



Republic of the Philippines
COMMISSION ON AUDIT
Corporate Government Sector
Regional Office No. V
Rawis, Legazpi City

November 21, 2012

THE BOARD OF DIRECTORS

Iriga City Water District
Rufino Llagas Sr. Street,
San Roque, Iriga City

Ladies and Gentlemen:

Pursuant to Section 2, Article IX-D of the Constitution of the Philippines and pertinent provisions of Presidential Decree No. 1445), the Team conducted financial and compliance audit of the accounts and operations of the Iriga City Water District (ICWD), Iriga City for the year ended December 31, 2009.

The audit was conducted 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, as well as the fairness of the presentation of the financial statements.

The attached report consists of Part I, which shows the Audited Financial Statements. Part II which discusses in detail the significant observations and the proposed recommendations including the management's comments, if any and Part III presents the Annexes.

May we request for the status report on the action taken by the Iriga City Water District to the Audit Team's findings and recommendations within sixty (60) days from receipt hereof, pursuant to Section 94 of the General Provisions of the General Appropriations Act for FY 2010.

We acknowledged the cooperation extended to our Audit Team by you and your staff whose assistance and support made the submission of this report possible.

Very truly yours,


ELWIN GREGORIO A. TORRE
Director III
Officer-in-Charge



Republic of the Philippines
COMMISSION ON AUDIT
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Regional Office No. V
Rawis, Legazpi City

STATE AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

THE BOARD OF DIRECTORS

Iriga City Water District
Rufino Llagas, Sr. St.,
San Roque, Iriga City

Ladies and Gentlemen:

We have audited the accompanying financial statements of the Iriga City Water District, which comprise the statement of financial position as of December 31, 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with State accounting principles, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards in Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial 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 of 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 a basis for our qualified opinion.

The District's Accounts Receivable and Office Supplies Inventory are unreliable due to its discrepancies between the aging of receivables and the physical inventory list against the general ledger balance by P46,693.23 and P12,854.40, respectively. Further, Other Receivables of P28,427.20 is of doubtful validity due to its uncertainty to collect the long outstanding account of non-existing debtors. Moreover, the account Accumulated Depreciation and Depreciation Expense are overstated by P977,970.71 and P431,755.63, respectively.

In our opinion, except for the effect of the matter described in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Iriga City Water District as of December 31, 2009, and its financial performance and its cash flows for the year then ended in accordance with State accounting principles.

COMMISSION ON AUDIT

By:


TITA B. EMBESTRO
State Auditor V
Supervising Auditor

November 21, 2011

PART I

AUDITED FINANCIAL STATEMENTS

- Balance Sheet
- Statement of Income and Expenses
- Cash Flow Statement
- Statement of Changes in Equity
- Accounting Policies and Explanatory Notes



IRIGA CITY WATER DISTRICT

RUFINO LLAGAS SR. ST., SAN ROQUE, IRIGA CITY

Tel. Nos. (054) 299-6504*Telefax (054) 299-5709

November 10, 2010

Ms. ELENA B. TABAYAG

State Auditor III / Audit Team Leader

Team 22, Audit Group F – Province of Camarines Sur

COA-National Commission on Indigenous Peoples

Region V, San Nicolas, Iriga City

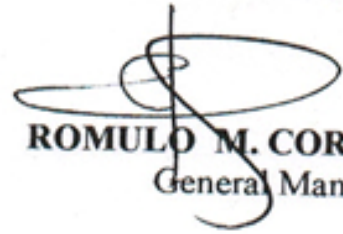
M a d a m :

In compliance with your examination of the Balance Sheet, Statement of Income and Expenses and Cash Flows of the Iriga City Water District as of December 31, 2009 and from January 1 to December 31, 2009 for the purpose of expressing an opinion as to whether the financial statements present fairly the financial position, results of operation, and changes in financial position of the Iriga City Water District in conformity with generally accepted accounting principles, we confirm to you during your examination.

1. We are responsible for the fair presentation in the financial statements of financial position, results of operations and changes in the financial position in conformity with generally accepted accounting principles.
2. We have made available to you all:
 - Financial records and related data
 - Minutes of meeting of Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There had been no:
 - Irregularities involving management or employees who have significant roles in the system of internal control.
 - Irregularities involving other employees that could have material effect on the financial statements.
 - Communications for regulatory agencies concerning non-compliance with, or deficiencies in financial reporting practices that could have a material effect on the financial statement.
4. We have no plans or intentions to cause any actions that may materially affect the carrying value or classification of assets and liabilities.

5. The following have been properly recorded or disclosed in the financial statements:
- Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees.
 - Capital contribution and grants from government and other donations from non-government agency.
6. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
7. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
8. Provision has been made for any material loss to be sustained in the fulfillment of, or from inability to fulfill any sales commitments.
9. Provision has been made for any material loss to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
10. We have complied with all the aspects of contractual agreements that would have material effect on the financial statements in the event of non-compliance.
11. No events have occurred subsequent to the Balance Sheet date that would require adjustment or disclosure in the financial statements.


MARIETTA H. CRUZATA
Division Manager C


ROMULO M. CORPORAL, JR.
General Manager

IRIGA CITY WATER DISTRICT

Iriga City

BALANCE SHEET

As of December 31, 2009

(With Comparative Figures for 2008)

ASSETS			2009		2008
Current Assets					
Cash & Cash Equivalents	Note 2	P	28,302,351.01	P	17,528,607.86
Receivables	Note 3		6,320,876.11		5,561,307.96
Inventories	Note 4		1,746,460.71		1,548,353.01
Prepayments	Note 5		73,534.56		77,077.53
Other Current Assets	Note 6		169,400.00		164,400.00
Total Current Assets		P	<u>36,612,622.39</u>	P	<u>24,879,746.36</u>
Non-Current Assets					
Investment - Sinking Fund	Note 7	P	5,620,098.97	P	3,559,096.67
Property, Plant & Equipment	Note 8		89,669,616.17		99,051,880.37
Other Assets	Note 9		1,926,065.43		4,251.74
Total Non-Current Assets			<u>97,215,780.57</u>		<u>102,615,228.78</u>
TOTAL ASSETS		P	<u>133,828,402.96</u>	P	<u>127,494,975.14</u>
LIABILITIES AND EQUITY					
Current Liabilities					
Payables	Note 10	P	14,674,365.64	P	17,838,606.63
Inter-agency Payables	Note 11		481,483.52		364,144.89
Other Liability Accounts	Note 12		3,016,412.13		3,931,018.98
Total Current Liabilities			<u>18,172,261.29</u>		<u>22,133,770.50</u>
Non-Current Liabilities					
Loans Payable - Domestic	Note 13		<u>94,303,922.75</u>		<u>86,071,629.75</u>
Total Liabilities			<u>112,476,184.04</u>		<u>108,205,400.25</u>
Equity					
Government Equity	Note 14		470,390.42		470,390.42
Retained Earnings	Note 15		20,881,828.50		18,819,184.47
Total Equity			<u>21,352,218.92</u>		<u>19,289,574.89</u>
TOTAL LIABILITIES AND EQUITY		P	<u>133,828,402.96</u>	P	<u>127,494,975.14</u>

(See Accompanying Accounting Policies and Explanatory Notes)

IRIGA CITY WATER DISTRICT
Iriga City

STATEMENT OF INCOME AND EXPENSES

For the year ended December 31, 2009

(With Comparative Figures for 2008)

	<u>2009</u>	<u>2008</u>
Business Income		
Income from Waterworks System	P 53,294,205.40	P 48,710,745.55
Rent Income		69,627.00
Other Business Income	1,760,628.67	1,097,647.06
Fines and Penalties - Business Income	2,634,583.20	2,243,758.60
Total Business Income	<u>57,689,417.27</u>	<u>52,121,778.21</u>
Other General Income		
Interest Income	631,181.18	544,512.07
Miscellaneous Income	20,357.87	23,421.77
Other Fines and Penalties	9,150.00	21,248.20
Gain on Sale of Disposed Assets		105,000.00
Total General Income	<u>660,689.05</u>	<u>694,182.04</u>
TOTAL INCOME	P 58,350,106.32	P 52,815,960.25
Less: Expenses:		
<i>Personal Services</i>		
Salaries and Wages - Regular	P 7,689,276.51	P 6,696,175.55
Salaries and Wages - Substitute	115,672.50	116,816.00
Salaries and Wages - Casual	61,016.80	80,545.70
Salaries and Wages - Contractual	1,160,951.30	1,149,392.40
Personnel Economic Relief Allowance	301,706.80	301,692.32
Additional Compensation	905,120.45	904,819.50
Representation Allowance	169,500.00	128,000.00
Transportation Allowance	169,500.00	128,000.00
Clothing / Uniform Allowance	204,000.00	196,000.00
Subsistence, Laundry & Quarter Allowance	1,042,843.20	1,036,980.90
Productivity Incentive Bonus	96,000.00	98,000.00
Honoraria	228,421.00	
Overtime and Night Pay	271,622.00	144,240.10
Cash Gift	250,000.00	252,500.00
Year End Bonus	686,440.50	598,790.50
Lifetime & Retirement Insurance Contributions	934,209.33	825,130.78
Pag-ibig Contributions	60,400.00	60,000.00
Philhealth Contributions	92,587.50	80,700.00
ECC Contributions	57,416.13	54,626.28
Terminal Leave Benefits	644,130.05	586,586.35
Provident Fund Benefits		200,960.19
Monetized Leave Credits		
Other Personnel Benefits	3,177,447.50	2,134,264.75
Total Personal Services	<u>18,318,261.57</u>	<u>15,774,221.32</u>

Maintenance & Other Operating Expenses

Traveling Expenses - Local	312,721.44	352,621.01
Training Expenses	270,880.62	87,138.78
Office Supplies Expenses	156,276.93	162,200.89
Accountable Forms Expenses	65,092.50	64,778.66
Gasoline, Oil and Lubricants Expenses	4,968,326.21	7,697,111.76
Chemicals & Filtering Materials Expenses	229,453.00	235,072.00
Other Supplies Expenses	14,241.75	11,559.00
Water Expenses	46,013.75	44,279.95
Electricity Expenses	7,208,283.36	6,082,309.30
Cooking Gas Expenses	556.00	497.00
Postage and Deliveries	3,599.50	4,178.00
Telephone Expenses - Landline	69,098.25	64,628.93
Telephone Expenses - Mobile	96,267.00	56,443.00
Internet Expenses	12,987.00	11,234.19
Cable, Satellite, Telegraph & Radio Expenses	3,600.00	3,500.00
Membership Due & Contribution to Organizations	25,710.00	38,387.60
Advertising Expenses	37,716.00	1,000.00
Transportation and Delivery Expenses		
Printing & Binding Expenses	5,783.25	948.00
Representation Expenses	149,815.50	160,884.59
Subscription Expenses	330.00	8,623.00
Rewards and Other Claims	11,080.00	300.00
Legal Fees	106,000.00	100,250.00
Auditing Services	127,256.47	
Security Services	192,000.00	179,733.33
Survey Expenses	52,500.00	
Other Professional Services		3,200.00
Council/Board Member Allow.& Other Benefits	1,027,167.25	880,460.00
Repairs and Maint - IWSS	597,355.15	468,835.99
Repairs and Maint - Office Building	12,963.70	7,570.00
Repairs and Maint - Other Structures	7,055.00	
Repairs and Maint - Office Equipment	18,584.00	14,936.00
Repairs and Maint - Furniture and Fixtures	3,570.00	148.00
Repairs and Maint - IT Equipt & Software	11,017.20	11,911.00
Repairs and Maint - Machineries	149,183.85	145,231.90
Repairs and Maint - Communication Equipment	2,240.20	3,100.00
Repairs and Maint - Firefighting Equipment		13,900.00
Repairs and Maint - Motor Vehicles	79,629.30	85,402.61
Repairs and Maint - Other PPE	4,990.30	1,754.00
Donations	14,461.00	3,500.00
Extraordinary Expenses	50,227.02	
Taxes, Duties and Licenses	1,195,723.23	1,139,263.88
Fidelity Bond Premiums	4,193.75	4,575.00
Insurance Expenses	146,187.22	158,147.89
Bad Debts Expense	60,951.33	51,303.04
Depreciation - IWSS	3,626,887.76	3,608,752.44
Depreciation - Office Building	172,455.96	172,455.96
Depreciation - Other Structures	288,157.96	286,787.34
Depreciation - Office Equipment	84,042.68	82,835.91

Depreciation - Furniture and Fixtures	87,337.15	77,608.32
Depreciation - IT Equipment and Software	134,145.30	169,898.89
Depreciation - Machineries	1,872,090.36	1,853,203.96
Depreciation - Communication Equipment	34,638.72	34,859.85
Depreciation - Firefighting Equipment	1,998.00	1,998.00
Depreciation - Other Transportation Equipment	3,168.00	3,168.00
Depreciation - Motor Vehicles	423,327.74	409,411.32
Depreciation - Other PPE	53,519.04	50,206.14
Discount on Income from Waterworks Systems	1,065.17	1,086.42
Other Maintenance & Operating Expenses	772,979.55	589,255.13
Total Maint. & Optg. Expenses	<u>25,106,901.42</u>	<u>25,702,445.98</u>
<i>Financial Expenses</i>		
Bank Charges	750.00	400.00
Interest Expenses	13,217,065.00	
Other Financial Expenses	64,629.83	13,432,068.86
Total Financial Expenses	<u>13,282,444.83</u>	<u>13,432,468.86</u>
TOTAL EXPENSES	<u>56,707,607.82</u>	<u>54,909,136.16</u>
NET INCOME (LOSS) BEFORE INCOME TAX	P <u>1,642,498.50</u>	P <u>(2,093,175.91)</u>

IRIGA CITY WATER DISTRICT

Iriga City

CASH FLOW STATEMENT

For the year ended December 31, 2009

(With Comparative Figures for 2008)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash Inflows</i>		
Collection of Receivables	P 55,068,156.23	P 50,161,794.52
Collection of Other Business Income	1,614,542.16	1,453,559.44
Refund of Cash Advances	123,355.91	104,312.67
Interest Income	15,209.08	8,428.47
Customer's Deposit		43,659.00
Other Sources	14,696,823.37	1,912,314.81
<i>Total Cash Inflows</i>	<u>71,518,086.75</u>	<u>53,684,068.91</u>
<i>Cash Outflows</i>		
Payroll	9,026,917.11	8,042,929.65
Payment of Operating & Maint. Expenses	9,901,173.79	12,705,638.65
Remittance of Mandatory Contributions	4,412,678.01	3,420,619.37
Replenishment of Petty Cash	10,000.00	10,000.00
Advances to Officers & Employees	892,801.32	3,267,202.15
Purchase of Supplies & Materials	1,060,280.29	987,908.55
Prepayments	154,780.71	194,675.46
Other Payments	21,058,540.37	8,690,963.43
<i>Total Cash Outflows</i>	<u>46,517,171.60</u>	<u>37,319,937.26</u>
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>25,000,915.15</u>	<u>16,364,131.65</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Cash Inflows</i>	0.00	0.00
<i>Cash Outflows</i>	0.00	0.00
TOTAL CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>0.00</u>	<u>0.00</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Cash Inflows</i>	0.00	0.00
<i>Cash Outflows</i>		
Loan Amortization	14,227,172.00	14,377,635.86
TOTAL CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(14,227,172.00)</u>	<u>(14,377,635.86)</u>
TOTAL CASH PROVIDED (USED) BY OPERATING, FINANCING AND INVESTING ACTIVITIES	<u>10,773,743.15</u>	<u>1,986,495.79</u>
Add: CASH & CASH EQUIVALENTS, Beginning	<u>17,528,607.86</u>	<u>15,542,112.07</u>
CASH & CASH EQUIVALENTS, Ending	P <u>28,302,351.01</u>	P <u>17,528,607.86</u>

IRIGA CITY WATER DISTRICT

Iriga City

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2009

		<u>Government Equity</u>		<u>Retained Earnings</u>		<u>Total</u>
Balances, January 1, 2009	P	470,390.42	P	18,819,184.47	P	19,289,574.89
Add / Deduct:						
<i>Net Income (Loss) during the period</i>				1,642,498.50		1,642,498.50
<i>Prior Year's Adjustments / Financial Errors:</i>						
Adjustment of contra asset account & related expense accounts				623,466.64		623,466.64
Reclassification of accounts with income effects				5,132,568.19		5,132,568.19
Prior period income				2,314.15		2,314.15
Adjustment of Depreciation & Accumulated Depreciation				(1,945,717.07)		(1,945,717.07)
Other adjustments / reclassification with expense effect				(2,846,193.87)		(2,846,193.87)
Prior period expenses				(546,292.51)		(546,292.51)
Balances, December 31, 2009	P	<u>470,390.42</u>	P	<u>20,881,828.50</u>	P	<u>21,352,218.92</u>

IRIGA CITY WATER DISTRICT
San Roque, Iriga City

Accounting Policies and Explanatory Notes
As of December 31, 2009

Agency Background

The Iriga City Water District (ICWD) was granted Conditional Certificate of Conformance (CCC) No. 091 by the Local Water Utilities Administration (LWUA) on September 24, 1979 after it has complied with the legal requirements of Presidential Decree No. 198. The issuance of a CCC qualifies ICWD for financial and technical assistance from LWUA, through loans that are essential for its development and expansion of its water facilities.

As a government owned and controlled corporation, it has the following purposes:

- Acquiring, installing, improving, maintaining and operating water supply and distribution systems for domestic industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts;
- Providing, maintaining and operating wastewater collection, treatment and disposal facilities; and
- Conducting such other functions and operations incidental to water source development, utilization and disposal within such districts, as necessary or incidental to said purpose.

The District is classified as "Medium" Water District with active service connection of 8,940 as of December 31, 2009. The policy making function is vested with the Board of Directors composed of five (5) sectoral representatives for Professional, Education, Civic, Business and Women sectors. The incumbent Chairman of the Board is Atty. Remeliza Alfelor, Moraleda. ICWD has a total of 69 personnel, of which 51 are on permanent status and 18 are contractual. ICWD is under the managerial supervision of Engr. Pablo B. Bercilla as of December 31, 2009 as Interim General Manager from LWUA, in lieu of the termination of service of Mr. Ignatius Perfecto D. Chua Cheng.

1. Significant Accounting Policies and Selected Accounting Practices

a. Accounting System and Preparation of Financial Statements

ICWD adopted the New Government Accounting System (NGAS) for Corporation

designed by COA, Professional Development Center – Government Accounting and Financial Management Information System (PDC-GAFMIS). The financial transactions were recorded using the NGAS Chart of Accounts and financial reports were prepared in accordance with NGAS and in conformity with the Philippine Government Accounting Standards (PGAS).

b. Disbursements

The District uses the Imprest Fund System. Disbursements are paid through checks, except petty expenses, which were paid out of the Petty Cash Fund.

c. Recognition of Income and Expenses

The District adopts the concept of the accrual method of accounting, wherein revenues are recorded in period in which the services is given and expenses are recorded where the benefits are received.

d. Valuation of Inventory

Cost of issued items and ending balances of supplies and materials is computed at cost.

e. Asset Method of Accounting

The Asset Method is used in recording disbursement when the expenditures apply to more than one accounting period. The expense is recorded upon utilization and consumption. Purchases / payments are directly recorded as assets.

f. Accounting for Property, Plant and Equipment

The account Property, Plant and Equipment (PPE) is stated at cost, net of Accumulated Depreciation. Depreciation is computed using the straight-line method, cost less 10% residual value over the estimated useful life of the assets. Depreciation starts on the month following the purchase of the PPE. The useful lives of the assets were based on the estimated useful life prescribed by the COA for each group of PPE.

2. Cash and Cash Equivalents

The account consists of the following:

Code	Account Title	2009	2008
102	Cash – Collecting Officers	P 60,373.43	P 206,790.01
111	Cash in Bank – Local Currency, Current Account	2,403,307.10	915,572.82
112	Cash in Bank – Local Currency, Savings Account	9,332,260.00	-
113	Cash in Bank – Local Currency, Time Deposits	16,506,410.48	16,406,245.03
	Total	P28,302,351.01	P17,528,607.86

Cash – Collecting Officers account is the un-deposited collection of water bill as of the last day of year end transaction.

Cash in Bank – Local Currency, *Current Account* are the funds available for the general expenditure to meet the current obligations of the Water District. The Current Account (CA) is maintained at the PNB under CA # 417-8500029.

Cash in Bank – Local Currency, *Savings Account* is the Non-LWUA Initiative Fund (NLIF) grant intended for expansion

Cash in Bank – Local Currency, *Time Deposits* are funds and reserves specifically for Customers' Deposits, Operating Reserve and Benefit and Tax Reserve deposited at the following banks accounts:

Bank / Account #	Particulars	Amount
LBP # 2771-1323-78	Meter & Guaranty Deposit	P 2,869,969.37
LBP # 2771-1323-60	Operating Reserve	273,368.53
PNB # 2191-0524-4060-0012	Pension & Benefit/Tax Reserve	12,363,072.58
DBP	Tax Reserve	1,000,000.00
	Total	P 16,506,410.48

3. Receivables

Code	Account Title	2009	2008
121	Accounts Receivable	P 6,248,330.46	P 5,581,696.15
301	<i>Allowance for Doubtful Accounts</i>	<i>(133,878.53)</i>	<i>(51,303.04)</i>
123	Due from Officers & Employees	22,716.79	2,487.65
149	Other Receivables	183,707.39	28,427.20
	Total	P 6,320,876.11	P 5,561,307.96

Accounts Receivable includes amount due on open accounts arising from water sales and penalties. Allowance for Doubtful Accounts is estimated to be uncollectible based on the age of the account.

Due from Officers and Employees are unliquidated cash advances as of year, but were liquidated January 2010 from the following officers and employees:

Manuel S. Gonzales	Driver	P 19,874.72
Atty. Annalyn C. Tayag	Subs.GM	1,082.57
Gaudencio O. Asanza, Jr.	Director	<u>1,759.50</u>
Total		P 22,716.79

Other Receivables includes collectible from clients, other government and private agencies and individuals broken down as follows:

San Antonio Subdivision	P 19,460.00
Ex-Kagawad Wilfredo Oliva	7,285.00
Ruben Gambal	1,682.20
New Service Connection on account	131,184.19
Lost Water Meters	24,096.00
Total	<u>P 183,707.39</u>

4. Inventories

These are Supplies and Materials used by the District in its operation that are unissued as of balance sheet date which includes chlorine and construction items.

Code	Account Title	2009	2008
155	Office Supplies Inventory	P 105,158.90	P 63,784.26
156	Accountable Forms Inventory	10,545.79	17,388.29
165	Other Supplies Inventory	-	2,085.00
167	Spare Parts Inventory	11,652.00	11,652.00
168	Construction Materials Inventory	1,551,904.02	1,415,958.46
161	Gasoline, Oil & Lubricants Inventory	-	26,488.25
	Chemical & Filtering Materials Inventory	67,200.00	37,485.00
	Total	P 1,746,460.71	P 1,574,841.26

5. Prepayments

Prepaid Insurance is the amount paid for insurance premiums of insurable government property broken down as follows:

Code	Account Title	2009	2008
178	Prepaid Insurance		
	Various Motorcycles	P 7,284.85	P 5,842.00
	Toyota Hi-Lux SHE 663	4,030.11	4,734.82
	Toyota Hi-Lux SCN 397	2,292.91	2,405.59
	Toyota Hi-Ace SEJ 290	9,022.50	9,639.52
	Isuzu Passenger Van SEJ 299	10,446.41	10,611.43
	Admin. Bldg., Equipts and PS	34,927.48	38,191.15
	Total Prepaid Insurance	P 68,004.26	P 71,424.51
185	Other Prepaid Expenses—Registration & Bond	5,530.30	5,653.02
	Total	P 73,534.56	P 77,077.53

Other Prepaid Expenses includes registration of various service vehicles and fidelity bond.

6. Other Current Assets

These are guaranty deposits made by the Water District for the following:

Code	Account Title	2009	2008
	ITELCO Telephone Deposit	P 9,300.00	P 6,800.00
	Chlorine Tank	139,500.00	139,500.00
	Acetylene Tank	9,000.00	9,000.00
	CASURECO III	11,600.00	9,100.00
	Total	P 169,400.00	P 164,400.00

7. Investment

This amount is deposited at the LBP Iriga Branch under Savings Account No. 2771-0794-26.

Code	Account Title	2009	2008
198	Sinking Fund	P 5,620,098.97	P 3,559,096.67

Sinking Fund account pertains to Joint Account LWUA & ICWD fund set aside for specific long-term purposes including a Debt Service Reserve for loan repayment, an Operation and Maintenance Reserve for repairs of damaged facilities due to natural calamities, public disorders, and the like, and a Capital Reserve for expansion of the Water District's facilities.

8. Property, Plant and Equipment

For the calendar year 2009, the District's PPE and Accumulated Depreciation accounts totaled P130,536,357.19 and P38,940,675.59, respectively. Below is the detail of each account:

Code	Account Title	2009	2008
201	Land	P2,820,080.18	P2,820,080.18
202	Land Improvement	51,324.50	
302	<i>Accum. Depn – Land Improvement</i>	<i>(9,238.37)</i>	
208	Irrig., Waterworks Systems & Structures	87,662,747.12	86,484,331.75
308	<i>Accum. Depn – IWSS</i>	<i>(22,019,987.25)</i>	<i>(17,948,716.60)</i>
211	Office Building	3,789,135.79	3,752,070.79
311	<i>Accum. Depn – Office Building</i>	<i>(1,274,515.86)</i>	<i>(910,933.32)</i>
215	Other Structures	6,588,937.99	6,667,646.99
315	<i>Accum. Depn – Other Structures</i>	<i>(1,541,142.31)</i>	<i>(1,305,761.74)</i>
221	Office Equipment	520,918.21	857,610.36
321	<i>Accum. Depn – Office Equipment</i>	<i>(359,391.91)</i>	<i>(671,205.75)</i>
222	Furniture and Fixtures	1,325,056.45	871,308.15
322	<i>Accum. Depn – Furniture & Fixtures</i>	<i>(712,239.44)</i>	<i>(474,555.54)</i>
223	IT Equipment & Software	1,717,725.81	1,593,456.31
323	<i>Accum. Depn – IT Equipment & Software</i>	<i>(1,142,850.53)</i>	<i>(1,076,248.43)</i>

226	Machineries	18,436,169.18	20,807,600.78
326	<i>Accum. Depn – Machineries</i>	<i>(8,354,540.95)</i>	<i>(4,737,765.04)</i>
229	Communication Equipment	207,773.30	206,273.30
329	<i>Accum. Depn – Communication Equipment</i>	<i>(178,555.27)</i>	<i>(130,897.51)</i>
231	Firefighting Equipment & Access.	44,099.65	44,099.65
331	<i>Accum. Depn – Firefighting Equipment</i>	<i>(40,661.60)</i>	<i>(2,497.50)</i>
241	Motor Vehicles	4,709,278.38	4,682,605.38
341	<i>Accum. Depn – Motor Vehicles</i>	<i>(2,971,308.82)</i>	<i>(2,718,729.84)</i>
248	Other Transportation Equipment	17,600.00	17,600.00
348	<i>Accum. Depn – Other Trans. Equipment</i>	<i>(12,672.00)</i>	<i>(6,072.00)</i>
250	Other Property, Plant & Equipment	590,482.57	562,490.57
350	<i>Accum. Depn – Other Prop., Plant & Equipt</i>	<i>(323,571.28)</i>	<i>(376,427.93)</i>
264	Construction in Progress-Agency Assets	128,962.63	44,517.36
	Total	P 89,669,616.17	P 99,051,880.37

Property, Plant and Equipment (PPE) includes properties of relatively permanent in character that are used in normal utility operations. It is carried at cost and had at least a life expectancy of more than one year such as land, buildings, office equipments, furniture and fixtures, communication and transportation equipments, pumping plant, source of supply, water treatment and transmission and distribution plant.

Accumulated Depreciation includes depreciation of fixed assets, from the very start of operation of the Water District up to the present. The Depreciation Expense is computed using the straight-line method over the estimated useful life of the assets with provision of 10% salvage value.

Construction in Progress – Agency Assets includes the expansion projects at Salvacion Irrigation Service Road, San Vicente Sur Irrigation and San Nicolas Lateral Expansion costing P52,091.44, P52,031.38 and P24,839.31, respectively, or a total of P128,962.63.

9. Other Assets

This account includes reclassification of existing items not in use and items awaiting disposal.

Code	Account Title	2009	2008
290	Other Assets	P 1,926,065.43	P 4,251.74

10. Payable Accounts

These are obligations of the Water District that will mature within one year from balance sheet date.

Code	Account Title	2009	2008
401	Accounts Payable	P 720,688.05	P 1,179,136.12
403	Due to Officers & Employees	13,953,677.59	16,659,470.51
	Total	P 14,674,365.64	P 17,838,606.63

Accounts Payable includes unpaid amount for electric bill, gasoline and delivered supplies and materials from the following:

Creditors / Supplier	Particulars	Amount
Shellhouse, Iriga	<i>Gasoline</i>	P 28,232.20
CASURECO III	<i>Electric Bill</i>	578,373.35
Benito Ngo Marketing & Construction	<i>Materials & Supplies</i>	106,857.50
Iriga Joe Hardware	<i>Materials & Supplies</i>	7,225.00
Total		P720,688.05

Due to Officers and Employees account consists of service / loyalty incentives, monetization of leave credits and other due to officers and employees, to wit:

Payees	Particulars	Amount
ICWD Employees	<i>Service Incentive</i>	P 12,359,847.00
ICWD Employees	<i>Loyalty Incentive</i>	129,500.00
ICWD Employees	<i>Leave Credits</i>	1,418,759.65
Atty. Nyorlito Galvan	<i>Travel</i>	2,990.89
Dir. Gaudencio Asanza, Jr.	<i>Travel</i>	1,522.25
Contractual Personnel	<i>Wages, December 2009</i>	1,200.00
Various ICWD Employees	<i>Overtime, December 2009</i>	33,857.80
Romeo Barbosa	<i>Honoraria as Caretaker</i>	6,000.00
Total		P 13,953,677.59

11. Inter-agency Payables

The account is composed of the following:

Code	Account Title	2009	2008
412	Due to BIR	P 125,482.13	P 32,948.11
413	Due to GSIS	244,144.59	252,104.61
414	Due to Pag-ibig	87,718.30	61,916.71
415	Due to Philhealth	20,412.50	15,400.00
417	Due to Other GOCCs	3,726.00	1,776.00
	Total	P 481,483.52	P 364,144.89

Due to Other GOCCs is the balance of cost of materials loaned from Nabua Water District used for mainline repair.

12. Other Liability Accounts

This consists of the following accounts:

Code	Account Title	2009	2008
426	Guaranty Deposits Payable	P 2,761,708.30	P 2,763,208.30
427	Performance/Bidders/Bail Bond Payable	37,791.00	-
439	Other Payables	216,912.83	1,167,810.68
	Total	P 3,016,412.13	P 3,931,018.98

Guaranty Deposits Payable is meter and guaranty deposits for water bills.

13. Long-Term Liabilities

This account is the balance amount of loans payable to LWUA and others.

Code	Particulars	2009	2008
	LA # 4-2013 – Current Portion	P 1,279,837.00	P 1,099,967.00
	LA # 4-2013 – Long Term Portion	83,691,825.75	84,971,662.75
	Non-LWUA Initiative Fund	9,332,260.00	-
444	Total Loans Payable – Domestic	P 94,303,922.75	P 86,071,629.75

14. Government Equity

This account pertains to subsidies and donations given to the Water District since the time it assumed control over the utility, broken down as follows:

Code	Particulars	2009	2008
	Subsidy from City Government	P 430,106.30	P 430,106.30
	Donated Pipes & Fittings – LWUA	16,956.44	16,956.44
	Flow Meter & Centrifugal Pump	23,327.68	23,327.68
501	Total Government Equity	P 470,390.42	P 470,390.42

15. Retained Earnings

This pertains to the cumulative earnings / losses of the Water District from the time it started operations.

Code	Particulars	2009	2008
510	Retained Earnings, Beginning	P 18,819,184.47	P 22,206,463.97
	Net Income (Loss) for the period	1,642,498.50	(2,093,175.91)
	Financial Errors / PY Adjustments	420,145.53	(1,294,103.59)
	Total	P 20,881,828.50	P 18,819,184.47

PART II

COMMENTS AND OBSERVATIONS

1. *Cash Advances granted to officers and employees for official travels already undertaken with a balance of P22,716.79 were liquidated beyond the prescribed period, contrary to COA Circular Nos. 97-002 and 96-004, Section 89 of PD 1445 and Section 16 of EO 248 as amended, resulting in the overstatement of Due from Officers and Employees account and understatement of related expense account.*

Section 4.1 of COA Circular No. 97-002 dated February 10, 1997 and Section 89 of PD 1445 provide that: *"No cash advance shall be given unless for a legally authorized specific purposes; it shall be reported on and liquidated as soon as the purpose for which it was given has been served; and no additional cash advances shall be allowed to any official or employee unless the previous cash advance is first settled or a proper accounting thereof is made."* (Underscoring supplied for emphasis)

Section 16 of EO No. 248 and COA Circular No. 96-004 state that: *"X x x within thirty (30) days after his return to his permanent official station in the case of official local travel, every official or employee shall render an account of the cash advance received by him in accordance with existing applicable laws and regulations and / or such rules and regulations as may be promulgated by COA for the purpose. Payment of the salary of any official or employee who fails to comply with the provisions of this Section shall be suspended until he complies therewith."* (Underscoring supplied for emphasis)

Moreover, Section 3.3.2 of COA Circular No. 96-004 provides that *the Accountant shall monitor the liquidation of each cash advance and send written reminder within ten (10) days before the lapse of thirty (30) days period.* (Italics for emphasis)

Analysis of the account Due from Officers and Employees as of December 31, 2009 showed that the officers and employees of the district still had an outstanding balance amounting to P22,716.79, which were drawn to cover traveling expenses for the year 2008 and 2009. They are the following:

Names / Position	Date Granted	Amount Granted	Date Liquidated/ # days delayed	Amount of Liquidation	Balance Per CA	Total Balance
Gaudencio Asanza, Jr. Board of Director	10/15/09	10,000.00	12/29/09 - 45	8,323.85	1,676.15	1,759.50
	11/10/09	1,760.00	11/15/09	1,676.65	83.35	
			Balance - 21			
Annalyn C. Tayag Substitute GM	05/18/09	4,520.00	06/30/09- 13	2,524.00	1,082.57	1,082.57
			08/31/09- 75	913.43		
			Balance - 197			

Manuel Gonzales Driver	07/01/08	1,760.00	07/31/09- 365	1,760.00	-	
	07/22/08	11,780.00	09/30/08- 40	11,052.35		
			Balance - 427		727.65	
	01/09/09	1,760.00	12/29/09- 324	1,760.00	-	
	02/16/09	1,920.00	12/29/09- 286	1,920.00	-	
	04/24/09	1,760.00	12/29/09- 218	1,760.00	-	
	05/07/09	1,760.00	12/29/09- 206	1,760.00	-	
	05/18/09	1,520.00	12/29/09- 195	1,520.00	-	
	07/01/09	1,760.00	07/31/09	1,760.00	-	
	07/17/09	5,760.00	- 137	-	5,760.00	
	08/20/09	1,760.00	08/31/09	1,760.00	-	
	09/28/09	17,191.85	12/29/09- 62	5,564.78		
			Balance - 64	-	11,627.07	
	11/10/09	1,760.00	- 21	-	1,760.00	19,874.72
Total		55,719.50		33,002.71	22,716.79	22,716.79

From the table above, it is very glaring that even if there are existing unliquidated cash advances, still they are granted additional cash advances and liquidation were very much delayed.

We recommended Management to observe the guidelines on cash advances set forth in COA Circular No. 97-002, 96-004, Section 89 of PD 1445 and Section 14 of EO 298 in the granting and liquidation thereof as soon as the purpose for which it was given has been served. Send Letter Reminder when warranted by circumstances.

Management commented that the completeness and appropriateness of the submitted documents by the concerned claimants were delayed that resulted to the balance of the account at year end.

2. *Accounts Receivable had a discrepancy of P46,693.23 between its General Ledger and Subsidiary Ledger, contrary to Section 64 of GAAM, Volume I. Likewise, there was an increase from the last year's balance of P666,634.31.*

Section 64 of Government Accounting and Auditing Manual (GAAM), Volume I states that: *"Each accounting unit with accounts receivables shall keep one or more subsidiary ledgers showing, for customers or other types of debtors, the amounts due and received from them and the balances of their accounts. These subsidiary records shall support the general ledger control account."*

Below is a comparison of balance of the General Ledger and Aging of Accounts Receivable per Subsidiary Ledger:

General Ledger balance	6,248,330.46
Subsidiary Ledger / Aging total	<u>6,295,023.69</u>
Difference	<u>P 46,693.23</u>

The noted difference between the General Ledger and Subsidiary Ledger is a clear indication of an absence of check and review processes and reconciliation between and among related accounting records.

Likewise, pertinent provisions of PD 1445, which was reproduced in the New Government Accounting System (NGAS) Manual for Corporate provides that:

- 1) The Head of the government agency is immediately and primarily responsible for all funds and property pertaining to the agency.
- 2) He is responsible for the collection and accounting for all revenues and receipts falling under his jurisdiction. It is his duty to take reasonable steps to minimize, if not eliminate completely, the risks of losses, defalcation and other types of irregularities.
- 3) He should make sure that adequate methods and procedures for protection from losses of funds are being implemented, and that accountable officers are supervised; and
- 4) He should see to it that rules and regulations governing collections and deposits are followed.

It was noted that there was an increase in the Accounts Receivable of P666,634.31 from CY 2008 to CY 2009. The district adopted the policy of disconnecting service connection of concessionaires with unpaid water bills equivalent to two months. However, this policy was not properly observed as revealed in the Aging of Active Accounts Receivable (*Annex A*). Our verification of Aging of Active Accounts Receivable as of December 31, 2009 disclosed inclusion of concessionaires with overdue accounts aged 60 days to over 120 days with balances ranging from P500.00 to more than P400,000.00. Non-observance of the above-mentioned policy contributed to the accumulation of unpaid water bills by concessionaires. We have observed too that Management was lenient in allowing reinstallation of service connection of some delinquent concessionaires without requiring them to pay the arrearages.

Management justified that they sent demand letters reminding consumers of their unsettled bills. Some responded and executed promissory notes to pay in installment, which, however, made their accounts overdue from 60 to over 120 days and requested consideration to the head of the agency not to disconnect their water services since they are already paying their bills. They also reasoned out that the division handling disconnecting water services with delinquent accounts lack technical manpower.

For inactive accounts, the uncollected amount ranges from P50.00 to P60,000.00 per concessionaire. Management explained that Demand Letters were sent to these concessionaires on a three-month cycle. According to them, upon notification, some delinquent concessionaire paid in full; others made partial payment while others did not pay. We have noted that no follow-up was made by Management to those who have received the Demand Letters but made no payment.

We have recommended the following courses of action:

1. To require the Accounting Unit and the Commercial Division to investigate and reconcile the differences note between the General Ledger and the Subsidiary Ledger of Accounts Receivable to lend credence to the reported balance of the account in the books of the agency. A periodic reconciliation between the General Ledger and the Subsidiary Ledger balances should be made to allow fair presentation of the account in the financial statements;
2. To require the Commercial and Technical Division to strictly implement the policy of disconnecting the water service connection of concessionaire with unpaid water bills equivalent to two months. Management should strictly follow the rules and regulations in the collection of receivables and promulgate a policy in collecting in active accounts; and
3. To add the provision in the Consumers Application Contract – *“reinstallation of service connection of delinquent consumer will not be allowed unless the unpaid water bill is paid.”*

Quoted hereunder is the management comment:

The amount recorded in the accounts receivable account is taken from a computer-generated report which data processed are beyond the access of the recording unit. The recording unit, on the other hand, has its own manually generated record of collection. The collection unit utilizes computer-generated report of collection which the reading unit has no access on the processing.

One of the possible reasons of discrepancy is when adjustment is made by a unit while the other one is not timely informed about the adjustment. Based on experience, the difference is usually due to unrecorded adjustments of a unit which the other one has properly accounted.

ICWD adheres to its existing policy on collection, disconnection and reinstallation. Management is faced with some barriers in achieving desired results. The agency is focused on how to effectively meet the policy on collection, disconnection and reinstallation. Memoranda were issued to the concerned divisions for the proper implementation of said policy.

Auditor's Rejoinder:

The fact that the reason for non-reconciliation was identified, regular or at least quarterly reconciliation should be undertaken.

3. *Other Receivables account balance of P28,427.20 was unreliable and could not be ascertained for being long outstanding, non-moving and debtors were non-existing resulting in the inaccurate presentation of the accounts in the financial statements.*

Analysis of the Other Receivable account and verification of the submitted supporting schedules with a total amount of P 28,427.20 as of December 31, 2009 disclosed that the district have a pending request to the Commission on Audit dated August 15, 2005 to write-off the amount of P 7,285.00 of Wilfredo Oliva who passed away and P1,682.00 of Ruben Gambal who transferred to another place and cannot be located, hence collection can no longer be effected. We likewise noted other account amounting to P19,460.00 pertaining to San Antonio Subdivision which still remained uncollected since 1984. Demand letter was sent by the management to the OIC of the subdivision but was returned for reason that he transferred to another place and no one was assigned to take charge of the subdivision. The possibility of collections of this account was remote.

Due to the inclusion of this long outstanding other receivables, the asset and government equity accounts are overstated. Thus, there is a need for management to make aggressive collections efforts to find out who are the concerned debtors in the subdivision of the uncollected accounts. Subsequently, if found to be uncollected, submit appropriate request to the Commission on Audit for the writing off of the said account.

We recommended that management should exert extra collection efforts in recovering the long outstanding account by sending collection letters to the concerned debtors and make follow-ups. After performing adequate collection efforts whereby no positive result was achieved, prepare and submit a request for write-off to the Commission on Audit for proper disposition citing the reasons thereof.

According to management, the long outstanding account had been pegged for write-off waiting for approval from regulatory body. Collection efforts of other accounts had been made.

4. *The Report of Physical Count of Office Supplies Inventory as of December 31, 2009 amounting to P92,304.50 did not reconcile with the recorded balance of Office Supplies Inventory account per general ledger (GL) of P105,158.90 , thereby showing discrepancy of P12,854.40, hence, reliability and correctness of the account balance could not be ascertained.*

The NGAS Manual provides that Report of Physical Count of Office Supplies Inventory shall be reconciled with the supplies ledger card and the general ledger account, maintained by the Accounting Unit in recording all receipts and issuances of all inventories and that any discrepancies shall be immediately verified and adjusted.

Verification of the submitted Report of Physical Count of Inventory for Office Supplies, disclosed that the amount of P92,304.50 did not reconcile with the balance of the supplies ledger card and the general ledger account in the Accounting Office amounting to P105,158.90, or a discrepancy amounting to P12,854.40. The accounting personnel concerned averred that they overlooked the recording of some issuances of office supplies in supplies ledger card and promised to reconcile their records with the Property Office and to make the necessary adjustments, if warranted.

We recommended that the General Manager should require the Accountant and Property Officer to verify the discrepancy and reconcile their records of the office supplies inventory account. Thereafter, prepare the necessary adjustments, if any.

Management admitted the discrepancy was attributed to the erroneous pricing of the items. However, the quantity was correct. It could be noted that in the valuation of inventory, both price and quantity must be correctly recorded.

5. *Items with serviceable life of more than one year but small enough to be considered as PPE amounting to P41,240.25 were improperly as PPE classified contrary to COA Circular No. 2005-002 dated April 14, 2005, while other PPE items were erroneously charged to other accounts, resulting to differences in account balance per audit.*

Section 2.2.1 of COA Circular No. 2005-002 dated April 14, 2005 states among others that: *"Small tangible items with estimated useful life of more than one year shall be recorded as inventories upon acquisition and expense upon issuance."*

Likewise Section 2.3 of the same circular provides, thus: *"For monitoring, control and accountability, an Inventory Custodial Slip (ICS) shall be prepared upon issuance of small tangible items covered by approved Requisition and Issue Slip (RIS)."*

Verification of the lapsing schedule of PPE showed that some small items were improperly included in account 208–Irrigation, Waterworks System and Structures, account 222–Furniture and Fixtures, and account 250–Other Property, Plant and Equipment amounting to P210.00, P29,053.25 and P11,977.00, respectively, or a total of P41,240.25. Further, an under-recording of P90.00 in account 226–Machinery was noted.

While some PPE items which should be classified to Machineries were charged to account Other Structures and Other Property, Plant and Equipment, and Furniture item was erroneously charged to Office Equipment. Hereunder is the summary of the detailed analysis of the lapsing schedule of PPE:

Acct Code	Account Title	Per Books / FS	Per Audit	Difference Over (Under)
201	Land	2,820,080.18	2,820,080.18	0.00
202	Land Improvement	51,324.50	51,324.50	0.00
208	Irrig. Waterworks System & Struc	87,662,747.12	87,662,537.12	210.00
211	Office Building	3,789,135.79	3,789,135.79	0.00
215	Other Structures	6,588,937.99	6,579,130.49	9,807.50
221	Office Equipment	520,918.21	514,718.21	6,200.00
222	Furniture and Fixtures	1,325,056.45	1,302,203.20	22,853.25
223	IT Equipment and Software	1,717,725.81	1,680,917.81	36,808.00
226	Machineries	18,436,169.18	18,458,506.68	(22,337.50)
229	Communication Equipment	207,773.30	207,773.30	0.00
231	Firefighting Equipment	44,099.65	44,099.65	0.00
241	Motor Vehicles	4,709,278.38	4,709,278.38	0.00
245	Other Transportation Equipment	17,600.00	17,600.00	0.00
250	Other Property, Plant & Equipt	590,482.57	565,885.57	24,597.00
	Total	128,481,329.13	128,403,190.88	78,138.25

The difference in amount from the above table was due to improper classification of small items to PPE and erroneous charging of PPE items to its proper accounts.

Further, the difference in IT Equipment and Software account of P36,808.00 was the cost of two units Printer purchased at the DBM-PS, but the items specified were not available at the time of payment. The total amount of the Purchase Order (PO) was recorded in the books, even if the items were not delivered.

We recommended and management agreed to take up adjustment to correct the balances of the accounts and for proper presentation in the financial statements by the following accounting journal entry:

<u>Acct. Code</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
136	Due from NGAs (DBM-PS)	36,808.00	
226	Machineries	22,337.50	
510	Retained Earnings	35,488.25	
765(510)	Other Supplies Expenses (RE)	5,842.00	
208	Irrigation, Waterworks System & Structures		210.00
215	Other Structures		9,807.50
221	Office Equipment		6,200.00
222	Furniture and Fixtures	6,200.00	29,053.25
223	IT Equipmt & Software		36,808.00
250	Other Property, Plant & Equipment		24,597.00

To adjust differences and reclassify other items to its proper account classification.

Management commented that classification and valuation of small items usually creates some problems, sometimes small gives more difficulty in classification especially those with characteristics which is difficult to distinguish thereby creating misclassification.

Auditor's Rejoinder:

For small tangible items with estimated useful life of more than one year but small enough to be considered as PPE, reference to COA Circular No. 2005-002 dated April 14, 2005 which provides for the List of Tangible Assets that may be considered as Inventories.

6. *Depreciation Expense and Accumulated Depreciation accounts both had net overstatement amounting to P431,755.63 and P977,970.71, respectively due to differences in the computation and improper classification of some PPE items.*

The SFAS / IAS 16 define depreciation as "the systematic allocation of the depreciable amount of an asset over its useful life."

In the computation of depreciation for PPE, the provisions in COA Circular No. 2003-007 dated December 11, 2003 shall be followed that Depreciation Expense shall be computed the following month after its acquisition.

The difference in amount from the above table was due to improper classification of small items to PPE and erroneous charging of PPE items to its proper accounts.

Further, the difference in IT Equipment and Software account of P36,808.00 was the cost of two units Printer purchased at the DBM-PS, but the items specified were not available at the time of payment. The total amount of the Purchase Order (PO) was recorded in the books, even if the items were not delivered.

We recommended and management agreed to take up adjustment to correct the balances of the accounts and for proper presentation in the financial statements by the following accounting journal entry:

<u>Acct. Code</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
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221	Office Equipment		6,200.00
222	Furniture and Fixtures	6,200.00	29,053.25
223	IT Equipt & Software		36,808.00
250	Other Property, Plant & Equipment		24,597.00
	<i>To adjust differences and reclassify other items to its proper account classification.</i>		

Management commented that classification and valuation of small items usually creates some problems, sometimes small gives more difficulty in classification especially those with characteristics which is difficult to distinguish thereby creating misclassification.

Auditor's Rejoinder:

For small tangible items with estimated useful life of more than one year but small enough to be considered as PPE, reference should be made to Annex A of COA Circular No. 2005-002 dated April 14, 2005 which provides for the List of Tangible Assets that may be considered as Inventories.

6. *Depreciation Expense and Accumulated Depreciation accounts both had net overstatement amounting to P431,755.63 and P977,970.71, respectively due to differences in the computation and improper classification of some PPE items.*

The SFAS / IAS 16 define depreciation as "the systematic allocation of the depreciable amount of an asset over its useful life."

In the computation of depreciation for PPE, the provisions in COA Circular No. 2003-007 dated December 11, 2003 shall be followed that Depreciation Expense shall be computed the following month after its acquisition.

Table of the Depreciation Expenses and Accumulated Depreciation for 2009 with comparative figures per audit is shown below:

a) Depreciation Expense

Acct Code	Account Title	Per Books / FS	Per Audit	Difference Over (Under)
902	Land Improvement	0.00	4,619.16	(4,619.16)
908	Irrig. Waterworks System & Struc	3,626,887.76	3,466,516.65	160,371.11
911	Office Building	172,455.96	161,043.24	11,412.72
915	Other Structures	288,157.96	279,784.20	8,373.76
921	Office Equipment	84,042.68	55,605.70	28,436.98
922	Furniture and Fixtures	87,337.15	107,797.76	(20,460.61)
923	IT Equipment and Software	134,145.30	145,741.16	(11,595.86)
926	Machineries	1,872,090.36	1,653,595.19	218,495.17
929	Communication Equipment	34,638.72	25,027.80	9,610.92
941	Motor Vehicles	423,327.74	394,047.45	29,280.29
950	Other Property, Plant & Equipt	53,519.04	51,068.73	2,450.31
	Total	6,776,602.67	6,344,847.04	431,755.63

b) Accumulated Depreciation

Acct Code	Account Title	Per Books / FS	Per Audit	Difference Over (Under)
302	Land Improvement	9,238.37	18,476.69	(9,238.32)
308	Irrig. Waterworks System & Struc	22,019,987.25	21,548,936.95	471,050.30
311	Office Building	1,274,515.86	1,252,718.03	21,797.83
315	Other Structures	1,541,142.31	1,538,405.58	2,736.73
321	Office Equipment	359,391.91	299,040.83	60,351.08
322	Furniture and Fixtures	712,239.44	736,722.66	(24,483.22)
323	IT Equipment and Software	1,142,850.53	1,180,257.49	(37,406.96)
326	Machineries	8,354,540.95	7,929,399.51	425,141.44
329	Communication Equipment	178,555.27	159,852.43	18,702.84
331	Firefighting Equipment	40,661.60	37,691.68	2,969.92
341	Motor Vehicles	2,971,308.82	2,935,098.69	36,210.13
350	Other Property, Plant & Equipt	323,571.28	313,432.34	10,138.94
	Total	38,928,003.59	37,950,032.88	977,970.71

It was observed that account Irrigation Waterworks Systems and Machineries were overly depreciated due to some error in the computation of depreciation and erroneous start of computing depreciation. The other differences were due to improper classification of PPE items. The practice was contrary to the provisions of COA Circular No. 2003-007 that resulted in the differences of the account balance.

We recommended and Management agreed to compute depreciation expense on the following month after its acquisition. Likewise, to prepare adjustment to correct the balances of the accounts and for proper presentation in the financial statements by the following accounting journal entry:

<u>Acct Code</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
308	Accum.Depn. - IWSS	471,050.30	
311	Accum.Depn. - Office Building	21,797.83	
315	Accum.Depn. - Other Structures	2,736.73	
321	Accum.Depn. - Office Equipment	60,351.08	
326	Accum.Depn. - Machinery	425,141.44	
329	Accum.Depn. - Communication Equipment	18,702.84	
331	Accum.Depn. - Firefighting Equipment	2,969.92	
341	Accum.Depn. - Motor Vehicles	36,210.13	
350	Accum.Depn. - Other PPE	10,138.94	
902	Depreciation - Land Improvement	4,619.16	
922	Depreciation - Furniture & Fixtures	20,460.61	
923	Depreciation - IT Equipment & Software	11,595.86	
510	Retained Earnings		546,215.08
302	Accum.Depn. - Land Improvement		9,238.32
322	Accum.Depn. - Furniture & Fixtures		24,483.22
323	Accum.Depn. - IT Equipment & Software		37,406.96
908	Depreciation - IWSS		160,371.11
911	Depreciation - Office Building		11,412.72
915	Depreciation - Other Structures		8,373.76
921	Depreciation - Office Equipment		28,436.98
926	Depreciation - Machineries		218,495.17
929	Depreciation - Communication Equipment		9,610.92
941	Depreciation - Motor Vehicles		29,280.29
950	Depreciation - Other PPE		2,450.31
	<i>To adjust differences and close corresponding depreciation and accumulated depreciation of reclassified items for 2009.</i>	<u>1,085,774.84</u>	<u>1,085,774.84</u>

Management commented that with numerous items included in several major asset classification, the risk of improper classification becomes inevitable. Moreover, the occurrence of erroneous computation due to numerous figures involved is a high risk of committing unintentional errors in the preparation of detailed schedules of depreciation and accumulated depreciation.

7. *Some interest on bank deposits were recorded net of withholding taxes, and interest for the last quarter of 2009 were not taken up in the books, contrary to International Accounting Standards (IAS) 8 provided in the NGAS Manual, thus understating the Interest Income; Tax Expenses and Cash in Bank account by P125,206.25, P122,989.55 and P2,217.30, respectively.*

One of the basic policies under the IAS pronouncement pertaining to income and collections provided in the NGAS Manual states that, "All items of income and expense for a period are included in the determination of the net profit or loss for the period, unless an IAS says otherwise." (IAS 8)

From January to July 2009, the Water District recorded the interest on bank deposit net of the withholding taxes and the interest for the last quarter of 2009 was not taken up in the books, thus understating the Interest Income and Taxes, Duties and Licenses account. Cash in Bank account was likewise understated for failure to record the interest income earned for the last quarter amounting to P2,217.30.

Analysis of the recorded Interest Income and the corresponding taxes withheld revealed that the interest on bank deposits for the period from January 2009 to July 2009 were recorded net of the withholding taxes. Interest earned and withholding tax for the last quarter of 2009 was not taken up in the books.

It was further noted that the total gross interest on time deposits and the taxes withheld amounted to P996,933.14 and P199,363.21, respectively, while the amounts recorded in the books were only P874,497.91 and P76,927.98, respectively, thus, an understatement on both accounts by P122,435.23.

This understatement was further increased by the unrecorded interest and withholding tax for the last quarter of 2009 amounting to P2,771.62 and P554.32, respectively. Hence, the total understatement of the Interest Income, Withholding Tax Expense and Cash in Bank accounts were P125,206.85, P122,989.55 and P2,217.30, respectively. Details are shown below:

Bank Account	Interest Posted	Taxes Withheld	Recorded Net Interest
PNB # 2771-1323-60	218,028.37	43,564.67	174,463.70
# 2771-1323-78	121,853.49	24,370.69	97,482.80
# 2771-0794-26	146,755.12	29,368.62	117,386.50
# 14170113963	510,296.16	102,059.23	408,236.93
Total	996,933.14	199,363.21	797,569.93
Recorded Amount	874,497.91	76,927.98	
Understatement in recording Income & Expenses	122,435.23	122,435.23	
PNB # 85009 last qtr 2009 unrecorded	2,771.62	554.32	2,217.30
Total for Adjustment	125,206.85	122,989.55	2,217.30

The above table showed material understatement on the income and expense account that should be correctly presented in the financial statements.

We required and management agreed to comply the recording of interest posted by bank at gross and recognize taxes withheld thereon in compliance with NGAS provision. Further, for proper financial statement presentation, prepare adjustment by the following adjusting journal entry:

Code	Account Title	Debit	Credit
111	Cash in Bank-LCCA	2,217.30	
510-891	Retained Earnings (Taxes, Duties & Lic.)	122,989.55	
510-664	Retained Earnings (Interest Income)		125,206.85

To adjust deficiency in recording interest earned and taxes withheld thereon and take up unrecorded interest for the last quarter of 2009.

8. *Payment of Salary and other Allowances to Substitute General Manager were in violation of Sections 2 and 5, Rule XVII of Executive Order (EO) No. 292, Budget Circular (BC) No. 12 dated April 7, 1997, Section 12 of Republic Act (RA) No. 6758 and Corporate Compensation Circular (CCC) No. 10, Sub-paragraphs 5.4 and 5.5, resulting to overpayment of salary, Personnel Economic Relief Allowance (PERA) and Rice Subsidy amounting to P168,110.26, P15,835.70 and P9,590.95, respectively, or a total of P193,536.91.*

Section 2, Rule XVII of EO 292 states that: "Each head of department or agency shall require a daily record of attendance of all the officers and employees under him including those serving in the field or on the water, to be kept on the proper form and, whenever possible, registered on the bundy clock."

Section 5 of the same Order provides that: "Officers and employees of all departments and agencies except those covered by special laws shall render not less than eight hours of work a day for five days a week or a total of forty hours a week, exclusive of time for lunch. As a general rule, such hours shall be from 8:00 o'clock a.m. – 12:00 noon and from 1:00 p.m. – 5:00 p.m. on all days except Saturdays, Sundays and Holidays."

Further, BC No. 12 dated April 7, 1997, Updated Rules and Regulation on the Grant of PERA, item 4.3 of the circular states that: "The PERA of government personnel who incurred absences without pay x x x shall be computed on the basis of actual services rendered with pay during the same month.

Furthermore, Section 12 of RA No. 6758, as well as DBM-CCC No. 10, Sub-paragraphs 5.4 and 5.5 states the following:

5.4 "The rates of the following allowances / fringe benefits which are not integrated into the basic salary and which are allowed to be continued after June 30, 1989 shall be subject to the condition that the grant of such benefits is covered by statutory authority:

5.4.1 Representation and Transportation Allowance (RATA) of incumbent of the position authorized to receive the same at the highest amount legally authorized as of June 30, 1989 for the level of his position within the particular GOCC / GFI;

5.4.2 Uniform and Clothing Allowance at a rate as previously authorized;

5.4.3 Hazard Pay as authorized by law;

5.4.4 Honoraria / additional compensation for employees on detail with special projects or inter-agency undertakings;

5.4.5 Honoraria for services rendered by researchers, experts and specialists who are acknowledged authorities in their fields of specialization;

5.4.6 Honorarium for lecturers and resource persons / speakers;

5.4.7 Overtime Pay in accordance with Memorandum Order No. 288;

- 5.4.8 *Clothing Laundry Allowances and Subsistence Allowance of marine officers & crew on board GOCCs / GFIs owned vessels & used in their operations, & of hospital patients and who by nature of their duties are required to wear uniforms;*
 - 5.4.9 *Quarters Allowance of officials and employees who are presently entitled to the same;*
 - 5.4.10 *Overseas, Living Quarters and other Allowances presently authorized for personnel stationed abroad;*
 - 5.4.11 *Night differential of personnel on night duty;*
 - 5.4.12 *Per Diems of members of the Governing Boards of GOCCs / GFIs at the rated prescribed in their respective charters;*
 - 5.4.13 *Flying Pay for personnel undertaking Aerial Flights;*
 - 5.4.14 *Per Diems / Allowances of Chairman and Members / Staff of collegial bodies and Committees; and*
 - 5.4.15 *Per Diems / Allowances of officials and employees on official foreign & local travel outside of their official station."*
- 5.5 *"Other allowances / fringe benefits not likewise integrated into the basic salary and allowed to be continued only for incumbents as of June 30, 1989 subject to the condition that the grant of same is with appropriate authorization either from the DBM, Office of the President or legislative issuances are as follows:*
- 5.5.1 *Rice Subsidy*
 - 5.5.2 *Sugar Subsidy*
 - 5.5.3 *Death Benefits other than those granted by the GSIS;*
 - 5.5.4 *Medical /dental / optical allowances / benefits;*
 - 5.5.5 *Children's Allowance;*
 - 5.5.6 *Special Duty Pay / Allowance;*
 - 5.5.7 *Meal Subsidy;*
 - 5.5.8 *Longevity Pay; and*
 - 5.5.9 *Teller's Allowance."*
- 5.6 *"Payment of other allowances / fringe benefits and all other forms of compensation granted on top of basic salary, whether in cash or in kind, not mentioned in Sub-paragraphs 5.4 and 5.5 above shall be discontinued effective November 1, 1989. Payment made for such allowances / fringe benefits after said date shall be considered as illegal disbursement of public funds."*

The Substitute GM was paid in full amount of the salaries, allowances and other benefits from August 1, 2008 to May 20, 2009. While the attested Appointment as Substitute General Manager was dated August 4, 2008, but the Substitute General Manager officially reported to office on August 11, 2008. The officer / employee did not prepare and submit records of attendance or Daily Time Record (DTR) as proof of service rendered for the whole duration of her employment. Thus, payment of salary and other benefits in 2008 was suspended in audit under NS No.: ICWD 2009-001(2008) dated September 11, 2009 (*Annex B*), for non-submission of supporting documents, specifically, the first salary documentary requirements. The first and subsequent payment of salary was overstated due to the absence of record / DTR as basis for the

computation. The supporting documents required were submitted on June 2011, together with the DTRs from August 2008 to May 2009 (*Annex C*).

Verification of the submitted DTRs showed that the same were not in compliance with Section 5 of EO 292. The number of days present, absent, undertimes and tardiness were determined to compute the correct amount of salary and PERA to be paid. Detailed computation is presented in *Annex D.1 and D.2*. Shown below is the summary of the computation and corresponding equivalent amount of overpayment:

a) Salary

Period Covered/ Month	Amount of Salary Paid	Overpayment				Total Overpayment
		Salary 8/1-10, 2008	Absences	Tardiness	Undertimes	
8/11-31/2008	22,905.00	7,388.71**	5,541.53	971.62	1,847.18	15,749.04
9/1-30/2008	22,905.00		15,096.48	675.70	1,998.08	17,770.26
10/1-31/2008	22,905.00		11,950.43	1,970.56	2,972.40	16,893.39
11/1-30/2008	24,050.50		7,615.99	2,707.28	3,694.15	14,017.42
12/1-31/2008	24,050.50		13,743.14	947.28	1,790.60	16,481.02
1/1-31/2009	25,196.00		14,397.71	1,940.09	2,871.53	19,209.33
2/1-28/2009	25,196.00		16,377.40	1,177.01	1,790.71	19,345.12
3/1-31/2009	25,196.00		20,042.27	646.97	1,211.03	21,900.27
4/1-30/2009	25,196.00		14,315.91	2,073.63	3,002.52	19,392.06
5/1-20/2009	16,797.33		6,095.81	348.68	907.86	7,352.35
Total	234,397.33	7,388.71	125,176.67	13,458.82	22,086.06	168,110.26

** Substitute General Manager is not yet in service.

The employment of the Substitute General Manager for the period August 11, 2008 to May 20, 2009 had a total of 185 working days, of which only 67 days or 36% present and 118 days or 64% absent. Further, of the 67 days present, said officer incurred a total of 222 hours and 32 minutes undertime and tardiness. Furthermore, the first salary paid in August 2008 was equivalent to one month, despite Substitute GM's actual assumption into office on August 11, 2008. The overpayment of salary, absences, tardiness and undertimes from August 11, 2008 to May 20, 2009 amounted to P7,388.71, P125,176.67, P13,458.82 and P22,086.06, respectively, or a total of P168,110.26.

b) PERA

Period Covered/Month	Actual Service Rendered in Hours / Minutes	Amount of PERA Paid	Amount of PERA that should be Paid	Total Overpayment
August 11-31, 2008	20:04	P 2,000.00	P 228.00	P 1,772.00
September 1-30, 2008	23:04	2,000.00	262.09	1,737.91
October 1-31, 2008	48:18	2,000.00	548.81	1,451.19
November 1-30, 2008	47:08	2,000.00	535.64	1,464.36
December 1-31, 2008	21:32	2,000.00	244.73	1,755.27
January 1-31, 2009	35:44	2,000.00	406.09	1,593.91
February 1-28, 2009	32:05	2,000.00	364.55	1,635.45
March 1-31, 2009	24:05	2,000.00	273.64	1,726.36
April 1-30, 2009	23:24	2,000.00	265.91	1,734.09
May 1-20, 2009	19:04	1,181.80	216.64	965.16
Total	297:28	P 19,181.80	3,346.10	P 15,835.70

Of the 67 days attendance of the Substitute General Manager, which is equivalent to 536 hour work, the actual service rendered was only 297 hours and 28 minutes with a value of only P3,346.10 which should be paid, while the amount actually paid totaled P19,181.80, or a total difference or overpayment of P15,835.70 (*Annex E*). The payment was contrary to Budget Circular No. 12.

c) Rice Allowance

Period Covered/ Month	Rice Allowance Granted
August 1-31, 2008	P 1,000.00
September 1-30, 2008	1,000.00
October 1-31, 2008	1,000.00
November 1-30, 2008	1,000.00
December 1-31, 2008	1,000.00
January 1-31, 2009	1,000.00
February 1-28, 2009	1,000.00
March 1-31, 2009	1,000.00
April 1-30, 2009	1,000.00
May 1-20, 2009	590.95
Total	P 9,590.95

The Substitute General Manager hired in August 4, 2008 was likewise granted Rice Allowance of P1,000.00 per month or a total of P9,590.95 for ten (10) months, in violation of Section 12 RA 6758 and DBM-CCC No. 10, in relation to Sub-paragraphs 5.4 and 5.5. This benefit could only be continued to incumbents as of June 30, 1989, otherwise, it is considered illegal disbursement of public funds.

We recommended immediate refund of the excess payment in salary, PERA and illegal payment of rice allowance to the Substitute General Manager. Subject over / illegal payment shall be issued a Notice of Disallowance. Management should stop paying allowances to newly hired employees without legal basis.

9. ***Reimbursement of expenses of the Substitute General Manager for CY 2009 amounting to P38,214.78 were in violation of COA Circular No. 96-004 dated April 19, 1996, Section 4.6 of PD No. 1445 and other pertinent laws and regulations.***

Section 3.1.1.8 of COA Circular No. 96-004 dated April 19, 1996 states that: *"To ensure that government funds and property are used only for official purposes, no reimbursement of the cost of gasoline and oil shall be allowed where a private vehicle is used. X x x. Under no circumstances should fuel be issued to privately owned motor vehicle."* (Underscoring supplied for emphasis).

Likewise, Section 4.6 of PD 1445 states that: *"Claims against government funds shall be supported with complete documentation."*

The Substitute General Manager is being paid a Representation and Transportation Allowance (RATA) of P8,000.00 per month as additional funds for representation and transportation. Despite being paid the said allowances, reimbursement of expenses were made without legal basis.

Reimbursement of expenses from August 11 to December 31, 2008 amounting P48,084.72 were suspended in audit under NS No.: ICWD 2009-001(2008) dated September 11, 2009 (*See Annex B*), for non-submission of proper supporting documents. While in January 1 to May 20, 2009, reimbursement of expenses by the Substitute General Manager was paid amounting to P38,214.78 (*Annex F*). Shown below is the summary:

Particulars	Amount
Reimbursement of Bus / Air Fares	P 29,224.48
Reimbursement of Gasoline / Diesel / Oil	8,620.30
Reimbursement of Representation Expenses	370.00
Total	P 38,214.78

The above-named official / employee was not issued government service vehicle, thus, reimbursement of gasoline / diesel was contrary to the provisions COA Circular No. 96-004 dated April 19, 1996. There were no approved travel orders and purpose to be entitled for the reimbursement of bus and air fares to Manila back and forth. Absence of Office / Travel Order and Itinerary of Travel (Appendix A), Certificate of Appearance and Travel Completed (Appendix B) in the reimbursement of expenses, could not be considered as official travel.

To consider travel as official, it must be related to the performance by an official or employee of the regular functions of her office outside of the designated official station, or travels as may be authorized and whether or not eligible for traveling expenses. It shall be covered by duly approved Office Order and Itinerary of Travel.

We recommend immediate refund of the amount reimbursed in violation of COA Circular No. 96-004, Section 4.6 of PD 1445, and other pertinent laws and regulations. Subject reimbursement of expenses shall be issued a Notice of Disallowance (ND) for being disallowed in audit.

- 10. *Traveling Expenses of officers and employees were erroneously computed, unnecessary receipts and bills were included and other expenses charged were without receipts, in violation of Sections 4 and 5, Executive Order (EO) No. 298, resulting to overstatement of travel claim by P15,250.30.***

Section 4 of EO No. 298 amending Section 6 of EO No. 248 dealt on the allowable travel expense which states that: *"The travel expenses of government personnel regardless of rank / position and destination shall be in the amount of P800.00 per day which shall be apportioned as follows: a) 50% for hotel / lodging, b) 30% for meals and c) 20 % for incidental expenses.*

"Claims for reimbursement of actual expenses in excess of the travel expenses authorized herein may be allowed upon certification of the head of agency concerned as absolutely necessary in the performance of an assignment and presentation of bills and receipts. Provided, that, certification or affidavit of loss shall not be considered as appropriate replacement for the required hotel / lodging bills and receipts.

Entitlement to travel expenses shall start only upon arrival at the place of destination and shall cease upon departure therefrom at the following percentage:
(Underscoring supplied for emphasis).

Particulars	Percentage	To Cover
Arrival not later than 12:00 noon	100%	50% Hotel / Lodging 30% Meals (Breakfast, Lunch & Dinner) 20% Incidental Expenses
Arrival after 12:00 noon	80%	50% Hotel / Lodging 10% Dinner 20% Incidental Expenses
Departure before 12:00 noon	30%	10% Breakfast 20% Incidental Expenses
Departure at 12:00 noon & later	40%	10% Breakfast 10% Lunch 20% Incidental Expenses

Further, Section 5 of same EO states that: *“Claims for payment of travel expenses travel / assignment to places within the fifty (50) kilometer radius x x x, shall be allowed only upon presentation of proof, duly supported by bills or invoices with official receipts of expenses incurred, that they stayed in the place of their assignment for the whole duration of their official travel. If they commute daily from the place of their assignment to the place of their residence or permanent official station, they shall be allowed only the reimbursement of actual fare at the prevailing rates of the authorized mode of transportation from the permanent official station to the destination or place of work and back, and a reasonable cost for meals. The total actual fare and cost of meals and incidental expenses shall in no case exceed Four Hundred Pesos (P400.00) per day.*
(Underscoring supplied for emphasis).

The Board of Directors of the Water District were allowed to claim actual expenses during their travels, but there was no certification by the head of the agency that the expenses were absolutely necessary in the performance of their assignment. Besides, some of the charges were not supported with bills and receipts, while the other receipts presented were irrelevant / unnecessary in the performance of the assignment.

Traveling expenses claimed by some officers and employees were erroneously computed. The computation was not in conformity with the guidelines set forth in Section 4, paragraph 3 of EO 298 as cited above, did not consider the start of travel allowance upon arrival to destination and ceases upon departure from destination, resulting to overstatement of the claim by P15,250.30 (*Annex G*).

Presented is the summary schedule of the computation of traveling expenses and other unnecessary charges:

Names	Excess Travel for Refund	Remarks
a) Board of Directors		
Atty. Remeliza A. Moraleda 2/11-13/2009	P 4,410.00	P4,000.00 Hotel Accom Excess 2/24/2009 340.00 Pressing Services – No OR 70.00 Taxi Fare - No OR

Gaudencio O. Asanza, Jr.	1,724.25	P1,084.25 Various, No ORs 316.00 Receipt 4/18/09 – Saturday 244.00 Terminal Fee – No OR 80.00 Excess Travel Claim, depart 8:00am
Benjamin P. Epres	80.00	Excess Travel Claim, depart 8:00 am
Fernando S. Berina, Jr.	4,556.05	P 660.00 Excess 3 Lodging receipts 80.00 Excess Travel Claim, depart 6:00 am 220.00 Terminal Fee – No OR 3,572.80 OR – Klownz Comedy Bar 23.25 OR – Toothpaste & Razor
b) Employees		
Engr. Amalia D. Rariza	120.00	Excess Travel Claim – Meal & Incidental
Leda V. Gonzaga	480.00	Excess Travel Claim, depart 5:00 pm
Rafael C. Padayao	480.00	Excess Travel Claim, depart early a.m. - Meals
Manuel S. Gonzales	2,560.00	Excess Travel Claim, depart early a.m. - Lodging, Meals & Incidental
Albert A. Salvadora	240.00	Excess Travel Claim, depart early a.m. - Meals
Billy G. Gozum	80.00	Excess Travel Claim, depart 5:00 am – Meals
Anecito N. Ronda	120.00	Excess Travel Claim – Incidental
Roger D. Turiano	400.00	Excess Travel Claim – Meal & Incidental
Total	P 15,250.30	

From the table above, amounts for refund of the Board of Directors were charges without supporting receipts as basis for the claim. The expenses should be supported with valid receipts and should be presented in charging actual expenses. Demand for the submission of the required receipts was made, but in vain. Some receipts attached were unnecessary and irrelevant to public service.

Claims of employees were excessive mostly for meals and incidental expenses. Even if departure from destination is before 12:00 noon, the claim was for the whole day, thus, an overpayment of meals. While the incidental expenses, instead of P160.00, the claim is P200.00.

The total excess payment for travel due to erroneous computation and other deficiencies of the Board of Directors and employees amounted to P10,770.30 and P4,480.00, respectively, or a total of P15,250.30.

We recommend immediate refund of excess payment of travel expenses of the Board of Directors and employees amounting to P15,250.30. Likewise, we require management to adhere strictly to rules and regulations on travel to avoid suspension / disallowances in audit. Subject excess payment of travel and deficiencies in documentation shall be issued corresponding Notices of Suspension / Disallowance.

11. The Board of Directors and its Secretary were granted Anniversary Bonus and Productivity Enhancement Incentive (PEI) with aggregate amount of P50,000.00 and P18,000.00, respectively, or a total of P68,000.00, in violation of Section 13 of Presidential Decree (P.D.) No. 198, as amended by Republic Act (R.A.) No. 9286.

Section 13 of P.D. No. 198, as amended by R.A. 9286, provides for the compensation of the directors which states that:

Section 13. *Compensation* – x x x.

“ x x x. *In addition thereto, each director shall receive allowances and benefits as the Board may prescribed subject to the approval of the Administration .*”
Underscoring supplied.

For CY 2009, the Board of Directors and its Secretary were paid Anniversary Bonus and Productivity Enhancement Incentive totaling P50,000.00 and P18,000.00, respectively, or a total of P68,000.00. Listed below are the bonuses and benefits received by the BODs, viz:

Names	Anniversary Bonus	Productivity Enhancement Incentive	T o t a l
Gaudencio O. Asanza, Jr.- BOD	P 3,000.00	P 0.00	P 3,000.00
Edith C. Andalis - BOD	3,000.00	10,000.00	13,000.00
Remelisa A. Moraleda - BOD	3,000.00	10,000.00	13,000.00
Benjamin P. Epres - BOD	3,000.00	10,000.00	13,000.00
Fernando S. Berina - BOD	3,000.00	10,000.00	13,000.00
Reynel M. Berina – BOD Sec.	3,000.00	10,000.00	13,000.00
T o t a l	P 18,000.00	P 50,000.00	P 68,000.00

There were board resolutions authorizing the grant and payment of these benefits. However, payment was made without the prior approval from the Administration, as required under Section 13 of PD 198, as amended by RA 9286.

In view of the above circumstances, a Notice of Suspension (NS) shall be issued the concerned Board of Directors and Board Secretary.

We recommended to management the following:

1. Submit document approving the payment of bonuses / benefits to the BODs and Secretary from the LWUA, otherwise, require immediate refund of the benefit / bonus received by them amounting to P68,000.00.
2. Desist / stop payment of bonuses and benefits which are not in consonance with applicable laws, rules and regulations to avoid suspension / disallowance of the transaction.

Quoted in full is the management response to our AOM:

1. “The grant of anniversary bonus and productivity enhancement incentive to the Board of Directors of ICWD is not in violation of Section 13, or PD No. 198 as amended by RA No. 9286.”

2. "The grant of anniversary bonus was made pursuant to the AO No. 263. On the other hand, the grant of productivity enhancement incentive was given in accordance with AO No. 276. Inarguably, these AOs were issued by the Office of the President."

"Considering the LWUA is under the supervision and control by the Office of the President, there is no necessity, therefore for the approval by the LWUA of the said grant as it was the LWUA's principal itself which approved the same."

3. "The grant of anniversary bonus and productivity enhancement incentive to the Board Secretary, the ICWD is not a violation of Section 13 of PD No. 198 as amended by RA 9286."

"Said provision of law which specifically applies to a director does not apply in the case of the board secretary as he is not a member of the board of directors of IWCD. On the contrary, the board secretary is a contractual personnel of the ICWD. As contractual personnel, he is entitled to the grants pursuant to and by virtue of AO Nos. 263 and 276."

Auditor's Rejoinder:

1. AO Nos. 263 and 276 were both issued by the President of the Philippines which specifically identified that **only government employees** are entitled of these bonuses and other incentives. The Board of Directors and Board Secretary are not organic personnel or employees of the government, and as such not entitled to be paid these Anniversary Bonus and Productivity Enhancement Incentive.
 2. Item 4 of the Contract of Service of the Board Secretary specifically states that the *contract does not create an employer-employee relationship x x x*, and that the services rendered hereunder are not considered and will *not be accredited as government services*, *x x x is not entitled to benefits enjoyed by the regular personnel*.
12. *The Collecting Officer/Cashier A and Property Officer failed to tender a report of accountability for accountable forms (RAAF) at least once a month in the prescribed form and failed to maintain a Permanent Record Book for Accountable Forms, respectively, not in compliance with Sections 95 and 98 of the Government Accounting and Auditing Manual (GAAM), Volume I.*

Section 95 of GAAM Vol. I, provides that: "*Collecting Officers / Treasurers / Property Officers accountable for receipts/stamps and other accountable forms in their possession or in the hand of deputies and other employees entrusted therewith, shall keep adequate permanent record book which should show, among other things, the whereabouts of the accountable forms with which they are charged, the name and title of the office or employee to whom such forms have been given, and the evidence of the receipt and subsequent sale and issuance of the same.*"

Likewise, Section 98 of GAAM Vol. I, provides that: *"Accountable officer shall render a report to the COA Unit Auditor on their accountability for accountable forms at least once a month in the prescribed form."*

The Manual on the New Accounting System (NGAS) provides that the Report of Accountability for Accountable Form (RAAF) shall be prepared by the accountable officer to report on the movement and status of accountable forms in his possession.

The RAAF shall include, among others, the name/type, quantity and serial number and/or value of the accountable form as of last month/period, the form received and issued during the month/period and the balances as of the end of the month/period.

Review of records disclosed that the Property Officer and Collection Officer/Cashier A failed to maintain a Permanent Record Book to record all accountable forms consecutively and in the order they were received from the Supplier and consequently failed to render a report to the COA Unit Auditor on their accountability for accountable forms at least once a month in the prescribed form. The condition is not in conformity with Sections 95 and 98 of GAAM, Volume I as mentioned above.

The failure to prepare the RAAF and maintain the said Permanent Book resulted to a discrepancy in the Report on Physical Count of Accountable Forms amounting to P14,590.00 and in the Accountable Forms Inventory account amounting to P 10,545.79 as of December 31, 2009, however, this was already adjusted in the ensuing year.

We recommended that the General Manager should require the Collecting Officer / Cashier A to prepare a Report of Accountability for Accountable Forms in the prescribed format and the Property Officer to maintain a Permanent Record Book for all accountable forms.

Management commented that the previous Cashier maintained the permanent record book and prepared the monthly Report of Accountability for Accountable Forms (RAAF). The newly hired Cashier unintentionally halted the preparation of reports and maintenance of record book due to work adjustments needed and agreed to comply the same.

**Parameters of Efficiency of the Water District based on amounts in the
Financial Statements as follows:**

Financial Efficiency:

Indicators	Standard	Actual	Remarks
<p>a) Operating Ratio</p> <p>The ratio of operating and maintenance cost, including depreciation and interest expenses to total revenues of which total Personal Services cost shall not exceed 35% of 75% of operating cost.</p> <p>Operating Ratio: $= \text{Operating Cost} / \text{Operating Revenue} \times 100\%$ $= P56,707,607.82 / P58,350,106.32 \times 100\%$ $= 97.19\%$</p> <p>Personal Services Cost: $= P56,707,607.82 \times 75\% = P42,530,705.87$ $= P18,318,261.57 / 42,530,705.87$ $= 43\%$</p>	75%	97.19%	Unfavorable, the actual operating and maintenance cost is higher than the revenue generated. Personal Services cost is 43% of 75% of operating cost.
<p>b) Profit Margin</p> <p>Balance of Revenues generated from operations after expenses including depreciation.</p> <p>$= \text{Net Income} / \text{Operating Revenue}$ $= P1,642,498.50 / P58,350,106.32$ $= 2.81\%$</p>	25%	2.81%	Favorable, the District is operating at a profit.
<p>c) Acid Test Ratio</p> <p>Acid Test Ratio is a more stringent test of short-term liquidity. It is ratio of Quick Assets over Current Liabilities.</p> <p>Quick Assets: $= \text{Current Assets} - \text{Inventories} - \text{Prepayments}$ $= P36,612,622.39 - 1,989,395.27 -$ $= P34,792,627.12$</p> <p>Acid Test Ratio: $= \text{Quick Assets} / \text{Current Liabilities}$ $= P34,792,627.12 / P18,172,261.29$ $= 1.91$</p>	.75 – 2.0	1.91	Favorable, the agency has the ability to meet the demands for current assets.

<p>d) Current Ratio</p> <p>Measure the adequacy of working capital; primarily test of solvency to meet current obligations from current assets as a going concern. Ratio of Current Assets to Current Liabilities.</p> <p>= Current Assets / Current Liabilities = P36,612,622.39 / 18,172,261.29 = 2.01</p>	1.0 – 3.0	2.01	Favorable
<p>e) Debt Ratio</p> <p>Measures the ratio of Total Liabilities over the Total Liabilities and Equity. The lower the ratio the better.</p> <p>= Total Liabilities / Total Liabilities & Equity = P112,476,184.04 / P133,828,402.96 = 0.84</p>	0.45 – 0.60	0.84	Favorable. The proportion of assets financed with debt is relatively low.
<p>f) Staff Productivity Index</p> <p>Total staff to total active service connections equals one (1) staff for every one hundred twenty (120) active service connections.</p> <p>a. Total active service connections – 8,940 b. Total Number of Personnel – 69 = 8,940 / 69 = 1 : 130</p>	1 : 120	1 : 130	Unfavorable

A N N E X E S

- A – Aging of Active Accounts Receivable with Outstanding Overdue Accounts of 60 to over 120 days
- B – Copy of NS No. 2009-001 (2008) dated September 11, 2009
- C – Xerox copies of Daily Time Record (DTR) from August 2008 – May 20, 2009 of the Substitute General Manager
- D – Schedule of Overpayment of Salary per Daily Time Record (DTR) of the Substitute General Manager
- E – Schedule of Computation of Personnel Economic Relief Allowance (PERA) of the Substitute General Manager from August 2008 – May 20, 2009
- F – Detailed Schedule of 2009 Reimbursement of Expenses of the Substitute General Manager
- G – Schedule of Overpayment of Travel Expenses of the Board of Directors and Employees

IRIGA CITY WATER DISTRICT
Iriga City

AGING OF ACTIVE ACCOUNTS RECEIVABLE
(With Outstanding Overdue Accounts of 60 to over 120 days)
As of December 31, 2009

Zone	Concessionaire's Name	60 days	90 days	120 days	Over 120 days	Total
1	Lopez, Florence	433.20	401.70	242.85	894.20	1,971.95
1	Lula, Norma	314.95	246.80	68.90	-	630.65
2	Bertez, Sidney IV	272.00	266.70	243.40	0.30	782.40
2	Servino, Susan	267.65	291.25	1.30	-	560.20
3	Alfelor, Sarah Jane	232.65	228.10	223.65	433.85	1,118.25
3	Magdamit, Emmanuel	4,475.30	4,048.20	3,444.50	27,027.90	38,995.90
3	Alfelor, Emmanuel, Jr.	21,547.60	17,090.15	9,136.80	50,240.20	98,014.75
3	Iriga City Sports Office	716.20	547.00	238.00	20,603.30	22,104.50
4	Margate, Consuelo/ Dra. Berina	423.60	415.30	407.15	1,550.30	2,796.35
4	Turiano, Antero	862.75	755.00	174.75	-	1,792.50
4	Nueva, Letecia/res.	743.45	496.65	101.00	-	1,341.10
4	Ramos, Medardo	500.05		431.50	240.50	1,172.05
4	Oida, Rosa	570.10	387.10	365.80	3,572.80	4,895.80
4	Floriano, Laila/gilda barbonio	389.15	391.35	259.80	-	1,040.30
5	Montanez, Liberato	488.40	463.75	223.55	-	1,175.70
5	Navales, Norman	2,610.90	796.65	781.05	1,069.35	5,257.95
5	Bernal, Domingo	292.60	250.70	116.45	-	659.75
5	Cortez, Roger	422.20	390.95	402.90	197.20	1,413.25
5	Alvaro, Milagros	222.30	223.80	142.85	142.85	731.80
5	Cuya, Jose Jr.	302.70	272.60	-	-	575.30
5	Nacario, Marilyn	373.30	191.05	-	-	564.35
6	Listana, Juan	223.55	311.05	118.55	-	653.15
6	Berina, Yul Jhon	902.85	650.80	718.25	-	2,271.90
6	Berina, Teresa II / Clinic	543.20	557.45	521.60	3,617.55	5,239.80
6	City Hospital	547.00	523.90	477.70	364.98	1,913.58
6	Magistrado, Yolanda	886.90	786.65	826.20	1,930.75	4,430.50
6	De lima, Vicente	883.25	561.60	1,075.80	4,542.20	7,062.85
6	Ranola, Elmer Silva	525.40	593.20	635.15	-	1,753.75
6	Villareal, Nestor	221.60	331.60	-	-	553.20

Zone	Concessionaire's Name	60 days	90 days	120 days	Over 120 days	Total
6	De Lima, Namfrel II	395.50	427.95	540.20	-	1,363.65
6	Guadalupe, Liberato	409.20	341.30	-	-	750.50
6	Borromeo, Abelardo	920.55	1,005.30	-	-	1,925.85
6	Orinas, Lilet	431.70	294.30	-	-	726.00
6	Merino, Garry	1,210.00	315.65	-	-	1,525.65
6	Bance, Luis	1,035.00	930.10	-	-	1,965.10
6	Villareal, Melissa	267.10	264.50	-	-	531.60
6	Navales, Avelina	715.00	582.10	0.85	-	1,297.75
6	De Villa, Florante	986.05	373.15	-	-	1,359.20
6	Tercenio, Jotter	346.50	219.20	-	-	565.70
7	Ansus, Junita	391.65	135.20	-	-	526.85
7	Agato, Melquiades	1,043.60	959.90	968.65	1,003.05	3,975.20
7	Nagrampa, Mary Anne	643.45	630.85	868.20	88.30	2,230.80
7	Ibarrientos, Armin	448.25	393.55	29.35	-	871.15
7	Albar, Bonifacio	717.45	705.95	-	-	1,423.40
7	Moran, Celedonio, Jr.	576.80	295.85	-	-	872.65
7	Labo, Roger	292.20	346.10	1.00	-	639.30
7	Oliva, Marcial M. Jr.	268.90	355.50	0.25	-	624.65
7	Manaoag, Rico	536.20	36.05	-	-	572.25
7	Moran, Don	410.80	418.85	-	-	829.65
7	Navera, Macario	603.15	72.15	-	-	675.30
7	Orbon, Eddie	430.30	226.25	-	-	656.55
7	Ilos, Ramon	638.25	557.30	-	-	1,195.55
7	Embestro, Asuncion	231.25	481.30	332.10	0.10	1,044.75
8	Nagrampa, Haydee	941.80	660.05	-	-	1,601.85
8	Salara, Josefina	365.85	266.80	250.70	-	883.35
8	Tanay, Lourdes II	-	-	195.00	3,857.75	4,052.75
8	Tanay, Freddie	387.10	716.20	378.95	10,784.60	12,266.85
8	Colarina, Don II/Malaya	315.55	344.75	1.55	-	661.85
8	Veras, Milagros	409.50	355.50	-	-	765.00
8	Dilla, Ma. Teresa H.	220.65	285.25	-	-	505.90
8	Oliva, Wilfredo	1,942.80	849.10	-	-	2,791.90
8	Cruel, Maruja	949.40	1,039.85	-	-	1,989.25
8	Caballero, Sixto	244.65	295.55	16.45	-	556.65
9	Caballero, Eleno	361.30	288.95	-	-	650.25
9	Lucena, Leonor II/ong	291.05	290.20	-	-	581.25
9	Vinas, Reynaldo	660.65	406.60	-	-	1,067.25
9	Arroyo, Ruben/chua	481.00	316.70	-	-	797.70
9	Gaminde, Narciso	318.15	473.75	0.05	-	791.95

Zone	Concessionaire's Name	60 days	90 days	120 days	Over 120 days	Total
9	Margate, Robert	363.75	287.75	124.05	-	775.55
9	Cornelio, Eulalio	-	1,858.20	909.35	-	2,767.55
9	Martinez, Juanito	491.95	471.15	394.05	-	1,357.15
9	Lucena, Nina	249.40	301.30	248.85	-	799.55
9	Ibias, Sotera	599.75	943.40	-	-	1,543.15
9	Berina, Jesus	830.95	247.60	-	-	1,078.55
9	Raveda, Marilou Camila	314.35	284.60	-	-	598.95
9	Ibarreta, Jerry	1,555.05	192.65	-	-	1,747.70
9	Gulpe, Julian	435.30	474.65	-	-	909.95
9	Barce, Jimmy	267.05	261.80	-	-	528.85
9	Asyao, Joey / a. calleja	1,325.55	1,298.70	-	-	2,624.25
9	Samantela, Antonia	313.65	250.40	0.75	-	564.80
9	Artiaga, Zenaída	705.75	390.45	-	-	1,096.20
9	Pena, Simeon	506.30	312.60	-	-	818.90
9	Mamano, Iluminada	615.10	670.70	-	-	1,285.80
9	Ramboyong, Danny	779.70	410.90	-	-	1,190.60
9	Biag, Joan	350.70	928.60	-	-	1,279.30
9	Larcena, Charlie	362.60	355.50	0.25	-	718.35
10	Magistrado, Honesto	361.40	295.65	-	-	657.05
10	Ballester, Salvacion	508.10	402.40	-	-	910.50
10	Matubis, Celedonio	456.15	345.50	0.45	-	802.10
10	Negrite, Darry	599.00	537.45	596.35	2.00	1,734.80
10	Martinez, Abraham	223.65	219.25	214.95	0.05	657.90
10	Enciso, Millard	339.80	228.10	158.05	-	725.95
10	Amelano, Jose	436.40	397.25	114.05	-	947.70
10	Negrite, Darry	599.00	537.45	596.35	2.00	1,734.80
10	Lopez, Francia	495.90	486.15	575.75	-	1,557.80
10	Amelano, Jose	436.00	397.25	114.05	-	947.30
10	Bagamasbad, Ramon	458.60	467.25	-	-	925.85
11	Badiola, Lourdes	589.60	664.35	-	-	1,253.95
11	Gaspi, Venancio	383.35	359.05	-	-	742.40
11	Cortez, Ernesto	2,003.20	180.20	-	-	2,183.40
11	Navales, Marciano	772.90	749.75	-	-	1,522.65
11	Casano, Ramon	407.40	250.75	-	-	658.15
11	Saez, Don	634.95	390.90	238.25	-	1,264.10
11	Balang, Ruben	243.55	223.65	34.45	-	501.65
11	Ibarrientos, Juan	787.10	373.25	-	-	1,160.35
11	Ajero, Alfredo	682.95	250.60	-	-	933.55
11	Cortez, Ernesto/ res	884.60	614.70	-	-	1,499.30

Zone	Concessionaire's Name	60 days	90 days	120 days	Over 120 days	Total
12	Ibarreta, Amelia A.	223.55	343.85	87.35	-	654.75
12	Periabras, Reynaldo	999.55	731.10	-	-	1,730.65
12	Ibarrientos, Toribio	1,387.35	244.00	-	-	1,631.35
12	Mila Beauty Parlor	-	383.65	376.15	-	759.80
12	Arao, Virginia	632.85	523.55	-	-	1,156.40
12	Ramboyong, Amparo/polvorosa	759.85	722.30	0.20	-	1,482.35
12	Ong Curtan, Norma	313.90	261.80	-	-	575.70
12	Martinez, Ma. Ivy	561.40	525.50	-	-	1,086.90
12	Malate, Merly	289.55	214.05	-	-	503.60
12	Bolivar, Aurora	639.95	641.15	0.45	-	1,281.55
12	Cortez, Simplicio	268.15	316.85	0.25	-	585.25
12	Breza, Delfin	612.20	525.50	-	-	1,137.70
13	Mirando, Evelyn	291.45	308.65	-	-	600.10
13	Nacario, Martina	294.05	441.10	-	-	735.15
13	Sabanal, Alma	433.40	378.60	-	-	812.00
13	Talaguit, Consorcia	316.10	373.00	-	-	689.10
13	Belleza, Oscar	414.70	114.70	-	-	529.40
13	Ballester, Renato	577.20	314.55	-	-	891.75
13	Villanueva, Jose JR. SG.	1,512.40	1,277.00	-	-	2,789.40
13	Carullo, Sonia II	433.40	378.60	-	-	812.00
13	Albano, Dioscuro	641.75	731.50	-	-	1,373.25
13	Taduran, Edgar	562.65	588.45	-	-	1,151.10
13	Talaguit, Joseph	360.25	238.40	-	-	598.65
13	Racelis, Victorio	290.15	243.90	-	-	534.05
13	Racelis, Norman	339.70	378.60	-	-	718.30
13	Lustre, Arnold	458.60	467.80	-	-	926.40
13	Rivera, Rudy	2,267.95	6,758.00	-	-	9,025.95
13	Taduran, Wifredo	346.95	242.05	-	-	589.00
13	Abecia, Joselito	316.10	371.90	0.85	-	688.85
13	Catangui, Nene/tobias catangui	290.50	261.80	0.20	-	552.50
13	Barbosa, Karen Joy	431.70	295.25	-	-	726.95
13	Igana, Maricel	778.65	792.80	156.65	-	1,728.10
14	Alfelor, Felix Emmanuel	26,285.20	25,091.30	27,436.85	389,322.70	468,136.05
14	Belmonte, Debbie Jane	323.20	339.95	396.75	-	1,059.90
14	Barbosa, Charito Labilles	-	-	998.80	13,624.85	14,623.65
14	Namoro, Luz	611.20	474.10	-	-	1,085.30
14	Onedo, Jely	312.90	213.30	-	-	526.20
14	Magistrado, Emelita	481.30	332.10	-	-	813.40
15	Tagum, Evangeline	578.90	130.45	-	-	709.35

Zone	Concessionaire's Name	60 days	90 days	120 days	Over 120 days	Total
15	City Hall Annex	2,411.20	2,325.40	1,410.20	25,956.80	32,103.60
15	Bureau of Agriculture	195.40	195.40	195.40	3,452.80	4,039.00
15	Japanese Garden	216.70	259.30	408.40	11,346.66	12,231.06
15	Childrens Playground	2,725.80	1,867.80	2,497.00	1,752.78	8,843.38
15	City Park	195.40	195.40	195.40	1,054.91	1,641.11
15	City Hall	45,196.80	40,306.20	30,525.00	90,586.51	206,614.51
15	Market Administration	3,183.40	5,271.20	4,241.60	25,167.27	37,863.47
15	Public Toilet II	3,412.20	1,953.60	343.88	-	5,709.68
15	Iriga City Central Terminal	5,071.00	11,162.80	3,186.18	-	19,419.98
15	Fire Station	1,667.60	1,810.60	1,639.00	6,792.95	11,910.15
15	LRDC	431.50	280.60	387.10	12,320.04	13,419.24
15	City Engineers Office	981.20	1,238.60	1,667.60	2,900.37	6,787.77
15	Iriga City Breeding Center	195.40	195.40	195.40	2,203.70	2,789.90
17	BJMP	16,854.20	18,656.00	17,855.20	17,969.34	53,365.40
18	Berina, Flora	457.35	376.05	28.10	-	861.50
18	Olea, Edmundo	491.70	351.90	-	-	843.60
18	Baesa, Grace	532.05	401.05	-	-	933.10
18	Awa, Ferdinand	408.55	308.15	-	-	716.70
18	Alanis, Araceli	359.75	212.35	-	-	572.10
	TOTAL	217,029.45	202,079.45	123,512.71	718,648.42	1,261,269.83



Republic of the Philippines
COMMISSION ON AUDIT
CORPORATE GOVERNMENT SECTOR
 Cluster III – Public Utilities
 Regional Office No. V
 Rawis Legazpi City



Annex B
 AAR page 26

NS No. : ICWD 2009-001 (2008)
 Date : September 11, 2009

NOTICE OF SUSPENSION

Engr. Pablo B. Bercilla
 Interim General Manager
 Iriga City Water District
 San Roque, Iriga City

Attention: Ms. Marietta H. Cruzata
 Administrative Division Manager C

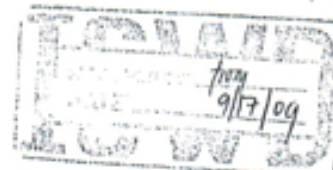
We have audited the disbursement transactions for the period January 1, 2008 to December 31, 2008 and the following deficiencies were noted.

REFERENCE		PAYEE	Amount Suspended	Particulars and/or Requirements	Persons Responsible		
Date	Check No.						
Salary:							
10-03-08	14343	Atty. Annalyn C. Tayag	P 45,312.80	Salary of Atty. Annalyn C. Tayag as General Manager of Iriga City Water District and other operating expenses incurred incidental to her appointment as General Manager.	1. Atty. Annalyn C. Tayag - General Manager for approving the disbursement vouchers and as payee.		
10-04-08	14365	Atty. Annalyn C. Tayag	11,452.50				
10-30-08	14390	Atty. Annalyn C. Tayag	12,078.90				
11-13-08	14426	Atty. Annalyn C. Tayag	11,452.50				
11-26-08	14454	Atty. Annalyn C. Tayag	13,061.93				
12-12-08	14491	Atty. Annalyn C. Tayag	12,257.22				
12-22-08	18918	Atty. Annalyn C. Tayag	12,257.21	Please submit the following as supporting documents to the claim of first salary and to succeeding claims for services rendered to Iriga City Water District as General Manager: a. Approved Appointment duly attested by the Civil Service Commission b. Oath of Office c. Sworn Statement of Assets and Liabilities d. Daily Time Records (first salary and on the succeeding claims) e. Certificate of Assumption to Office	2. Mr. Salvador D. Alcomendas - Senior Corporate Accountant C, for certifying that the expenditures are necessary and lawful and supported with proper and complete documents.		
Total			<u>P 117,873.06</u>				
Commutable RATA:							
08-29-08	14260	Atty. Annalyn C. Tayag	8,000.00				
09-23-08	14321	Atty. Annalyn C. Tayag	8,000.00				
10-28-08	14384	Atty. Annalyn C. Tayag	8,000.00				
11-26-08	14456	Atty. Annalyn C. Tayag	8,000.00				
12-22-08	18914	Atty. Annalyn C. Tayag	8,000.00				
Total			<u>P 40,000.00</u>				
Reimbursement of Miscellaneous Expenses:							
08-15-08	14238	Atty. Annalyn C. Tayag	3,544.85	a. Approved Appointment duly attested by the Civil Service Commission b. Oath of Office c. Sworn Statement of Assets and Liabilities d. Daily Time Records (first salary and on the succeeding claims) e. Certificate of Assumption to Office	3. Ms. Yunida S. Salvadora - Cashier for making the payment.		
08-22-08	14250	Atty. Annalyn C. Tayag	6,400.00				
08-29-08	14264	Atty. Annalyn C. Tayag	1,864.44				
09-12-08	14293	Atty. Annalyn C. Tayag	7,820.00				
09-12-08	14294	Atty. Annalyn C. Tayag	5,783.00				
10-02-08	14338	Atty. Annalyn C. Tayag	5,192.00				
10-15-08	14369	Atty. Annalyn C. Tayag	6,787.06				
11-03-08	14411	Atty. Annalyn C. Tayag	6,271.00				
11-27-08	14464	Atty. Annalyn C. Tayag	6,309.36				
12-15-08	18901	Atty. Annalyn C. Tayag	5,933.00				
13th month pay, Cash Gift and Financial Assistance:							
11-27-08	14466		12,521.00	e. Certificate of Assumption to Office			
12-14-08	18904		24,050.50				
Total			<u>P 92,476.21</u>				
Grand Total			<u>P 250,349.27</u>				

Prompt settlement of the above suspension is mandatory. Items suspended which were not settled within 90 days after receipt of this Notice shall become a disallowance pursuant to Section 82 of P.D. No. 1445.

ELISEO S. TORREÑA
 State Auditor IV
 Audit Team Leader

Received by : _____
 (Print name and signature)
 Date : _____



DAILY TIME RECORD

Officer's Name: Arif Anwar G. Tanying
 For the month of: August 2008
 Official hours for arrival: (Name) Regular days
 and departure: (Name) Saturdays

Day	A.M.		P.M.		UNDER-TIME	
	Arrival	Departure	Arrival	Departure	Hours	Mins
1	10:30			9:00		
2	9:30	10:35	Sundays			
3			Sundays			
4						
5						
6						
7						
8						
9		Sundays				
10		Sundays				
11	8:30	10:35	20:10	3:58		
12	9:17	9:50	2:12	4:11		
13						
14	9:43	11:25	3:13	7:35		
15	9:10	4:44	1:41	3:25		
16		Sundays				
17		Sundays				
18						
19						
20						
21	8:18	11:42	1:10	6:48		
22		Sundays				
23		Sundays				
24		Sundays				
25						
26						
27						
28						
29			1:18	5:30		
30		Sundays				
31		Sundays				
TOTAL						

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival and departure from office.

Verified as to the prescribed office hours.

(See instruction on back)

DAILY TIME RECORD

Officer's Name: Arif Anwar G. Tanying
 For the month of: August 2008
 Official hours for arrival: (Name) Regular days
 and departure: (Name) Saturdays

Day	A.M.		P.M.		UNDER-TIME	
	Arrival	Departure	Arrival	Departure	Hours	Miles
1	9:15	11:40	1:48	4:27		
2			3:17	2:50		
3	7:10	No Holiday				
4		Sunday				
5		Sunday				
6		Sunday				
7		Sunday				
8						
9						
10						
11	8:03	10:33		3:00		
12	8:58	10:51	1:24	2:38		
13		Sunday				
14		Sunday				
15						
16						
17						
18						
19						
20		Sunday				
21		Sunday				
22	8:23	11:39	1:18	3:00		
23	7:28	8:25	1:45	3:59		
24	6:25	6:47				
25						
26						
27		Sunday				
28		Sunday				
29						
30						
31						
TOTAL						

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival and departure from office.

Verified as to the prescribed office hours.

(See instruction on back)

DAILY TIME RECORD

City: Clinton, E. Texas

(Name)

For the month of November, 2003

Official hours for arrival

(Regular days)

(Saturdays)

and departure

Day	A.M.		P.M.		UNDER- TIME	Mile- ages
	Arrival	Departure	Arrival	Departure		
1						
2						
3	9:25	9:55	2:58	6:10		
4						
5						
6						
7			3:23			
8			Saturday			
9			Saturday			
10	9:25	11:17	1:40	2:20		
11						
12						
13						
14	9:18			5:15		
15			Saturday			
16			Saturday			
17	9:15	11:55	4:08	5:30		
18	10:05	10:24	1:10	4:50		
19						
20	10:50	10:50	5:05	8:40		
21						
22			Saturday			
23			Saturday			
24	9:10	11:05	1:12	8:15		
25	10:50		1:44	6:00		
26	9:40	9:25	2:55	6:05		
27	9:06			10:00		
28						
29			Saturday			
30			Saturday			
31						
TOTAL						

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival at and departure from office.

Verified as to the prescribed office hours.

In Charge

DAILY TIME RECORD

City: Clinton, E. Texas

(Name)

For the month of December, 2003

Official hours for arrival

(Regular days)

(Saturdays)

and departure

Day	A.M.		P.M.		UNDER- TIME	Mile- ages
	Arrival	Departure	Arrival	Departure		
1						
2						
3						
4						
5						
6			Saturday			
7			Saturday			
8	9:10	12:15	1:55	5:25		
9						
10						
11						
12	12:25	10:30	2:05	3:40		
13			Saturday			
14			Saturday			
15	8:20			1:45		
16						
17						
18						
19			1:10	7:45		
20			Saturday			
21			Saturday			
22			2:24	2:46		
23						
24	10:00		1:15	3:45		
25			Saturday			
26						
27			Saturday			
28			Saturday			
29			Saturday			
30			Saturday			
31			Saturday			
TOTAL						

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival at and departure from office.

Verified as to the prescribed office hours.

In Charge

DAILY TIME RECORD

City: Concord, N. H.(Name) Joseph, Jr.For the month of February, 1907Official hours for arrival (Regular days)and departure (Saturdays)

Day	A.M.		P.M.		UNDER-TIME
	Arrival	Departure	Arrival	Departure	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
TOTAL					

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival and departure from office

Verified as to the prescribed office hours

In Charge

(See instruction on back)

DAILY TIME RECORD

City: Concord, N. H.(Name) Joseph, Jr.For the month of February, 1907Official hours for arrival (Regular days)and departure (Saturdays)

Day	A.M.		P.M.		UNDER-TIME
	Arrival	Departure	Arrival	Departure	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
TOTAL					

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival and departure from office

Verified as to the prescribed office hours

In Charge

(See instruction on back)

DAILY TIME RECORD

City: Concord, N. H.(Name) Joseph, Jr.For the month of February, 1907Official hours for arrival (Regular days)and departure (Saturdays)

Day	A.M.		P.M.		UNDER-TIME
	Arrival	Departure	Arrival	Departure	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
TOTAL					

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival and departure from office

Verified as to the prescribed office hours

In Charge

(See instruction on back)

DAILY TIME RECORD

Edley, Christopher C. (Name)

(Name)

August 2007

For the month of _____
Official hours for arrival _____ (Regular days)
and departure _____ (Saturdays)

Day	A.M.		P.M.		UNDER- TIME
	Arrival	Departure	Arrival	Departure	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
TOTAL					

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival at and departure from office.

Verified as to the prescribed office hours

In Charge

DAILY TIME RECORD

Edley, Christopher C. (Name)

(Name)

August 2007

For the month of _____
Official hours for arrival _____ (Regular days)
and departure _____ (Saturdays)

Day	A.M.		P.M.		UNDER- TIME
	Arrival	Departure	Arrival	Departure	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
TOTAL					

I CERTIFY on my honor that the above is a true and correct report of the hours of work performed, record of which was made daily at the time of arrival at and departure from office.

Verified as to the prescribed office hours

In Charge

IRIGA CITY WATER DISTRICT

Iriga City

SUMMARY SCHEDULE OF SALARY COMPUTATION

Atty. ANNALYN C. TAYAG - Substitute General Manager

For the period August 11, 2008 - May 20, 2009

Applicable Date / Month	Actual # Working Days	Service Rendered in Hours	No. of Days Absent	Hours/		Amount of Salary Paid	Deduction to Monthly Salary / Overpayment			Total Overpayment of Salary	
				Minutes Tardy	Minutes Uvertime		Salary 8/1-10, 2008	Equivalent Amount			
								Absences	Tardy		Uvertime
August 11 - 31, 2008	21	20:04	7.5	10:31	20:56	22,905.00	7,388.71	5,541.53	971.62	1,847.18	15,749.04
September 1 - 30, 2008	22	23:04	14.5	7:05	20:56	22,905.00		15,096.48	675.70	1,998.08	17,770.26
October 1 - 31, 2008	23	48:18	12	21:20	31:42	22,905.00		11,950.43	1,970.56	2,972.40	16,893.39
November 1 - 30, 2008	20	47:08	9.5	27:01	36:52	24,050.50		7,615.99	2,707.28	3,694.15	14,017.42
December 1 - 31, 2008	21	21:32	12	9:46	18:28	24,050.50		13,743.14	947.28	1,790.60	16,481.02
Sub-total							7,388.71	53,947.57	7,272.44	12,302.41	80,911.13
January 1 - 31, 2009	21	35:44	12	19:06	28:16	25,196.00		14,397.71	1,940.09	2,871.53	19,209.33
February 1 - 28, 2009	20	32:05	13	10:28	15:55	25,196.00		16,377.40	1,177.01	1,790.71	19,345.12
March 1 - 31, 2009	22	24:05	17.5	6:22	11:55	25,196.00		20,042.27	646.97	1,211.03	21,900.27
April 1 - 30, 2009	22	23:24	12.5	19:45	28:36	25,196.00		14,315.91	2,073.63	3,002.52	19,392.06
May 1 - 20, 2009	20	19:04	7.5	3:26	8:56	16,797.33		6,095.81	348.68	907.86	7,352.35
Sub-total								71,229.10	6,186.38	9,783.65	87,199.13
Total		297.28	118	134:50	222.32	234,397.33	7,388.71	125,176.67	13,458.82	22,086.06	168,110.26

Audit Notes:

- ** Salary for the month of August 2008 was overstated by P7,388.71, due to August 1 -10, 2008 the Substitute General Manager was not yet in service.
- Employee was hired with attested appointment and assumption dated August 4, 2008, but reported on August 11, 2008, and paid full salary for the month.
- Employee has no available leave credits yet, still under *probationary period of six (6) months*, thus, not yet entitled to leave credits.
- Total overpayment of salary amounting P168,110.26 was incurred due to non-submission of Daily Time Record (DTR) as basis for the computation of absences, tardiness / undertimes and erroneous amount of salary in August 2008.

IRIGA CITY WATER DISTRICT
San Roque, Iriga City

Detailed COMPUTATION OF SALARY OVERPAYMENT

Atty. Annalyn C. Tayag

For the period covered August 11, 2008 to May 20, 2009

Applicable Month	Detailed Computation	Service Rendered	Tardy	Undertime	No. of Days Absent	Total Overpayment
2008 Aug. 1-10	P22,905.00 / 31 x 10 days	Not reported to office yet				7,388.71
August 11	Total Hours / Days	20:04	10:31	20:56	7.5	
	Total Tardies - 1 day 2 hours 31 minutes					
	P22,905.00/31 days x 1 day		738.87			
	P22,905.00/31 days x 0.250		184.72			
	P22,905.00/31 days x 0.065		48.03			
	Total Undertime- 2 days 4 hours 56 minutes					
	P22,905.00/31 days x 2 days			1,477.74		
	P22,905.00/31 days x 0.500			369.44		
	P22,905.00/31 days x 0.117					
	Total Days Absent					
	P22,905.00/31 days x 7.5 days				5,541.53	
	Sub-total		971.62	1,847.18	5,541.53	8,360.33
September	Total Hours / Days	23:04	7:05	20:56	14.5	
	Total Tardies - 7 hours 5 minutes					
	P22,905.00/30 days x 0.875		668.06			
	P22,905.00/30 days x 0.010		7.64			
	Total Undertime- 2 days 4 hours 56 minutes					
	P22,905.00/30 days x 2 days			1,527.00		
	P22,905.00/30 days x 0.500			381.75		
	P22,905.00/30 days x 0.117			89.33		
	Total Days Absent					
	P22,905.00/22 days x 14.5 days				15,096.48	
	Sub-total		675.70	1,998.08	15,096.48	17,770.26

Applicable Month	Detailed Computation	Service Rendered	Tardy	Undertime	No. of Days Absent	Total Overpayment
2008 October	Total Hours / Days	48:18	21:20	31:42	12	
	Total Tardies - 2 days 5 hours 20 minutes					
	P22,905.00/31 days x 2 days		1,477.74			
	P22,905.00/31 days x 0.625		461.79			
	P22,905.00/31 days x 0.042		31.03			
	Total Undertime- 3 days 7 hours 42 minutes					
	P22,905.00/31 days x 3 days			2,261.61		
	P22,905.00/31 days x 0.875			646.51		
	P22,905.00/31 days x 0.087			64.28		
	Total Days Absent					
	P22,905.00/23 days x 12 days				11,950.43	
	Sub-total		1,970.56	2,972.40	11,950.43	16,893.39
November	Total Hours / Days	47:08	27:01	36:52	9.5	
	Total Tardies - 3 days 3 hours 1 minute					
	P24,050.50/30 days x 3 days		2,405.05			
	P24,050.50/30 days x 0.375		300.63			
	P24,050.50/30 days x 0.002		1.60			
	Total Undertime- 4 days 4 hours 52 minutes					
	P24,050.50/30 days x 4 days			3,206.73		
	P24,050.50/30 days x 0.500			400.84		
	P24,050.50/30 days x 0.108			86.58		
	Total Days Absent					
	P24,050.50/30 days x 9.5 days				7,615.99	
	Sub-total		2,707.28	3,694.15	7,615.99	14,017.42
December	Total Hours / Days	21:32	9:46	18:28	12	
	Total Tardies - 1 day 1 hour 46 minutes					
	P24,050.50/31 days x 1 day		775.82			
	P24,050.50/31 days x 0.125		96.98			
	P24,050.50/31 days x 0.096		74.48			
	Total Undertime- 2 days 2 hours 28 minutes					
	P24,050.50/31 days x 2 days			1,551.65		
	P24,050.50/31 days x 0.250			193.95		
	P24,050.50/31 days x 0.058			45.00		
	Total Days Absent					
	P24,050.50/21 days x 12 days				13,743.14	
	Sub-total		947.28	1,790.60	13,743.14	16,481.02

Applicable Month	Detailed Computation	Service Rendered	Tardy	Undertime	No. of Days Absent	Total Overpayment
2009 January	Total Hours / Days	35:44	19:06	28:16	12	
	Total Tardies - 2 days 3 hours 6 minutes					
	P25,196.00/31 days x 2 days		1,625.55			
	P25,196.00/31 days x 0.375		304.79			
	P25,196.00/31 days x 0.012		9.75			
	Total Undertime- 3 days 4 hours 16 minutes					
	P25,196.00/31 days x 3 days			2,438.32		
	P25,196.00/31 days x 0.500			406.39		
	P25,196.00/31 days x 0.033			26.82		
	Total Days Absent					
	P25,196.00/21 days x 12 days				14,397.71	
	Sub-total		1,940.09	2,871.53	14,397.71	19,209.33
February	Total Hours / Days	32:05	10:28	15:55	13	
	Total Tardies - 1 day 2 hours 28 minutes					
	P25,196.00/28 days x 1 day		899.86			
	P25,196.00/28 days x 0.250		224.96			
	P25,196.00/28 days x 0.058		52.19			
	Total Undertime- 1 day 7 hours 55 minutes					
	P25,196.00/28 days x 1 day			899.86		
	P25,196.00/28 days x 0.875			787.37		
	P25,196.00/28 days x 0.115			103.48		
	Total Days Absent					
	P25,196.00/20 days x 13 days				16,377.40	
	Sub-total		1,177.01	1,790.71	16,377.40	19,345.12
March	Total Hours / Days	24:05	6:22	11:55	17.5	
	Total Tardies - 6 hours 22 minutes					
	P25,196.00/31 days x 0.750		609.58			
	P25,196.00/31 days x 0.046		37.39			
	Total Undertime- 1 day 3 hours 55 minutes					
	P25,196.00/31 days x 1 day			812.77		
	P25,196.00/31 days x 0.375			304.79		
	P25,196.00/31 days x 0.115			93.47		
	Total Days Absent					
	P25,196.00/22 days x 17.5 days				20,042.27	
	Sub-total		646.97	1,211.03	20,042.27	21,900.27

Applicable Month	Detailed Computation	Service Rendered	Tardy	Undertime	No. of Days Absent	Total Overpayment
2009 April	Total Hours / Days	23:24	19:45	28:36	12.5	
	Total Tardies - 2 days 3 hours 45 minutes					
	P25,196.00/30 days x 2 days		1679.73			
	P25,196.00/30 days x 0.375		314.95			
	P25,196.00/30 days x 0.094		78.95			
	Total Undertime- 3 days 4 hours 36 minutes					
	P25,196.00/30 days x 3 days			2,519.60		
	P25,196.00/30 days x 0.500			419.93		
	P25,196.00/30 days x 0.075			62.99		
	Total Days Absent					
	P25,196.00/22 days x 12.5 days				14,315.91	
	Sub-total		2,073.63	3,002.52	14,315.91	19,392.06
May 1-20	Total Hours / Days	19:04	3:26	8:56	7.5	
	Total Tardies - 3 hours 26 minutes					
	P25,196.00/31 days x 0.375		304.79			
	P25,196.00/31 days x 0.054		43.89			
	Total Undertime- 1 day 56 minutes					
	P25,196.00/31 days x 1 day			812.77		
	P25,196.00/31 days x 0.117			95.09		
	Total Days Absent					
	P25,196.00/31 days x 7.5 days				6,095.81	
	Sub-total		348.68	907.86	6,095.81	7,352.35
	GRAND TOTAL					168,110.26

NOTE:

The computation was based on CSC Memorandum Circular No. 24, s. 1999, dated November 11, 1999, amending Section 56 of the Omnibus Rules on Leave, Rule XVI, Book V of EO 292, which reads:

"However, in case of continuous absence for over ten (10) working days, the divisor x x x shall be the actual number of working days instead of calendar days."

IRIGA CITY WATER DISTRICT
Iriga City

**SCHEDULE OF PERSONNEL ECONOMIC RELIEF
ALLOWANCE (PERA) OVERPAYMENT**

Atty. Annalyn C. Tayag
For the period August 11, 2008 to May 20, 2009

Applicable Date / Month	Amount of PERA Paid	Actual Services Rendered in Hours/Minutes	Detailed Computation	Equivalent Amount that Should be Paid	Total Overpayment of PERA
August 11-31, 2008	2,000.00	20:04	P2,000/22/8 x 20 hours = 227.27 P2,000/22 x 0.008 = 0.73	228.00	1,772.00
September 1-30, 2008	2,000.00	23:04	P2,000/22/8 x 23 hours = 261.36 P2,000/22 x 0.008 = 0.73	262.09	1,737.91
October 1-31, 2008	2,000.00	48:18	P2,000/22/8 x 48 hours = 545.45 P2,000/22 x 0.037 = 3.36	548.81	1,451.19
November 1-30, 2008	2,000.00	47:08	P2,000/22/8 x 47 hours = 534.09 P2,000/22 x 0.017 = 1.55	535.64	1,464.36
December 1-31, 2008	2,000.00	21:32	P2,000/22/8 x 21 hours = 238.64 P2,000/22 x 0.067 = 6.09	244.73	1,755.27
January 1-31, 2009	2,000.00	35:44	P2,000/22/8 x 35 hours = 397.73 P2,000/22 x 0.092 = 8.36	406.09	1,593.91
February 1-28, 2009	2,000.00	32:05	P2,000/22/8 x 32 hours = 363.64 P2,000/22 x 0.010 = 0.91	364.55	1,635.45
March 1-31, 2009	2,000.00	24:05	P2,000/22/8 x 24 hours = 272.73 P2,000/22 x 0.010 = 0.91	273.64	1,726.36
April 1-30, 2009	2,000.00	23:24	P2,000/22/8 x 23 hours = 261.36 P2,000/22 x 0.050 = 4.55	265.91	1,734.09
May 1-20, 2009	1,181.80	19:04	P2,000/22/8 x 19 hours = 215.91 P2,000/22 x 0.008 = 0.73	216.64	965.16
	19,181.80	297:28		3,346.10	15,835.70

Audit Note: **Rules and Regulations, Budget Circular No. 12, April 17, 1997**

**** 4.3 -** The PERA of government personnel who incurred absences without pay including those on leave without pay during the month shall be computed on the basis of *actual services rendered* with pay during the same month.

IRIGA CITY WATER DISTRICT
Iriga City

SCHEDULE OF REIMBURSEMENT OF EXPENSES

ATTY. ANNALYN C. TAYAG
For the period January to May 20, 2009

Date	DV #	Check #	Total Amount	Account Charged	Date Incurred	Particulars	Diesel	Bus Fare / Air Fare	Representation Exp	TOTAL	Audit Notes / Remarks
01/05/09	0901013	018939	5,790.00	403	12/03/08	SS Canete Enterprises	1,000.00			1,000.00	Reimbursements were in violation of EO # 298 and COA Circular 96-004
					12/08/08	St. John Petron Station	500.00			500.00	No Service Vehicle issued to to claim for diesel
					12/08/08	Shellhouse Iriga	1,000.00			1,000.00	No official travel & purpose to claim for diesel
					12/09/08	Pagbilao Petron Station	500.00			500.00	No official travel & purpose to claim for diesel
					12/11/08	Penafrancia Tours		970.00		970.00	No official travel & purpose to claim for bus & air fares
					12/15/08	Penafrancia Tours		820.00		820.00	No official travel & purpose to claim for bus & air fares
					12/18/08	SS Canete Enterprises	1,000.00			1,000.00	
01/23/09	0901056	018981	5,300.00	403	12/18/08	SS Canete Enterprises	500.00			500.00	Check amt under by P230.00
					12/19/08	SS Canete Enterprises	700.00			700.00	No Service Vehicle issued to to claim for diesel
					12/21/08	Penafrancia Tours		755.00		755.00	No official travel & purpose to claim for diesel
					12/23/08	Penafrancia Tours		1,020.00		1,020.00	No official travel & purpose to claim for diesel
					01/03/09	Lendes Shell Station	300.00			300.00	No official travel & purpose to claim for bus & air fares
					01/05/09	Shellhouse Iriga	500.00			500.00	
					01/05/09	Shellhouse Iriga	1,000.00			1,000.00	
					01/08/09	Penafrancia Tours		755.00		755.00	
01/29/09	0901072	018997	7,678.96	969	01/09/09	Penafrancia Tours		1,020.00		1,020.00	No Service Vehicle issued to to claim for diesel
					01/13/09	Penafrancia Tours		755.00		755.00	No official travel & purpose to claim for diesel
					01/21/09	Penafrancia Tours		755.00		755.00	No official travel & purpose to claim for diesel
					01/14/09	Cebu Pacific		2,808.96		2,808.96	No official travel & purpose to claim for bus & air fares
					01/14/09	Golden Ace Resources			300.00	300.00	
					01/25/09	Penafrancia Tours		1,020.00		1,020.00	
					01/27/09	Penafrancia Tours		1,020.00		1,020.00	

Date	DV #	Check #	Total Amount	Account Charged	Date Incurred	Particulars	Diesel	Air Fare	Representation Exp	T O T A L	Audit Notes / Remarks
02/10/09	0902097	019022	4,188.28	969	01/30/09	Penafrancia Tours		1,020.00		1,020.00	Check amount under by P5.00
					02/02/09	Cebu Pacific		1,348.28		1,348.28	No official travel & purpose
					02/03/09	Penafrancia Tours		755.00		755.00	to claim for bus and air fares
					02/09/09	Penafrancia Tours		1,070.00		1,070.00	
02/26/09	0902141	019066	5,164.64	969	02/13/09	Penafrancia Tours		1,020.00		1,020.00	No Service Vehicle issued to
					02/16/09	Penafrancia Tours		1,020.00		1,020.00	to claim for diesel
					02/19/09	Penafrancia Tours		1,020.00		1,020.00	No official travel & purpose
					02/22/09	Penafrancia Tours		1,020.00		1,020.00	to claim for diesel / bus
					02/24/09	Cebu Pacific		1,084.64		1,084.64	and air fares
03/11/09	0903170	019095	4,587.70	969	02/07/09	Air Philippines		1,587.00		1,587.00	No Service Vehicle issued to
					02/26/09	Cebu Pacific		1,455.36		1,455.36	to claim for diesel
					03/02/09	Magallanes Mgt. IT Cor	250.00	250.00		250.00	No official travel & purpose
					03/02/09	Achievers Fuel & Serv Cent	300.30	300.30		300.30	to claim for diesel / bus
					03/06/09	Cebu Pacific - Manila-Legazpi		995.04		995.04	and air fares
03/25/09	0903206	019124	5,505.20	969	03/10/09	Ice Blinker		70.00	70.00	70.00	No Service Vehicle issued to
					03/11/09	Cebu Pacific		1,084.64		1,084.64	to claim for diesel
					03/17/09	SLT Gasmart Corp.	1,000.00	1,000.00		1,000.00	No official travel & purpose
					03/18/09	Petrolstrip Shell Serv Cent	300.00	300.00		300.00	to claim for diesel
					03/19/09	Cebu Pacific		1,755.52		1,755.52	No official travel & purpose
					03/21/09	Cebu Pacific		995.04		995.04	to claim for bus & air fares
					03/21/09	Shellhouse Iriga	300.00	300.00		300.00	
			38,214.78			T o t a l	9,150.30	28,929.48	370.00	38,449.78	Total Check Understatement P 235.00

IRIGA CITY WATER DISTRICT

Iriga City

SCHEDULE OF OVERPAYMENT ON TRAVEL EXPENSES

For the period January to December 2009

a) Board of Directors - Travel - Actual Expenses

Date	DV No.	Check No.	Payee	Date / Place of Travel	Per Itinerary	Per Audit	Excess for Refund	Reimbursement CA / LIQ Date	AUDIT NOTES / REMARKS Deficiencies in Documentation
02/09/09	0902094	019019	Atty. Remelisa Moraleda	2/11-13/09 PAWD Cebu City	21,580.00			CA 2/9/09	TO signed by BOD Chairman Appendix A no approval-Atty. Tayag
03/06/09	0903159	019075	Atty. Remelisa Moraleda	2/11-13/09 PAWD Cebu City	8,807.30 30,387.30	25,977.30	4,410.00	Liq. With Reimb 3/23/09	No cert. of AH absolute necessity ORs until 2/15/09 left for Iriga 8:45 p.m. Includes receipt dated 2/24/09 Hotel No OR- Pressing Services P340.00 - Taxi Fare P 70.00
04/24/09	0904263	019187	Gaudencio O. Asanza, Jr.	3/24 & 30/09 4/1, 14-15, 18/09	3,274.00		316.00	Reimb 4/24/09	No Travel Order - Purpose No Appendix A / Actual expenses No cert. of AH absolute necessity Includes OR 4/18 Saturday-316.00
09/28/09	0909640	026164	Gaudencio O. Asanza, Jr.	9/30-10/3/09 PHILWATER Tagbilaran, Bohol	23,100.00		1,084.25	Liq. 11/30/09	No Travel Order / Violation of EO 298 No ORs - total P1,084.25 No cert. of AH absolute necessity
10/15/09	0910686	026208	Gaudencio O. Asanza, Jr.	10/18-21/09 OGCC	10,000.00	9,756.50	244.00	CA 10/15/09 Liq 12/29/2009	No Travel Order / Violation of EO 298 No Appendix A With refund receipted over by P0.50 No ORs P244.00 No cert. of AH absolute necessity

Date	DV No.	Check No.	Payee	Date / Place of Travel	Per Itinerary	Per Audit	Excess for Refund	Reimbursement CA / LIQ Date	AUDIT NOTES / REMARKS Deficiencies in Documentation
11/10/09	0911746	026268	Gaudencio O. Asanza, Jr.	11/10-12/09 CSC	1,760.00	1,680.00	80.00	CA 11/10/09	TO signed by BOD Chairman Violation of EO 298
07/20/09	0907483	019407	Benjamin P. Epres	7/23-24/09 WEAP Baguio City	9,480.00	10,400.00	80.00	CA 7/20/09 Liq. 7/31/09	No Travel Order / Violation of EO 298 With reimbursement
01/09/09	0901022	018949	Fernando S. Berina, Jr.	1/10-13/09 LWUA	10,000.00	9,560.00	440.00	CA 1/9/09 Liq. 1/30/09	TO signed by BOD Chairman Appendix A signed by BOD Chairman Itinerary P3,760.00 / CA P10,000.00 TO - 2 persons / Lodging - 4 persons No cert. of AH absolute necessity
02/16/09	0902108	019033	Fernando S. Berina, Jr.	2/17-19/09 LWUA	10,000.00	9,780.00	220.00	CA 2/16/09 Liq. 3/31/09	TO signed by BOD Chairman Appendix A signed by BOD Chairman Itinerary P3,920.00 / CA P10,000.00 TO - 2 persons / Lodging - 3 persons No Certificate of Appearance No cert. of AH absolute necessity
09/18/09	0909619	026143	Fernando S. Berina, Jr.	9/21-23/09 LWUA	1,760.00	1,680.00	80.00	CA 9/18/09	No Travel Order - Purpose / EO 298 Appendix A signed for by BOD Andalis No Certificate of Appearance
09/28/09	0909642	026166	Fernando S. Berina, Jr.	9/30-10/3/09 PHILWATER Tagbilaran, Bohol	8,700.00	8,480.00	220.00	CA 9/28/09 Liq. 11/30/09	No Travel Order / No OR attached No cert. of AH absolute necessity Terminal Fee - No OR - P220.00
11/10/09 11/10/09	0911745 0911749	026267 026272	Fernando S. Berina, Jr. Fernando S. Berina, Jr.	11/10-12/09 11/10-13/09 CSC	3,760.00 10,000.00		3,596.05	CA 11/10/09 CA 11/10/09 Liq. 11/30/09	TO signed by BOD Chairman Includes klownz comedy bar P3,572.80 P23.25 - toothpaste & razor - IUEE Occupied 3 rooms P1,300.00 each
			Total				10,770.30		