



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 GENERAL SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Calendar Year 2016

TO: METROPOLITAN WATER WORKS AND SEWERAGE SYSTEM RESIDUAL (MWSS-RO)

Your Corporate Operating Budget (COB) for Calendar Year 2016 per Board Resolution No. 2015-150-CO dated December 10, 2015 submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total amount not exceeding **FOUR BILLION SIX HUNDRED NINETY FOUR MILLION SEVEN HUNDRED EIGHTY THOUSAND PESOS ONLY (P4,694,780,000)** details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED	VARIANCE		
	(a)	(b)	(c)	(c=b-a)		
TOTAL SOURCES:	P	4,753,659,000	P	4,753,659,000	-	
Corporate Funds		4,753,659,000		4,753,659,000	-	
TOTAL USES:	P	4,753,659,000	P	4,694,780,000	P	(58,879,000)
Personnel Services (PS)		157,217,000		138,638,000	a/	(18,579,000) b/
Maintenance & Other						
Operating Expenses (MOOE)		4,188,294,000	c/	4,147,994,000	d/	(40,300,000)
Capital Outlays (CO)		408,148,000		408,148,000	e/	-
EXCESS/SHORTFALL	P	-	P	58,879,000	P	58,879,000

Footnotes:

a/ Includes the provision of P926,000 Hazard Pay for the fifteen (15) personnel under the Umiray Angat Transbasin Project for budgetary purpose, subject to GCG approval.

b/ The variance of P18,579,000 refers to overprovision of the following:

Excess Provision:	Amount (In '000)	Remarks
Salaries, Permanent	P 6,305	Excess provision for 153 filled positions. PhilHealth premium is based on DBM Circular No. 2012-12 dated June 29, 2012.
Wages, Contractual	1,591	
Year-End Bonus	525	
Mid-year Bonus	525	
Fixed Expenditures	986	
Per Diem of Governing Board	1,440	
Performance Enhancement Incentive (PEI)	4,833	Excess provision for the appointive members entitled to receive per diem. The appointive members are entitled to receive a max per diem of P15,000 per en banc meeting actually attended, and P9,000 per committee meeting actually attended.
Loyalty Incentive	520	P5,000/annum per employee Chargeable against savings
Welfare Fund Benefits	1,854	Pegged at FY 2014 audited. Subject to rules, regulations and procedures based on DBM Budget Circular 2008-3 dated June 20, 2008.
Total	P 18,579	

c/ Inclusive of P140 Million intended for the payment of Early Retirement and Incentive Package (ERIP) related to the implementation of the reorganization of MWSS.

d/ MOOE level is computed considering audited/actual expenses for the previous years and effects of inflation. Includes the provision of P5 Million for Confidential Fund, the actual utilization of which needs prior approval from the Office of the President of the Philippines. Extraordinary and Miscellaneous Expenses pegged at P 547,200 computed based on Section 47, General Provisions of R.A. No. 10717, FY 2016 General Appropriations Act (GAA).

e/ CO level is recommended as proposed, broken down as follows:

Public Infrastructures	P	322,877,000
Buildings and Structures Outlay		17,000,000
Furnitures, Fixtures, Equipment & Books Outlays		17,887,000
Information Technology		50,384,000
Total	P	408,148,000

The approval of the COB shall be subject to the following conditions:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations including E.O Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10717, the FY 2016 General Appropriations Act (ex. Representation and Transportation Allowance under Section 59, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to Section 47, General Provisions of R.A. No. 10717.
4. Disbursements from the Confidential and Intelligence Fund shall be covered by an approval from the President of the Philippines.
5. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 ated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, A.O. No. 15 dated May 25, 2011 and DBM Budget Circular 2016-5 dated August 22, 2016 among others.
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
7. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
8. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government Corporation.

Recommending Approval

Approved by

Lorenzo C. Drapeta
LORENZO C. DRAPETA
Director, BMB-C

Benjamin D. Dikno
BENJAMIN D. DIKNO
Secretary

Date:

COB No. C1-16-0039

OCT 11 2016

cc: The Chairman
Board of Directors, MWSS-CO

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - MWSS-CO

Department of Budget and Management
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