

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM
Katipunan Avenue, Balara, Quezon City

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2018
As of 31 December 2019

Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Reasons for Partial/Delay/Non-implementation, if applicable	Action Taken/Actions to be Taken	
			Action Plan	Person/Dept Responsible	Target Implementation Date				Status of Implementation ¹
					From	To			
Financial Audit – Corporate Office									
AAR CY 2018 pp. 45-55	<p>1. The validity and accuracy of the Property, Plant and Equipment (PPE) with net book value of P45.533 billion were doubtful due to various deficiencies noted totaling P14.852 billion or 32.6 per cent of the total PPE thus, not in conformity with the Conceptual Framework, to wit:</p> <p>a. Unreconciled net variance of P3.248 billion on Land, Office Building and Other Structures between the records of Finance Department and Inventory Report of the Asset Management Department contrary to COA Circular No. 80-124;</p> <p>b. No physical inventory was conducted for General Administrative Equipment which is composed of Machinery and Equipment, Transportation Equipment,</p>	<p>a. Analyze and reconcile the Inventory Report with the Accounting records to establish the accuracy of the recorded balances of the PPE accounts;</p> <p>b. Conduct an inventory taking of GAEs and submit the corresponding Inventory Reports;</p>		<p>AMD & FD</p> <p>AMD</p> <p>AMD</p>		<p>Sept 2019</p> <p>Dec 2019</p>	<p>Annex 1 Implemented</p> <p>Annex 2 to 7 Partially Implemented</p> <p>Partially Implemented</p>	<p>Lack of manpower</p> <p>Some Line items w/out proper turnover of documents for research/verification/tracing</p> <p>GAE of MWCi/MWSi/MW SS conducted under limited time</p>	<p>1.a See attached Annex for observations on Land</p> <p>1.a Annex 2-7 ongoing verification and reconciliation of records to correct entries</p> <p>1.b (a) submitted recon report 2019 PP1 (b) conduct physical inventory</p>

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	<p>and Furniture and Fixtures and Books with total net book value of P221.498 million;</p> <p>c. Absence of proof of ownership over the 175 land assets totaling 3,784,012.70 sq. m. with net book value of P4.912 billion, and unrecorded 23 land titles;</p> <p>d. The land area of 15 Transfer Certificate of Titles (TCTs) and lot number of 6 TCTs in the Inventory Report differed from the actual inventory/inspection of the TCTs. Also, the three TCTs' land area descriptions are handwritten and four are with physical damages;</p>	<p>c. Secure the land titles of the 175 land assets to support claims of ownership over the lands recorded in the books; and evaluate the unrecorded 23 land titles if these should be taken up in the Inventory Report and Accounting books;</p> <p>d. Make the necessary corrections in the Inventory Report to conform to the land area and title/lot number reflected in the Land Titles;</p>		AMD	Sept 2019	Dec 2019	Partially Implemented	<p>On-process with the DENR/LRA, AMD to submit other documents as reference to settle the boundaries.</p>	<p>of MWSS turned-over old GAE, (c) MWSS computers & other GAE, (d) accomplished Property Accountability Clearance ERIP</p> <p>1.c Annex 8-10 MWSS lands without registered title, to follow up pending petitions or apply thru issuance of decree of registration or issuance of pres. Proclamation. On-going completion of required titling of San Juan Stockyard and Tondo Pumping Station.</p> <p>1.d. Report D.1./D.2/D.3. C corrections as to the area, title number, lot numbers were already checked and corrected.</p>
				AMD			Fully Implemented		

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	e. Various Office Building and Other Structures totaling P5.117 billion were noted as no longer existing, dilapidated, non-operational and abandoned;	e. Provide a specific status on the properties reported as not-in-service and abandoned together with a Management plan for the utilization of these properties;		AMD	Sept 2019	Dec 2019	Partially Implemented	Lack of manpower	1.e Prepared Inspection Report, waste material, retrieved materials, and returned GAE received & issuance of receipts documents for matching and dropping
	f. Unserviceable properties totaling P340.982 million remained undisposed which is not in accordance with National Budget Circular (NBC) No. 425 or the Manual on Disposal of Government Property. Also, the reduction of P23.180 million or 6.37 per cent was merely thru transfer without cost to various government agencies; and	f. Determine the various PPE items which cannot be located/missing;		AMD	Sept 2019	Dec 2019	Partially Implemented	Lack of manpower	2. Ocular inspection conducted on Other Structures/Office Bldgs. turned-over to Concessionaires, as to its present status for dropping based on the returned items. 1.f Some were donated without cost to agencies, school, military with less govt. budget.

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	<p>g. Improperly recorded transactions totaling P1.013 billion</p> <p>g.1. Thirteen (13) lots reported as not-in-service valued at P853.253 million remained recorded as PPE-Land instead of Investment Property in conformity with PPSAS 16;</p> <p>g.2. Six completed projects with accumulated cost of P159.654 million still recorded in the Construction-in-Progress account instead of the appropriate asset account;</p>	<p>g. Effect the necessary reclassification entries on the following:</p> <p>i. Land reported as not-in-service recorded in the accounting books as PPE-Land to the appropriate Investment Property account pursuant to PPSAS 16;</p> <p>ii. The cost of completed projects from CIP account to the appropriate PPE accounts duly supported with Certificate of Completion and Acceptance and compute the accumulated depreciation from the year of project completion;</p>			June 2020	Dec 2020		2.f Scheduled disposal activities for end of 2020.	
					June 2020	Dec 2020		3.f On-going reconciliation of items for dropping and updating for donated/stored GAE.	
				FD	June 2020	Dec 2020	For Implementation	1.g(1) Shall be reviewed as to the intended use of the lots and will be reflected as investment property in CY 2020 FS if it meets the recognition criteria	
				FD	July 2020	Dec 2020	For Implementation	Awaiting submission of documents to support the reclassification	
				AMD & FD			Fully Implemented		

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	<p>g.3. One hundred seven (107) items of Paintings and Sculptures amounting to P467,700 were recorded under Furniture and Fixtures account instead of the appropriate Heritage Asset account pursuant to PPSAS 17; and</p> <p>g.4. Various items of Other Structures and Office Building totaling P112,159 which do not meet the capitalization threshold, remained in the books, contrary to Section 3, Chapter 10 of the Government Accounting Manual.</p>	<p>iii. The 107 items of painting with corresponding inventory certificate issued by the National Museum to the appropriate Heritage Asset account pursuant to PPSAS 17;</p> <p>h. Drop from the Accounting books and Inventory Report the identified various items recorded as Other Structures and Office Buildings which do not meet the capitalization threshold of P15,000;</p> <p>i. Obtain an Inventory Certificate from the National Museum for the remaining items of paintings and sculptures in compliance with RA No. 10066;</p>		FD	Sept 2019	Dec 2019	Not Implemented	<p>1.g(3) Only 3 paintings were reclassified as these are the only paintings recognized by the National Museum as made by National Artists with issued inventory certificates.</p> <p>1.g(4) The items are not semi-expendable items but fixed structures such as sculptures</p>	
				AMD	Sept 2019	Dec 2019	Partially Implemented	<p>National Museum has drafted policy/guidelines for the approval of the Director General. MWSS will be the pilot agency.</p> <p>All paintings were issued with Inventory Certificates. However, only three paintings were certified as made by a national artist.</p> <p>Done with the Paintings, registration now for the other</p>	

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		j. Expedite the disposal through public auction of all unserviceable properties and prioritize those assets still recorded in the books to avoid further deterioration and decline in value of the subject assets and to generate additional funds for the Agency; and		Disposal Committee	Sept 2019	Dec 2019	Ongoing	remaining artworks. A disposal was conducted during the 4Q of 2019 with total proceeds of P5.2 million. However, no dropping was made in the Accounting Books yet pending inspection of the remaining items in view that the disposal was stopped and the winning bidder subsequently requested termination of the contract.	
	Non-submission of Property Inventory Form which served as basis for the assessment of general insurance coverage over all insurable assets, properties and interests of the government with the General insurance Fund of the Government Service Insurance System in violation with COA Circular No. 2018-002.	k. Prepare and submit the Property Inventory Form as required under COA Circular No. 2018-002 in order to determine the accuracy of the insurance coverage of the MWSS properties.		AMD	Sept 2019	Dec 2019	Partially Implemented	Pending for proper review and inputs.	
				AMD	Sept 2020	Oct 2020	Fully Implemented	PIF for MWSS insurable assets submitted to GSIS Dec. 2019 for	

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				AMD	Sept 2019	Dec 2019	Partially Implemented	Balara GH, Balara Exec Qtr, La Mesa & Qirino GH Arroceros Bldg. 5 Storey Admin Bldg. 4 Storey Eng'ng Bldg. PIF for MWCI/MWSI insurable assets For inputs and review. On going coordination for submission to GSIS on Oct. 30, 2020.	
AAR CY 2018 pp. 55-57	The year-end balance of the Other Receivable account of P5.618 billion was not reliable due to inclusion of P4.175 billion or 74 per cent of which are: a. Disputed claims by MWSI consisting of borrowing cost amounting to P4.048 billion which is uncertain of collection and; b. Guarantee deposits of active customers already transferred to MWSI and MWCI amounting to P64.799 million and P62.308 million respectively.	a. Record the cost of borrowing totaling P4.048 billion in accordance with PPSAS 19 regarding contingent assets to which the realization or collection of the subject claims is virtually uncertain, pending outcome of the local arbitration proceedings; and b. Analyze and make necessary adjustments in the Other Receivables account representing the guarantee deposits of active customers which have been transferred to the concessionaires.		FD			Not Implemented Not Implemented	The reclassification from Receivables into Contingent Assets is being carefully studied The issue is being carefully studied	
AAR CY 2018 pp. 57-60	The reported year-end balance of Other Assets account totaling P1.920 billion was doubtful affecting fair	a. Analyze the garnished, dormant and unreconciled assets totaling P1.205		AMD & FD	June 2019	Dec 2020	For Implementation	Absence of documents to	Efforts are being exerted to look for supporting

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	<p>presentation of the financial statements in accordance with Paragraph 27 of PPSAS 1, to wit:</p> <p>a. Undocumented garnished, dormant and unreconciled accounts totaling P1.205 billion;</p> <p>b. Idle lands valued at P593.706 million are still recorded under Other Asset accounts instead of the appropriate Investment Property Account at cost;</p> <p>c. Asbestos cement pipes disposed in CY 2014 remained in the books with carrying value of P82.634 million; and</p> <p>d. Various non-operational assets amounting to P38.816 million which remained undisposed for more than 10 years were no longer monitored by the Asset Management Department, thus, physical existence is questionable.</p>	<p>billion and submit the details/schedules and other supporting documents; and</p> <p>b. Reclassify the idle lands valued at P593.706 million under Other Assets to Investment Property account pursuant to PPSAS 16.</p> <p>c. Drop from the books the disposed Asbestos Cement Pipes amounting to P82.634 million and submit the supporting documents relative to the disposal of these pipes; and</p> <p>d. Submit schedule and status of the physical existence of these various non-operational assets totaling P38.816 million which remained undisposed for more than 10 years.</p>			<p>Oct 2019</p> <p>Sep 2019</p>	<p>Dec 2019</p> <p>Dec 2019</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p>	<p>facilitate reconciliation</p> <p>documents to facilitate reconciliation of the account.</p> <p>Disposal of non-operational assets is on-going</p>	
AAR CY 2018 pp. 60-61	The accuracy of various assets and liabilities cannot be ascertained due to inclusion of unreconciled/unverified accounts totaling P574.475 million and P884.548 million, respectively.	Reconcile the unreconciled/unverified accounts to establish the accuracy of the affected account balances and provide the details/schedule and other available supporting documents relating thereto.		FD	Oct 2019	Dec 2020	For Implementation	<p>Most of the accounts refer to prior years' balances which no longer have supporting documents or those that handled reconciliation already retired or</p> <p>Efforts are being exerted to locate the documents to support the reconciliation of accounts.</p>	

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							not longer in service.		
AAR CY 2018 pp. 61-63	The service concession assets provided by the Concessionaires and all upgrades to the service concession assets provided by the MWSS were not accounted in the books contrary to PPSAS 32, thus, do not reflect the correct balance of the assets, liability and revenue accounts.	<p>a. Validate the existence and propriety of the recorded service concession assets provided by the Concessionaires and subsequent costs and validate the existence and propriety of the recorded subsequent cost incurred for the upgrade of all service concession assets, and recognize the same in the MWSS books under the cost model; and</p> <p>b. Recognize the corresponding liability and revenue under the Grant of Right to the Operator Model.</p>		FD	Jan 2019	Dec 2020	For Implementation	<p>There were issues and concerns raised by the concessionaires that pose challenges in the accounting for and disposal of service concession assets. The MWSS-CO also raised said issues and concerns with the COA GAS during the FGD on the GAM for GCs. Response from COA GAS is yet to be received.</p> <p>Series of meetings were conducted to address the issues and concerns relative to the accounting and disposal of service concession assets. A Technical Working Group composed of representatives from the MWSS-CO, MWSS-RO, MWSI and MWCI is created.</p> <p>MWSS is waiting for the opinion from COA GAS as to what items shall be considered Concession Assets, and sought approval for the 4-year transition period considering the</p>	

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								volume of assets to be recorded and will be subjected to validation by very limited personnel of the MWSS.	
AAR CY 2018 pp. 63-65	Other Deferred Credits to Income totaling P324.799 million were not valid obligations as these are credits (a) with no actual collections received and (b) already earned or realized, contrary to the definition of liabilities under Paragraph 7 of PPSAS 1.	<p>a. Ensure that the amount recorded in the Other Deferred Credits account pertains only to cash collections received in advance and have not yet been earned or realized within the year, otherwise, adjust as necessary;</p> <p>b. Identify the remaining book value of the disposed scrap materials, G.I. pipes and unserviceable assets to reflect the correct balance of the related asset, gain/loss on disposal and Other Deferred Credits;</p> <p>c. Recognize as income the liquidated damages of P25,705.26 received from ADB Industry PTE Ltd under JEV-2007-07-010223 and the advance collection for rent of P333,067.16 that were already earned or realized in the prior and current year, as deemed appropriate; and</p> <p>d. Determine who among the 138 payors actually availed of the housing project in order to reduce the undistributed collections totaling P13,019,097.58</p>		FD	July 2019	Dec 2019	Partially Implemented	Reclassifications and adjustments were already made during the 4Q of 2019	
					July 2020	Dec 2020	For Implementation		
					July 2019	Dec 2019	Partially Implemented		Adjusted P333,067.16 with JEV# 2019-06-002394
					Jan 2020	Dec 2020	For Implementation	The accounts are being reconciled	

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		under the Deferred Credits account, to adjust to its proper account.							
AAR CY 2018 pp. 65-67	Overstatement of Rent Income/Retained Earnings and related Receivable accounts by P8.059 million due to erroneous recording of rental collections is not compliant to Sections 111 and 114 of PD 1445.	Make necessary adjustments to the Due from NGAs/GOCC, Other Receivable account and Retained Earnings/Rent Income accounts to arrive at the correct year-end balance of the account.		FD			Fully Implemented	With Adjustment JEV# 2019-01-000341, 2019-01-000383, 2019-03-001194, 2019-03-001195	
AAR CY 2018 pp. 67-68	Due to PhilHealth account was understated by P78,879 due to (a) non-set-up of payable for December 2018 of the government share and (b) remittance of government share for March 2018 was inadvertently debited to the account. The deduction of Pag-IBIG loan amortization of P3,573 for the month of June 2018 was inadvertently posted in the GSIS subsidiary ledger.	Make the necessary adjustments to arrive at the correct balances of Due to PhilHealth, Due to Pag-IBIG, Due to GSIS accounts and other affected accounts.		FD	July 2020	Dec 2020	For Implementation	eNGAS server collapsed and a replacement server was only made available latter part of May 2020. Awaiting assistance from COA GAS for the installation of the eNGAS to the new server.	
AAR CY 2018 pp. 68-70	The year-end balance of the Due to BIR account totaling P21.364 million showed unreconciled/unremitted balances of P1.240 million, after deducting the taxes withheld in December 2018 and remittance to the BIR in January 2019. Non-provision for Tax Refund Payable amounting P566,260 made at year-end due to delayed tax analysis and adjustments as required under the National Internal Revenue Code (NIRC) resulting in misstatement of the Due to BIR account. Also, the tax refunded to the employees exceeded by P42,625 by the actual creditable tax of P566,260.	a. Review and analyze each of the subsidiary ledger of the account Due to BIR and determine the unremitted tax collections and remit the same to the BIR and/or reconcile the balances. Likewise, make necessary adjusting entries to arrive at the correct account balance; b. Determine and record the Tax Refund Payable to employees at year-end and		FD	July 2020	Dec 2020	For Implementation	eNGAS server collapsed and a replacement server was only made available latter part of May 2020. Awaiting assistance from COA GAS for the installation of the eNGAS to the new server.	
					July 2019	Dec 2019	Implemented		

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		effect the necessary adjusting entries; and c. Analyze the under/over tax refund and if deemed appropriate, return to the concerned employees the taxes withheld and demand the excess payment to those with overpayment of tax credits.			July 2019	Dec 2019	Implemented		
Compliance Audit – Corporate Office									
AAR CY 2018 pp. 74-82	The lease contracts entered by the MWSS and its lessees for the continued use of MWSS' Land and Building were already expired and not renewed prior to the expiration of the lease term, thus, depriving the Agency of the right to demand better terms and condition, for its program implementation. There were no lease contracts and/or lease payments received from the tenants of the MWSS Living Quarters and office space/premises within the MWSS properties which deprives it to generate additional income, to wit: a. Eight MWSS employees and 15 non-MWSS employees residing in MWSS Living Quarters; b. Kaisahan at Kapatiran ng mga Manggagawa at Kawani sa MWSS (KKMK MWSS Union); c. Water and Sewerage Sector Savings and Loan Association, Inc. (WASSLAI); d. Philippine Water Partnership (PWP); and	a. Evaluate whether to renew the expired lease contracts with the lessees in consideration of the following: i. All the terms and conditions of the expired contract have been complied with; ii. The validity of the claim and right to collect the payment of rent; iii. Reasonable/better rental rates between both parties; and iv. Collection of the arrears; b. Execute a contract of lease with the MWSS employees occupying the Living Quarters, KKMK MWSS Union, Philippine Water Partnership, concerned branches of BPI, BDO,	a. Continue the effort of renewing expired lease contract of the lessees who are: 1. interested to renew; 2. No violation of lease contract/policy of the office or if willing to institute corrective measures. Notice to vacate will be serve to those lessees who are not interested to renew, pursue the unpaid rental through whatever legal means.	AMD	Oct 2019	Dec 2020	Partially Implemented and on-going 1. Interested to renew were identified 2. Continuous evaluation and inspection - ongoing a. Under Ejectment process. b. Ejected but under court process	Volume and lack of manpower. 1. Volume of expired Lease Contract and lack of manpower. 2. Lack of manpower, Long process of ejectment. a. Long process of ejectment/ MWSS employees has authorization from Mgt.. b. KKMK were already ejected.	Continue the effort of renewal/ejection: To have prioritization with regards to financial impact (actively paying/ big contracts), interested to renew (negotiation on arrears) and for ejectment/legal action (notices to vacate were being served). a. Follow-up and monitor.

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	<p>e. Automated Teller Machines of Banco de Oro (BDO), Philippine National Bank (PNB), Bank of the Philippine Islands (BPI) and Metrobank, and Pay&Go Machine.</p> <p>Only a reasonable compensation is received by the MWSS from the Tandang Sora Jeepney Operators and Drivers Association (TASJODA) for the use of land as terminal/parking area of the Association due to the absence of a lease contract.</p> <p>Lease contract provisions on sub-lease and free parking slots are not strictly implemented by the MWSS which gives undue favor to the Local Water Utilities Administration (LWUA), Manila Water Services, Inc. (MWSI) and PNB, thus disadvantageous to the MWSS.</p>	<p>Metrobank and PNB, owner of the Pay&Go Machine, and TASJODA;</p> <p>c. Demand collections from the WASSLAI and WASSECO the cost of utilities incurred from the previous and current years and settlement should be made prior to the execution of a lease contract with the WASSLAI;</p> <p>d. Require the LWUA to explain violation of Section 7 of the Lease Contract, and immediately demand the Agency's share from the lease payments of the NAPC and LBP;</p> <p>e. Enforce collection of rent for the excess parking space occupied by the concessionaires; and</p> <p>f. Henceforth, make an annual review of all the lease contracts for any amendments and evaluate contracts that will expire before six months, to exercise Management prerogatives that are beneficial to the Agency.</p>	<p>There are more or less 195 expired lease contracts covering MWSS property in different locations, prioritization on renewal by category, into: 1. Lessees with updated payment of rental fees; 2. Lessees that occupies large area and has financial impact and 3. Lessees that most likely to resume the lease contract and willing to pay rental arrearages.</p> <p>MWSS Employees has an Office Order designating them as "caretaker" of the property.</p> <p>KKMK MWSS Union was ejected from the area.</p> <p>PWP was offered to lease the property.</p>	AMD	<p>Oct. 2019</p> <p>Oct. 2019</p> <p>-</p> <p>Oct. 2019</p> <p>Oct. 2019</p>	<p>Dec. 2020</p> <p>Sept. 2020</p> <p>-</p> <p>Feb. 2020</p> <p>Feb. 2020</p>	<p>c. Under appeal and on-going negotiation</p> <p>d. - With Lease Contract/ implemented</p> <p>e. on-going negotiation</p> <p>Ejected</p> <p>Implemented – Lease contract perfected</p>	<p>c. WASSSLAI: lease rental rate is under negotiation in consideration to the nature of its existence.</p> <p>d. -</p> <p>e. Sensitivity of the issue (While it is true a business but has the nature of public service .</p> <p>Filed an appeal</p>	<p>b. Monitor.</p> <p>c. Follow-up and monitor.</p> <p>d. monitor and update</p> <p>e. Follow-up and monitor - Notices were served and of communication is ongoing with an objective of having a lease contract or ejected.</p> <p>Monitor</p> <p>Monitor</p>

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			<p>Timeline was set for PWP to decide</p> <p>Letters was sent to the bank owners of ATM Machines and pay & go for them to enter into a Lease Contracts. To collect back rentals.</p> <p>TASJODA – To serve notice to vacate as the area will be covered by construction of Multi-level parking.</p> <p>WASSLAI - To follow-up the demand to pay for reasonable compensation. So as not to endanger the interest of employees of MWSS and other members, there is a need to exhaust effort to explain the need for them to lease</p> <p>To process the renewal of lease contract which will provide provisions that MWSS will have a share in income from LWUA in leasing</p>	<p>AMD/LSD</p> <p>AMDLS</p>	<p>Oct 2019</p> <p>Oct 2019</p> <p>Oct 2019</p> <p>Oct 2019</p>	<p>Sept. 2020</p> <p>Dec. 2020</p> <p>Dec. 2020</p> <p>Dec. 2020</p>	<p>On-going</p> <p>Implemented and demand to vacate was issued.</p> <p>On-going implementation</p> <p>Not Implemented On-going negotiation with LWUA and had appealed for reconsideration.</p>	<p>Delayed responses from bank owners</p> <p>TASJODA – Long process of ejectment and nature of public service.</p> <p>Issues raised by WASSLAI</p> <p>LWUA – a government entity.</p>	<p>Follow-up and monitor/ Served notice to vacate</p> <p>TASJODA – Follow-up and monitor</p> <p>monitor for endorsement to LSD.</p> <p>To collaborate with LSD on issued of Sub lease by LWUA. Seek approval of the BOT with regards to past</p>

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			<p>portion of lease property.</p> <p>Determine whether the respective lessees are actually occupying an excess parking space and its location. If they are, to supplement in the lease contract.</p> <p>To install computer generated monitoring system on the expiring lease contract per implementation of AMIS Program</p> <p>WASSECO</p>	AMD	<p>Oct 2019</p> <p>Oct 2019</p> <p>Oct. 2019</p>	<p>Sept. 2020</p> <p>Dec. 2020</p> <p>Jan. 2020</p>	<p>Policy on parking is subject for review</p> <p>For implementation</p> <p>WASSECO – Ejected</p>	<p>Inconsistency with arrangement and previous negotiation prior to leasing. Danger of losing clients.</p> <p>Waiting completion of the AIMIS project and funding.</p> <p>Difficulty in determining electrical consumption</p>	<p>LWUA collections.</p> <p>Review rules and regulation governing parking utilization.</p> <p>To procure the and monitor and request funding</p> <p>To issue demand to pay for reasonable compensation.</p>
AAR CY 2018 pp. 83-84	The remaining balance of the fund received for the implementation of the Angat Dam and Dyke Strengthening Project (ADDSP) amounting to P23.750 million was used as payment of the guarantee fees payable due to non-segregation of the trust fund with the corporate funds, contrary to Section 4(3) of Presidential Decree No. 1445.	a. Return the P23.75 million used for other purpose and maintain a separate account for trust funds received from the BTr and submit Journal Voucher (JV) for the fund transfer; and	Transferred to Restricted Account LBP# 1461-1199-36 the remaining 23.75M.	FD			Not implemented		Requested to DBM in a letter dated 26 February 2020 that the amount be utilized as initial payment to the PPP Center in

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	The MWSS has not complied with the requirement of the MOA to provide copies to the Department of Budget and Management (DBM) and the Department of Public Works and Highways (DPWH) of the Liquidation and Accomplishment Reports on the ADDSP due to the failure of the Agency to demand the said reports from the National Power Corporation (NPC) and Provincial Government of Bulacan (PGB), the implementing agencies of the project.	b. Demand from the NPC and PGB the liquidation reports of the fund transferred and physical and financial accomplishment on the ADDSP, and provide copies to the DBM and DPWH pursuant to the MOA.		FD			For Implementation	relation to the NCWS-KDP. To be coordinated with NPC& PGB	
AAR CY 2018 pp. 84-89	Multi-Purpose Loan Program with an outstanding balance of P28.870 million lacked legal basis and contrary to Section 4(2) of P.D. No. 1445.	a. Devise a mechanism for concerned officers and employees to settle immediately their long outstanding loan balances, otherwise, a Notice of Disallowance will be issued; b. Identify the officers who allow the retirement of employees with outstanding loan and be held accountable thereof; and c. Analyze the negative loan balances and make the necessary adjustment and/or return the over payment to the respective MWSS employees, if warranted.		FD	July 2019	Dec 2019	For Implementation		
					July 2019	Dec 2019	For Implementation		
					July 2019	Dec 2019	For Implementation	Ongoing reconciliation of accounts	
AAR CY 2018 pp. 89-90	Notices of Disallowances with issued Notices of Finality of Decision aggregating P82.506 million were not recorded in the books as of year-end, contrary to Section 22.6 of COA Circular No. 2009-006 dated September 15, 2009 re: Rules and Regulations on Settlement of Accounts (RRSA).	Require the Finance Department to recognize the disallowances that have become final and executory as Receivables-Disallowances totaling P82,506,510.50.		FD	July 2019	Dec 2019	Partially Implemented	Disallowances totaling P41.139 are yet to be recorded in view that they are in lump sum and documents to show the	Disallowances totaling P41.367 million already recorded in the books of accounts.

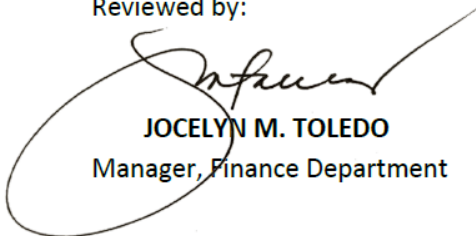
Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Reasons for Partial/Delay/Non-implementation, if applicable	Action Taken/Actions to be Taken	
			Action Plan	Person/Dept Responsible	Target Implementation Date				Status of Implementation ¹
					From	To			
							breakdown are still being located.		
AAR CY 2018 pp. 91-93	Payments of monthly reimbursable allowance totaling P1.704 million to the Office of the Government Corporate Counsel (OGCC) lawyers were not in accordance with Section 4 of PD No. 1445 and Section 6 of EO No. 878.	<p>a. Require the OGCC to refund the amount of P1.704 million representing the reimbursable expenses/allowance paid and submit to this Office the Official Receipt thereof. Otherwise, a Notice of Disallowance will be issued accordingly; and</p> <p>b. Stop the unauthorized payment of additional compensation to the OGCC lawyers, unless the three conditions under Section 6 of EO No. 878 are met.</p>		FD			<p>Partially Implemented</p> <p>Fully Implemented</p>	Additional justification on the grant of reimbursable expenses is being prepared by the GOCC for submission to COA.	
AAR CY 2018 pp. 93-94	<p>The hiring of Contract of Service (COS) employees whose function is a duplication of the job description of the agency's existing regular employees is contrary to CSC-COA-DBM Joint Circular No. 1, s. 2017 dated June 15, 2017.</p> <p>Moreover, grant of compensatory time-off (CTO) to the COS is also contrary to CSC-COA-DBM Joint Circular No. 1 s. 2015.</p>	<p>a. Evaluate the need for the services of the COS and consider those qualified to fill up the vacant regular position subject to existing Civil Service Laws/regulations and agency CSC-approved Merit Selection Plan; and</p> <p>b. Stop the practice of granting CTO to COS employees pursuant to CSC-DBM Joint Circular No. 1 s. 2015.</p>		HRODL			<p>Fully Implemented</p> <p>Fully Implemented</p>		<p>Implementation of the reorganization was already completed</p> <p>The recommendation was strictly adhered</p>
AAR CY 2018 pp. 94-96	<p>Deficiencies were noted in the audit of funds, programs and activities on gender and development (GAD), to wit:</p> <p>a. The allocated GAD budget of P1.650 million is only 0.0004 per cent of the DBM-approved Corporate</p>	a. Incorporate GAD programs, activities and projects in agency's regular operations to attain the five per cent of the total agency budget appropriations requirement and attribute agency programs to the GAD budget;		GAD Focal Point System			Fully Implemented		Incorporated GAD plans and programs in CY 2019

Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Reasons for Partial/Delay/Non-implementation, if applicable	Action Taken/Actions to be Taken	
			Action Plan	Person/Dept Responsible	Target Implementation Date				Status of Implementation ¹
					From	To			
	<p>Operating Budget of P4.496 billion way below the required five per cent of the total appropriations;</p> <p>b. The Projects/Activities/Programs (PAPs) in the GAD Plan and Budget were partially implemented thus, resulting in the underutilization of the GAD funds; and</p> <p>c. Absence of MWSS' GAD Database/Sex-disaggregated data.</p>	<p>b. Maintain GAD database/sex-disaggregated data thru conduct of surveys which will serves as a basis for planning, budgeting, programming, and policy formulation; and</p> <p>c. Judiciously plan GAD programs, activities and projects to achieve GAD objectives and thereby maximizing the utilization of the GAD funds.</p>					<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>COA recommendation is strictly adhered in planning of CY 2019 plans and programs</p>	

Prepared by:


JEFFRIC JOHN B. DE LA PAZ
 Corporate Finance Services Chief A

Reviewed by:


JOCELYN M. TOLEDO
 Manager, Finance Department

Noted by:


LTGEN EMMANUEL B. SALAMAT (Ret)
 Administrator