Regional Director



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

May 26, 2014

The Chairman
Board of Directors
Tubod Water District
Tubod, Lanaodel Norte

Gentlemen:

We are pleased to transmit the Annual Audit Report (AAR) of Tubod Water District, Tubod, Lanaodel 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.

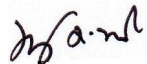
The audit was aimed at ascertaining the propriety of financial transactions, compliance by the Corporation with prescribed laws rules and regulations, the accuracy of financial records and reports and ultimately the fairness of presentation of the financial statements. Further, the audit was conducted 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, Tubod 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 Tubod Water District.

Very truly yours,


ATTY. ROY L. URSAL
Director IV
Regional Director

TUBOD - BAROY WATER DISTRICT	
TUBOD, LANAOD DEL NORTE	
RECEIVED	
Date: 8/11/14	Time: 1:01 pm
By: 	



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

May 24, 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 **Tubod Water District, Tubod, 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

May 27, 2014

Mr. Edwin GaaCanios
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 **Tubod Water District**, Tubod, Lanao del Norte, for the year ended December 31, 2013.

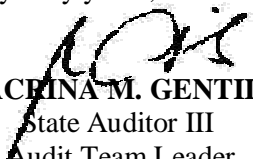
The audit was conducted on a test basis to ascertain the propriety of financial transactions and compliance of the agency to prescribed rules and regulations. It was also made to ascertain the accuracy of financial records and reports and the fairness of the presentation of the financial statements.

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 19, 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

TUBOD WATER DISTRICT

Tubod,
Province of Lanao del Norte

For the Year Ended December 31, 2013

EXECUTIVE SUMMARY

Brief Profile

The Tubod-Baroy Water District located at Tubod, Lanao del Norte was created and formed last November 1982 with the vision and mission of providing a safe, reliable, sound and economically viable water supply and wastewater disposal system in the area.

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 Tubod Water District at present has an outstanding loan balances in the amount of P11,282,558.50 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

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

Mission

Tubod Water District 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 Board of Directors was composed by the Chairman and four(4) BOD members and it has a total manpower of twenty-five (25) which include twelve (12) regular employees, seven (7) casual employees and six (6) job order employee.

Highlights of Financial Operations

For CY 2013, the Tubod Water District a total expenditure of P11,744,163.61 was incurred, in which P5,838,449.18 was expended for Personal Services while P4,672,812.33 was utilized for Maintenance and Other Operating Expenses and P1,232,902.10 for payment of loan amortization.

The district's assets, liabilities and government equity as of December 31, 2013 were P17,174,184.61, P12,277,548.04, and P4,896,636.57, respectively. Net income for the year totaled P1,802,454.38 from a gross income of P13,546,617.99 less total expenses amounting to P11,744,163.61.

Operational Highlights

As of December 31, 2013, the district has total service connections of 3,344 . Total water sales billed was computed at P12,847,825.43, and collected a total of P12,222,490.33, thereby, registering a collection efficiency of 95% as at year-end.

Scope of Audit

Comprehensive audit was conducted on the accounts of the Tubod Water District, Tubod, 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 on the Financial Statements

A qualified opinion was rendered on the financial statements due to understatement of liability account by ₱ 1,983,416.14 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. Collections of water bills were not deposited on a daily basis with holding period of at least 2 days which is not in conformity with Section 69 of P.D. 1445.

We have recommended to the Management that the cashier must deposit her daily collections and observe accordingly the existing rules and regulations pursuant to Section 69 of P.D. 1445 pertaining to the deposit/remittance of the collections.

2. Receivables-Customers inactive/closed accounts amounting to P1,675,790.03 aging 2 to 10 years were classified as current assets and the inadequacy of records in the subsidiary ledger accounts distorting the accuracy and fair presentation of the financial statements.

We have recommended to the Management to implement the following:

- Reclassify inactive/closed account to other assets in compliance to Paragraph 57 of PAS No. 1 for proper presentation of the receivables account in the financial statements.
- Strengthen the district strategies to maximize collections of Account Receivable and implement policy of disconnection in case of failure of payment of water bills in more than two months.
- Create a committee to investigate the location and whereabouts of debtors to ascertain extent of their recovery.
- If based on the committee's findings collection is too remote for those debtors that cannot be located, consider requesting for their write-off from the COA duly supported with (a) list of available records and extent of validation made on the accounts; (b) certification stating the reasons for the un-located delinquent debtors as well as the action taken in locating said debtors; and (c) other supporting documents necessary to justify the said request.

3. Unserviceable properties totaling P618,973.66 were not reclassified to other assets resulting to the overstatement of the Utility Plant in Service (UPIS) account and rendering the Property, Plant and Equipment and Other and Other Assets account unreliable.

We have recommended to the Management that the accountable officials in possession of unserviceable property shall submit to the Disposal Committee, the following accomplished forms as appropriate:

1. Inventory and Inspection Report of Unserviceable Property (IIRUP) for semi-expendable materials and equipment and non-expendable supplies, accompanied by any of the following, whichever is appropriate:
 - a) Individual survey report, duly certified by the Supply officer and Head of Agency
 - b) List of missing spare parts duly certified by the Supply Officer and Head of Agency
 - c) Stencils of chassis and engine numbers of motor vehicles
 - d) Current photographs in two positions
2. Waste Materials Report for expendable materials, supplies and consumable including spare parts, empty containers, and remnants from destroyed or damaged fixed assets.

The IIRUP shall be used as basis of record dropping from the books the unserviceable properties carried in the Utility Plant in Service Account. Suggested accounting entry:

Other Assets account with the following suggested adjusting entry:

Other Assets	P618,973.66	
UPIS		P74,452.93
Accumulated Depreciation		544,520.73

(To record unserviceable properties to asset account while waiting for disposal)

- 4. The district failed to renew every three years the Property Acknowledgement Receipt (PAR) to officers and employees holding/using government properties contrary to existing regulation, thus government funds and property could not be properly safeguarded.**

We have recommended to the Management to instruct the property officer to look into the records of all properties of the district that the renewal of the PAR were updated. Require the property custodian to prepare updated renewal of the Property Acknowledgement Receipt (PAR) for every three (3) years pursuant to the existing regulation to safeguard government funds and property.

- 5. The District failed to provide accrual of liability for the earned leave benefits of the employees totaling P1,983,416.14 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 to the Management 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 Benefits Reserve	xxx	
Cash in bank		xxx
(To record payment of monetization leave of district employee.)		

6. Payments out of the working funds were not supported with the documentary requirements as prescribed in COA Circular No. 2012-001 dated June 14,2012.

We have recommended to the Management to strictly comply with the documentary requirements to support payments of petty operating expenses out of the working fund as prescribed in COA Circular No. 2012-001.

7. The district was sluggish in its response to the institutionalization of the gender and development programs as there was no appropriated funds in its 2014 budget to support projects and programs. This non incusion of funds planning related to Gender and Development program may possibly hinder the headway efforts the government has so far attained in this direction.

We have recommended to the Management to implement the following:

- To adhere to 5% budgetary appropriation for GAD as mandated in the General Appropriation Act.
- Abide by the requirement of Joint Circular No. 2004-1 dated April 5, 2004 of the DBM, NEDA and NCRFW 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.
- Send the Focal Point person to GAD seminars.

8. The district collecting officer/teller is not properly bonded which is not in compliance with Section 101 of P.D. No. 1445.

We have recommended to the Management that the district properly designate a collecting officer/teller who is duly bonded in accordance with existing laws, rules and regulations. Immediately replace the incumbent designated teller/collecting officer with a permanent employee and duly bonded.

**STATUS OF IMPLEMENTATION BY THE AUDITEE OF PRIOR YEARS
AUDIT RECOMMENDATION**

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 eleven audit recommendations embodied in 2012 Annual Audit Report, five were fully implemented, one was partially implemented, while five were not implemented.

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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

Water District
Tubod, Lanao del Norte

We have audited the accompanying financial statements of Kolambugan Water District which comprise the balance sheet as of December 31, 2013, 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.

Bases for Qualified Opinion

As discussed in details in Part II of the report, earned leave benefits of employees totaling P1,983,416.14 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

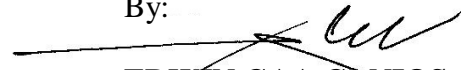
In our opinion, except for the effects of the matter described in the Bases for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Tubod Water District as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with state accounting principles.

Other Matters

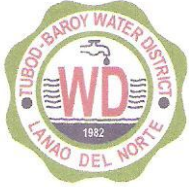
The exit conference for the results of the financial and compliance audit of the CY 2013 operations was conducted on May 19, 2014.

COMMISSION ON AUDIT

By:


EDWIN GAA CANIOS
State Auditor V
Supervising Auditor

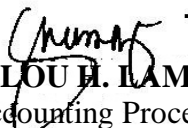
May 15, 2014



STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the **Tubod Water District, Tubod, 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.


JACKY LOU H. LAMDAGAN
Sr. Accounting Processor B


ENGR. ELMER L. OLAVIDES
General Manager

TUBOD-BAROY WATER DISTRICT
Balance Sheet
For the Year Ended December 31, 2013
(With Comparative Figures for December 31, 2012)

	Notes	2013	2012
ASSETS			
Current Assets			
Cash	1	₱ 2,349,238.51	₱ 2,604,896.47
Receivables	2	3,064,666.64	2,667,429.31
Inventories	3	427,827.82	322,410.35
Prepayments			
Other Current Assets			
Total Current Assets		<u>₱ 5,841,732.97</u>	<u>₱ 5,594,736.13</u>
Investments			
Investment in Securities			
Sinking Fund			
Total Investments		-	-
Property, Plant and Equipment			
Land	4	₱ 47,000.00	₱ 47,000.00
Land Improvements		-	
Buildings		17,431,035.01	15,585,792.71
Office Equipment, Furniture & Fixtures		524,115.45	500,215.45
Machineries and Equipment		4,055,151.52	4,055,151.52
Transportation Equipment		269,740.64	269,740.64
Other Property, Plant & Equipment			
Construction in Progress			
Accumulated Depreciation		(10,994,590.98)	(10,258,383.41)
Total Property, Plant and Equipment		<u>₱11,332,451.64</u>	<u>₱10,199,516.91</u>
Other Assets			
TOTAL ASSETS		<u>₱ 17,174,184.61</u>	<u>₱ 15,794,253.04</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities	5	₱ 994,989.54	₱ 830,162.45
Long-Term Liabilities	6	11,282,558.50	11,859,316.40
Deferred Credits			
Total Liabilities		12,277,548.04	12,689,478.85
EQUITY			
Government Equity			
Restricted Capital			
Donated Capital	7	₱32,000.00	₱ 32,000.00
Retained Earnings		4,864,636.57	3,072,774.19
Total Equity		<u>₱4,896,636.57</u>	<u>₱3,104,774.19</u>
TOTAL LIABILITIES AND EQUITY		<u>₱ 17,174,184.61</u>	<u>₱ 15,794,253.04</u>

(See Accompanying Notes to Financial Statements)

TUBOD-BAROY 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	₱ 13,543,848.72	₱ 13,174,169.52
Other Income	2,769.27	20,944.81
Total Income	₱ 13,546,617.99	₱ 13,195,114.33
Less: Expenses		
Personal Services	₱ 5,838,449.18	₱ 4,920,466.68
Maint. & Other Operating Expenses	4,672,812.33	5,126,496.07
Financial Expenses	1,232,902.10	1,289,685.51
Total Expenses	₱ 11,744,163.61	₱ 11,336,648.26
Net Operating Income	₱ 1,802,454.38	₱ 1,858,466.07
Add: Subsidies from Other LGUs		
Total	₱ 1,802,454.38	₱ 1,858,466.07
Less: Subsidies to Other LGUs		
NET INCOME	₱ 1,802,454.38	₱ 1,858,466.07

TUBOD-BAROY WATER DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2013
(With Comparative Figures for CY 2012)

	2013	2012
Cash Flows from Operating Activities:		
Cash Inflows:		
Service Income		
Business Income	₱12,838,445.45	₱12,634,225.54
Permits and licenses		
Other Income	378,827.00	455,351.33
Receivables		
Other Receipts	9,550.96	11,649.76
Total Cash Inflow	₱ 13,226,823.41	₱ 13,101,226.63
Cash Outflows:		
Personal Services	₱2,318,642.03	₱2,739,355.26
Maintenance & Other Operating Expenses	7,123,361.27	6,692,377.01
Interest Expense		
Prepayments, deposits & deferred charges		
Payables		
Other Disbursements		
Total Cash Outflows	₱ 9,442,003.30	₱ 9,431,732.27
Net Cash from Operating Activities	₱ 3,784,820.11	₱ 3,669,494.36
Cash Flows from Investing Activities:		
Cash Inflows:		
Sale of Property, Plant and Equipment		-
Sale of Investments		-
Interest and dividends	₱1,558.72	₱7,222.00
Total Cash Inflows	₱ 1,558.72	₱ 7,222.00
Cash Outflows:		
Investments		
To Purchase Property, Plant and Equipment	₱2,232,376.79	₱537,374.48
To Purchase Debt Securities of Other Entities		
Total Cash Outflow	₱2,232,376.79	₱537,374.48
Net Cash from Investing Activities	(₱ 2,230,818.07)	(₱ 530,152.48)
Cash Flows from Financing Activities:		
Cash Inflows:		
From Acquisition of Loan		-
Total Cash Inflow		-
Cash Outflows:		
Payment of Loan Amortization	₱1,809,660.00	₱1,809,660.00
Retirement/Redemption of debt securities		
Financial expenses		
Total Cash Outflow	₱ 1,809,660.00	₱ 1,809,660.00
Net Cash from Financing Activities	(₱1,809,660.00)	(₱1,809,660.00)

Net Increase in Cash and Cash Equivalents
Cash at Beginning of the Period
Cash at the end of the Period

<u>₱ (255,657.96)</u>	<u>₱ 1,329,681.88</u>
<u>₱2,604,896.47</u>	<u>₱1,275,214.59</u>
₱ 2,349,238.51	₱ 2,604,896.47

TUBOD-BAROY WATER DISTRICT
Consolidated Detailed Statement of Changes in Equity
For the Year Ended December 31, 2013
(With Comparative Figures for CY 2012)

	2013	2012
Government Equity		
Balance at the beginning of the period		
Additions (deductions)		
Balance at the end of the period		
Restricted Capital		
Balance at the beginning of the period		
Additions (deductions)		
Balance at the end of the period		
Donated Capital		
Balance at the beginning of the period	₱ 32,000.00	₱ 32,000.00
Additions (deductions)		
Balance at the end of the period	₱ 32,000.00	₱ 32,000.00
Retained Earnings		
Balance at the beginning of the period	₱3,072,774.19	₱1,218,778.19
Prior period Adjustments	(13,512.15)	(7,470.07)
Changes during the Period	2,920.15	3,000.00
Net income (loss) for the period	1,802,454.38	1,858,466.07
Balance at the end of the period	₱4,864,636.57	₱3,072,774.19
TOTAL EQUITY	₱4,896,636.57	₱3,104,774.19

**TUBOD-BAROY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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.

Note 1. Cash

Cash and cash equivalents include cash in bank deposits to be used in the operation of the water district, cash on hand in the possession of the district cashier and working fund in the possession of a disbursing officer.

Bank balance as of December 31, 2013 was verified per bank statements and the cash accounts consist of the following :

	2013	2012
Cash -Collecting Officers	₱ 1,351.19	₱ 2,192.09
Cash in Bank -GF savings account	1,283,530.14	1,807,784.87
Cash in Bank - Trust Fund Savings account	271,163.13	181,605.84
Cash in Bank - Joint Savings Account w/ LWUA	793,194.05	613,313.67
TOTAL	₱ 2,349,238.51	₱ 2,604,896.47

Note 2. Receivable

- Account Receivable - this account includes all amounts due on open accounts arising from the services rendered to customers for water sales and other incidental services.

As of December 31,2013, this account is composed of receivable from customers as listed below.

	2013	2012
Accounts Receivable	₱ 3,291,515.78	₱2,727,325.03
Accounts Receivable – Others	278,781.30	321,154.73
Total	3,570,297.08	3,048,479.76
Less: Allowance for Doubtful Accounts	(537,369.54)	412,389.55
TOTAL	₱ 3,032,927.54	₱ 2,636,090.21
Due from Officers and Employees	31,739.10	31,000.00
TOTAL	₱ 3,064,666.64	₱ 2,667,090.21

Note 3. Inventories

This account consists of unissued materials and supplies which are kept in stock for future use in the operations of the district. Inventory accounts are carried in the books at cost net of spoilage, obsolescence and damaged items.

	2013	2012
Materials Inventory	₱ 393,608.62	₱ 322,410.35
Office supplies inventory	34,219.20	
TOTAL	₱ 427,827.82	₱ 322,410.35

Note 4. Property, Plant and Equipment

Properties relatively permanent in character are included under this account. It includes intangible plants, landed capital, source of supply plant, pumping plant, water treatment plant, transmission and distribution plant, general plant and other tangible assets.

Utility Plant Accounts are carried at cost less accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of the properties pursuant to Commission on Audit Circular No. 2003-007 dated December 11, 2003.

To date no land and building properties were recorded pending the transfer of land ownership to the district. The district's office space is currently on a rental basis since they do not have their own building for the purpose.

As of December 31, 2013, this account is composed of the following:

PROPERTY, PLANT AND EQUIPMENT	Net Book Value	
	2013	2012
Land	₱ 47,000.00	₱ 47,000.00
Wells	2,885,586.90	1,308,574.44
Structures & improvements	55,812.50	64,362.50
Reservoir & Tanks	1,342,946.91	1,411,644.75
Transmission and Distribution Mains	5,267,248.24	5,235,153.46
Services	8,937.01	13,382.05
Hydrants	-	-
Other Plants	21,084.45	24,084.65
Land Transport Equipment	98,423.26	119,768.02
Power Production Equipment	14,161.03	21,260.61
Pumping Equipment	1,468,854.43	1,819,251.33
Water Treatment Equipment	1,871.94	4,348.90
Furniture and Fixtures	120,384.72	130,518.95
Tools, Shop and Garage Equipment	140.25	167.25
TOTAL	₱ 11,332,451.64	₱10,199,516.91

Note 5. Current Liabilities

	2013	2012
Accounts Payable		
OTHER CURRENT AND ACCRUED LIABILITIES:		₱170,092.39
COA	₱208,830.43	216,858.66
CLOTHING CY 2013	95,000.00	
FEMCO		19,401.89
KWAN SHELL (FUEL)	19,688.87	5,261.73
TMSI (TELEPHONE)	1,874.88	2,071.36
LANECO (POWER)	233,320.68	195,431.66
CROWN	6,670.00	
Unifield (adjust. January 2014)	(25,500.00)	
DUE TO BIR	47,857.99	(302.47)
DUE TO GSIS	107,813.22	(1,592.23)
DUE TO PAG-IBIG	35,924.95	3,508.50
DUE TO PHILHEALTH	₱6,650.00	₱50.00
DUE TO OTHER NGA'S	37,478.52	.96
GUARRANTY DEPOSITS	219,380.00	219,380.00
TOTAL	₱994,989.54	₱830,162.45

Note 6. Long-term Liabilities

	Mo. Amortization	Outstanding Balance	
		2013	2012
3-732	₱ 17,714.00	₱ 1,431,597.20	₱ 1,490,446.96
3-305 R	40,319.00	3,101,669.36	3,513,703.49
3-305 S	43,371.00	3,325,543.84	3,278,551.34
4-2374 RL	49,301.00	3,423,503.61	3,576,614.61
Adjustment (march)		244.49	
TOTAL		<u>₱ 11,282,558.50</u>	<u>₱ 11,859,316.40</u>

The District availed a long term loan with LWUA. The principal and interest of the regular loan portion is payable within 25 years with monthly amortization of P150,805.00 per month. As of December 31, 2013, the outstanding loan balance is P11, 282,558.50. The loan was paid in accordance with the amortization schedule, thus, no penalties were imposed for delayed or non-payment.

Note 7. Revenue

OPERATING REVENUE	2013	2012
Metered Sales	₱ 12,847,825.43	₱ 12,504,802.50
Misc. Service Revenue	252,137.04	225,014.72
Penalty Charge	443,886.25	444,352.30
TOTAL	<u>₱ 13,543,848.72</u>	<u>₱ 13,174,169.52</u>

Note 8. Expenses

OPERATION EXPENSE	2013	2012
Meter Reading Expense	₱ 117,626.44	₱ 15,027.54
Uncollectible Accounts	124,979.99	112,353.93
Admin. & Gen. Salaries Exp.	1,995,468.82	1,829,190.44
Overtime & Holiday Pay	211,644.34	180,699.68
GSIS Prem, Ret. & S.I.	425,308.80	392,173.72
Phil Health Expense	39,162.50	35,925.00
Pag-ibig Prem. Exp.	67,084.80	61,926.96
Employee Pension & Benefits	1,234,430.11	1,227,029.00
Other outside services employed	22,960.00	1,400.00
Traveling Exp. & Per Diem	72,887.05	88,291.97
Representation & Entertainment	10,146.10	14,263.00
Advertising Expense	12,000.00	3,500.00
Insurance	14,852.00	14,579.95
Office Supplies	103,470.50	103,028.60

Communication Expense	40,477.79	40,189.70
Freight and Handling	3,832.86	6,635.68
Training Expense	19,350.00	42,928.00
Light & Power	2,148.02	30,105.42
Director's Fees & Remuneration	138,458.00	254,240.00
Fuel, Oil & Lubricants	84,429.91	73,720.91
Rent	42,900.00	36,600.00
Franchise & Regulatory Req. Exp.	12,332.00	14,512.00
Professional Fee		3,829.00
Misc. Gen. & Admin. Exp.	24,234.50	7,586.25
Taxes & Licenses	265,987.59	250,418.13
Total Operation Expense	₱5,086,172.12	₱ 4,940,154.88
MAINTENANCE EXPENSE		
Power purchased for Pumping	₱ 2,684,807.00	₱ 2,845,512.27
Chemicals & Filtering Materials	13,732.14	17,601.99
Maint of Pumping Equipment	745,403.08	520,201.69
Maint of Water Treatment Equip.	17,391.00	14,957.00
Maint Supervision & Engineering	423,474.55	379,032.27
Maint of Reservoir & Tanks	263,866.82	236,714.39
Maint of Trans. & Distri. Mains	413,982.64	378,182.20
Maint of Services	19,434.48	14,138.50
Maint of Meters	80,099.91	9,265.58
Maint of Structures & Improvements	1,312.00	
Total Maintenance Expense	₱ 4,663,503.62	₱ 4,415,605.89
Total O & M Expense	₱ 9,749,675.74	₱ 9,355,760.77
Depreciation Expense	₱ 736,207.57	₱ 691,201.98
Interest on Long-term Debt	1,232,902.10	1,289,685.51
Misc. Operating Expenses	25,378.20	
Total Depreciation Expense	₱ 1,994,487.87	₱ 1,980,887.49
Total Expenses	₱ 11,744,163.61	₱ 11,336,648.26

PART II – OBSERVATIONS AND RECOMMENDATIONS

PART II - OBSERVATIONS AND RECOMMENDATIONS

Delayed Deposits of Collections

1. **Collections of water bills were not deposited on a daily basis with holding period of at least 2 days which is not in conformity with Section 69 of P.D. 1445.**

Section 69 of Presidential Decree (P.D.) 1445 provides that public officers authorized to receive and collect money or receipts of any kind shall remit or deposit intact the full amounts so received and collected by them to the duly authorized government depository bank or to the treasury of the agency concerned.

In addition, all collecting officers shall deposit intact all their collections as well as collections turned over to them by sub-collectors/tellers, with the authorized Government Depository Bank (GDB) daily or not later than the next banking day.

Review of District's collections and deposits disclosed that there were many instances when cash collections were not deposited on a daily basis as shown in **Annex A**. The teller makes a cut off of collections before 3 pm and prepares a daily deposit slips. However, per verification on the sampled reports of daily collections against the bank deposit slips, it was found out that the guideline was not thoroughly followed. Instead, daily collections are turned over on the following day to the cashier. The cashier deposits the money in bulk ranging from 2-7 days delayed especially in cases when it crosses on weekends and long holidays. This practice exposes government funds to bad elements when this is supposed to be properly secured in the bank.

The frequency of delayed deposits of collections was noted in the sampled transactions, an indication of weak administrative controls as to compliance with existing guidelines as provided for in Section 69 of P.D. 1445. What is safe and logical especially when dealing with government funds should not be bartered with convenience.

We have recommended to the Management that the cashier must deposit her daily collections and observe accordingly the existing rules and regulations pursuant to Section 69 of P.D. 1445 pertaining to the deposit/remittance of the collections.

The Management was amenable with the recommendation and assured that collections of the teller shall be turned over daily and the same will be deposited to the authorized depository bank.

Non-classification of inactive Receivables Account

- 2. Receivables-Customers inactive/closed accounts amounting to P1,675,790.03 aging 2 to 10 years were classified as current assets and the inadequacy of records in the subsidiary ledger accounts distorting the accuracy and fair presentation of the financial statements.**

Paragraph 57 of Philippine Accounting Standard (PAS) No. 1 entitled Presentation of Financial Statements states that:

“An asset shall be classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is or intended for sale or consumption in, the entity’s normal operating cycle;*
- b) It is held primarily for the purpose of being traded;*
- c) It is expected to be realized within twelve months after the balance sheet date; or*
- d) It is cash or a cash equivalent (as defined in IAS 7 Cash Flow Statements) unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.*

All other assets should be classified as non current”.

Section 111 of PD 1445 provides that:

- 1) “The accounts of the agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.*
- 2) The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information”.*

Analysis of the Receivables account balance revealed that accounts receivable. Customers inactive/closed accounts aging 2 to 10 years as as of December 31, 2013 totaling P1,675,790.03 are classified under current assets. Furthermore, audit of records showed the material amount of past due accounts receivable was caused by the District’s inadequate effort to implement its collection strategy for delinquent and inactive accounts depriving the District the opportunity cost of fund tied-up in the receivables, with figures shown as follows:

Inactive Accounts
CY 2013

	0-60	61-180	181-360	720 or more	Total
TUBOD	₱12,141.25	₱ 74,537.93	₱ 16,388.27	₱ 251,271.18	₱ 354,338.63
BAROY	19,652.17	46,103.98	97,551.36	526,434.45	689,741.96
MALINGAO				898,084.40	898,084.40
Total	₱31,793.42	₱120,641.91	₱113,939.63	₱1,675,790.03	₱1,942,164.99

Moreover, the Accounts Receivable Account even increased by P564,190.72 compared to CY 2012. This indicates that the District's policy of disconnecting their water services 5 days after due date per service agreement was not implemented; thus a deficiency in revenue generation and/or collection strategy. The reconnection fees that could have been collected would not only augment the District's income but also entice the consumers to be more vigilant in paying their past due obligations.

Further verification disclosed that the account of Malingao totaling to P898,084.40 are dormant for more than ten years. These receivables appearing in the financial statement lack the necessary documents and records to support the claims, thus the collections could not be imposed.

The audit disclosed that the absence of these basic documents and records cast doubts on the reliability and correctness of the recorded amount in the books of accounts. Moreover, due to passage of time, the said receivables remained outstanding and the collections rendered impossible.

Thus, the non-classification of the above receivables to other assets (non-current) violated the aforecited accounting standards, thereby resulting to overstatement of current assets and understatement of non-current assets.

This observation is a reiteration of previous year's audit findings which the management failed to implement.

We have recommended to the Management to implement the following:

- **Reclassify inactive/closed account to other assets in compliance to Paragraph 57 of PAS No. 1 for proper presentation of the receivables account in the financial statements.**
- **Strengthen the district strategies to maximize collections of Account Receivable and implement policy of disconnection in case of failure of payment of water bills in more than two months.**

- **Create a committee to investigate the location and whereabouts of debtors to ascertain extent of their recovery.**
- **If based on the committee’s findings collection is too remote for those debtors that cannot be located, consider requesting for their write-off from the COA duly supported with (a) list of available records and extent of validation made on the accounts; (b) certification stating the reasons for the un-located delinquent debtors as well as the action taken in locating said debtors; and (c) other supporting documents necessary to justify the said request.**

The Management was amenable with the recommendation and committed to make necessary adjustments/corrections in the deficiency noted in the ensuing year .

Non-classification of Unserviceable Properties

- 3. Unserviceable properties totaling P P618,973.66 were not reclassified to other assets resulting to the overstatement of the Utility Plant in Service (UPIS) account and rendering the Property, Plant and Equipment and Other Assets account unreliable.**

Pursuant to Section 79 of PD 1445 states “When government property has become unserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefore, be inspected by the head of the agency or his duly authorized representative xxx and if found to be valueless or unsalable, it may be destroyed in their presence.

If found to be valuable, it may be sold at public auction to the highest bidder under the supervision of the proper committee on award or similar body xxx. In the event that public auction fails, the property may be sold at a private sale at such prices as may be fixed by the same committee or body concerned”.

Properties considered as disposable are: those that can no longer be repaired or repaired or reconditioned; property whose maintenance costs of repair more than outweighs the benefits and services that will be derived from its continued use; obsolete; serviceable property that has been rendered unnecessary due to change in the agency’s function or mandate; unused supplies and materials that has become dangerous to use because of long storage or use of which is determined to be hazardous.

The inventory report submitted by the property officer disclosed unserviceable assets due for disposal with a value amounting to **P618,973.66** but still included in the UPIS account (**Annex B**).

The non-reclassification of the unserviceable/obsolete properties overstated the Property, Plant and Equipment account and understated the Other Assets account which resulted in the unreliability of both accounts in the financial statements.

This observation is a reiteration of previous year's audit findings which the management failed to implement.

We have recommended to the management that the accountable officials in possession of unserviceable property shall submit to the Disposal Committee, the following accomplished forms as appropriate:

- 1. Inventory and Inspection Report of Unserviceable Property (IIRUP) for semi-expendable materials and equipment and non-expendable supplies, accompanied by any of the following, whichever is appropriate:**
 - a. Individual survey report, duly certified by the Supply officer and Head of Agency**
 - b. List of missing spare parts duly certified by the Supply Officer and Head of Agency**
 - c. Stencils of chassis and engine numbers of motor vehicles**
 - d. Current photographs in two positions**
- 2. Waste Materials Report for expendable materials, supplies and consumable including spare parts, empty containers, and remnants from destroyed or damaged fixed assets.**

The IIRUP shall be used as basis of record dropping from the books the unserviceable properties carried in the Utility Plant in Service Account. Suggested accounting entry:

Other Assets account with the following suggested adjusting entry:

Other Assets	P618,973.66	
UPIS		P74,452.93
Accumulated Depreciation		544,520.73

(To record unserviceable properties to asset account while waiting for disposal)

The Management is committed to make necessary adjustments/corrections in the deficiency noted in the ensuing year so that the Property, Plant and Equipment and Other Assets account shall be reliable.

Non-Accrual of Earned Leave Benefits

- 4. The District failed to provide accrual of liability for the earned leave benefits of employees totaling P1,983,416.14 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 are 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 but records of the district disclosed that the agency failed 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 C**).

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 to the Management 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.)		

The Management is committed to make necessary adjustments/corrections in the deficiency noted in the ensuing year so that earned leave benefits of the employees shall be properly accounted, disclosed and reflected in the Financial Statements.

Non-Renewal of PAR

- 5. The district failed to renew every three years the Property Acknowledgement Receipt (PAR) to officers and employees holding/using government properties contrary to existing regulation, thus government funds and property could not be properly safeguarded.**

Under the National Government Accounting System (NGAS) Corporate on Financial transactions, the use of Property Acknowledgments Receipt for Equipment (PAR) is used for semi-expendable property carried in the equipment accounts when issued for official used of officials and employees other than the regular property officer.

Property Acknowledgement Receipt (PAR) should be issued to officers and employees using government vehicles and other properties as an acknowledgement that the said property were in their possession within the specific period. This acknowledgement Receipt should be renewed every three (3) years.

The PARs shall be filed alphabetically by property officer for ready reference and renewed ever *January of the 3rd year issue*. Property not covered by PARs shall be considered under the direct responsibility of the property officer who shall be accountable to the head of the agency.

Review of equipment issued to various users covered by Memorandum Receipts disclosed that there were properties not renewed since the original issuance of the properties as shown in **Annex D**. Records showed that the district property officer failed to issue renewal of the Property Acknowledgement Receipt to the concerned officers and employees every three (3) years.

The purpose of the renewal of (PAR) is to identify whether the said property are still in their possession and they are accountable of the said property. The non-renewal of the Property Acknowledgement Receipt (PAR) every three(3) years might result to losses of the property and to check and verify whether that person are still connected with company. Further, to verify whether the said property are existing and to penpoint accountability.

We have recommended to the Management to instruct the property officer to look into the records of all properties of the district that the renewal of the PAR were updated. Require the property custodian to prepare updated renewal of the Property Acknowledgement Receipt (PAR) for every three (3)

years pursuant to the existing regulation to safeguard government funds and property.

The Management was amenable with the recommendations and promised to settle the deficiency noted in the ensuing year.

Weak Internal Control System

6. Payments out of the working funds were not supported with the documentary requirements as prescribed in COA Circular No. 2012-001 dated June 14,2012.

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

In addition, Section1.2.2 of COA Circular No. 2012-001 dated June 14, 2012 prescribes the documentary requirements for the liquidation of petty cash funds.

Our review of sampled transactions on payment of petty operating expenses out of the working fund disclosed deficiencies as to the documentary requirements in the replenishment of working fund (**Annex E**).

It was noted that payment of purchases of office supplies and materials for maintenance were not supported with purchase request (PR) and Certificate of Inspection and Acceptance. In addition, payments for daily fare for field maintenance were not supported with approved locator slip..

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

We have recommended to the Management to strictly comply with the documentary requirements to support payments of petty operating expenses out of the working fund as prescribed in COA Circular No. 2012-001.

The auditee was amenable with the recommendation and assured that all future payments of petty expenses shall be supported with documentary requirements.

Gender and Development

7. The district was sluggish in its response to the institutionalization of the gender and development programs as there was no appropriated funds in its 2013 budget to support projects and programs. This non incusion of funds planning related to Gender and Development program may possibly hinder the headway efforts the government has so far attained in this direction.

The Annual General Appropriations Act (GAA) mandates all government agencies to formulate a Gender and Development Plan designed to empower women and address gender issues. The cost of implementing the GAD Plan shall be at least 5% of the agency's annual budget.

Gender mainstreaming means revisiting/reviewing the existing mandate, development directions, policies, projects and services to address gender equality issues. It may entail a collective shift that would necessitate changes in the agency's budgetary resource allocation.

The GAD Focal Point as mandated by E.O. 348 is tasked to catalyze and coordinate programs, projects and activities (PPAs) related to women and GAD concerns and thereafter, oversee their implementation. This also includes the preparation of the agency's GAD Plan and Budget.

The formulation of the GAD Plans for agencies shall follow the corporate planning and budgeting cycle. The procedures on plan formulation, submission and approval are covered by Joint Memorandum Circular No. 2004-01 DBM.

Since the GAD Plan is inherent to the overall agency plan, its cost requirement or the GAD Budget necessarily comes from the agency's approved budget as contained in the General Appropriation Act. Therefore, the GAD Budget must not be interpreted as an additional and separate fund that will be provided by the national government.

A review of the Fiscal Year 2013 District budget appropriations of P15,181,248.29, no funds appropriated for implementation of GAD programs and projects. This could be an indication that the agency failed to incorporate or consider in their annual plans GAD programs/projects thus, the purpose to promote gender-responsive governance, protect and fulfill women's human rights, and promote women's economic empowerment was not properly addressed.

The General Manager revealed that no amount was set aside for GAD purposes simply because they have limited resources. The district however agreed when this deficiency noted and promised to appropriate funds for GAD programs in succeeding budgetary year.

We have recommended to the Management to implement the following:

- **To adhere to 5% budgetary appropriation for GAD as mandated in the General Appropriation Act.**
- **Abide by the requirement of Joint Circular No. 2004-1 dated April 5, 2004 of the DBM, NEDA and NCRFW 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.

- **Send the Focal Point person to GAD seminars.**

Collecting Officer Not Bonded

- 8. The district collecting officer/teller is not properly bonded which is not in compliance with Section 101 of P.D. No. 1445.**

Section 101 of Presidential Decree (P.D.) No. 1445 provides the bond requirement for every officer of any government agency whose duties permit or require the possession or custody of government funds or property.

In addition, Sections 1 & 2 of Rule XI of the Revised Omnibus Rules on Appointments and other Personnel Actions define contract of services and job order which covers lump sum work or services such as janitorial, security, or consultancy services where no employer-employee relationship exist; and that the duration will not exceed six months on a daily basis;

Based on the above definition, the designation of a job order employee as Teller/Collecting Officer cannot be covered by a contract of services or job order as the same could not be considered as lump sum work or piece work or intermittent job of short duration not exceeding six months.

Furthermore, said designation and functions are not contemplated under the rules on contracts of personnel services in Sections 209 and 211 (b) of Article 3, Title V of Volume I (Government Auditing Rules and Regulations) Government Accounting and Auditing Manual.

The district has hired a casual employee on July 2009 and designated the same as teller to receive water bill collections. .

The designation of the employee as teller whose official function involves money transactions like receiving payments of water bills was not proper considering that she was not bonded, a clear indication of non compliance to the aforementioned laws, rules and regulations.

One may have the qualification, one may have strong character and perceived as honest person but these do not exempt anybody to over ride the government requirements of strictly protecting its financial resources. Posting of bonds for personnel who handle financial transaction in behalf of the government is one way to protect government resources.

We have recommended to the Management that the district properly designate a collecting officer/teller who is duly bonded in accordance with existing laws, rules and regulations. Immediately replace the incumbent designated teller/collecting officer with a permanent employee and duly bonded.

The Management is committed to comply with the recommendation, the district has a newly approved organizational structure which the teller was given a position title in the plantilla. This will give the current teller the opportunity to become candidate to qualify for a permanent position-a requirement to post a fidelity bond.

Compliance With Tax Laws, Rules 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 P520,088 of to the government in accordance with the BIR Regulations.

Settlement of Suspensions, Disallowances and Charges

As of December 31, 2013, disallowance per book balance of Accounts Receivables amounted to P239,693.70.

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

PART III - Status of Implementation of Prior Year's Audit Recommendations

Audit Observation	Recommendation	Ref	Management Action	Status of Implementation	Reason for Partial/Non-Implementation
<p>1. Book reconciling items in the Bank Reconciliation Statements (BRS) were not taken-up in the book, thereby affecting the accuracy of cash in bank as of December 31, 2010</p>	<p>We have recommended that management reconcile carefully and properly the “unidentified reconciling items” of P131, 594.54 and prepare bank reconciliation statements using the Adjusted Method and effect the necessary entries.</p>		<p>The deficiency noted was taken into consideration by the management.</p>	<p>Partially Implemented</p>	<p>The bookkeeper has no complete data for the reconciling items. Since no proper turnover of records of the former administration.</p>
<p>2.The balance of Accounts Receivable Account per Accounting Records differed with the Billing Division by P567, 511.21 contrary to Section 114 of PD 1445.</p>	<p>We have recommended that management should reconcile accounting records with the billing report prepared by the Billing Section to reflect accurate balances. Moreover, update and maintain the individual ledger card of the concessionaire to facilitate that monitoring and validating the reported receivables from customers.</p>		<p>No action was made by the management to correct the deficiency noted.</p>	<p>Not Implemented</p>	<p>The bookkeeper and the billing section did not coordinate properly and on a regular basis.</p>
<p>3. The Physical Count of property, Plant and Equipment of the District had remained not conducted despite prior year's audit recommendation, and which is contrary to the provision of Section 490, GAAM Volume I; thus, the correctness of the amount of P10,402,858.86</p>	<p>We have recommended to management to implement the following:</p> <p>1.Create a task force to conduct the physical count of property compose of the Following:</p> <p>a) Two (2) permanent representatives from the Supply Office.</p> <p>b) One (1) permanent representative from the Accounting Unit</p>		<p>The deficiency noted remains to be visible during the year.</p>	<p>Not Implemented</p>	<p>The district did not exert effort to comply with the recommendation to achieve correctness and reliability of records.</p>

Audit Observation	Recommendation	Ref	Management Action	Status of Implementation	Reason for Partial/Non-Implementation
	<p>c) One (1) representative from the COA to act as witness.</p> <p>2. The task force created must conduct physical count and render complete inventory report duly signed by the members and submit the said report to the Head of Office; copy furnished the Accounting Office and to the COA.</p> <p>3. The task force/committee to renew all the AREs based the concerned accountable personnel. In case, those properties are no longer found but are still in the Supply Office records, advise the concerned accountable personnel to request for relief of accountability in accordance with P.D. 1445.</p> <p>4. Based on the duly signed Report on the Physical Count of Property Plant and Equipment (RPCPPE), the Accounting Office to prepare Equipment Ledger Cards by classification and reconcile these with its owned record maintained for that purpose.</p> <p>5. completion of the</p>				

Audit Observation	Recommendation	Ref	Management Action	Status of Implementation	Reason for Partial/Non-Implementation
	<p>Physical Count, the Supply Officer to prepare the soft copy of the inventory Report and submit the same to the COA. In succeeding years, only the changes (deductions and additions) are reported in the Inventory and Inspection Report for unserviceable property (IIRUP) and the Report on the Physical Count of Property, Plant and Equipment (RPCPPE) be submitted to save effort and cost.</p> <p>6. The IIRUP for condemned properties which are already approved by the Head of Office upon the recommendation of the Property Inspector and/or the Appraisal Committee shall be deleted from the RPCPPE and the corresponding AREs shall also be cancelled. Copy of approved IRUP shall be furnished to the COA. However, the Accounting Office shall not drop the approved IRUP from the accounting records until such time the Auction Sale is complete.</p> <p>7. Conduct physical inventory of the agency assets at least once a year pursuant to Section</p>				

Audit Observation	Recommendation	Ref	Management Action	Status of Implementation	Reason for Partial/Non-Implementation
	<p>490, GAAM, Volume I to check the existence, accuracy and correctness of the accounts recorded in the school books of accounts.</p> <p>8. Property Custodian should maintain the Property Card while Accounting Unit should also maintain the Property Plant and Equipment Ledger Card. Reconcile these records with the Physical Inventory Report of Property Plant and Equipment.</p> <p>9. Put high regard and importance to physical inventory taking as it is an indispensable procedure in checking the integrity of property custodianship and a management tool for sound decision-making.</p>				

PART IV -ANNEXES

ANNEXES

- A - Schedule of Sampled Collections and Deposits
- B - List of Unservicable Materials and Office Equipment
- C - Leave Credit Amortization
- D - Summary of not Renewed and no Par issued for Semi Expendable Equipment
- E - Summary Petty Cash Replenishment with Deficiencies


TUBOD WATER DISTRICT
 Schedule of Sampled Collections and Deposits
 FOR CY 2013

AF SERIES NO.	COLLECTIONS	DEPOSITS	DATE COLLECTED	DATE DEPOSITED	NO. OF DAYS DELAYED
2401501-2401610	67,363.47	69,035.97	<i>Dec 27(pm) - Dec 28(am)</i>	<i>2-Jan</i>	<i>6 days</i>
2401611-2401660	24,850.39	24,850.39	<i>Dec 28(pm) - Jan 2 (am)</i>	<i>3-Jan</i>	<i>2 days</i>
2401661-2401687	11,258.20	11,258.20	<i>Jan 2 (pm) - Jan 3 (am)</i>	<i>4-Jan</i>	<i>2 days</i>
Saturday	-				
Sunday	-				
2401688-2401734	21,919.61	21,919.61	<i>Jan 3 (pm) - Jan 4 (am)</i>	<i>7-Jan</i>	<i>4 days</i>
2401735-2401821	36,945.42	36,945.42	<i>Jan 4 (pm) - Jan 7 (am)</i>	<i>8-Jan</i>	<i>2 days</i>
2401822-2401910	30,704.29	30,704.29	<i>Jan 7 (pm) - Jan 8 (am)</i>	<i>9-Jan</i>	<i>2 days</i>
2401911-2401987	39,852.38	39,852.38	<i>Jan 8 (pm) - Jan 9 (am)</i>	<i>10-Jan</i>	<i>2 days</i>
2401988-2402069	29,881.05	29,881.05	<i>Jan 9 (pm) - Jan 10 (am)</i>	<i>11-Jan</i>	<i>2 days</i>
Saturday	-				
Sunday	-				
2402070-2402200	78,023.09	78,023.09	<i>Jan 10 (pm) - Jan 11 (am)</i>	<i>14-Jan</i>	<i>4 days</i>
2402201-2402416	98,393.33	98,393.33	<i>Jan 11 (pm) - Jan 14 (am)</i>	<i>15-Jan</i>	<i>2 days</i>
2402417-2402565	61,653.88	61,653.88	<i>Jan 14 (pm) - Jan 15 (am)</i>	<i>16-Jan</i>	<i>2 days</i>
2402566-2402750	79,296.99	79,296.99	<i>Jan 15 (pm) - Jan 16 (am)</i>	<i>17-Jan</i>	<i>2 days</i>
2402751-2402934	79,817.42	79,817.42	<i>Jan 16 (pm) - Jan 17 (am)</i>	<i>18-Jan</i>	<i>2 days</i>
Saturday	-				
Sunday	-				
2402935-1892664	82,140.39	82,140.39	<i>Jan 17 (pm) - Jan 18 (am)</i>	<i>21-Jan</i>	<i>4 days</i>
1892665-1892881	95,668.12	95,668.12	<i>Jan 18 (pm) - Jan 21 (am)</i>	<i>22-Jan</i>	<i>2 days</i>
1892882-1892981	42,374.35	42,374.35	<i>Jan 21 (pm) - Jan 22 (am)</i>	<i>23-Jan</i>	<i>2 days</i>
Holiday	-				
1892982-1893088	51,052.54	51,052.54	<i>Jan 22 (pm) - Jan 23 (am)</i>	<i>25-Jan</i>	<i>3 days</i>
Saturday	-				

Sunday	-				
1893089-1893277	87,742.01	87,742.01	<i>Jan 23 (pm) - Jan 25 (am)</i>	28-Jan	4 days
1893278-1893413	68,496.30	68,496.30	<i>Jan 25 (pm) - Jan 28 (am)</i>	29-Jan	2 days
1893414-1893456	18,730.59	18,730.59	<i>Jan 28 (pm) - Jan 29 (am)</i>	30-Jan	2 days
1893457-1893499	22,139.85	22,139.85	<i>Jan 29 (pm) - Jan 30 (am)</i>	31-Jan	2 days
1893500-1893524	14,223.04	14,223.04	<i>Jan 30 (pm) - Jan 31 (am)</i>	1-Feb	2 days
Saturday	-				
Sunday	-				
1893525-1893553	18,025.28	18,025.28	<i>Jan 31 (pm) - Feb 1 (am)</i>	4-Feb	4 days
1893554-1893571	12,280.05	12,280.05	<i>Feb 1 (pm) - Feb 4 (am)</i>	5-Feb	2 days
1893572-1893609	27,485.56	27,485.56	<i>Feb 4 (pm) - Feb 5 (am)</i>	6-Feb	2 days
1893610-1893659	24,344.67	24,344.67	<i>Feb 5 (pm) - Feb 6 (am)</i>	7-Feb	2 days
1893660-1893717	21,784.40	21,784.40	<i>Feb 6 (pm) - Feb 7 (am)</i>	8-Feb	2 days
Saturday	-				
Sunday	-				
1893718-1893807	38,304.68	38,304.68	<i>Feb 7 (pm) - Feb 8 (am)</i>	11-Feb	4 days
1893808-1893958	77,456.12	77,456.12	<i>Feb 8 (pm) - Feb 11 (am)</i>	12-Feb	2 days
1893959-8800042	59,674.07	59,674.07	<i>Feb 11 (pm) - Feb 12 (am)</i>	13-Feb	2 days
8800043-8800142	43,703.42	43,703.42	<i>Feb 12 (pm) - Feb 13 (am)</i>	14-Feb	2 days
8800143-8800262	67,201.19	67,201.19	<i>Feb 13 (pm) - Feb 14 (am)</i>	15-Feb	2 days
Saturday	-				
Sunday	-				
8800263-8800405	65,432.19	65,432.19	<i>Feb 14 (pm) - Feb 15 (am)</i>	18-Feb	4 days
8800406-8800717	123,778.78	123,778.78	<i>Feb 15 (pm) - Feb 18 (am)</i>	19-Feb	2 days
8800718-8800892	74,368.16	74,368.16	<i>Feb 18 (pm) - Feb 19 (am)</i>	20-Feb	2 days
8800893-8801073	94,913.58	94,913.58	<i>Feb 19 (pm) - Feb 20 (am)</i>	21-Feb	2 days
8801074-8801206	66,996.60	66,996.60	<i>Feb 20 (pm) - Feb 21 (am)</i>	22-Feb	2 days
	-				
	-				
8801207-8801295	36,955.78	36,955.78	<i>Feb 21 (pm) - Feb 22 (am)</i>	25-Feb	4 days
8801296-8801482	81,732.60	81,732.60	<i>Feb 22 (pm) - Feb 25 (am)</i>	26-Feb	2 days
8801483-8801608	61,681.14	61,681.14	<i>Feb 25 (pm) - Feb 26 (am)</i>	27-Feb	2 days
8801609-8801700	64,062.46	64,062.46	<i>Feb 26 (pm) - Feb 27 (am)</i>	28-Feb	2 days
8801701-8801777	47,913.06	47,913.06	<i>Feb 27 (pm) - Feb 28 (am)</i>	1-Mar	2 days

Saturday	-				
Sunday	-				
8801778-8801825	27,564.84	27,564.84	Feb 28 (pm) - Mar 1 (am)	4-Mar	4 days
8801826-8801876	45,555.77	45,555.77	Mar 1 (pm) - Mar 4 (am)	5-Mar	2 days
8801877-8801913	15,794.55	15,794.55	Mar 4 (pm) - Mar 5 (am)	6-Mar	2 days
8801914-8801984	37,973.59	37,973.59	Mar 5 (pm) - Mar 6 (am)	7-Mar	2 days
8801985-8802055	36,781.46	36,781.46	Mar 6 (pm) - Mar 7 (am)	8-Mar	2 days
Saturday	-				
Sunday	-				
8802056-8802157	37,233.51	37,233.51	Mar 7 (pm) - Mar 8 (am)	11-Mar	4 days
8802158-8802360	81,330.56	81,330.56	Mar 8 (pm) - Mar 11 (am)	12-Mar	2 days
8802361-8802495	46,968.97	46,968.97	Mar 11(pm) - Mar 12(am)	13-Mar	2 days
8802496-8802613	49,556.67	49,556.67	Mar 12(pm) - Mar 13(am)	14-Mar	2 days
8802614-8802721	47,891.13	47,891.13	Mar 13(pm) - Mar 14(am)	15-Mar	2 days
Saturday	-				
Sunday	-				
8802722-8802856	53,965.82	53,965.82	Mar 14(pm) - Mar 15(am)	18-Mar	4 days
8802857-8803100	71,884.22	71,884.72	Mar 15(pm) - Mar 18(am)	19-Mar	2 days
8803101-8803302	74,715.65	74,715.65	Mar 18(pm) - Mar 19(am)	20-Mar	2 days
8803303-8803489	79,091.81	79,091.81	Mar 19(pm) - Mar 20(am)	21-Mar	2 days
8803490-8803605	57,268.45	57,268.40	Mar 20(pm) - Mar 21(am)	22-Mar	2 days

Prepared by:


MACRINA M. GENTILES
 State Auditor III
 Audit Team Leader

**LIST OF UNSERVICABLE MATERIALS AND OFFICE EQUIPMENT
 FOR CY 2013**

Articles	Description	Quantity	Unit Price
1	Franklin Submersible Motor 20HP	1 unit	81,368.00
2	Franklin Submersible Motor 20HP	1 unit	115,000.00
3	Franklin Submersible Motor 20HP	1 unit	61,368.00
4	Shakti Submersible Pump 3HP	1 unit	59,192.00
5	Submersible Pump 20HP	1 unit	43,458.00
6	Submersible Pump 20HP	1 unit	48,027.66
7	Butterfly Valve with counter weight 4"	1 unit	8,960.00
8	Flow Meter 4"	1 unit	11,370.00
9	Flow Meter 4"	1 unit	11,370.00
10	Cast Iron Gate Valve 2"	1 unit	14,000.00
11	Cast Iron Gate Valve 2"	1 unit	14,000.00
12	Assorted Pipe from old Pumping Station		6,000.00
13	Chlorinator	1 unit	21,330.00
14	Chlorinator	1 unit	21,330.00
15	Bulk Multicab Accessories	1 Bulk	32,000.00
16	Computer Set	1 unit	62,000.00
17	Empty Gallons	11 pcs.	1,100.00
18	Tire	10 pcs.	8,000.00

Prepared by:


MACKINA M. GENTILES
 State Auditor III
 Audit Team Leader

TUBOD-BAROY WATER DISTRICT
 LEAVE CREDIT AMORTIZATION
 As of December 31, 2013

No.	Name of Employee	Vacation	Sick	Total	Highest Salary		
Constant	Total Monetary	Benefits			Leave	Leave Leave	
Received	Factor						
1	Aballe, Bernardo A.	86.42	175.92	262.34	11,181	0.0478087	140,233.60
2	Alfon, Adrew M.	41.00	49.00	90.00	12,921	0.0478087	55,596.26
3	Apao, Concodio T.	71.92	122.92	194.84	10,505	0.0478087	97,854.57
4	Ates, Francisco L.	81.54	125.54	207.08	11,519	0.0478087	114,040.70
5	Balatero, Marlou D.	91.75	173.75	265.50	11,292	0.0478087	143,331.73
6	Balugo, Jovie E.	81.83	110.83	192.66	11,181	0.0478087	102,986.22
7	Bete, Eduardo D.	87.13	114.63	201.76	23,274	0.0478087	224,498.29
8	Buctuan, Estelito, Jr. L.	69.92	89.92	159.84	11,181	0.0478087	85,442.32
9	Buctuan, Fernando L.	101.58	206.58	308.16	11,405	0.0478087	168,026.77
10	Dayak, Novavilla E.	43.61	118.88	162.59	17,428	0.0478087	135,388.30
11	Galda, Anna Lysel Y.	25.42	35.42	60.84	10,401	0.0478087	30,253.19
12	Garganda, Ranier C.	39.25	56.00	95.25	14,931	0.0478087	67,992.47
13	Ilagan, Bryan Emerson C.	52.50	82.50	135.00	11,181	0.0478087	72,164.13
14	Lamdagan, Jacky Lou H.	11.88	49.625	61.50	17,255	0.0478087	50,733.76
15	Olavides, Elmer L.	43.25	91.50	134.75	46,064	0.0478087	296,754.53
16	Paclipan, Jessie G.	41.92	56.67	98.59	10,401	0.0478087	49,024.69
17	Policarpio, Romeo A.	50.00	96.00	146.00	11,181	0.0478087	78,044.16
18	Quipit, Ariel B.	39.00	66.00	105.00	11,181	0.0478087	56,127.65
19	Tamboboy, Alicia A.	11.58	6.33	17.91	17,428	0.0478087	14,922.79
							PI,983,416.14

Prepared by:


RANIER C. GARGANTA
 HRMO- Designate

TUBOD WATER DISRICT
SUMMARY OF NOT RENEWED/NO PAR ISSUED FOR SEMI-EXPENDABLE EQPT.
FOR CY 2013

Quantity	Name and Description	Date Acquired	Date of MR	Issued to	Remarks
1	Airconditioner	2008	4/1/2014		NO PAR ISSUED
1	Airconditioner	2008	4/1/2014	Office/Alicia Tambobo	NO PAR ISSUED
2	Adjusteble	2013	4/1/2014	Marlou Balatero	NO PAR ISSUED
1	Adding Machine	1997	4/1/2014	Jacky lou Lamdagan	PAR NOT RENEWED
2	Adjustable Wrench	11/26/2013	4/1/2014	Marlou Balatero	NO PAR ISSUED
1	Buffet Table	1997	4/1/2014	Office/Alicia Tambobo	PAR NOT RENEWED
1	Computer ADC	2003	4/1/2014	A. Tamboboy	PAR NOT RENEWED
1	Computer Set	2010	4/1/2014	Jeje Paclipan	NO PAR ISSUED
1	Computer Set	2013	4/1/2014	Lysel Galda	NO PAR ISSUED
1	Computer Set	2008	4/1/2014	Novavilla Dayak	NO PAR ISSUED
1	Celling Fun	1997	4/1/2014	Office A. Tamboboy	PAR NOT RENEWED
1	Condora Aircondioner	2008	4/1/2014	Alicia Tamboboy	NO PAR ISSUED
1	Fax Machine	1997	4/1/2014	Office/Alicia Tambobo	PAR NOT RENEWED
1	Multicab	2007	4/1/2014	Romeo Policarpio	NO PAR ISSUED
1	Office Table	1997	4/1/2014	Loi Lamdagan	PAR NOT RENEWED
1	Office Table	1997	4/1/2014	Eduardo Bete	PAR NOT RENEWED
1	Office Table	1997	4/1/2014	Novavilla Dayak	PAR NOT RENEWED
1	Office Table	1997	4/1/2014	R. Garganta	PAR NOT RENEWED
1	Office Table	1997	4/1/2014	Alicia Tamboboy	PAR NOT RENEWED
1	Office Table	1997	4/1/2014	Elmer Olavides	PAR NOT RENEWED
2	Pipe Wrench 12	11/26/2013	4/1/2014	A. Quepit	NO PAR ISSUED
1	Sound System	1997	4/1/2014	Estilito Buctuan	PAR NOT RENEWED
1	Stell Cabinet	1995	4/1/2014	Renier Garganta	PAR NOT RENEWED
1	Stell Cabinet	1995	4/1/2014	Bodiga/A. Tamboboy	PAR NOT RENEWED
1	Stel ICabinet	1995	4/1/2014	Novavilla Dayak	PAR NOT RENEWED
1	Stel ICabinet	1995	4/1/2014	Renier Garganta	PAR NOT RENEWED
1	Stell Cabinet	1995	4/1/2014	Alicia Tamboboy	PAR NOT RENEWED

1	Safety Vault	1995	4/1/2014	Marlou Balatero	PAR NOT RENEWED
1	Tools	2007	4/1/2014	Marlou Balatero	PAR NOT RENEWED
1	Tools (Pipe Wrench)	2007	4/1/2014	M. Simbajon	PAR NOT RENEWED
1	Tools (adjustable)	2007	4/1/2014	B. Aballe	PAR NOT RENEWED
1	Tools (adjustable 12)	2007	4/1/2014	E. Buctuan	PAR NOT RENEWED
1	Tools (pipe Wrench 12)	2007	4/1/2014	A. Quepit	PAR NOT RENEWED
1	Tools (Vise creep nop.1)	2007	4/1/2014	B. Ilagan	PAR NOT RENEWED
1	Tools (Barina)	2007	4/1/2014	M. Balatero	PAR NOT RENEWED
1	Tools (Tagad)	2007	4/1/2014	M. Balatero	PAR NOT RENEWED
1	Wooden Cabinet	1995	4/1/2014	Bodiga/A. Tamboboy	PAR NOT RENEWED
1	Wooden Cabinet	1995	4/1/2014	Loi Lamdagan	PAR NOT RENEWED

Prepared by:


MACRINA M. GENTILES
 State Auditor III
 Audit Team Leader

TUBOD WATER DISTRICT
SUMMARY PETTY CASH REPLENISHMENT WITH DEFICIENCIES
For CY 2013

DATE	Petty Cash Voucher No.	PARTICULARS	PAYEE	AMOUNT	REMARKS
January 16, 2013	None	Meals	Elmer L. Olavides	852.00	No attach attendance sheet & purchase request
January 17,2013	none	Travel expenses-fare	Alicia Tamboboy	49.00	no attach purchase request & cert. of acceptance
January 21,2013	none	travel expenses-fare	Novavilla E. Dayak	140.00	no attach Locator Slip
January 22, 2013	none	Office supplies	Novavilla E. Dayak	80.00	no attach purchase request & cert. of acceptance
January 23, 2013	none	travel expenses-fare and repair	Eduardo Bete	80.00	no attach purchase request & locator slip
January 24, 2013	none	travel expenses-fare and repair	Mamerto Simbajon	80.00	no attach purchase request & locator slip
January 28,2013	none	Meals	Elmer L. Olavides	780.00	No attach attendance sheet
January 30,2013	none	travel expenses-fare	Mamerto Simbajon	30.00	no attach Locator Slip
January 30,2013	none	Office Supplies	Alicia A. Tamoboby	75.00	no attach purchase request & cert. of acceptance
January 31, 2013	none	Repair	Romeo Policarpio	300.00	no attach job order
1-Feb-13	none	Repair	Loy Cabanayan	500.00	no attach job order
1-Feb-13	None	Repair	BLC Electronics	180.00	no attach job order

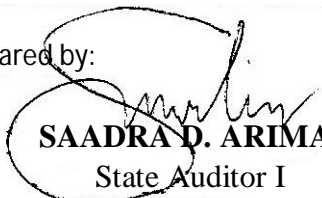
5-Feb-13	none	travel expenses-fare	Alicia A. Tamboboy	295.00	no attach Locator Slip
5-Feb-13	none	Repair	Joevie Balugo	240.00	No attach Job Order
8-Feb-13	None	travel expenses-fare	Anna Lycel Galda	21.00	no attach Locator Slip
February 8, 2013	None		Ranier Garganta	261.00	No attach attendance sheet & PR
8-Feb-13	None	travel expenses-fare and repair	Eduardo D. Bete	270.00	No attach locator and job order
11-Feb-13	None	travel expenses-fare	Novavilla E. Dayak	84.00	No attach locator slip
February 11, 2013	none	Office Supplies	Romeo A. Policarpio	220.00	No attach purchase request and acceptance
12-Feb-13	none	Repair	Romeo A. Policarpio	150.00	No attach job order
12-Feb-13	None	travel expenses-fare	Eduardo Bete	30.00	No attach locator slip
25-Feb-13	None	Mis. Exp.	Concordio Apao	207.00	No attach purchase request and cert. of acceptance
26-Feb-13	None	Office Supplies	Novavilla Dayak	139.50	No attach purchase request and cert. of acceptance
6-Mar-13	none	Transport Exp.	Novavilla Dayak	98.00	No attach locator slip
March 18, 2013	None	Transport Exp/	Estelito Buctuan	30.00	No attach purchase request
18-Mar-13	None	Representation Exp.	Ranier Garganta	365.00	No attach attendance sheet
20-Mar-13	None	Trans &Mains	Mamerto Simbajon	58.00	No attach purchase request
26-Mar-13	none	Transport Exp.	Novavilla Dayak	154.00	No attach locator slip
2-Apr-13	None	Transport Exp.	Lyce Galda	21.00	No attach locator slip
2-Apr-13	None	Transport Exp.	Estelito Buctulan	30.00	No attach locator slip
4-Apr-13	None	Transport Exp.	Jacky Lou Lamdagan	237.00	No attach locator slip
5-Apr-13	None	Transport Exp.	Novavilla Dayak	56.00	No attach locator slip

8-Apr-13	None	Transport Exp.	Annay Lysel	35.00	No attach locator slip
16-Apr-13	None	Maintenance of Services	Romeo Policarpio	60.00	No attach job order
April 15,19, 2013	None	Transportation Exp.	Anna Lysel Galda	35.00	No attach locator slip
24-Apr-13	None	Representation Exp	Ranier Garganta	642.75	No attach attendance sheet
25-Apr-13	None	Transportation Exp.	Eduardo Bete	40.00	No attach locator slip
2-May-13	None	Representation Exp.	Ranier Garganta	170.00	No attach PR and cert. of acceptance
3-May-13	None	Transportation Exp.	Novavilla E. Dayak	196.00	No attach locator slip
7-May-13	None	Transportation Exp.	Eduardo Bete	37.00	No attach locator slip
7-May-13	None	Representation Exp.	Ranier Garganta	404.75	No attach attendance sheet
17-May-13	None	Maint. of Pumping Equi.	Eduardo Bete	172.50	No attach Purchase Request
17-May-13	None	Miscellaneous Exp.	Mamerto B. Simbajon	400.00	No attach purchase request & cert. of acceptance
22-May-13	None	Trans. And Mains	Eduardo D. Bete	76.00	No attach purchase request
25-May-13	None	Pumping Equip. Exp.	Fernando Buctuan	390.00	No attach purchase request & cert. of acceptance
20-May-13	None	Transport and Representation Exp.	Ranier Garganta	457.70	No attach attendance sheet & purchase request
31-May-13	None	Office Supplies	Andrew Alfon	119.00	No attach purchase request & cert. of acceptance
4-Jun-13	None	Transportation Exp.	Samson Alfon	30.00	No attach locator slip
10-Jun-13	None	Transport. Exp.	Alicia A. Tamboboy	48.00	No attach attendance sheet
17-Jun-13	None	Transport. EXP	Samson Alfon	40.00	No attach locator slip


11-Jun-13	None	Representation Exp.	Ranier Garganta	413.00	No attach attendance sheet & PR
18-Jun-13	None	Transportation Exp.	Novavilla E. Dayak	98.00	No attach locator slip
18-Jun-13	None	Trans and Mains Exp.	Romeo Policarpio	30.00	No attach locator slip
20-Jun-13	None	Miscell. Exp.	Morlou D. Balatero	60.00	No attach purchase request & cert. of acceptance
June 10, 2013	None	Chemical and Filtering Exp.	Joevie Balugo	60.50	No attach purchase request & cert. of acceptance
26-Jun-13	None	Miscell. Exp.	Concordio Apao	100.00	No attach purchase request & cert. of acceptance
26-Jun-13	None	Maint. of Sevices	Romeo Policarpio	140.00	No attach purchase request & cert. of acceptance
28-Jun-13	None	Representation Exp.	Ranier Garganta	370.75	No attach attendance sheet & purchase request
5-Jul-13	None	Pumping Equip. Exp.	Eduardo Bete	70.00	No attach purchase request & cert. of acceptance
5-Jul-13	None	Pumping Equip. Exp.	Romeo Policarpio	135.00	No attach purchase request & cert. of acceptance
5-Jul-13	None	Miscell. Exp.	Nova Dayak	131.50	No attach purchase request & cert. of acceptance
9-Jul-13	None	Representation Rxp.	Ranier Garganta	395.00	No attach attendance sheet & purchase request
12-Jul-13	None	Trans and Mains Exp.	Eduardo Bete	170.00	No attach purchase request & cert. of acceptance
15-Jul-13	None	Office Supplies and Transport Exp.	Concordio Apao	89.00	No attach purchase request & cert. of acceptance

17-Jul-13	None	Office Supplies Exp.	Novavilla Dayak	59.00	No attach purchase request & cert. of acceptance
18-Jul-13	None	Representaion Exp.	Ranier Garanta	387.50	No attach attendance sheet & purchase request
23-Jul-13	None	Miscell. Exp.	Ranier Garganta	480.00	No attach purchase request & cert. of acceptance
24-Jul-13	None	Miscell. Exp.	Ranier Garanta	129.00	No attach purchase request & cert. of acceptance
25-Jun-13	None	Transport Exp.	Novavilla Dayak	147.00	No attach locator slip
26-Jul-13	None	Trans and Mains.	Romeo Policarpio	98.00	No attach purchase request & cert. of acceptance
28-Jul-13	None	Transport and Miscell. Exps.	Concordio Apao	362.00	No attach locator slip & purchase request & cert. of acceptance
31-Jul-13	None	Transportaion Exp.	Eduardo Bete	21.00	No attach locator slip
7-Aug-13	None	Miscell. Exp.	Novavilla Dayak	31.50	No attach locator slip

Prepared by:


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 Audit Team Member

Checked by:


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 Audit Team Leader