

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 2019
 As of 31 December 2020

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. 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 impact of the reclassification from Receivables into Contingent Assets is being carefully studied The issue is being carefully studied	
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	Jan 2021	Dec 2021	For Implementation	Most of the accounts refer to prior years' balances which no longer have supporting Not prioritized in view of the backlogs caused by the pandemic.	

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			
							documents or those that handled reconciliation already retired or not longer in service.	Efforts will be exerted to locate the documents to support the reconciliation of accounts.	
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>		FD	July 2020	Dec 2020	Partially Implemented	Other transactions are recorded in the Other Deferred Credits account due to the difficulty in recording directly in the Income or other appropriate account.	Reclassifications and adjustments were made in 2019 and 2020.
					Jan 2021	Dec 2021	For Implementation	The G.I. pipes are not recorded in the books of accounts being rejects that were not collected by previous contractor. Awaiting documentation from AMD regarding disposed assets that will be the basis of FD in the dropping of PPE.	

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>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 under the Deferred Credits account, to adjust to its proper account.</p>			July 2020	Dec 2020	Fully Implemented	Adjusted P333,067.16 with JEV# 2019-06-002394; P25,705.26 with JEV# 2020-12-003141	
					Jan 2021	Dec 2021	Ongoing	The accounts are being reconciled	
AAR CY 2018 pp. 67-68	<p>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.</p> <p>The deduction of Pag-IBIG loan amortization of P3,573 for the month of June 2018 was inadvertently posted in the GSIS subsidiary ledger.</p>	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 & HRODL	April 2021	June 2021	For Implementation	Not reconciled in view of the backlogs caused by the pandemic.	For reconciliation of FD and HRODL records and to effect adjustment, as necessary.
AAR CY 2018 pp. 68-70	<p>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.</p> <p>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</p>	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;		FD & HRODL	April 2021	June 2021	For Implementation	Not reconciled in view of the backlogs caused by the pandemic.	FD and HRODL will prioritize reconciliation as well as verification of the P42,625 overpayment in tax refund and collect from the affected

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			
	exceeded by P42,625 by the actual creditable tax of P566,260.							employees, as necessary.	
Compliance Audit – Corporate Office									
AAR CY 2018 pp. 74-82	<p>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.</p> <p>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:</p> <p>a. Eight MWSS employees and 15 non-MWSS employees residing in MWSS Living Quarters;</p> <p>b. Kaisahan at Kapatiran ng mga Manggagawa at Kawani sa MWSS (KKMK MWSS Union);</p> <p>c. Water and Sewerage Sector Savings and Loan Association, Inc. (WASSLAI);</p> <p>d. Philippine Water Partnership (PWP); and</p> <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>a. Evaluate whether to renew the expired lease contracts with the lessees in consideration of the following:</p> <p>i. All the terms and conditions of the expired contract have been complied with;</p> <p>ii. The validity of the claim and right to collect the payment of rent;</p> <p>iii. Reasonable/better rental rates between both parties; and</p> <p>iv. Collection of the arrears;</p>	<p>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.</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</p>	AMD	Jan 2021	Dec 2021	<p>Partially Implemented and on-going</p> <p>1. Interested to renew were identified</p> <p>2. Continuous evaluation and inspection - ongoing</p>	<p>1. Volume of expired Lease Contract and lack of manpower.</p> <p>2. Lack of manpower, Long process of ejection.</p>	<p>Continue the effort of renewal/evaluation/ejection:</p> <p>To have prioritization with regards to financial impact (actively paying/big contracts), interested to renew (negotiation on arrears) and for ejection/legal action (notices to vacate were being served).</p>

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			
			that most likely to resume the lease contract and willing to pay rental arrearages.						
		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, Metrobank and PNB, owner of the Pay&Go Machine, and TASJODA;	MWSS Employees has an Office Order designating them as “caretaker” of the property.				Not Implemented	Long process of ejection/ MWSS employees has authorization from Mgt.	Follow up and monitor
			KKMK MWSS Union was ejected from the area.		Oct. 2019	Feb. 2020	Not Implemented – Lessee already ejected but under court proceedings	Filed an appeal	Monitor
			PWP was offered to lease the property. Timeline was set for PWP to decide		Oct 2019	Sept. 2020	Implemented – Lease contract perfected		Monitor
			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.		Oct 2019	Dec. 2020	On-going	Delayed responses from bank owners	Follow-up and monitor/ Served notice to vacate
	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		TASJODA – To serve notice to vacate as the area will be covered by	AMD/LSD	Oct 2019	Dec. 2020	Implemented and demand to vacate was issued.	TASJODA – Long process of ejection and	TASJODA – Follow-up and monitor

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			
	terminal/parking area of the Association due to the absence of a lease contract.		construction of Multi-level parking.					nature of public service.	
	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.	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;	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	AMD/LSD	Oct 2019	Dec. 2020	On-going implementation	Issues raised by WASSLAI WASSLAI: lease rental rate is under negotiation in consideration to the nature of its existence.	Monitor for endorsement to LSD.
		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;	To process the renewal of lease contract which will provide provisions that MWSS will have a share in income from LWUA in leasing portion of lease property.	AMD			Not Implemented On-going negotiation with LWUA and had appealed for reconsideration.	LWUA – a government entity.	To collaborate with LSD on issued of Sub lease by LWUA. Seek approval of the BOT with regards to past LWUA collections.
		e. Enforce collection of rent for the excess parking space occupied by the concessionaires; and	Determine whether the respective lessees are actually occupying an excess parking space and its location. If they are, to supplement in the lease contract.		Oct 2019	Sept. 2020	Policy on parking is subject for review	Inconsistency with arrangement and previous negotiation prior to leasing. Danger of losing clients.	Review rules and regulation governing parking utilization.

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			
		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.	To install computer generated monitoring system on the expiring lease contract per implementation of AMIS Program		Oct 2019	Dec. 2020	For implementation	Waiting completion of the AMIS project and funding.	
			WASSECO		Oct. 2019	Jan. 2020	WASSECO – Ejected	Difficulty in determining electrical consumption	To issue demand to pay for reasonable compensation.
AAR CY 2018 pp. 83-84	<p>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.</p> <p>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</p>	<p>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</p> <p>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.</p>	<p>Transferred to Restricted Account LBP# 1461-1199-36 the remaining 23.75M.</p>	FD			Partially Implemented		<p>Separate account was set up for the trust fund</p> <p>A reply from DBM was received in 2021. For further coordination with DBM.</p> <p>To be coordinated with NPC& PGB</p>
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		FD	Jan 2021	Dec 2021	Partial Implementation		Claims of current retiring employees

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>balances, otherwise, a Notice of Disallowance will be issued;</p> <p>b. Identify the officers who allowed the retirement of employees with outstanding loan and be held accountable thereof; and</p> <p>c. Analyze the negative loan balances and make the necessary adjustment and/or return the over payment to the respective MWSS employees, if warranted.</p>			Jul 2020	2021	<p>For Implementation</p> <p>Ongoing</p>	<p>deducted with MPLP balances</p> <p>Ongoing reconciliation of accounts</p>	
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	2021	Partially Implemented	<p>Disallowances totaling P41.139 are yet to be recorded in view that they are in lump sum and documents to show the breakdown are still being located.</p> <p>Disallowances totaling P41.367 million already recorded in the books of accounts. Effort is being exerted to locate the breakdown for the other disallowances.</p>	
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.	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		FD			Partially Implemented	<p>Additional justification on the grant of reimbursable expenses is being prepared by the GOCC for submission to COA.</p>	

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			
CY 2019 Financial Audit									
AAR CY 2019 pp. 52-57	A total of P156.884 billion in assets and its upgrades provided by the Concessionaires under the concession agreements with the MWSS were not recognized in the MWSS books, contrary to IPSAS 32 – Service Concession Arrangements: Grantor, thereby, understating the assets, liability and revenue accounts.	<p>a. Account the service concession assets provided by the Concessionaires and subsequent costs 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	Oct 2020	Mar 2021	Fully Implemented		CY 2019 balances already taken up in the books.
AAR CY 2019 pp. 57-66	The validity and accuracy of the Property, Plant and Equipment (PPE) account balance of P46.094 billion remained doubtful due to: a) 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; b) Improperly recorded transactions totaling P1.013 billion; c) unreconciled net variance of P3.247 billion on Land, Office Building and Other Structures between the records of Finance Department and Inventory Report of the Asset Management Department; and d) inexistent, dilapidated, non-operational and/or abandoned various Office Building and Other Structures totaling P5.117 billion, hence, contrary to paragraph 27 of IPSAS 1 – Presentation of Financial Statements and Section 58 of P.D. No 1445. Moreover, unserviceable properties totaling P266.553 million remained undisposed, while the Physical Inventory Report as of December 31, 2019 was not submitted.								

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			
	a. The 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 the unrecorded 23 land titles, casting doubt on the propriety and completeness of recognition of assets into the books, hence, not in consonance with the Conceptual Framework for General Purpose Financial Reporting by Public Sector.	On the land property titles: a.1. Secure the land titles of the 175 land assets to support the MWSS claims of ownership over the lands recorded in the books;		AMD	2020	2021	Partially Implemented	<p>On-process with the DENR/LRA, AMD to submit other documents as reference to settle the boundaries.</p> <p>The hindrances confronting the slow movement of titling real estate properties involves several activities that are inter-connected with each other and the performance and accomplishment of each activity is dependent on the outcome of each titling task without which the same could not be completed.</p> <p>PAGES 2 TO 5 AMD REPLY TO COA AOM dated 7/15/2020.</p>	<p>The EPD will request the Management for the creation of Task Force-Titling or the hiring of 2 Geodetic Engineers, their work will focus primarily on the MWSS without land titles whose MWSS ownership is based only on (a) the tax declaration issued by the Assessor's Office where the assets are located.</p>

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			
								A.1 – 71 LOTS – NO LAND TITLES A.2 104 LOTS – MISSING TITLES	
		a.2. Evaluate the unrecorded 23 land titles whether these should be included in the Inventory Report and taken up in the books of accounts; and		AMD/FD	2020	2021	For Implementation	PAGES 6 TO 7 AMD REPLY TO COA AOM dated 7/15/2020.	Some were already recorded in the old inventory list of the former Property Mgmt. Department but not taken up in the Finance Department Book of Account No. 201. Both departments will evaluate and reconcile each lot mentioned in the COA Audit List to come up with a reconciled report.
		a.3. Ensure proper safekeeping of the land titles.		AMD			Implemented		<p>The AMD ensures that only authorized personnel has access in the secured vault</p> <p>For the missing MWSS land titles</p>

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			
								not found in the vault we will check and update actions taken by the MWSS relative to the petition for reconstitution or the re-issuance of the owners duplicate copy of Transfer Certificate of Title.	
	b. Thirteen lots reported as not-in-service valued at P853.253 million remained recorded under the PPE-Land account instead of as Investment Property account, thus, contrary to IPSAS 16 – Investment Property.	Effect the necessary reclassification entries on the following: b.1. Land reported as not-in-service recorded in the accounting books as PPE-Land to the appropriate Investment Property account pursuant to IPSAS 16 – Investment Property.		FD	Oct 2020	Dec 2020	Fully Implemented		Manually reclassified in CY 2019 and CY 2020 FS
	Six completed projects with accumulated cost of P159.654 million remained recorded in the CIP account instead of the appropriate asset account, contrary to paragraph 27 of IPSAS 1 – Presentation of Financial Statements.	b.2. The cost of completed projects from CIP account to the appropriate PPE accounts duly supported with Certificate of Completion and Acceptance and the depreciation computed from the year of the project completion.		FD	Jan 2021	Dec 2021	For Implementation		The FD is exerting effort to find the required supporting documents to support reclassification.
	c. Unserviceable properties totaling P266.553 million remain undisposed, contrary to National Budget Circular (NBC) No. 425 or the Manual on Disposal of Government Property.	c. 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		Disposal Committee	2020	2021	Ongoing	The Disposal Committee will still pursue disposal of items following the safety protocols in view of the COVID-19 situation. However, many of the	

Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Status of Implementation ¹	Reasons for Partial/Delay/Non-implementation, if applicable	Action Taken/Actions to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
		and to generate additional funds for the Agency.						movable items are still in the possession of the concessionaires. Upon inspection conducted in 2018 and 2019, the Disposal Committee has located majority of the items assigned to the concessionaires and are still in service. For those that are not in use, the MWSS will impose the return of the GAEs for immediate disposal.	
	d. Variance between accounting records and CY 2018 inventory report continue to exist and remained unreconciled because Physical Inventory Report as of December 31, 2019 was not submitted, in violation of COA Circular No. 80-124 dated January 18, 1980, thus, affecting the fairness of presentation of the account in the Financial Statements of CY 2019.	Comply with the following: d.1. Submit the Physical Inventory Report as of December 31, 2019 with proper analysis and reconciliation with the Accounting records to establish the accuracy of the recorded balances of the PPE accounts;		AMD	2020	2021	Ongoing	The Physical Inventory Report 2019 is currently being reviewed and finalized for submission as additional inputs were incorporated to the said report relative to the Memorandum of Agreement between MWSS and Land Registration Authority (LRA) on land titles.	PPE Annual Physical Inventory Report for 2019 will be submitted with analysis and reconciliation
		d.2. 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; and		AMD	2020	2021	Partially Implemented	The AMD submitted a status report copy furnished the COA, relative to the joint	There are records in the Asset Management Department showing the return of the

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>ocular inspection conducted on some of the Deep Well Pumping Stations turned-over to MWCI and MWSI.</p> <p>PAGES 6 & 7 AMD REPLY TO COA AOM dated 7/15/2020.</p> <p>c1, c2, c3 VARIOUS</p>	<p>retrieved unserviceable materials from various Office Building - Acct. 211 and Other Structures – Account 215 that undergone renovation. The AMD will reconcile those receipts and reflect the same to the PPE account to come up with an updated status report on Office Buildings and Other Structures. As to other MWSS properties reported as not-in-service and abandoned, the matter was already referred to Asset Recovery Division (ARD) – AMD or to MWSI/MWCI for comment as to future project, or course of action to</p>	

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			
								address present issues on the said land and for the management to strategize a plan for the best utilization of these idle properties.	
		d.3. Account for the various items of PPE which cannot be located/missing.		AMD	2020	2021	Ongoing		The AMD together with the Inventory Committee has been exerting efforts to verify the status of all MWSS property and equipment, including those that could not be located/missing.
AAR CY 2019 pp. 66-68	The Other Assets account balance of P724.425 million is not reliable due to absence of objective evidence of existence as evident in the: (a) undocumented garnished, dormant and unreconciled accounts totaling P685.609 million; and (b) unmonitored and undisposed non-operational assets amounting to P38.816 million, thus, contrary to the qualitative characteristic of faithful representation provided in paragraph 27 of the IPSAS 1 – Presentation of Financial Statements.	We reiterated our previous years' recommendation and Management agreed to require the Finance and the Asset Management Departments to: a. Analyze the composition of all garnished, dormant and unreconciled assets totaling P685.609 million based on the available data /records and to submit the details/schedules and other supporting documents;		AMD & FD	2020	2021	For Implementation	Most of the accounts refer to prior years' balances which no longer have supporting documents or those that handled	Not prioritized in view of the backlogs caused by the pandemic. Efforts will continually be exerted to locate

Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Status of Implementation ¹	Reasons for Partial/Delay/Non-implementation, if applicable	Action Taken/Actions to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
		<p>b. Submit schedule and status of the physical existence of the various non-operational assets amounting P38.816 million which remain undisposed for more than 10 years; and</p> <p>c. Conduct regular monitoring of these non-operational assets and prepare the necessary monitoring report thereon.</p>		AMD & Disposal Committee	2020	2021	Partially Implemented	reconciliation already retired or not longer in service.	the documents to support the reconciliation of accounts.
				AMD	2020	2021	For Implementation	Shall be monitored as soon as reconciliation of the account has been completed	There is a plan for the disposal of non-operational assets
AAR CY 2019 pp. 68-70	Incomplete reconciliation and unavailability of documents to support the beginning balances of various asset and liability accounts amounting to P574.475 million and P884.548 million, respectively, rendered the balances of the affected accounts doubtful, contrary to the qualitative characteristics of financial reporting on reliability and faithful representation, in accordance with IPSAS 1 – Presentation of Financial Statements.	We reiterated our recommendation and Management agreed to: (a) conduct continuous and regular reconciliation of the unreconciled/unverified accounts to establish the accuracy of the affected account balances; and (b) provide the details/schedule and other supporting documents relating thereto.		FD	Jan 2021	June 2021	For Implementation	Most of the accounts refer to prior years' balances which no longer have supporting documents or those that handled reconciliation already retired or not longer in service.	Not prioritized in view of the backlogs caused by the pandemic. Efforts will continually be exerted to locate the documents to support the reconciliation of accounts.
AAR CY 2019 pp. 70-71	The Loans Receivable Others account of retired/separated MWSS and Non-MWSS employees granted under the Multi-Purpose Loans Program (MPLP) totaling P13.856 million as of December 31, 2019 has been long outstanding	We recommended that Management:		FD	Jan 2021	Dec 2021	Ongoing	Absence of complete	

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			
	in the books for several years already due to lapses in the monitoring of the uncollected/dormant accounts, contrary to Section 6.1 of COA Circular No. 2016005 dated December 19, 2016. Its non-collection deprived MWSS of funds for its operations.	<p>a. Conduct regular monitoring, analysis and reconciliation of the loans receivable account; and</p> <p>b. Send demand letters to the respective MWSS and non-MWSS personnel to collect and recover the loans and submit the same to this Office together with the proof of receipt and/or explanation of the recipient.</p>		FD	2020	2021	For Implementation	documents and turn-over from the former employee handling the account	
AAR CY 2019 pp. 71-72	Non-reconciliation of the Due from Officers and Employees accounts resulted in the negative housing/car loan balances of four employees totaling to P437,523.20, thus, it understated the affected asset and liability accounts, contrary to Section 7 of COA Circular No. 2016-005 and paragraph 27 of IPSAS 1 – Presentation of Financial Statements.	We recommended that Management: (a) analyze the negative loan balances; (b) make the necessary adjustment/reclassification entries; and (c) stop the deduction of the loan amortization from the concerned employees and refund the excess amount collected.		FD	Jan 2021	June 2021	For Implementation	Absence of complete documents and turn-over from the former employee handling the account	
AAR CY 2019 pp. 72-74	Funds received in Calendar Years (CYs) 2010 and 2015 by MWSS for specific purposes totaling P60.930 million remain recorded in the books as Cash in Bank account instead of in the Restricted Fund/Cash account, thus, misstating the said accounts, and thereby contrary to IPSAS 1 – Presentation of Financial Statements and 2 – Cash Flow Statements.	<p>We recommended and Management agreed to:</p> <p>a. Evaluate the status of the funds received from the Lessee and from the BTr amounting to P 37,067,944.92 and P 23,862,644.96, respectively; and</p> <p>b. Reclassify the funds to its appropriate accounts in accordance with IPSAS 1 – Presentation of</p>		FD			Implemented		

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 Statements and 2 – Cash Flow Statements, as disclosed by the nature and purpose of the funds.							
AAR CY 2019 pp. 74-76	Lapses in the monitoring and conduct of periodic reconciliation of short-term investments/time deposits accounts resulted in a discrepancy of P310.098 million between the bank confirmed balance and the book balance as of December 31, 2019. Moreover, subsidiary ledgers were not maintained for ten time deposit accounts totaling P947.818 million. These cast doubt on the accuracy of the balance per books, and are contrary to paragraph 27 of IPSAS 1 – Presentation of Financial Statements, Section 114(2) of P.D. 1445 and runs counter to sound internal control.	<p>We recommended and Management agreed to:</p> <p>a. Conduct regular monitoring and/or periodic reconciliation of cash and cash equivalents to reflect the correct book balance;</p> <p>b. Investigate/analyze the discrepancy between the balance per bank as against the book balance and effect the necessary adjustment(s) for the LBP and PNB accounts amounting to P654,399.62 and P488,502.91, respectively;</p> <p>c. Prepare regularly the BRS of all cash and cash equivalents accounts; and</p> <p>d. Maintain and update regularly the subsidiary ledgers of the ten LBP time deposit accounts to support the detailed balances in the general ledger and to have an available data for decision-making purposes.</p>		FD	2020	2021	Partially Implemented	Delays in the taking up of transaction in the eNGAS in view of the pandemic and work from home setup limiting the capability of employees to access the electronic accounting system	
AAR CY 2019 pp. 76-78	Cash receipts from the sale of scrap materials amounting to P16.688 million for CY 2019 was recorded in the books as liability under the Other Deferred Credits account which is not in conformity with IPSAS 9 – Revenue from Exchange Transactions.	<p>We recommended that Management:</p> <p>a. Analyze the Other Deferred Credits account pertaining to cash received from the sale of scrap materials and reclassify to proper income or retained earnings account; and</p>		FD	Jan 2021	Jun 2021	Partially Implemented	Reclassifications and adjustments were already made during the 4Q of 2019	The remaining balances in Other Deferred Credits account referring to proceeds from

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>b. Ensure that the amount of the actual proceeds from sale of scrap materials or from the salvaged materials out of the disposed properties as reported in the Disposal Report prepared by the Disposal Committee is equal to the cash collected and reported; and</p> <p>c. Recognize as income the corresponding amount of the carrying values of the properties to be dropped from the books.</p>		FD			Not Implemented	The difference between the amount recorded as income and the actual collection refers to the VAT on the sale of disposed assets	disposal of assets await submission of the final Inventory and Inspection Report and/or other supporting documents to drop the assets in the books and reclassify the proceeds to corresponding Income account.
				FD			Implemented	Only the Gain on Sale of PPE, if any, is the recognized income for the disposal of unserviceable PPE	

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			
AAR CY 2019 pp. 78-79	Non-compliance of the provisions of paragraph 8 of IPSAS 17 – Property, Plant and Equipment resulted in the overstatement of loss on sale of disposed assets by P1.232 million	We recommended that Management comply with IPSAS 17 – Property, Plant and Equipment on the recognition of gain or loss arising from the derecognition of an item of property, plant and equipment which shall be included in the surplus or deficit when the item is derecognized using the difference between the net disposal proceeds, if any, and the carrying amount of the item.		FD			Implemented	The carrying amount is the basis for the computation of gain or loss. However, the proceeds are net of VAT	
AAR CY 2019 pp. 79-80	Proceeds from sale of bidding documents totaling P0.844 million was improperly carried in the books as liability under the Other Deferred Credits despite the nonrefundable nature of the cash received from the sale of bidding documents, hence contrary to paragraph 28 of IPSAS 9 – Revenue from Exchange Transactions.	We recommended that Management: a) recognize as earned the cash collected from the bidders for the payment of bidding documents and record the same as part of the Miscellaneous Income account to correctly reflect the transaction in accordance with IPSAS 9; and (b) prepare the adjusting entries to reflect the correct balance of liability account for CY 2019.		FD			Partially Implemented	The proceeds from sale of Bid Documents is parked in the Other Deferred Credits account subject to adjustment for expenses to be charged therefrom until such time that the procurement process of the related project/procurement is completed.	Other Deferred Credits for sale of bid docs referring to completed projects/biddings already closed to Income/Retained Earnings.
AAR CY 2019 pp. 80-81	Cash Receipts from Bonds amounting P26,124.76 which serve as security for the use of the various MWSS Properties were not refunded after the use of such properties, leaving the amounts lodged in the Other Deferred Credits account, contrary to the faithful representation under the Qualitative Characteristics of Financial Reporting under IPSAS 1 – Presentation of Financial Statements.	We recommended and Management agreed to require the Accounting Department to: (a) evaluate, notify and process the refund, if warranted, of the cash bond collected which is still under the Other Deferred Credits account considering that the reason for its recognition in the books as a liability is no		FD, OSD & AMD	Jan 2021	Dec 2021	For Implementation	It is the tenants' decision to not claim their deposit in view of future and frequent rentals. FD could not process refund	Tenants to be informed of their security deposit for claiming

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			
		longer applicable; and (b) determine the proper classification of the cash bond payments received taking into consideration the nature and the purpose of the cash bond collected.					without claims being filed.		
AAR CY 2019 pp. 84-88	Notice to Proceed (NTP) for the Detailed Engineering and Design and Construction of the New Centennial Water Source - Kaliwa Dam Project (NCWS-KDP) or the Commercial Contract was issued by the MWSS despite the non-compliance with the requirements provided for under the Loan Agreement, thus preventing the effectivity of the Commercial Contract.	We recommended that Management prioritize the completion of the requirements including the conditions and restrictions set forth in the Environmental Compliance Certificate by compelling the Consultant to fulfill its obligations under the Consultancy Services Contract. Compliance with the requirements shall facilitate the implementation of the provisions of the Commercial Contract.		ETOG			Not Implemented	The Notice to Proceed (NTP) was issued after complying with the requirements as described in the reply to AOM dated 13 July 2020 The Environmental Compliance Certificate issued on 13 October 2019 specified 21 conditions for Environmental Management which, as stated in the ECC, shall be instituted and strictly implemented by the proponent throughout the "project implementation". The term "project implementation", as used in the	

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>certificate and during the EIA Process is considered to mean the “project construction”, which is the second stage of the project (with the project under a two-phase Design-and-Build Scheme) to be commenced only once the Notice to Commence Construction (NTCC) is issued. This interpretation is self-evident in the 21 conditions and 4 restrictions in the ECC.</p> <p>Partial submission of the ECC Compliance was sent last 17 November 2020</p>		
AAR CY 2019 pp. 88-90	The Resolution ng Pagpayag, allegedly executed by the members of the tribal groups/indigenous peoples (IPs) living within the MWSS Kaliwa Dam project site, is a requirement for the Free and Prior Informed Consent (FPIC) and a condition precedent to the issuance of the	We recommended that Management require the FPIC Team to craft a valid and proper Resolusyon ng Pagpayag that complies with the requirements under the		ETOG			Not Implemented	In the scheme of things relative to the Project, the MWSS is the proponent, while	As a testament to the validity of the Resolution ng Pagpayag (Consent), the

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			
	Environmental Compliance Certificate (ECC), is not compliant with the guidelines under NCIP Administrative Order No. 3, s. 2012. Hence, renders the project proponent non-compliant with the ECC, and thus, affects the effectivity of the Loan Agreement and the Commercial Contract.	NCIP Administrative Order No. 3, series of 2012 and other pertinent laws.					<p>the National Commission on Indigenous Peoples (NCIP) is responsible for the process documentation. It should be noted that the only authorized agency to prepare and to release the official FPIC Report is the NCIP, pursuant to Section 22 of NCIP AO No. 03, Series of 2012, which states "the Resolution of Consent of the community shall be prepared, signed and released along with the finalization of the Memorandum of Agreement (MOA) and submission of FPIC report by the FPIC Team". This is to guarantee the objectivity and integrity of the FPIC Process.</p> <p>MOA Negotiations with IPs/ICCs for the FPIC Process in Quezon and Rizal were undertaken on 13-15 Oct 2020, and 3-5 November 2020 respectively, with the supervision and guidance of NCIP.</p> <p>On top of the MOA which encapsulates the commitments and obligations of MWSS to the IP communities, we have also formulated the Cultural Heritage and Protection Plan (CHPP), Integrated Social Development Plan (ISDP), and Indigenous Peoples Development Plan which contain the mechanisms to</p>		

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			
								ensure the social safeguards, safety and mitigating measures to protect the way of life and livelihood of the IPs/ICCs	
AAR CY 2019 pp. 90-93	The expropriation of lots particularly for the right of way affected by the Kaliwa Dam Project is still pending, hence considered a ground for the termination of the contract under Section 17.6 of the Revised Implementing Rules and Regulations of the Republic Act 9184 also known as the Government Procurement Reform Law.	<p>We recommended that Management require the Legal Department to:</p> <p>a. Expedite the application and processing of existing and pending right of way acquisitions in accordance with RA 10752 as stated in the Board Resolution No. 2019-181-CO;</p> <p>b. Compel the Engineering and Technical Operations Group to coordinate with the Legal Department on the status of the project accomplishment in relation to their participation in the expropriation of right of way; and</p> <p>c. Submit the complete inventory of the lots or parcel of land to be utilized in the project, including areas of the affected ICCs and IPs territories and the information regarding the status of the expropriation proceeding of private</p>		ETOG & LSD			Partially Implemented	<p>The delays in the expropriation proceedings is attributed to the imposition of ECQ due to the present health situation.</p> <p>Outlet Portal Lots</p> <p>There are 13 lots need to be acquired by MWSS at outlet portal area with the total area of 237, 869 sqm. 3 out of the 13 lots were already acquired by MWSS thru negotiation. 10 lots will be acquired thru expropriation. 8 out of the 10 lots are already filed on court with ongoing court hearings. 6 out of 8 have Writ of Possession issued by the</p>	
				ETOG & LSD			Partially Implemented		
				ETOG			Implemented		

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			
		lots already commenced which are to be used or utilized in the construction of the Kaliwa dam, the conveyance tunnel, access roads and housing camps in the project areas to the Project Management Office.						<p>court. 2 remaining cases are yet to be filed on court.</p> <p>Tunnel Alignment Lots</p> <p>There are 52 lots need to be acquired by MWSS for the tunnel alignment near the outlet portal area. These 52 lots have 17 lot owners. MWSS have delivered to the owners the Letter Offer to purchase. 3 out of the 17 lot owners already signified their intent to negotiate. For the remaining 14 owners, it is yet to be determined if the acquisition of lots will go thru negotiation or expropriation.</p>	
AAR CY 2019 pp. 93-95	The MWSS already paid the Management Fees amounting to P32.446 million and availed drawdown from the Loan Facility without compliance with the specific contractual	We recommended that Management make representation with the EximBank of China to recover the Management Fee of		FD & ETOG			Not Implemented	The Export-Import Bank of China transmitted the	

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			
	provisions and legal requirements set under the Preferential Buyer's Credit Loan Agreement, thereby, depriving the MWSS to use in its operations the funds advanced from the time it was released until the actual effectivity of the Loan Agreement.	P32,445,831.69 which is considered as advance payment since the Loan Agreement is not yet effective.						<p>Notice of Effectiveness of Loan Agreement dated 01 November 2019, conveying its satisfaction on the conditions set forth under Article 9.1 which have been duly complied with by MWSS. This justifies and substantiates the Management Fee paid by MWSS, pursuant to Article 2.5 of the Loan Agreement.</p> <p>Upon application of the first loan disbursement to Export-Import Bank of China, MWSS has completely fulfilled the conditions set forth in Appendix I of the Loan Agreement, submitted in the prescribed form, as received by the</p>	

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			
								Lender Bank to its satisfaction.	
AAR CY 2019 pp. 95-98	The MWSS Internal Audit Department (IAD) is not fully functioning as mandated by existing laws, rules and regulations, and covered only the audit of MWSS Corporate Office. This was due to IAD's lack of manpower to fully perform its function. Hence, the MWSS is deprived of the opportunities to appropriately address the issues that can be identified in the management and operations audit of the IAD and to improve/enhance existing policies and procedures including internal controls.	We recommended that the: (a) Board of Trustees consider increasing the present manpower complement of the IAD for the latter to fully operate in accordance with its mandated functions; and (b) Internal Audit Department (IAD) conduct both management and operations audit of the CO and the RO.							
AAR CY 2019 pp. 98-105	Various MWSS property used to be sites of its deep well operations were occupied by private individuals or taken back by the donors. There are also issues in the ownership titles and deed of donations covering said property. Thus, hindering the possession and control by MWSS of said property for its use. Obviously, MWSS did not monitor the status of said property for a long time.	We recommended that Management require the: a. Asset Management Department (AMD) and the Legal Department to evaluate the MWSS rights over the subject properties and to take appropriate action to enforce said rights against the unlawful/unauthorized use of said properties. b. Require the AMD and other concerned department/s to ensure the documentation and safekeeping of the documents such as the deed of donation, certificate of titles and other papers/documents, including on proofs of receipt and return of the property to the donors. The officer/officers in-charge in the safekeeping must make available these documents especially during inventory and inspection.		AMD & LSD	2020	2021	Partially Implemented		The AMD together with the Inventory Committee has been exerting efforts to verify the status of all MWSS property and equipment, including those that could not be located/missing. copy of Legal Opinion MWSS-LSD-M-20-77 dated 4 April 2020 on decommissioning and accountability of turned-over assets to the MWCI/MWSI.

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>AMD submitted a status report copy furnished the COA, relative to the joint ocular inspection conducted on some of the Deep Well Pumping Stations turned-over to MWCI and MWSI. There are records in the Asset Management Department showing the return of the retrieved unserviceable materials from various Office Building - Acct. 211 and Other Structures - Account 215 that undergone renovation. The AMD will reconcile those receipts and reflect the same to the PPE account to come up with an</p>	

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			
								updated status report on Office Buildings and Other Structures. As to other MWSS properties reported as not-in-service and abandoned, the matter was already referred to Asset Recovery Division (ARD) – AMD or to MWSI/MWCI for comment as to future project, or course of action to address present issues on the said land and for the management to strategize a plan for the best utilization of these idle properties	
AAR CY 2019 pp. 105-116	Some deep wells (DWs) remained non-operational due to: unresolved water quality; uninstalled machineries/equipment, accessories and other appurtenances; outdated yet being used as storage or other than its intended purpose; and abandoned but not yet dismantled. Also, evidence of ownership is not available with the AMD. These issues prevent to optimize the use of	We recommended that Management: a. Address the cause or causes of the temporary stoppage of the deep well operation by coordinating with the concessionaire, the issue on water quality in Barangays Pag-asa and Bago-Bantay, Quezon City, in order		AMD	2020	2021	For Implementation		Currently being coordinated with Concessionaires.

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			
	the DWs which can augment the water supply in Metropolitan Manila.	<p>to alleviate the impact of the water supply concerns in Metropolitan Manila.</p> <p>b. (i) Formulate an overall strategy on the properties of MWSS relative to the deep well that have already ceased operations; (ii) install security measures in the areas where the deep well operations were stopped or suspended or abandoned, in order to protect and safeguard the remaining properties of MWSS including the deep well appurtenances; and (iii) recover the salvage value of the metal pipes, equipment and other items for disposal.</p> <p>c. Evaluate and update as necessary the existing policies of the MWSS in the safekeeping of titles, deeds and proof of ownership or right to use the property and other related transactions pertaining to its properties used in the deep well operations, with imposition of sanctions to officials and employees who erred in their duties and responsibilities pertaining to the custody and safekeeping of these records/documents. This is to prevent doubt on the rights and ownership of MWSS over the subject properties.</p>							

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			
AAR CY 2019 pp. 116-125	Several deep wells (DWs) can no longer be located since structures were already erected on the DW sites. There are also MWSS properties which are being used other than for the deep well operations and the records of the AMD differs from that of the concessionaire's. These are indications of lapses of the AMD in updating its records and in monitoring the MWSS properties for DW operations, hence, render the records of MWSS properties unreliable.	<p>We recommended that Management:</p> <p>a. Require the AMD to: (i) explain the discrepancies of the recorded PPE items (deep well pumping stations and appurtenances etc.) as against the inventory list of the concessionaire MWCI; and (ii) prepare the correct and updated record of MWSS;</p> <p>b. Conduct investigation on the unfinished upgrading of the deep well appurtenances in San Fabian St. Robles Subdivision, Cainta, Rizal and also determine who shall be made liable for the unfinished work which resulted to the deterioration of the appurtenance and for the missing pump casing;</p> <p>c. Ensure that: (i) the MWSS properties are safeguarded from any intrusion or any unauthorized use thereof; (ii) there is proper safekeeping of the records that will show the MWSS ownership of the deep well pumping stations and the sites to where these stations were built, and documentation that the same were transferred or donated to the LGU or some private entity performing governmental functions like the operation and maintenance of deep well pumping stations; and (iii) for Legal Department to evaluate</p>		AMD	2020	2021	For Implementation	Currently being coordinated with Concessionaires.	

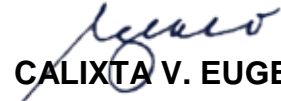
Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Reasons for Partial/Delay/Non-implementation, if applicable	Action Taken/Actions to be Taken	
			Action Plan	Person/Dept Responsible	Target Implementation Date				Status of Implementation ¹
					From	To			
		the appropriate action to be filed against the unlawful/unauthorized use of the MWSS properties.							
AAR CY 2019 pp. 125-129	The allocated GAD budget of the MWSS Corporate Office for CY 2019 of P8.850 million represents only 0.18 per cent of the DBM - approved Corporate Operating Budget (COB) of P4.906 billion, way below the required minimum five per cent (5%) of the total agency's budget as required under Section 6.1 of the PCW-NEDA-DBM Joint Circular No. 2012-01. Out of the allotted amount, only P827,001.00 or 9.34 percent was actually expended for GAD activities, hence, the purpose of the law on women empowerment and gender equality was not addressed.	<p>We recommended and Management agreed to:</p> <p>a. Strictly allocate at least 5% of the total amount of the MWSS-CO appropriation for the implementation of GAD-related programs and activities as required under Section 36 (a) of RA 7610 or the Magna Carta of Women and Section 6.1 of the PCW-NEDA-DBM Joint Circular No. 2012-01;</p> <p>b. Maximize the utilization of the funds allocated for GAD through the implementation of GAD-related programs and projects which address gender and development issues in order to attain the objective for which the funds were provided; and</p> <p>c. Require the Heads of the Implementing Departments or Offices to ensure that GAD Programs, Activities and Projects (PAPs) are implemented as planned to attain the GAD objectives and to regularly assess the gender responsiveness of the Corporation's programs and projects.</p>		FD & GAD Committee	2021	2021	For Implementation		
				GAD Committee / All Departments	2021	2021	For Implementation		
				GAD Committee / All Departments	2021	2021	For Implementation		

Prepared by:



JEFFRIC JOHN B. DE LA PAZ
OIC Manager, Finance Accounting and
Claims Control Division

Reviewed by:



CALIXTA V. EUGENIO
OIC Manager , Finance Department

Noted by:



PLTGEN REYNALDO V. VELASCO
Chairman of the Board and
Concurrent Administrator

