

MACABEBE WATER DISTRICT
Macabebe, Pampanga

**AGENCY ACTION PLAN and
STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2015
As of December 31, 2017**

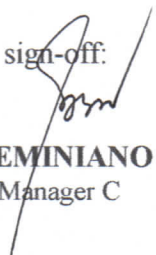
Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
AOM# 2017-001 (2015) Obs. No. 1	The Accounts Receivable-Customers as of December 31, 2015 included past due accounts of P9,519,802.33 or 60.58 per cent of the total receivables, which were already 121 days to 15 years overdue contrary to Section 64 of the Government Auditing and Accounting Manual (GAAM), Volume I; resulting in the inability of the District to use collection proceeds in its operations. Likewise, receivables of P7,975,089.02 were presented in the Statement of Financial Position as current assets contrary to Paragraph 57 of the Philippine Accounting Standards (PAS) 1 which resulted in the overstatement of current assets and understatement of non-current assets.	The Audit Team recommended that the General Manager instruct the Commercial Division to: (a) Require the collectors to exert more efforts to collect the past due accounts; (b) Direct the billing clerks to continuously send collection letters together with the Statement of Account to delinquent concessionaires; (c) Instruct official concerned not to allow the reconnection of service unless the delinquent concessionaire has settled his/her obligation, even if the application is under a different name; (d) Put in place an effective disconnection policy to minimize the level of inactive accounts; and	Implementation of disconnection policy Exert full effort for the distribution of collection/demand letter of account to delinquent concessionaires The Technical section inspect first the location of the applicant and allowing the acceptance of partial payment to reduce A/R Regular monitoring and implementation of disconnection policy	Commercial section Commercial section Commercial section Maintenance Section Commercial section			Fully implemented Fully implemented Fully implemented Fully implemented		
AOM# 2017-002 (2015) Obs. No. 2	The District maintained two deposit accounts with Philippine National Bank (PNB), a private bank, without the prior approval from the Department of Finance (DOF) to accept deposits from government agencies in violation of DOF-Department Circular No. 001-2015 dated June 1, 2015.	The Audit Team recommended that the General Manager instruct the Cashier to deposit all collections and transfer all funds from the PNB to the AGDB pursuant to DOF-Department Circular No. 001-2015 dated June 1, 2015.	The Management opened an account with the government bank (LBP) to comply with the DOF circular No 001-2015 dated June 1, 2015. And the Cashier was instructed to deposit collections to LBP.	Finance Section/Cash Section			Fully implemented		

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FAR 2015 Obs. No. 3	The District defaulted in the payment of loans due to the National Housing Authority (NHA) of at least P10,799,077.51 consisting of P1,147,669.06, P6,591,623.76 and P3,059,784.69 in principal, interest on amortization and delinquency interest, respectively, due to lack of coordination and failure to appropriate funds therefore which could result in the payments of avoidable and higher interests and surcharges.	The Audit Team recommended that the Senior Accounting Processor A together with the Budget Officer to: a.) coordinate and clarify the status of the granted loan from the NHA, if it was still an existing loan or affirm to be ready condoned which will be considered to be a government grant; b) If proven to be an existing liability, cause the provision of funds to settle maturing obligations to minimized payment of interests and penalties and to formulate and implement prudent fund management to ensure the viability of the District.	The General Manager instructed the staff to coordinate and clarify the status of the granted loan from NHA. They were informed that it is still existing as loan. The Management requested for the condonation of interest, penalties and charges, and if granted, the management is willing to pay the amount stated in the MOA.	Office of the GM / Finance Section Office of the GM / Finance Section			Fully implemented Not implemented	Under negotiation with the concerned officials	Coordination with Cong. Juan Pablo Bondoc or Mr. Rico Laxa former NHA GM
FAR 2015 Obs. No. 4	The District engaged the services of a private printer in the locality for the printing of 30 boxes of continuous billing notice and 30 boxes of official receipts costing P360,000.00 instead of the Recognized Government Printer (RGP) in Manila to avoid incurrence of additional cost of freight and handling services.	The Audit Team recommended that the General Manager to instruct the Procurement Officer to: (a) Engage the services of RGPs in the printing of the District's accountable forms and (b) Adhere to the guidelines on the procurement of printing services and engage the services of private printers only if no RGP is capable of undertaking the printing service requirement of the District.	The Management adhere with the recommendation of the audit team to engage in the services of Recognized Government Printers in printing accountable forms The Management already complied with the recommendation of the Audit Team.	Finance Section Finance Section			Fully implemented Fully implemented		
FAR 2015 Obs. No. 5	The District was not able to provide water to five barangays in the coastal part of its franchise area, when it was targeted through the Philippine Development Plan (PDP) to reduce waterless areas to zero, due to geographical location and natural features; thus, the economic growth and public health at these barangays were not promoted.	The Audit Team recommended that the General Manager agreed to instruct the Production Division to: (a) Evaluate and determine the proper measures on how to establish a water system on the coastal areas of Macabebe; and (b) Implement expansion of water source projects that are the most cost effective to achieve a 100 per cent water coverage.	Upon observation and evaluation it is not feasible to implement expansion and development of water sources in the five coastal barangays of Macabebe. This is because water in these areas are highly saline and the same households in the area do not have the capacity to pay for water bill.	BOD/Office of the GM/ all Sections			Fully implemented Not Implemented	Even if it is imperative to established water system in this areas but because of the economic growth and geographical location, it cannot sustain the expenses that will occur in the future.	

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FAR 2015 Obs. No. 6	The unbilled water of the District for CY 2015 exceeded by 4.21 per cent the 20 per cent maximum allowable non-revenue water prescribed by LWUA under Resolution No. 444 that resulted in revenue losses.	The Audit Team recommended that the Production Division formulate a leakage control program to: (a) Identify the major causes of water losses thru regular inspection to minimize, if not totally stop, the non-revenue water to an acceptable level; (b) Ensure immediate and prompt repair of identified leaks; (c) Check water meters and replace worn out or defective ones; and (d) Identify and penalize concessionaires who do illegal tapping and permanently disconnect their water services.	The Management immediately undertook the necessary action in determining the required remedies in leakages and illegal connections to reduce NRW. The Technical Section regularly monitor leaks and required immediate repair. The Management thru the Procurement section immediately procure water meters to replace all defective, worn out and retired water meters. The Board of Directors made a Board Resolution stating the penalties for those concessionaires who are illegal.	Commercial Section/Technical Section Commercial Section/Technical Section Commercial Section/Technical Section BOD /Commercial Section			Fully implemented Fully implemented Fully implemented Fully implemented		

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FAR 2015 Obs. No. 7	The District did not display information on disasters contrary to NDRRMP 2011 to 2028; as a result, the awareness and understanding of disasters by its personnel and concessionaires were not promoted.	The Audit Team recommended that the General Manager instruct the: (a) Display information materials like NDCC alert tips charts at the customer waiting areas and office bulletin boards; (b) Conduct briefings/alert drills on calamities to assess the preparedness of its personnel in the event of calamities.	The Management coordinated with the Local Government Unit to provide the district copy of display of information on disaster awareness chart. The Management will coordinated with the Local Disaster Risk Reduction Management Team to conduct briefing/alert drills on calamities to assess the preparedness of its personnel in the event of calamities.	Office of the GM/ all Sections Office of the GM/ all Sections			Fully implemented Fully implemented		

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FAR 2015 Obs. No. 8	The District was unable to create a Gender and Development (GAD) Focal Point System and to prepare the Annual GAD Plan and Budget (GPB) and GAD Accomplishment Reports for submission to Philippine Commission on Women (PCW) and the Department of Budget and Management (DBM) for review and approval contrary to Sections 2.3 of Joint Circular No. 2012-01.	The Audit Team recommended that the General Manager together with the concerned officials: (a) Create a GAD Focal Point System and send members to PCW conducted trainings on GAD; (b) Prepare the prescribed format of Annual GPB and strictly adhere with the provisions of PCW-NEDA-DBM Joint Circular No. 2012-01; and (c) Submit the same together with the corresponding Accomplishment Report for review/ approval of the PCW and DBM in accordance with the provisions of the guidelines set for the purpose.	We have already created GAD Focal Point System and attended seminars/ trainings about GAD. We are on the process of preparing our Agency's Annual GPB according to the provisions of PCW-NEDA-DBM Joint Circular No 2012-01. Submission of Annual GPB with the corresponding Accomplishment report will follow upon completion	Human Resources Section Finance Section/ Human Resources Section Finance Section/ Human Resources Section			Not implemented Not implemented Not implemented		

Agency sign-off:


MR. GEMINIANO Y. YANGA
 General Manager C

April 6, 2018
 Date

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