



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

October 19, 2011

MRS. ROSA B. CATOLICO

Acting Administrator
Partido Development Administration
Caraycayon, Tigaon, Camarines Sur

Dear Mrs. Catolico:

In compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of P.D. 1445 otherwise known as the Government Auditing Code of the Philippines, we conducted a comprehensive audit on the transactions of Partido Development Administration, Tigaon, Camarines Sur for Calendar Year 2010.

The audit included analysis of accounts and review of certain transactions and test of compliance with applicable laws, rules and regulations aimed to ascertain the fairness and reliability of the agency's financial position and results of its operations.

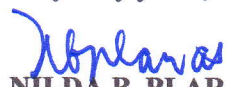
The attached report consists of three (3) parts: Part I - the Audited Financial Statements; Part II - Observations with the corresponding Recommendations which were discussed with concerned management officials and staff in an exit conference on October 13, 2011; Part III - Status of Implementation of Prior Years' Audit Recommendations and the Annexes.

We conducted the audit in accordance with generally accepted auditing standards and we believe that it provides reasonable bases for the results of audit.

May we request that this Office be apprised on the actions taken by management to the Auditor's audit recommendations incorporated in this audit report within sixty (60) days from receipt hereof, pursuant to Section 94 of the General Provisions of the General Appropriations Act for CY 2010.

We acknowledge the assistance and cooperation extended by the agency officials and personnel to the audit team that made possible the early submission of this report.

Very truly yours,


NILDA B. PLARAS
Director IV
Regional Director



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Ave., Quezon City

ANNUAL AUDIT REPORT

ON THE

PARTIDO DEVELOPMENT ADMINISTRATION
Tigaon, Camarines Sur

For the Year Ended December 31, 2010

EXECUTIVE SUMMARY

Introduction

The Partido Development Administration (PDA) was created on November 14, 1994 by virtue of Republic Act No. 7820, otherwise known as the "Partido Development Administration Act of 1994". RA 8989 was enacted on December 31, 2000 to streamline its organization and amend certain provisions.

The PDA has jurisdiction over ten (10) municipalities of the Fourth Congressional District of Camarines Sur or also known as "Partido District". It is under the supervision and direction of the Board of Directors, whose members are the ten (10) incumbent municipal mayors, the incumbent Congressman, the Administrator and ten (10) Private Sector Representatives (PSR) from each of the member-municipalities selected from among duly organized non-government organizations (NGOs) and sectoral associations.

PDA is mandated to make a comprehensive survey of physical and natural resources of the district; prepare, undertake and implement a comprehensive and integrated development program for the district; pass over all plans, programs, and projects; make recommendations to proper agencies on technical support, physical assistance and generally, the level of priority to be accorded; encourage investments in the district; help promote the economic zones and/or industrial estates in the district; establish, operate and/or contract to operate such agencies, functional units and instrumentalities; adopt a corporate seal; enter into contracts; alienate properties; to sue and to be sued; engage in agriculture, industry, commerce or other activities within the district; receive grants for its capitalization and operation; and exercise other functions necessary to attain the purpose for which it was created.

Financial Highlights

PDA's assets, liabilities and equity stood at P536,022,051.66, P1,160,985,748.11 and P(624,963,696.45), respectively, as of December 31, 2010. It sustained a net loss of P29,476,468.30 from its operations in 2010.

Sources of corporate funds as proposed by the administration and approved by DBM amounted to P62,599,980.00. Actual income generated totaled to P62,343,634.72, including subsidy from the national government amounting to P10,000,000.00. On the other hand, DBM approved expenditures totaled to P51,726,914.00, of which the amount of P50,780,726.11 was actually incurred.

Scope of Audit:

The audit covered the examination, on a test basis, of the accounts and financial transactions of the PDA for CY 2010 in accordance with Philippine Standards on Auditing. Our audit was also made to assess the propriety of financial transactions and the Administration's compliance with laws, rules and regulations.

Independent Auditor's Report

We rendered a qualified opinion on the fairness of the presentation of the financial statements owing to material discrepancies noted in the reported balances of the Property, Plant and Equipment account totaling to P501,175,901.03, and the inclusion of inactive, non-current, long outstanding and/or dormant accounts in the agency's Trade Receivables, rendering the accuracy and validity of its account balances as doubtful and unreliable.

Summary of Significant Audit Observations and Recommendations

1. The accounting records were not reconciled regularly with that of the collecting officer as required under Section 12 of the Manual on New Government Accounting System (NGAS), thereby resulting to a discrepancy of collections totaling P220,562.62 from the different collecting centers of Partido Water Supply System (PWSS).

We recommend that Management -1) Require the Accountable Officer and Accountant to reconcile regularly the balances of the Cash-Collecting Officer account per General Ledger/Subsidiary Ledger and Cash Receipts and Deposit Record to ensure the accuracy of the account; 2) Instruct the Collecting Officer to record the amount of P108,806.37 in the Cash Receipts and Deposit Record; and 3) Cause the submission of Request for Relief of Accountability for the lost collections, adequately substantiated with the basic requirements set forth under COA Memorandum No. 92-751 dated February 21, 1992 and in accordance with 2009 Revised Rules and Procedures of the Commission on Audit.

2. Collections were not remitted/deposited daily and intact to the Authorized Government Depository Banks (AGDB) contrary Section 69 of PD 1445 and the Manual on NGAS, thus exposing them to misappropriation and risk of loss.

We reiterate our previous recommendations to require the Roving Teller to regularly pick up all collections from the mainland collection centers and weekly from the coastal areas and deposit them intact to avoid misappropriation and risk of loss.

3. Cash Advances under Cash-Disbursing Officers account (103) and Due from Officers and Employees account (123) amounting to P 330,641.75 and P 210,206.28 respectively, remained unliquidated at year end contrary to the provisions of COA Circular No. 97-002.

We recommend that Management – 1) Strictly adhere to the provisions of Section 174 of GAAM, Volume I and COA Circular No. 97-002 dated February 10, 1997; 2) Fully liquidate/collect all long outstanding cash advances in pursuance to existing rules and regulations; 3) Reclassify the amount of P164,428.20 representing receivables of the former employees to Other Receivables (149) account; and 4) Require all officers and employees to liquidate travel advances strictly within 30 days after return to official station, otherwise, suspend salary until liquidation has been done. Refund of unused cash advance should be made immediately and simultaneously with the liquidation.

4. Balance of Accounts Receivable-Trade pertaining to the Partido Water Supply System (PWSS) of P18,332,019.85 was not reconciled with supporting schedules and included inactive, non-current, long outstanding and/or dormant accounts, rendering the accuracy and validity of its account balance as unreliable.

We reiterate our previous year's audit recommendation that Management should trace the difference immediately to avoid accumulation of unreconciled items in the books. Establish the collectivity of long outstanding receivables. Accounts aging 10 years or more and determined to be uncollectible should be requested for write-off from COA and written off in the books upon receipt of authority pursuant to COA Resolution No. 2003-002.

5. Discrepancies noted in the reported balances of Inventory Accounts totaling P71,990.57 render the accuracy of the accounts as unreliable.

We recommend that Management resolve the deficiencies/errors noted in the Breakdown of Inventory Report. Investigate the occurrence of such amount of discrepancy, and conduct reconciliation of the balances of Inventory accounts.

6. Material discrepancies noted in the reported balances of Property, Plant and Equipment totaling to P501,175,901.03, and the inclusion of damaged/ unserviceable items cast doubt on the accuracy and validity of the accounts.

We recommend that Management should reconcile the noted discrepancy in the balances of the PPE accounts. Reclassify cost of damaged/unserviceable items to Other Assets account pending its proper disposition. And finally, resolve the deficiencies/errors noted in the Report on the Physical Count on Property, Plant and Equipment (RPCPPE).

7. Procurement of goods and services totaling P642,254.64 were mostly made through reimbursement basis contrary to COA Circular No. 97-002, Section 93 of PD 1445 and RA 9184.

We recommend that Management – 1) Should stop/refrain from procuring goods and services thru reimbursement basis; 2) Purchases should be made directly to the supplier/creditor following the proper procurement rules and regulations in accordance with the provisions of RA 9184; and 3) Charge the corresponding taxes due, against the claims of officer/employee making the reimbursement in order to discourage such practice.

8. The Partido Water Supply System's (PWSS) 43.90% average unaccounted water for Calendar Year 2010 exceeded the 40% allowable rate set by the Department of Budget and Management (DBM), thereby undermining the administration's operational efficiency.

We recommend that plans and programs should be immediately undertaken by Management to significantly reduce unaccounted water, thereby improving the existing operational efficiency.

9. Cost of audit services for CY 2010 and prior years totaling P1,679,633.16 were not set-up as payables and appropriated in their Corporate Operating Budget (COB) contrary to Section 2

of EO No. 271 and COA-DBM Joint Circular No. 88-1, thereby understating the Due to NGAs account and has an unremitted balance of P2,640,015.00 to the Bureau of Treasury as of year-end.

We recommend that Management comply with Sections 4.2 and 4.5 of COA-DBM Joint Circular No. 88-01 and Section 2 of EO No. 271 which requires that government corporations include in their COB the cost of audit services assessed by COA. Set up accrual of audit fees from CY 2010 and previous years and the years thereafter and regularly remit the same to the Bureau of the Treasury.

10. The procurement process in the hiring of thirteen (13) consultants with the total cost of P849,750.00 during the year was not in accordance with the provisions of RA 9184 and its Implementing Rules and Regulations and whose duties were not highly technical and/or mere duplication of functions being performed by regular employees.

We recommend that Management comply with the provisions of RA 9184 particularly on the hiring of consultants. Discontinue the services of the consultants whose duties are mere duplication of those performed by regular employees and which do not meet the requirements set forth.

11. Contrary to Section 4(1) of PD 1445, the Administration's total expenses for Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) for CY 2010 exceeded the Department of Budget and Management (DBM) approved Corporate Operating Budget by P4,053,834.68, thereby incurring expenditures outside its statutory authority.

We recommend that Management should incur expenditures within the limits of the Corporate Operating Budget (COB) as approved by the Department of Budget and Management. Any increase in the approved COB in the course of the budget year shall require the submission and approval of a supplemental COB to cover the additional corporate expenditures.

12. The Agency has not fully implemented the activities for its Gender and Development (GAD) program in Calendar Year 2010 contrary to Department of Budget and Management/National Economic Development Authority/National Commission on the Role of Filipino Women (DBM-NEDA-NCRFW) Joint Circular No. 2004-1 dated April 5, 2004.

We recommend that Management prepare an annual GAD Plan pursuant to DBM-NEDA-NCRFW Joint Circular No. 2004-01 dated April 5, 2004. Allot at least five percent (5%) of the total budget appropriations for the cost of implementing the GAD Plan.

Status of Implementation by the Agency of Prior Years' Audit Recommendations

Out of the seven (7) audit recommendations embodied in the 2009 AAR, two (2) were fully implemented and five (5) were partially implemented.

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PART I

FINANCIAL STATEMENTS



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

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Partido Development Administration
Caraycayon, Tigaon, Camarines Sur

Report on the Financial Statements

We have audited the accompanying financial statements of Partido Development Administration, which comprise the statement of financial position as of December 31, 2010 and the statement of income and expenses, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making of those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Material discrepancies noted in the reported balances of Property, Plant and Equipment totaling P501,175,901.03, and the inclusion of damaged/unserviceable items cast doubt on the accuracy and validity of the accounts.

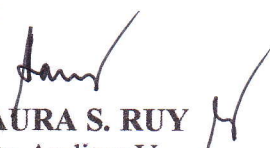
Further, the balance of Accounts Receivable-Trade for Partido Water Supply System (PWSS) of P18,332,019.85 was not reconciled with supporting schedules and included inactive, non-current, long outstanding and/or dormant accounts, rendering the accuracy and validity of its account balance as unreliable.

Qualified Opinion

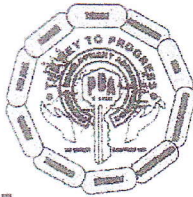
In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Partido Development Administration as of December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

COMMISSION ON AUDIT

By:


MAURA S. RUY
State Auditor V
Supervising Auditor-In Charge

October 14, 2011



Partido Development Administration


Created Under R.A. 7820

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Partido Development Administration is responsible for all information and representations contained in the accompanying Balance Sheet as of December 31, 2010 and the related Statements of Income and Expenses, Changes in Equity, and Cash Flows for the year then ended. The financial Statements have been prepared in conformity with generally accepted state accounting principles and reflected amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities recognized.


MAGDALENA R. PORTEM
Accountant III


ROSA B. CATOLICO
Acting Administrator

PARTIDO DEVELOPMENT ADMINISTRATION**Balance Sheet**

As of December 31, 2010

(With Comparative Figures for Year 2009)

		<u>2010</u>	<u>2009</u>
ASSETS			
Current Assets			
Cash & cash equivalents (Note 3)	P	26,575,053.56	P 15,298,099.70
Trade and Other Receivables (Note 4)		11,660,301.08	9,093,043.20
Inventories (Note 5)		2,685,900.57	2,060,564.22
Prepaid Expenses (Note 6)		681,753.98	684,730.87
Total Current Assets	P	<u>41,603,009.19</u>	<u>P 27,136,437.99</u>
Non Current Assets			
Investments	P	0.00	P 17,056,000.00
Property, Plant and Equipment (Note 7)		494,347,893.90	514,165,257.14
Other Assets		71,148.57	358,927.57
Total Non-Current Assets	P	<u>494,419,042.47</u>	<u>P 531,580,184.71</u>
Total Assets	P	<u>536,022,051.66</u>	<u>P 558,716,622.70</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Payable Accounts (Note 8)	P	2,624,663.44	P 7,483,390.49
Inter-Agency Payables (Note 9)		646,709,094.45	585,526,018.71
Intra-Agency Payables (Note 10)		655,062.03	481,902.03
Other Liability Accounts (Note 10)		233,002.40	211,149.86
Loans Payable- Foreign (Note 11)		52,222,532.78	57,711,390.88
Total Current Liabilities	P	<u>702,444,355.10</u>	<u>P 651,413,851.97</u>
Non-Current Liabilities			
Loans Payable- Foreign (Note 11)	P	458,359,413.63	P 501,103,655.29
Total Non-Current Liabilities	P	<u>458,359,413.63</u>	<u>P 501,103,655.29</u>
Total Liabilities	P	<u>1,160,803,768.73</u>	<u>P 1,152,517,507.26</u>
Deferred Credits (Note 12)	P	181,979.38	P 152,479.38
Equity			
Government Equity (Note 13)	P	48,027,921.30	P 48,027,921.30
Retained Earnings		(672,991,617.75)	(641,981,285.24)
Total Equity	P	<u>(624,963,696.45)</u>	<u>P (593,953,363.94)</u>
Total Liabilities and Equity	P	<u>536,022,051.66</u>	<u>P 558,716,622.70</u>

See accompanying Notes to Financial Statements

PARTIDO DEVELOPMENT ADMINISTRATION

Statement of Income and Expenses

For the year ended 31 December 2010

(With Comparative Figures for Year 2009)

	<u>2010</u>	<u>2009</u>
INCOME (Note 14)	P 62,343,634.72	P 58,216,241.23
EXPENSES		
Operating Expenses		
Salaries and Wages	P 9,768,541.02	P 8,788,844.43
Personnel Benefits Contribution (Note 15)	1,371,210.38	1,145,056.26
Other Personnel Benefits	326,894.78	356,262.96
Other Compensation (Note 16)	4,479,418.45	4,738,942.67
Maintenance and Other Operating Expenses (Note 17)	61,714,559.98	55,284,273.00
Total	P 77,660,624.61	P 70,313,379.32
Financial Expenses		
Interest expenses	24,602,260.70	26,953,083.04
Other Financial Charges	2,993,964.29	2,896,444.44
Bank Charges	1,923.89	
Total	P 27,598,148.88	P 29,849,527.48
Total Expenses	P 105,258,773.49	P 100,162,906.80
LOSS FROM OPERATIONS	P (42,915,138.77)	P (41,946,665.57)
OTHER INCOME (EXPENSES)		
Gain (Loss) on Foreign Exchange	P 13,180,884.16	P 8,169,046.11
Gain/Loss on Sale of Disposed Assets	(278,599.00)	0.00
Interest Income	536,385.31	422,291.14
Total	P 13,438,670.47	P 8,591,337.25
NET INCOME (LOSS) FROM OPERATION	P (29,476,468.30)	P (33,355,328.32)

See accompanying Notes to Financial Statements

PARTIDO DEVELOPMENT ADMINISTRATION

Statement of Changes in Equity

As of December 31, 2010

(With Comparative Figures for Year 2009)

Particulars	<u>2010</u>	<u>2009</u>
Donated Capital:		
Balance at the beginning of the year	P 48,027,921.30	P 48,027,921.30
Refund of unexpended balance provided by NEDA	0.00	0.00
Balance at the end of the year	P <u>48,027,921.30</u>	P <u>48,027,921.30</u>
Retained Earnings:		
Balance at the beginning of the year	P (641,981,285.24)	P (435,186,498.00)
Correction of prior years' errors	(1,533,864.21)	(173,439,458.92)
Net Income(Loss) for the period	(29,476,468.30)	(33,355,328.32)
Balance at the end of the year	P <u>(672,991,617.75)</u>	P <u>(641,981,285.24)</u>
Government Equity, December 31, 2010	P <u>(624,963,696.45)</u>	P <u>(593,953,363.94)</u>

See accompanying Notes to Financial Statements

PARTIDO DEVELOPMENT ADMINISTRATION

Cash Flows Statement

As of December 31, 2010

(With Comparative Figures for the Year 2009)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Collection of Income	P 48,516,189.59	P 42,083,213.15
Refund of overpayment of expenses	361,188.13	616,440.23
Receipt of financial assistance from NGA	10,000,000.00	15,000,000.00
Receipt of Performance/Bidders/Bail Bonds	418,968.60	454,540.26
Collection of Receivables	124,266.20	112,852.53
Total Cash Inflows	P 59,420,612.52	P 58,267,046.17
Cash Outflows		
Payment of operating expenses	P 40,370,331.18	P 36,233,280.92
Remittance of GSIS/PAG-IBIG/withholding taxes	5,852,194.72	4,469,399.11
Payment of payables	7,042,809.91	3,516,473.88
Purchase of office supplies	575,422.58	434,855.33
Payment of prepaid expenses	70,857.66	73,900.82
Total Cash Outflows	P 53,911,616.05	P 44,727,910.06
Net cash used from operating activities	P 5,508,996.47	P 13,539,136.11
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from maturing Treasury Bills	P 27,591,745.01	P 3,383,185.09
Receipt from repayment of loans by LGUs	1,511,440.00	1,043,100.00
Proceeds from the sale of Property, Plant and Equipment	9,180.00	590.00
Total Cash Inflows	P 29,112,365.01	P 4,426,875.09
Cash Outflows		
Office Equipment, Furniture and Fixtures, land	P 7,718,319.86	P 2,364,120.41
Loan Receivables (Interest Free Loan-LGUs)	626,793.28	953,688.13
Treasury Bills	9,999,294.48	9,847,520.62
Total Cash Outflows	P 18,344,407.62	P 13,165,329.16
Net cash used in investing activities	P 10,767,957.39	P (8,738,454.07)

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Outflows

Cash payment of interest on loans/bonds payable and other financial charges

Payment of domestic and foreign loans P 5,000,000.00 P 3,000,000.00

Total Cash Outflows P **5,000,000.00** P **3,000,000.00**

Net cash used in financing activities P **(5,000,000.00)** P **(3,000,000.00)**

Net increase in cash P **11,276,953.86** P **1,800,682.04**

ADD: Cash and Cash Equivalents- Beginning 15,298,099.70 13,497,417.66

Cash and Cash Equivalent, Ending P **26,575,053.56** P **15,298,099.70**

PARTIDO DEVELOPMENT ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2010

1. AGENCY BACKGROUND

The Partido Development Administration (PDA) was created on November 18, 1994 by virtue of Republic Act No. 7820. It was, however, formally organized and operated on October 16, 1997. This year marks its 12th since its organization.

The PDA as a corporate body, has jurisdiction over the ten (10) municipalities of the Third Congressional District of Partido District, in the Province of Camarines Sur composed of Tigaon, Sagñay, Goa, San Jose, Lagonoy, Presentacion, Caramoan, Garchitorena, Tinambac and Siruma. It is under the supervision and direction of a Board of Directors, whose members are the ten (10) incumbent Mayors of the said municipalities, the incumbent Congressman, the Administrator and ten (10) Private Sector Representatives coming from each of the member municipalities.

The PDA is under the stewardship of Acting Administrator Rosa B. Catolico who is assisted by three (3) Division Chiefs/Managers for Planning, Evaluation and Monitoring, Administrative and Finance, and Operations. Its Rationalization Program took effect on February 1, 2007 and presently complemented with fifty nine (59) personnel, forty nine (49) of which are either on permanent or co-terminus status and ten (10) are casuals. Its manpower needs is augmented by hiring through job order contracts.

Among PDA's functions and powers are to:

- Make a comprehensive survey of physical and natural resources of the district;
- Prepare, undertake and implement a comprehensive and integrated development program for the district;
- Pass over all plans, programs, and projects in the district;
- Make recommendations to proper agencies on technical support, physical assistance and generally, the level of priority to be accorded;
- Encourage investments in the district;
- Help promote the economic zones and/or industrial estates established in the district;
- Establish, operate and/or contract to operate such agencies, functional units and instrumentalities;
- Receive grants, both in cash and in kind, for its capitalization and operation;
- Adopt a corporate seal, enter into contracts and alienate properties;
- To sue and be sued; and,
- Exercise any other functions necessary to attain the purpose for which it was created.

There are five (5) business venture operated by the agency which are the PTV4 Goa, Nato Port, the Center for Human Resources Development (CHRD), DZRP and the Partido Water Supply System(PWSS).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income and Expense Recognition

The Administration adopts the accrual basis of accounting. All income are recognized when earned regardless of when collected, and all expenses are recognized when incurred regardless of when paid.

Uncollectibility of Receivables

Allowance for doubtful accounts is maintained at a level adequate to provide for potential uncollectibility of receivables. Policy on such provision was set depending on the age of the accounts. A maximum of 100% provision was set on accounts which are over 121 days.

A provision for doubtful accounts for the year was recorded using the new software/program which generated the Report of Aging of Receivables. Age brackets in the Aging Report are as follows:

Age of Receivables	Percent
Active Accounts:	
0 to 120 days	0%
1 year	1%
2 years	2%
5 years to 10 years	4%
Inactive Accounts:	
0 to 120 days up to 10 years	100%

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 2 to 25 years. Depreciation starts on the second month after purchase. A 10% residual value is set.

3. CASH AND CASH EQUIVALENTS

P26,575,053.56

This account consists of:

Account	2010	2009
Cash in Bank	P 25,212,912.03	P 14,252,423.85
Cash with Collecting Officer	1,002,975.38	945,827.95
Cash Disbursing Officers	330,641.75	54,480.00
Petty cash Funds	28,524.40	45,367.90
Total	P 26,575,053.56	P 15,298,099.70

Cash in Bank account consists of cash deposits with Land Bank of the Philippines, Goa and Postal Bank, Tigaon, all in Camarines Sur under current and high yield savings account as follows:

Account	Amount
Cash in Bank-Local Currency, Current Account	P 8,014,114.00
Cash in Bank-Local Currency, Savings Account	17,198,798.03
Total	P 25,212,912.03

Cash with Collecting Officers represent collections with the collecting officers/field collectors in various water systems pending deposit.

Petty Cash Funds are cash granted to designated petty cash custodians in various water systems and divisions for payment of authorized petty or miscellaneous expenses which cannot be conveniently paid thru check.

4. TRADE AND OTHER RECIVABLES

P11,660,301.08

This account consists of:

Account	2010	2009
Accounts Receivable	P 18,413,769.85	P 14,606,086.67
Due fm LGUs	420,501.79	857,999.31
Due from Officers and Employees	210,206.28	318,547.92
Total	P 19,044,477.92	P 15,782,633.90
Allowance for Doubtful Accounts	(7,384,176.84)	(6,689,590.70)
Net Receivables	P 11,660,301.08	P 9,093,043.20

Accounts Receivable are amounts due from customers/concessionaires arising from services rendered related to water, port, TV ads, catering, dormitory, rental of facilities and printing/binding operations.

Due from Officers and Employees represents cash advances granted for travel and other expenses.

5. INVENTORIES

P2,685,900.57

This account consists of:

Account	2010	2009
Medical, Dental & Laboratory Supplies Inventory	P 491,206.10	P 494,977.93
Office Supplies Inventory	751,982.35	305,989.23
Accountable Forms Inventory	146,468.00	136,355.50
Gasoline, Oil & Lubricants Inventory	133,115.13	129,696.63
Other Supplies Inventory	1,163,128.99	993,544.93
Total	P 2,685,900.57	P 2,060,564.22

Medical, Dental & Laboratory Supplies pertain to the aluminum sulfate, chlorine granules and other supplies for use in the various water treatment plant operations. On the other hand, *Other Supplies* consist of supplies for use in household water services connections and leak repairs such as couplings, teflon tapes, saddle clamps, and the like.

6. PREPAYMENTS

P681,753.98

This account consists of:

Account	2010	2009
Prepaid Insurance	P 190,433.08	P 154,609.97
Prepaid Rent	351,860.90	390,660.90
Other Prepaid Expenses	139,460.00	139,460.00
Total	P 681,753.98	P 684,730.87

7. PROPERTY AND EQUIPMENT

P494,347,893.90

This account is composed of the following:

PARTICULARS	LAND & ELECT., POWER & ENERGY STRUCTURES	BUILDING AND OTHER STRUCTURES	OFFICE EQUIPMENT/ FURNITURE & FIXTURE	TRANSPORTATION EQUIPMENTS	OTHER PROPERTY PLANT & EQUIPMENT	CONSTRUCTION IN PROGRESS- AGENCY ASSETS	TOTAL
December 31, 2009:							
Cost	83,885,481.58	143,983,329.56	54,551,583.29	11,332,661.64	418,933,314.77	5,597,000.00	718,283,370.84
Accum. Dep'n.	42,487,342.39	43,085,111.50	34,492,031.41	8,652,028.03	75,401,600.37	-	204,118,113.70
Net Book Value	41,398,139.19	100,898,218.06	20,059,551.88	2,680,633.61	343,531,714.40	5,597,000.00	514,165,257.14
December 31, 2010:							
Opening Book Value	41,398,139.19	100,898,218.06	20,059,551.88	2,680,633.61	343,531,714.40	5,597,000.00	514,165,257.14
Additions/ Deductions	2,629,296.20	851,605.95	8,393,066.20	1,300,000.00	2,495,133.18	24,000.00	15,693,101.53
Depreciation for the year	(7,208,812.72)	(6,485,922.30)	(4,088,934.30)	(1,292,859.22)	(12,580,022.91)	-	(31,656,551.45)
Reclassification/ Adjustment	4,171.24	-	702,626.55	34,468.68	1,025,820.21	(5,621,000.00)	(3,853,913.32)
Closing Net Book Value	36,822,793.91	95,263,901.71	25,066,310.33	2,722,243.07	334,472,644.88	-	494,347,893.90

Land consists of the following:

Particulars	Amount
PDA Main	P 3,600,000.00
WTP Presentacion Site	102,308.00
Tigaon, C.S. (10,000 sqm. From Vicente Estela)	563,625.00
Water Source Lot -Tinambac (3 has.)	220,000.00
Donated Land of Mr. Tomas Riva (20sqm) - Garchitorena, C.S.	3,000.00
Total	P 4,488,933.00

Building and Other Structures include the cost of the construction of PDA Main Building, PWSS, QRT, CHRD and PTV4 Buildings. It also includes civil mechanical and electrical works for different water treatment plants.

The property and equipment consists mainly of various fixed assets which are included in the water project cost such as pipelines, and related works; civil and electrical works; mechanical equipment and other facilities and equipment acquired before and after the water project.

8. ACCOUNTS PAYABLE

P2,624,663.44

This account consists of:

Account	2010	2009
Trade Accounts Payable	P 2,332,337.27	P 7,198,552.49
Due to Officers and Employees	292,326.17	284,838.00
Total	P 2,624,663.44	P 7,483,390.49

Trade Accounts Payable are payables incurred arising from trade/business operations

9. INTER-AGENCY PAYABLE

P646,709,094.45

This account consists of payables to the:

Account	2010	2009
National Treasury		
Advances re: Amortization	P 504,922,402.16	P 469,449,381.99
Interest on Advances	85,660,813.58	61,588,459.89
Guarantee Fees	54,220,640.76	50,887,915.83
	P 644,803,856.50	P 581,925,757.71
Local Water Utilities Administration	0.00	2,004,129.00
GSIS, PAG IBIG & PHILHEALTH	291,452.98	66,091.24
Bureau of Internal Revenue	576,681.13	471,759.52
National Government Agency (CoA)	960,381.84	960,381.84
Government Owned/Controlled Corps.	12,341.80	8,197.15
Other Government Agencies-LGUs	64,381.20	89,702.25
Total	P 646,709,094.45	P 585,526,018.71

Due to National Treasury consists of the guarantee fee payable to the National Government including the advances it made as the guarantor for the first four (4) loan amortizations including cable charges, handling costs, and interests advanced/paid to ABN-AMRO as well as the interest for the advances made by the National Government.

Due to GSIS/PAG-IBIG/PHILHEALTH account pertains to the contributions due and loan amortizations withheld for remittance to the Government Service Insurance System, Home Development Mutual Fund and Philippine Health Insurance Corporation.

Due to BIR accounts pertains to the taxes due and the various amounts withheld for remittance to the BIR.

Due to Other Government Agencies – LGUs pertains to the charges of the provincial Health Office for various bacteriological tests of water samples submitted for analysis and issuance of certificates of water potability. This also includes rent expenses for the use of office space used as collection centers payable to the municipalities of Lagonoy and San Jose.

10. OTHER CURRENT LIABILITIES

P888,064.43

This account consists of the following:

Account	2010	2009
A. Intra- Agency Payables		
Due to Other Funds	P 655,062.03	P 481,902.03
B. Other Liability Accounts		
Guarantee Deposits Payable		15,000.00
Performance/Bidders/Bail Bond Payable	149,539.60	181,106.00
Other Payables	83,462.80	15,043.86
Total	P 888,064.43	P 693,051.89

Due to Other Funds includes the amount payable to REMCO, contractor for the Ilaw sa Barangay Project which remain unclaimed and deposit for house wiring. It also includes Congressman Arnulfo P. Fuentesbella certified seeds subsidy.

11. FOREIGN LOANS PAYABLE

P458,359,413.63

This account consists of:

Account	2010	2009
DANIDA Mixed Credit	P 510,581,946.41	P 558,815,046.17
Less: Current Portion (March 1 to September 1, 2011)	52,222,532.78	57,711,390.88
Long Term portion (March 1, 2012 to September 1, 2018)	P 458,359,413.63	P 501,103,655.29

The PDA contracted a mixed credit of EURO 7,806,869.40 and USD 7,504,611.56 with DANIDA and EKF GUARANTEE and the ABN AMRO Bank, N.V. Copenhagen Branch on December 18, 1999. This credit facility financed the construction of the Partido Water Supply System Project.

Each amortization amounts to EURO 260,228.98 and USD 250,153.72 payable every 1st day of March and September. Such amortization is inclusive of interest at the rate of 1.7% and 2%, respectively. Originally, the loan agreement provides for a zero interest but because of the lengthening of the repayment period by 5 years, interests were imposed. Amortization

started on March 1, 2004. With the recommendation of the Department of Finance, the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th and 14th loan amortizations were advanced by the National Government through the Bureau of Treasury.

Loan paid was converted using the prevailing exchange rate at the date of transaction entered into the books (USD=Php55.70000 and EUR=Php70.81970). The balance was restated at balance sheet date using year-end exchange rates are USD=Php43.62050 and EUR=Php58.40793 and USD=Php46.16620 and EUR=Php66.50700 for 2010 and 2009, respectively. The result of such restatement is a ForEx gain for 2010 and 2009. This account is then restated at the close of the year at balance sheet date to account for the effects of the changes on ForEx, as provided for under SFAS No. 8.

12. DEFERRED CREDITS

P181,979.38

This account consists of the following:

Particulars	2010	2009
Unearned Interest Income from T-Bills	P 152,479.38	P 152,479.38
10% Retention from supply of labor and materials from contractor	29,500.00	0.00
Total	P 181,979.38	P 152,479.38

13. GOVERNMENT EQUITY/DONATED CAPITAL

P(624,963,696.45)

This account pertains to the cumulative results of operations. It also included the value of various properties and/or equipment provided by the Department of Interior and Local Government, Department of Trade and Industry, Department of Energy and other government and private entities or individuals in addition to the Congressional Development Funds/Congressional Fund Incentives.

14. INCOME

P62,343,634.72

This account consists of the following:

Account	2010	2009
Subsidy Income from National Government	P 10,000,000.00	P 15,000,000.00
Toll and Terminal Fees	165,840.59	71,221.09
Income from Communication Facilities	426,932.57	0.00
Income from Dormitory Operations	54,437.50	18,500.00
Income from Waterworks System	46,056,392.91	38,950,542.13
Printing and Publication Income	0.00	3,450.00
Rent Income	27,250.00	13,750.00
Other Business Income	3,042,442.95	2,043,312.34
Fines and Penalties-Business Income	2,550,053.20	2,099,650.59
Miscellaneous Income	20,285.00	15,225.08

Sale of confiscated/abandoned/seized goods and properties	0.00	590.00
Total	P 62,343,634.72	P 58,216,241.23

14 - Salaries

15. PERSONAL BENEFITS CONTRIBUTION

P1,371,210.38

This account consists of the following:

Account	2010	2009
Life and Retirement Insurance Contributions	P 1,014,900.31	P 916,121.70
Pag-ibig Contributions	186,502.41	70,500.00
Philhealth Contributions	115,325.00	105,450.00
ECC Contributions	54,482.66	52,984.56
Total	P 1,371,210.38	P 1,145,056.26

16. OTHER COMPENSATION

P4,479,418.45

This account consists of the following:

Account	2010	2009
Personal Economic Relief Allowance (PERA)	P 1,383,545.45	P 1,409,015.17
Representation Allowance (RA)	216,000.00	220,000.00
Transportation Allowance (TA)	153,000.00	139,000.00
Clothing/Uniform Allowance	236,000.00	224,000.00
Productivity Incentive Allowance	110,000.00	106,000.00
Honoraria	680,000.00	967,600.00
Cash Gift	287,500.00	296,500.00
Year End Bonus	1,413,373.00	1,376,827.50
Total	P 4,479,418.45	P 4,738,942.67

17. MAINTENANCE AND OTHER OPERATING EXPENSES

P61,714,559.98

This account consists of the following:

Account	2010	2009
Traveling Expenses	P 1,888,007.82	P 1,454,801.33
Training and Scholarship Expenses	70,100.00	158,930.93
Supplies and Materials Expenses	7,285,563.27	6,058,643.49
Utility Expenses	5,378,329.99	3,489,880.32
Communication Expenses	575,302.97	561,962.21
Membership Dues and Contribution to Organizations	5,000.00	2,000.00
Advertising Expenses	73,442.47	19,051.00
Printing and Binding Expenses	30,838.50	19,158.25
Rent Expenses	219,552.08	211,299.73
Representation Expenses	929,958.49	437,630.11

Transportation and Delivery Expenses	47,247.00	86,788.00
Professional Services	8,037,300.07	6,648,150.05
Repairs and Maintenance	3,367,601.23	2,684,007.15
Subsidies and Donations	6,593.46	6,000.00
Confidential, Intelligence, Extraordinary and Miscellaneous Expenses	98,589.19	97,976.79
Taxes, Insurance Premiums and other Fees	1,110,626.72	877,448.74
Bad Debts Expenses	694,586.14	835,860.09
Depreciation	31,656,551.45	31,243,546.39
Other Maintenance and Operating Expenses	239,369.13	391,138.42
Total	P 61,714,559.98	P 55,284,273.00

PART II

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATIONS AND RECOMMENDATIONS

1. The accounting records were not reconciled regularly with that of the collecting officer as required under Section 12 of the Manual on New Government Accounting System (NGAS) thereby resulting to a discrepancy of collections totaling P220,562.62 from the different collecting centers of Partido Water Supply System (PWSS).

Under Basic Concepts in the Handbook on Cash Management and Control System which states that:

“The Accountable Officer shall reconcile the cashbook balance with the cash on hand daily. She shall foot and close the books at the end of each month. The Accountable Officer (AO) and the Accountant shall reconcile their records (the cashbook and the subsidiary/general ledger) at least at the end of each quarter.”

Section 12 of the Manual on New Government Accounting System (NGAS), Volume II, states that subsidiary ledger (SL) is a book of final entry containing the details or breakdown of the balances of controlling accounts appearing in the general ledger. The totals of the SL balances shall be reconciled with their respective control account regularly or at the end of each month.

Comparison of the balances appearing in the Cash–Collecting Officer account as of December 31, 2010 per SL maintained by the Accounting Division and the Cash Receipts and Deposit Record (CRDR) maintained by the Collecting Officer revealed a discrepancy of P220,562.62 between the two records, as shown below:

Name of Collection Center	Per Subsidiary Ledger	Per Cash Receipts and Deposit Record (CRDR)	Difference
PWSS-Lagonoy	P 185,830.53	P 78,597.16	P 107,233.37
PWSS-San Jose	21,215.89	21,222.71	(6.82)
PWSS-Goa	128,521.91	140,385.27	(11,863.36)
PWSS-Tigaon/Sagñay	81,352.36	53,925.43	27,426.93
PWSS-Caramoan	242,039.35	239,267.88	2,771.47
PWSS-Garchitorena	135,081.27	135,083.48	(2.21)
PWSS-Presentation	111,787.74	111,790.54	(2.80)
PWSS-Siruma/Tinambac	97,800.71	9.59	97,791.12
Other Collections	(654.38)	2,130.70	(2,785.08)
TOTAL	P 1,002,975.38	P 782,412.76	P 220,562.62

The discrepancy/difference may be attributed to the following:

1. Unrecorded and erroneous recording of collections and deposits.

2. The actual amounts deposited by the cashier were different from the collections made resulting to over/under deposit of collections.
3. The collecting officer did not book the amount of P108,806.37 representing collections for the period October 28-30, 2009 from Lagonoy collection center. This amount was allegedly lost through theft.

These deficiencies cast doubt on the accuracy of the balances appearing in the Cash-Collecting Officer account.

We recommend that Management:

- a. Should require the Accountable Officer and the Accountant to reconcile regularly the balances of the Cash-Collecting Officer account per General Ledger/Subsidiary Ledger and Cash Receipts and Deposit Record to ensure the accuracy of the account.
- b. Instruct the collecting officer to record the amount of P108,806.37 in the Cash Receipts and Deposit Record.
- c. Cause the submission of Request for Relief of Accountability for the lost collections, adequately substantiated with the basic requirements set forth under COA Memorandum No. 92-751 dated February 21, 1992 and in accordance with 2009 Revised Rules of Procedures of the Commission on Audit.

Management assured compliance with audit recommendations. Reconciliation of accounting records with that of collecting officer will be undertaken as soon as possible.

2. **Collections were not remitted/deposited daily and intact to the Authorized Government Depository Banks (AGDBs) contrary to Section 69 of Presidential Decree (PD) No. 1445 and the Manual on New Government Accounting System (NGAS), thus exposing it to misappropriation and risk of loss.**

Section 69 of PD 1445 provides that collections arising from revenues and receipts of any kind shall be deposited intact the full amount so received and collected by them to the treasury of the agency concerned and credited to the particular accounts to which the said moneys belong.

The Manual on NGAS - Corporate also prescribes that:

"Public officers authorized to receive and collect moneys arising from xxx, revenues and receipts of any kind shall remit or deposit intact daily the full

amount so received and collected by them to authorized government depository bank."

Specific Policies on Deposits under Cash Management and Control System also requires that all Collecting Officers shall deposit intact all their collections, as well as collections turned over to them by sub-collectors/tellers, with the Authorized Government Depository Bank (AGDB) daily or not later than the next banking day.

A sample analysis of collection and deposit from Partido Water Supply System (PWSS) collecting centers of Lagonoy, Goa and San Jose for the months of January and December 2010 (Annex A), revealed that collections were not picked-up regularly by the Roving Teller. These were collected once or twice a week and there were times collections remained in the hands of the collecting officers for weeks.

It was also noted that collections from coastal collection centers of Presentacion, Garchitorena, Caramoan and Tinambac/Siruma were picked up monthly or twice a month, as well. These were turned-over to the designated Cashier and remained in her possession for two (2) days to more than one week before depositing it to Land Bank of the Philippines, Goa Branch, thus exposing funds to misappropriation or risk of loss, as presented below:

Name of Collecting Center	Period of Collection	Amount	Date of Pick-up/ Remittance	Date of Deposit	Amount
Presentacion	March 29-April 29, 2010	P120,154.16	May 13, 2010	May 20, 2010	P 120,154.16
	June 8-July 6, 2010	164,756.57	July 12, 2010	July 20, 2010	164,756.57
	July 7-August 3, 2010	99,008.59	Aug. 13, 2010	August 16, 2010	99,008.59
	Sept. 8- Oct. 5, 2010	123,967.28	Oct. 8, 2010	October 14, 2010	123,967.28
	Nov. 4-30, 2010	101,226.48	Dec. 8, 2010	Dec. 9, 2010	101,226.48
Garchitorena	March 4-29, 2010	96,600.28	April 8, 2010	April 12, 2010	96,600.28
	March 30-April 30, 2010	162,833.66	May 13, 2010	May 17, 2010	162,833.66
	June 8-July 6, 2010	212,399.91	July 12, 2010	July 20, 2010	202,679.67
				July 30, 2010	9,720.24
	Sept 8-Oct 6, 2010	125,305.92	Oct. 8, 2010	October 14, 2010	125,305.92
Caramoan	March 1-26, 2010	188,691.36	April 8, 2010	April 12, 2010	183,568.36
	March 29-30, 2010	93,746.87	April 12, 2010	April 12, 2010	93,746.87
	March 31-April 21, 2010	103,879.22	April 23, 2010	April 23, 2010	4,475.00

				May 5, 2010	103,879.22
	April 22-28, 2010	142,846.46	May 13, 2010	May 17, 2010	142,845.55
	April 29-May 14, 2010	87,965.29	May 18, 2010	May 20, 2010	87,965.29
	June 8-July 5, 2010	341,721.56	July 12, 2010	July 20, 2010	341,721.56
	Nov. 5-15, 2010	55,966.75	Nov. 15, 2010	Nov. 22, 2010	55,966.75
Tinambac/ Siruma	March 4-11, 2010	61,974.97	Mar. 15, 2010	March 19, 2010	61,974.97
	March 12-25, 2010	253,323.72	Mar. 29, 2010	April 12, 2010	253,323.72
	Mar 26-Mar 31, 2010	45,512.83	April 8, 2010	April 23, 2010	45,512.83
	May 28-June 16, 2010	301,049.10	June 18, 2010	June 23, 2010	301,049.10
	June 25-July 12, 2010	190,092.12	July 12, 2010	July 20, 2010	190,092.12
	July 29-Aug. 18, 2010	225,983.99	Aug. 20, 2010	Aug. 23, 2010	225,983.99
				Sept. 2, 2010	519.25
	Dec. 14-21, 2010	373,228.42	Dec. 28, 2010	Dec. 29, 2010	373,228.42

These practices were already discussed in last year's Audit Report but the Agency has not acted on it. This shows the passive stand by management on deficiencies noted in audit.

These collections were not only exposed to losses and misappropriation but also deprived the Agency of additional income that it could have been earned had these moneys were deposited intact.

We reiterate our previous recommendations to require the Roving Teller to regularly pick up all collections from the mainland collection centers and weekly from the coastal areas and deposit them intact to avoid misappropriation and risk of loss.

Management mentioned that the Roving Teller has started the daily collection in the collecting centers within the mainland and twice a month for coastal areas. Likewise, the collections will be deposited daily.

3. **Cash Advances under Cash- Disbursing Officer account (103) and Due from Officers and Employees account (123) amounting to ₱ 330,641.75 and ₱210,206.28, respectively, remained unliquidated at year end contrary to the provisions of COA Circular No. 97-002.**

Our review of cash advances granted to Disbursing Officer and Other Officers and Employees, we noted the following deficiencies:

- 3.a *Cash advances for probable expenses totaling P330,641.75 made by the Disbursing Officer were not liquidated at year-end contrary to COA Circular No. 97-002.*

Date	Check No.	Particulars	Amount
04/26/10	225156	CA payment for Contract of Services (COS) for the period April 11-25, 2010.	P 76,166.15
04/29/10	225193	CA payment for COS for the period March 2-27, 2010	99,000.00
05/19/10	225297	CA payment for services rendered of PWSS-LS EL for April 26-May 10, 2010	29,870.00
05/31/10	225427	CA re: services rendered Nato Port	7,055.60
06/25/10	225657	CA re: Committee Meeting/MPDC Honoraria	8,550.00
12/17/10	291618	CA re: honoraria regular BOD Meeting	55,000.00
12/17/10	291619	CA re: honoraria special BOD Meeting	55,000.00
		TOTAL	P 330,641.75

Sections 4.1.2 and 4.1.3 of COA Circular No. 97-002 dated February 10, 1997 states the General Guidelines on Granting and Utilization of Cash Advances, to quote:

“No additional cash advances shall be allowed to any official or employee unless the previous cash advances given to him is first settled or a proper accounting thereof is made. A cash advance shall be reported on as soon as the purpose for which it was given has been served”.

Section 5.1 and Sub-section 5.1.1 of COA Circular No.97-002 states that *“The AO shall liquidate his cash advance: Salaries, Wages, etc –within five (5) days after each fifteen (15) day/end of the month pay period”.*

In addition, Section 5.8 of the same Circular further prescribes that *“All cash advances shall be fully liquidated at the end of each year.”*

- 3.b *A total of P210,206.28 representing unliquidated cash advances from officers and employees remained uncollected/dormant for the past five (5) years.*

Verification of account–Due from Officers and Employees (123) showed that a total of P45,778.08, representing long distance personal calls, mobile phone charges, cash advances for traveling expenses of the officers and employees of the Agency; and unliquidated cash advances from officers and employees of the acquired Tigaon-Sagñay and Tinambac Water District amounting to P164,428.20 or a total of P210,206.28, remained dormant or uncollected for more than five (5) years (see Annex B). We also noted that these officials and employees from the acquired Water District Offices were no longer connected with the Agency.

- 3.c *Five (5) job order personnel and three (3) casual employees were also granted cash advances violating Sec. 174 of GAAM, Vol. 1, which provides that only permanently appointed officials and employees shall be granted cash advances.*
- 3.d *Employees were granted additional cash advances although they still have unliquidated obligations to settle, thus accumulating to a large amount of outstanding cash advances in violation of COA Circular 97-002.*

These observations are reiteration of prior years' audit observation. Management has not implemented our recommendations.

We recommend that Management:

- a. Strictly adhere to the provisions of Section 174 of GAAM, Volume I and COA Circular No. 97-002 dated February 10, 1997
- b. Fully liquidate/collect all long outstanding cash advances in pursuance to existing rules and regulations.
- c. Reclassify the amount of P164,428.20 representing receivables of the former employees to Other Receivables (149) account.
- d. Require all officers and employees to liquidate travel advances strictly within 30 days after return to official station, otherwise, suspend salary until liquidation has been done. Refund of unused cash advance should be made immediately and simultaneously with the liquidation. Within 10 days before expiration of the 30 day period, the Accountant must sent written reminder enjoining the official or employee concerned to liquidate his travel advances, in compliance with COA Circular No. 96-004 dated April 19, 1996.

Management commented that the total amount of P220,641.75 was liquidated by the Disbursing Officer before the year ended in 2010 but was only booked on January 31, 2011. The balance of P110,000.00 was liquidated on February 7, 2011. The unliquidated cash advances of officers and employees which are dormant for five (5) years are now being collected and has remaining balance of only P25,385.27.

- 4. Balance of Accounts Receivable-Trade pertaining to the Partido Water Supply System (PWSS) of P18,332,019.85 was not reconciled with supporting schedules and included inactive, non-current, long outstanding and/or dormant accounts, rendering the accuracy and validity of its account balance as unreliable.**

Section 12 of the Manual on New Government Accounting System, Volume II states that "*The subsidiary ledger (SL) is a book of final entry containing the details or*

breakdown of the balances of controlling accounts appearing in the general ledger. The total of the SL balances shall be reconciled with their respective control account regularly or at the end of each month”.

The Commission on Audit, through COA Resolution 2003-002 dated January 30, 2003 has authorized the writing-off of unliquidated cash advances, dormant and uncollectible accounts of government agencies the existence of which in the books continue to affect the financial condition of the government (Underscoring ours).

Our review of pertinent records disclosed that the balance of Accounts Receivable-Trade relative to the operations of the PWSS as of December 31, 2010 was not reconciled with the balances per Aging of Accounts, showing a difference of P4,578,454.30, hereunder detailed as follows:

Balance of A/R account 121 per General Ledger		P 18,413,769.85
Add/(Deduct): Radio Station DWRP Transactions-		
JEV No.10-05-333 Revenue on account, 3/22-4/30/2010	P (88,900.00)	
JEV No. 10-06-054 Collections	1,000.00	
JEV No.10-06-055 Collections	2,400.00	
JEV No.10-06-056 Partial payment	(200.00)	
JEV No. 10-06-248 Collections	5,000.00	
JEV No. 10-06-292 Collections	200.00	
JEV No. 10-07-273 Partial payment	(1,250.00)	(81,750.00)
GL Balance of receivables pertaining to PWSS		P 18,332,019.85
Balance per Aging of Receivables - PWSS		13,753,565.55
Unreconciled Amount		P 4,578,454.30

This condition renders the accuracy of the reported balance of the Accounts Receivable-Trade as doubtful.

Further, P4,996,098.34 or 36.33% of the total PWSS trade receivables amounting to P13,753,565.55 were verified to be inactive, non-current, long outstanding and/or dormant accounts as per agency's Aging of Accounts Receivables, hereunder summarized as follows:

Age of inactive/non-current Accounts Receivable –Trade (PWSS)	Amount
+ 1 year to 2 years	P 379,516.78
+2 years to 5 years	624,731.82
+ 5 years to 10 years	2,141,592.96
+ 10 years	1,850,256.78
Total	P 4,996,098.34

The considerable time elapsed has rendered the collectability of these accounts to be uncertain, thereby affecting the financial condition of the Administration.

We reiterate our previous year's audit recommendation that Management should trace the difference immediately to avoid accumulation of unreconciled items in the books. Establish the collectivity of long outstanding receivables. Accounts aging 10 years or more and determined to be uncollectible should be requested for write-off from COA and written off in the books upon receipt of authority pursuant to COA Resolution No. 2003-002.

Management mentioned that an employee will be assigned to reconcile the account balances.

5. Discrepancies noted in the reported balances of Inventory Accounts totaling P71,990.57 render the accuracy of the accounts as unreliable.

Generally accepted accounting principles and standards require that the amount per controlling account shall always reconcile with the supporting or subsidiary schedules.

The total balance of inventory accounts per General Ledger amounted to P2,685,900.57 as of December 31, 2010. The amount, however, was net overstated by P71,990.57 as against the balances per corresponding supporting schedules as of even date, hereunder summarized as follows:

Acct. Code	Account Description	Balances, Dec. 31, 2010		Difference
		GL	Schedules	
155	Office Supplies Inventory	P 751,982.35	P 668,808.36	P 83,173.99
156	Accountable Forms Inventory	146,468.00	146,854.00	(386.00)
160	Medical, Dental & Laboratory Supplies Inventory	491,206.10	491,638.23	(432.13)
161	Gasoline, Oil & Lubricants Inventory	133,115.13	133,115.08	.05
165	Other Supplies Inventory	1,163,128.99	1,173,494.33	(10,365.34)
	Total	P2,685,900.57	P2,613,910.00	P 71,990.57

Further verification of the Agency's *Breakdown of Inventory Report* disclosed deficiencies/errors which were among the causes of the noted discrepancy in balances, as follows:

1. No unit cost were assigned to the following items under *Other Supplies Inventory Account (165)*:

Article/Description	Stock No.	Balance on Hand	Unit of Measure
Rust converter/remover	000-096	2	gallons
Coupling reducer	000-110	1,404	pcs

Tee 1/2"	000-148	6,531	pcs.
Saddle clamp 4"	000-151	42	pcs.
Saddle clamp 2"	000-159	22	pcs.
Elbow reduce 1x3/4"	000-161	754	pcs.
GI pipe 1/2"	000-162	1,293	pcs.
Saddle clamp 200mm	000-171	92	pcs.
PE pipe 1/2 300mm	000-179	4	pcs.
GE tee 3/4"	000-182	603	pcs.
GI pipe 3/4"	000-183	3	pcs.
Saddle clamp 200mm	000-185	47	pcs.
Elbow 3/4"	000-269	694	pcs.
Tee 1"	000-274	354	pcs.
Elbow 1"	000-290	87	pcs.
Combiflange 110mm	000-319	2	pcs.
Ball valve 1/2"	000-320	57	pcs.
Ball valve 1"	000-321	4	pcs.
Ball valve 2"	000-322	7	pcs.
Dresser Coupling	000-393	8	pcs.

2. Items of Property, Plant and Equipment (PPE) totaling P73,583.99 were inadvertently included under the *Office Supplies Inventory Account (155)*:

Article/Description	Stock No.	Cost	Should Be under PPE Account Code
HP printer	000-291	P 2,595.89	223
Hard Drive	000-373	6,000.00	223
5 units Digital Voice Recorded	000-421	29,583.35	221
6 units Swivel Chair	000-423	7,800.00	222
2 units Tape Recorded	000-429	5,886.00	221
Venetian Blinds	000-510	21,718.75	222
Total		P 73,583.99	

Consequently, these prevailing conditions cast doubt on the accuracy of the total balance of the inventory accounts as presented in the financial statements as of December 31, 2010.

We recommend that management resolve the deficiencies/errors noted in the Breakdown of Inventory Report. Investigate the occurrence of such amount of discrepancy, and conduct reconciliation of the balances of the inventory accounts.

Management will reconcile the noted discrepancies.

6. Material discrepancies noted in the reported balances of Property, Plant and Equipment totaling to P501,175,901.03, and the inclusion of damaged/unserviceable items cast doubt on the accuracy and validity of the accounts.

In the audit of the Property, Plant and Equipment, apparent discrepancies amounting to P501,175,901.03 were noted between the balance per books as of December 31, 2010 as against the balance per *Report on the Physical Count of Property, Plant and Equipment (RPCPPE)* prepared as of even date, hereunder summarized as follows:

Acct. Code	Account Description	Balances December 31, 2010		Difference
		General	RPCPPE	
201	Land	P 4,488,933.00	P 4,488,933.00	P 0.00
205	Electrification, Power & Energy Structures	82,025,844.78	0.00	82,025,844.78
211	Office Building	40,224,719.37	38,486,229.68	1,738,489.69
215	Other Structures	104,610,216.14	0.00	104,610,216.14
221	Office Equipment	6,102,493.92	2,618,824.57	3,483,669.35
222	Furniture & Fixtures	1,667,185.01	960,276.50	706,908.51
223	IT Equipment & Software	13,748,393.97	3,437,912.60	10,310,481.37
224	Library Books	16,841.00	11,870.00	4,971.00
226	Machineries	902,003.35	549,691.32	352,312.03
229	Communication Equipment	5,873,049.72	5,686,530.00	186,519.72
231	Firefighting Equipment & Accessories	44,500.00	0.00	44,500.00
233	Medical, Dental & Laboratory Equipment	1,831,389.13	0.00	1,831,389.13
240	Other Machineries and Equipment	32,811,881.37	1,496,659.01	31,315,222.36
241	Motor Vehicles	11,337,223.18	9,824,854.50	1,512,368.68
244	Watercrafts	1,043,748.23	756,458.33	287,289.90
248	Other Transportation Equipment	251,690.23	185,571.90	66,118.33
250	Other Property, Plant & Equipment	421,428,447.95	158,728,847.91	262,699,600.04
	Total	P728,408,560.35	P227,232,659.32	P501,175,901.03

Verification of the Agency's *RPCPPE* disclosed deficiencies/errors which were among the causes of the noted discrepancy in balances, as follows:

1. Included in the Inventory Report were cost of damaged/unserviceable properties totaling P283,058.52 and other unserviceable items without acquisition costs;
2. No Inventory Reports were prepared and submitted to the COA Auditor for Electrification, Power and Energy Structure account (205), Other Structures account (215) and, Firefighting Equipment and Accessories account(231);
3. Incomplete data/information on the *RPCPPE*:
 - a. No Dates of acquisition on all items of PPE;
 - b. No acquisition cost on numerous items of PPE;
 - c. No Property Numbers assigned on most items of PPE.

These prevailing conditions cast doubt on the accuracy and validity of the Property, Plant and Equipment accounts with book value of P494,347,893.90, which represents 92.22% of the Administration's total assets as of December 31, 2010.

We recommend that Management should reconcile the noted discrepancy in the balances of the PPE accounts. Reclassify cost of damaged/unserviceable items to Other Assets account pending its proper disposition. And finally, resolve the deficiencies/errors noted in the Report on the Physical Count of Property, Plant and Equipment (RPCPPE).

Management assured compliance with the audit recommendation. It was also mentioned that a task force will be created to conduct the physical inventory.

7. Procurement of goods and services totaling P642,254.64 were mostly made through reimbursement basis contrary to COA Circular No. 97-002, Section 93 of Presidential Decree (PD) No. 1445 and Republic Act (RA) 9184.

COA Circular No. 97-002 dated February 10, 1997 requires that all payments must be made by check. Only payments in small amounts may be made through the petty cash fund and replenishment of the same shall be equal to the total amount of expenditure made therefrom.

Likewise, Sec. 93 of PD 1445 provides that "warrants chargeable to revenue or trust funds of the national government or checks drawn against the treasury Checking Account for Agencies maintained with any authorized government depository bank shall be made payable either directly to the creditor to whom the money is due or to a disbursing officer for official disbursement."

The Government Procurement Reform Act (RA 9184) requires that all procurement shall be done through competitive bidding, except in certain cases where the appropriate alternative methods maybe used such as Shopping, Negotiated procurement, Direct Contracting, Limited Source Bidding and Repeat Order.

Verification of transactions for Calendar Year 2010 showed that reimbursements had been resorted to in most of the procurement of goods and services of the Agency contrary to above-mentioned procurement and disbursement rules and regulations and the general rule that payments shall be made thru direct payments to suppliers or creditors (see Annex C).

These include purchase of office supplies, spare parts, gasoline, lubricants, repairs and maintenance of office equipment and service vehicle; meals and snacks; and various services and expenses which totaled P642,254.64. It was also noted that appropriate withholding taxes were not applied to these disbursements, thus depriving the

government of the taxes due from suppliers/creditors that could be levied from the procurement of goods and services directly paid to them.

The existing practice is not in conformity with the rules and regulations of government procurement and disbursement. Similarly, these purchases were on piecemeal basis instead of having them procured regularly in accordance with the programmed requirements as contained in the Annual Procurement Plan using the appropriate mode of procurement.

We recommend that:

1. Management should stop/refrain from procuring goods and services thru reimbursement basis. Purchases should be made directly to the supplier/creditor following the proper procurement rules and regulations in accordance with the provisions of RA 9184.
2. Charge the corresponding taxes due, against the claims of officer/employee making the reimbursement in order to discourage such practice.

Management assured compliance of the audit recommendations in the ensuing year.

8. The Partido Water Supply System's (PWSS) 43.90% average unaccounted water for Calendar Year 2010 exceeded the 40% allowable rate set by the Department of Budget and Management (DBM), thereby undermining the administration's operational efficiency.

The Department of Budget and Management (DBM) through a letter of then Secretary Emilia T. Boncodin dated April 27, 2001 to the President of the Philippine Association of Water District, Inc. (PAWD) set the criteria for the operational efficiency on unaccounted water not to exceed 40 percent (40%).

Unaccounted water or non-revenue water pertains to production losses attributed to unauthorized water consumption through illegal connections and other forms of pilferages, possible metering inaccuracies, and unattended or invisible pipeline leakages.

For Calendar Year 2010, the PWSS incurred the total water production losses or unaccounted water of 1,950,237 cubic meters representing 43.90% of the total water produced, hereunder detailed according to the different water sources within its areas of operation, as follows:

Area	Total			Percentage
	Produced (In cubic Meter)	Billed (In Cubic Meter)	Unaccounted (In Cubic Meter)	
Caramoan	292,196	190,774	101,422	34.71%
Garchitorena	108,782	88,980	19,802	18.20%
Goa	1,009,010	538,554	470,456	46.63%
Presentacion	101,958	78,500	23,458	23.01%
Lagonoy & San Jose	643,775	567,810	75,965	11.80%
Tigaon & Sagnay	1,534,038	726,320	807,718	52.65%
Tinambac	752,560	301,144	451,416	59.98%
Total	4,442,319	2,492,082	1,950,237	43.90%
Data excluding Siruma area, with improbable unaccounted water percentage of -10.08%.				

The PWSS' 43.90% water production average loss for the year exceeded the 40% allowable rate set by the DBM, thereby undermining the administration's operational efficiency.

We recommend that plans and programs should be immediately undertaken by management to significantly reduce unaccounted water, thereby improving the existing operational efficiency.

Management has acknowledged our audit recommendations. They have started replacing the old pipes to minimize water production losses.

9. **Cost of audit services for CY 2010 and prior years totaling P1,679,633.16 were not set-up as payables and appropriated in their Corporate Operating Budget (COB) contrary to Section 2 of EO No. 271 and COA-DBM Joint Circular No. 88-1, thereby understating the Due to NGAs account and has an unremitted balance of P2,640,015.00 to the Bureau of Treasury as of year-end.**

Section 2 of Executive Order No. 271 dated January 1, 1987 prescribes that:

"The cost of audit services rendered to government agencies by the Commission on Audit shall be covered by the fund sources provided in Section 24 of PD 1445 which shall be incorporated in the national government budget and included in the annual Appropriations Law. Provided, That in the case of government-owned and/or controlled corporations and its subsidiaries, the cost of audit services shall be based on the actual cost of the audit function in the corporation concerned, plus a reasonable rate to cover overhead expenses. The actual audit cost shall include personal services, maintenance and other operating expenses, depreciation on capital and equipment and out-of the pocket expenses."

Government corporations should include in their COB the cost of regular audit services assessed by COA. The same is to be remitted to the Bureau of Treasury in six equal installments, furnishing DBM and COA copy of proof or certificate of remittance made. (Sections 4.2 and 4.5 of COA-DBM Joint Circular No 88-01 dated July 29, 1988).

Our review revealed that the corporation was provided with a yearly COA assessment of the cost of audit services, however, these were not subsequently recorded in the books as payables in the Due to National Government Agencies (NGAs) account. The assessments totaled P2,640,015.00 for CY 2010 and previous years .

It was also noted that only P100,000.00 was remitted by the corporation to the Bureau of the Treasury in CY 2004. The payables-Due to NGAs account has an outstanding balance of only P960,381.84, instead of the total balance of P2,640,015.00, thereby understating the payables account by P1,679,633.16 as of year-end, as presented below:

Calendar Year		Assessments		Remittances		Balance as of Dec. 31, 2010
2003	P	511,663.00	P	100,000.00	P	411,663.00
2004		521,257.00				521,257.00
2006		215,352.00				215,352.00
2007		426,595.00				426,595.00
2008		248,736.00				248,736.00
2009		403,258.00				403,258.00
2010		413,154.00				413,154.00
Total	P	2,740,015.00	P	100,000.00	P	2,640,015.00

Further, the corporation has not included these payables in their Corporate Operating Budget, thus the same was not remitted to the Bureau of Treasury as required under the above-cited regulations.

We recommend that Management comply with Sections 4.2 and 4.5 of COA-DBM Joint Circular No. 88-01 and Section 2 of EO No. 271 which require that government corporations include in their COB the cost of audit services assessed by COA. Set up accrual of audit fees from CY 2010 and previous years and the years thereafter and regularly remit the same to the Bureau of the Treasury.

Management stressed that budget for CY 2012 includes the cost of audit services assessed by COA. Payment will be started next year.

10. The procurement process in the hiring of thirteen (13) consultants with the total cost of P849,750.00 during the year was not in accordance with the provisions of Republic Act (RA) 9184 and its Implementing Rules and Regulations (IRR) and

whose duties were not highly technical and/or mere duplication of functions being performed by regular employees.

The Revised IRR of RA 9184, otherwise known as the Government Procurement Reform Act, provide the following:

Section 2. xxx. It is the policy of the GOP that procurement of infrastructure projects, goods and consulting services shall be competitive and transparent and therefore shall go through public bidding xxx”.

Section 48.2. As a general rule, the Procuring Entities shall adopt public bidding as a general mode of procurement and shall see to it that the procurement program allows sufficient lead time for such bidding. Alternative methods shall be resorted to only in the highly exceptional cases provided for under this IRR. Consultants shall be hired on the basis of proven expertise, experience and capability.

Section 53.7. In the case of individual consultants hired to do work that is (i) highly technical or proprietary; or (ii) primarily confidential or policy determining, where trust and confidence are the primary consideration for the hiring of the consultants and the term shall be on a six (6) month basis, renewable at the option of the appointing head of the procuring entity.

During the year, the Administration entered into contracts of consultancy services with thirteen (13) individual consultants without undergoing public bidding as required under the above-cited provisions of RA 9184 and its IRR, which incurred total expenses of P849,750.00.

A further review of the disbursement vouchers and related contracts, we have noted that the duties and responsibilities and accomplishments of the following consultants were not highly technical and mere duplication of functions being performed by regular employees of the Agency, thus failing to meet the requirements set forth under Section 53.7 of RA 9184:

Name of Consultant	Duties	Accomplishments
Amelia T. Perez (Jan.4 to Dec. 31, 2010 with monthly rate of P 15,000.00)	Assist in the dissemination of information with regard to Partido Water Supply System (PWSS) project; Interface with clients to secure information/ feedback; Monitor and coordinate the information and documents required by	Monitors day to day consumer's complaints and water services; Conducted consumer awareness and marketing activities for water connections; reviews delinquent accounts recommended for disconnection; Attend meetings/briefings re: concerns and issues for billing and collections.

	administration with clients of PWSS, particularly in the monitoring of inactive connections.	
Joanne M. Adaque (Jan.4 to Dec. 31, 2010 with monthly rate of P 15,000.00)	Monitor the operation of the water supply system; Analyze, review, evaluate and report on the accomplishments and operation of the water supply system; Meet, confer, network and discuss with clients and/or other government officials on programs and plans for further development of water supply system.	Attend meeting re: PWSS Siruma issues and concerns; Conducted consumer awareness and marketing activities for water connections; assisted in the field inspection evaluation of the Siruma-PWSS; Assisted in the conduct of inventory of service water connections.
Kristine F. Guadalupe (Nov. 9 to Dec. 31, 2010 with monthly rate of P10,000.00)	Assist in the preparation of JEV Summary, Check Disbursement Journal, Cash Receipts and Deposits Journal, General Journal, T-accounts, Trial Balance and Financial Statements; and Check the completeness of JEV file and validity of supporting documents.	Accomplishments enumerated are the same with duties specified in the contract of consultancy services.
Abraham. H. Acompañado (Jan. 4 to Dec. 31, 2010 with monthly rate of P15,0 00.00)	Coordinate with LGUs and other government agencies regarding the program and project; Meet, confer and discuss with other government officials on program and project; Assist in the formulation and preparation of reports. Monitor assignments and work accomplishments of various activities, data and reports required.	Agriculture related activities/observations/recommendations attached as accomplishments to support claim.
Evelio C. Peña (Jan. 4 to Feb. 28,2010 with monthly rate of P8,000.00)	Same functions with Mr. Acompañado	Coordinate training on rice/seed production; advice PDA on projects to undertake on livelihood & food production; monitor food security in the district; coordinate with LGUs on

		projects and programs on food production; participated in public information drive regarding PDA projects.
Luzviminda M. Quinzon (Mar. 1 to Dec. 31, 2010 with monthly rate of P8,000.00)	Same functions with Mr. Acompañado and Mr. Peña	Participated in the public information drive regarding PDA projects; Monitor food security in the district; Coordinate with LGUs on projects and programs on food production; Coordinate training on rice/seed production.
Anderson E. Sical (Nov. 15 to Dec. 31, 2010 with monthly rate of P3,000.00)	Monitor the operation of the water supply system at Sagñay; Analyze, review, evaluate and report on the accomplishments and operations of the water supply system; Meet, confer, network and discuss with clients and/or other government officials on programs and plans for further development of water supply system.	Accomplishments enumerated are the same with duties specified in the contract of consultancy services.
Maximo C. Ecinas (Nov. 18 to Dec. 31, 2010 with monthly rate of P3,000.00)	Ensure the safety and security of port facilities, equipment and personnel; Assist and coordinate designated officers of vessels while on port call and ensure safety and security of vessel and crew.	Port security; maintenance of port records.

We also noted that consultants were hired to operate and maintain the daily technical operations of the radio station run by the Administration. They were hired as radio technicians; to supervise and assist in the production of jingles, spiels, advertisements and newswriting.

The defective procurement process of consultancy services resulted to additional expenses for consultants, whose duties were mere duplications of functions of regular employees that could have been used to finance for more important expenses of the Agency.

We recommend that management comply with the provisions of RA 9184 particularly on the hiring of consultants. Discontinue the services of the consultants whose duties are mere duplication of those performed by regular employees and which do not meet the requirements set forth.

Management acknowledged our audit recommendations. They will conduct evaluation of the services rendered by the consultants and will be discontinued if found to be duplication of duties of regular employees.

11. Contrary to Section 4(1) of PD 1445, the Administration's total expenses for Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) for CY 2010 exceeded the Department of Budget and Management (DBM) approved Corporate Operating Budget (COB) by P4,053,834.68, thereby incurring expenditures outside its statutory authority.

Section 4(1) of PD 1445 provides the fundamental principle governing financial transactions and operations of any government agency, which states that:

"No money shall be paid out of public treasury or depository except in pursuance of an appropriation law or other specific statutory authority".

Perusal of the Administration's 2010 Corporate Operating Budget as approved by the Department of Budget and Management and its Statement of Operations for the year ended December 31, 2010 disclosed that the aggregate actual expenses for Personal Services (PS) and Maintenance and Other Operating expenses (MOOE) exceeded the budgeted limits for the same expense classifications by P4,053,834.68, hereunder computed as follows:

Particulars	Actual Expenses	Per DBM Approved Budget	Variance Over (Under)
Personal Services (PS)	P 15,946,065.00	P 15,470,806.00	P 475,259.00
Maintenance and Other Operating Expenses(MOOE)	27,834,683.68	24,256,108.00	3,578,575.68
Total	P 43,780,748.68	39,726,914.00	P 4,053,834.68

The prevailing conditions indicate that the limits of disbursements as authorized by the DBM approved COB were not strictly observed.

We recommend that management should incur expenditures within the limits of the Corporate Operating Budget (COB) as approved by the Department of Budget and

Management. Any Increase in the approved COB in the course of the budget year shall require the submission and approval of a supplemental COB to cover the additional corporate expenditures.

Management pointed out the late approval by DBM of their 2010 Corporate Operating Budget. It was only received by Management on January 13, 2011. They also argued that 2010 actual expenditures is within the approved total budget ceiling. The excess of P475,259.00 for PS pertains to Productivity Incentives and Monetization of Leave Credits that were charged against PDA savings which is allowed by DBM. The excess amount of P3,578,575.68 for MOOE is subject for realignment by DBM upon submission of the detailed breakdowns and justifications for the actual expenses incurred.

12. The Agency has not fully implemented the activities for its Gender and Development (GAD) program in Calendar Year 2010 contrary to the Department of Budget and Management, National Economic Development Authority and National Commission on the Role of Filipino Women (DBM-NEDA-NCRFW) Joint Circular No. 2004-1 dated April 5, 2004.

DBM/NEDA/NCRFW Joint Circular No. 2004-01 dated April 5, 2004 prescribes the guidelines for the preparation of the annual Gender and Development (GAD) plans and budget and GAD accomplishment reports. It likewise provided procedures/mechanics for the development of programs, activities and projects that promote gender-responsive governance, protect and fulfill women's human rights and promote women's economic empowerment.

Moreover, pursuant to Section 32 of the Annual General Appropriations Act (GAA), agencies are tasked to formulate a GAD plan and to implement the same by utilizing at least five percent (5%) of their total budget appropriation. GAD planning and budgeting shall be observed annually and incorporated in all programming and budgeting exercises of the Agency. The GAD activities in the GAD plan and budget must be included in the agency budget proposal in accordance with budget call. Agencies shall ensure that the cost of implementing the GAD activities is part of their annual budget.

Our review disclosed that the Agency prepared its GAD Plan for the Calendar Year 2010. The gender-related programs/projects/activities identified in the plan are as follows:

- Capability Building and Advocacy – The activities include physical check-up (pap's smear and mammogram examinations for women and prostrate exams for men), mass calisthenics, parenting workshops, film showing and "piknik ng kababaihan".

- Policy Development and Strengthening – Launched the Sayaw/Hataw Program during the celebration of 101 Civil Service Commission (CSC) Anniversary. The Program schedules each activity every Wednesday and Friday, to keep the employees fit and healthy.
- Development of Support Mechanisms – Prepared schedule of trainings.

Based on the GAD accomplishment report, the Agency did not fully implement its GAD Plan for CY 2010. Management launched only the Sayaw/Hataw program every Wednesday and Friday that were participated by the employees in relation to awareness on the importance of one's health.

Likewise, the DBM approved Corporate Operating Budget (COB) for Personnel Services and Maintenance and Operating Expenses for Partido Development Administration (PDA) totaled P51,726,914.00, thus it is mandated that at least P2,586,345.70 or equivalent to 5% of the approved COB be allocated for GAD plans/programs. However, PDA's Corporate Operating Budget for the year disclosed that the budget for GAD Plan was only P50,000.00. The amount represents 1.93% only of the total mandated allocation for GAD plans/programs of PDA.

The failure of Management to allocate funds for GAD related activities deprived its employees of the benefits that could be derived from it and issues on gender were not given due importance.

We recommend that Management:

- a. Prepare an annual GAD Plan pursuant to DBM/NEDA/NCRFW Joint Circular No. 2004-01 dated April 5, 2004.
- b. Allot at least five percent (5%) of the total budget appropriations for the cost of implementing the GAD Plan.

Management will comply with our audit recommendations.

PART III

**STATUS OF IMPLEMENTATION
OF PRIOR YEARS' AUDIT RECOMMENDATIONS**

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS
Partido Development Administration
As of December 31, 2010

Audit Observation	Recommendation	Ref.	Status of Implementation	Reason(s) for Partial/Non-Implementation
<ul style="list-style-type: none"> The accuracy of the Cash – Collecting Officer account amounting to ₱945,827.95 could not be ascertained due to non-reconciliation of subsidiary ledger and general ledger; and subsidiary ledger and cash record of the collecting officer. 	<ul style="list-style-type: none"> The Accountable Officer (AO) should reconcile the cashbook balance with the cash on hand daily. She shall foot and close the books at the end of each month. The AO and the Accountant shall reconcile their records (the cashbook and the subsidiary ledger) at least at the end of each quarter. The cash accountable officer is required to maintain a cashbook for each fund handled to facilitate verification of her accountability at any given time. 	<p>AAR CY 2009 Page 13</p>	<p>Partially Implemented.</p>	<p>Reiterated Audit Observation.</p>
<ul style="list-style-type: none"> Collections were not remitted/deposited daily and intact to the Authorized Depository Banks thus, exposing funds to misappropriation and misuse. 	<ul style="list-style-type: none"> Management should trace the difference immediately and prepare the necessary adjusting entries. Require the Accounting and Collecting Officer to reconcile their records quarterly and the Collecting Officer to use the prescribed NGAS record book. Require the Roving Teller to regularly pick up all collections from the mainland collection 	<p>AAR CY 2009 Page 15</p>	<p>Partially Implemented.</p>	<p>Reiterated Audit Observation.</p>

Audit Observation	Recommendation	Ref.	Status of Implementation	Reason(s) for Partial/Non-Implementation
<ul style="list-style-type: none"> Accounts Receivable-Trade balance in the general ledger of P14,606,086.67 was not reconciled with the total subsidiary ledger balance of P14,694,283.70 or with a difference of P88,197.03 	<p>centers and weekly from the coastal areas and deposit intact all collections to avoid misappropriation and misuse of funds.</p> <ul style="list-style-type: none"> The Management should trace the difference immediately to avoid accumulation of unreconciled items in the books. Thereafter, prepare necessary adjustment, if any. 	AAR CY 2009 Page 16	Partially Implemented.	Reiterated Audit Observation.
<ul style="list-style-type: none"> The existence of inactive, non-current, long outstanding and/or dormant accounts rendered the collectivity of 43.95% of the Accounts Receivable to be uncertain. 	<ul style="list-style-type: none"> Management should establish the collectibility or non-collectibility of long-outstanding receivables. Accounts Receivable aging 10 years or more and determined to be uncollectible may be written-off in the books of the Administration upon receipt of authority from the COA pursuant to COA Resolution No. 2003-002 dated January 30, 2003. The request for such write-off of receivable shall be submitted to COA Adjudication and Settlement Board thru the Auditor concerned. Based on the approval of COA, the accounts 	AAR CY 2009 Page 17	Partially Implemented.	Reiterated Audit Observation.

Audit Observation	Recommendation	Ref.	Status of Implementation	Reason(s) for Partial/Non-Implementation
<ul style="list-style-type: none"> Cash Advances by Disbursing Officer and Due from Officers and Employees amounting to P54,480.00 and P319,659.36 respectively, remained unliquidated at year end contrary to the provisions of COA Circular No. 97-002. 	<p>authorized to be written-off shall be closed and transferred to the <i>Registry of Accounts Written-off (RAWO)</i>.</p> <ul style="list-style-type: none"> Management should adhere strictly to the provisions of Section 174 of GAAM, Volume I and COA Circular No. 97-002 dated February 10, 1997. Exert extra effort to fully liquidate/collect all long outstanding cash advances in pursuance to existing rules and regulations. Require all officers and employees to liquidate travel advances strictly within 30 days after return to official station, otherwise, suspend salary until liquidation has been done. Refund of unused cash advance should be made immediately and simultaneously with the liquidation. Within 10 days before expiration of the 30 day period, the Accountant must sent written reminder enjoining the official or employee concerned to liquidate his travel advances, in compliance with COA Circular No. 96-004 dated April 19, 1996. 	AAR CY 2009 Page 18	Partially Implemented.	Reiterated Audit Observation.

Audit Observation	Recommendation	Ref.	Status of Implementation	Reason(s) for Partial/Non-Implementation
<ul style="list-style-type: none"> The Inventory accounts included items of Property, Plant and Equipment, thereby overstating the accounts by - P59,087.98. Discrepancies were noted on the reported balances of the Accumulated Depreciation on Property, Plant and Equipment rendering the presented account balance as unreliable. 	<ul style="list-style-type: none"> The accountant should reclassify the cost of the assets to its proper Property, Plant and Equipment accounts and charge the corresponding depreciation expenses. Moreover, require the Property Officer to issue the necessary <i>Acknowledgement Receipt of Equipment (ARE)</i> to the officers/employees to whom the above properties were issued to. The accountant should be required to determine the causes of the discrepancies, after which adjust the net understatement noted in the Accumulated Depreciation on the Property, Plant and Equipment as against its corresponding Depreciation Schedule. 	<p>AAR CY 2009 Page 20</p> <p>AAR CY 2009 Page 22</p>	<p>Implemented.</p> <p>Implemented.</p>	

ANNEXES

Analysis of Collections and Deposits of San Jose, Goa and Lagonoy collecting centers
For the months of January and December 2010

Date of Collection	Amount			Date of Deposit	Amount			REMARKS
	San Jose	Goa	Lagonoy		San Jose	Goa	Lagonoy	
2010				2010				
Jan. 4-5	41,738.57	48,532.64	67,106.64	Jan. 6	41,738.57	48,533.24	67,106.05	over deposit P.60 Goa collecting center
Jan. 6-7	23,988.40	20,453.43	27,939.53	Jan. 8	23,988.40	20,453.43	27,939.53	under deposit P.60 Lagonoy collecting center
Jan. 8	1,835.02	19,818.43	7,198.62	Jan. 14	1,835.02	19,818.43	7,198.62	
Jan. 11-12	14,006.95	52,888.67	24,824.70	Jan. 14	14,006.95	52,888.67	24,824.70	
Jan. 13-15	12,629.48	245,897.86	16,099.95	Jan. 18	12,629.48	245,894.86	16,099.95	under deposit of P3.00
Jan. 18-19	33,390.47	168,626.08	19,925.28	Jan. 25	33,390.47	168,626.08	19,925.28	
Jan. 20-22	102,527.57	146,482.07	40,376.36	Jan. 27	102,527.57	146,482.07	40,376.36	
Jan. 25-28	64,704.77	104,431.01	265,229.20	Feb. 2	64,536.34	104,431.01	265,229.20	under deposit of P168.43
Jan. 29	5,172.52		20,768.31	Feb. 8	5,172.52		18,496.09	
				Feb. 9			2,272.22	
Jan. 29	0.00	22,836.13		Feb. 10		22,836.13	0.00	
Dec. 1-2	21,340.19	35,566.33	317,793.62	Dec. 6	21,340.19	35,566.33	317,793.62	
Dec. 3	7,036.04	23,592.55	8,244.39	Dec. 9	7,036.04	23,592.55	8,244.39	
Dec. 6-7	19,157.97		44,739.84	Dec. 9	19,157.97		44,739.84	
Dec. 6		40,063.70		Dec. 9		40,063.70		
Dec. 7-8		35,112.43		Dec. 13		35,112.43		
Dec. 8	3,900.38		3,285.34	Dec. 13	3,900.38		3,285.34	
Dec. 9-10	16,846.14	32,277.48	19,333.70	Dec. 20	16,846.14	32,277.48	19,333.70	
Dec. 13-17	70,056.73			Dec. 20	70,056.73			
Dec. 13-15			47,437.77	Dec. 20			47,437.77	
Dec. 13-16		50,669.37		Dec. 20		50,669.37		
Dec. 16-17		18,096.65		Dec. 21		18,096.24		under deposit of P0.41
Dec. 17		58,663.69		Dec. 21		58,663.69		
Dec. 20	74,371.80			Dec. 22	74,371.80			
Dec. 20-21		270,754.99		Dec. 22		270,754.99		
Dec. 22		119,068.80		Dec. 29		119,068.80		
Dec. 21-22	120,340.57			Dec. 29	120,340.57			
Dec. 20-22			81,228.86	Dec. 29		80,728.86		under deposit of P500.00
Dec. 23	12,391.61	113,442.85	93,727.45	Dec. 30	12,391.61	113,442.85	93,727.45	
Dec. 28	26,504.52	111,855.69	187,485.47	Dec. 30	26,504.52	111,855.69	187,485.47	
Dec. 29	9,852.47	64,563.07	50,590.52	Jan. 3, 2011	9,852.47	64,563.07	50,170.52	
				Jan. 19, 2011			420.00	
Dec. 30	11,202.55	63,962.83	27,408.40	Jan. 10, 2011	11,202.55	61,962.83	27,408.40	

Schedule of Due from Officers & Employees (123)
As of December 31, 2010

Annex B

I-Employees

Azor, Antonino	P	32.91	
Briones, Jose		(0.02)	
Briones, Vicente		1,475.60	
Camano, Girlie O.		425.60	
Catolico, Rosa B.		9,741.32	
Cezar, Samuel		(160.00)	
Competente, Marichu		1,460.00	
Fuentebella, Ramon		1,623.94	
Lopez, Rolando		(151.24)	
Maravilla, Maruth		(120.00)	
Medina, Armando		640.00	
Pablico, Renato		1,200.00	
Palma, Mario V.		365.76	
Peñaflorida, Jasmin		1,559.84	
Peñaflorida, oscar Benicio C.		1,120.00	
Quinn, Recha Isabel P.		11,693.08	
Ramirez, Bryan		(161.80)	
Regondola, Angelica		3,224.08	
Respeto, Francisco		1,440.00	
Sabillena, Renato		2.00	
San Juan, Edwin		8,512.51	
Serra, Jelson		640.00	
Tabaco, Jean		1,214.50	
Sub-Total			45,778.08

II-Former Employees

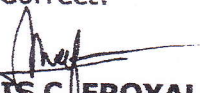
Abiog, Aurora	10,049.90	
Boncodin, Paterno	83.60	
Cabaero, Ramos	8,537.97	
Formalejo, Zacarias	18.10	
Gacer, Merly	500.00	
Hugo, Bernardita (COA Employee)	7,706.88	
Jacom, Roberto	1,334.35	
Libuton, Araceli	7,121.15	
Marcial, Edgar Z.	1,340.00	
Moll, Federico M.	16,834.75	
Napal, Julian	21,803.58	
Narito, Eriberto	1,167.88	
Oraa, Francisco P. Jr.	80,404.90	
Ortinero, Jesus	3,192.77	
Paglinawan, Jose	700.00	
Pasibe, Manuel	448.80	
Ramos, Raymund	2,060.33	
Various Employees	1,123.24	
Sub-Total		164,428.20
Grand Total		210,206.28

Prepared by:



NECITA ROMERO-SABIO
Accounting Processor B

Certified Correct:



MARICRIS C. FROYALDE
Acting Accountant

Partido Development Administration
Schedule of Reimbursement of Expenses
January 1, 2010 to December 31, 2010

Date	Check Number	Amount	Payee	Particulars
1/19/2010	37421	2,500.00	Renato Z. San Jose	Reimbursement of Sheriff expenses for civil case T-1110
1/20/2010	37439	6,490.00	Renato Z. San Jose	Reimb of labor and unit re: dream installation in office of the administrator
1/21/2010	37447	1,977.00	Lea T. Moreno	Reimb. Of various s expenses for the period January 7-15, 2010. (Gasoline ,Oil & lubricants and Taxes, Duties & licenses)
1/26/2010	37485	3,000.00	Renato Z. San Jose	Reimb. Re payment for extension of CPN/EPCN validity of renewal for NWRB dtd 1/22/2010.
1/26/2010	37489	600.00	Jan Buera	Reimb of fuel consumption of SV w/ plate SHE 202 dtd .18.2010 perVI # 110607 & gaslip # 10-034 both dtd jan.18 2010
1/26/2010	37495	450.00	Bryan S. Ramirez	Reimb. Of fuel consumption of SV w/ plate # SHE -211 for the period jan-7-8, 2010 per OR's 786359 & 317977.
1/28/2010	37524	7,083.75	Renato Z. San Jose	Reimb of various expenses (office Supply, Gasoline, Oil & Lubricants, Legal Services, R/M motor vehicle, Other MOOE)
1/29/2010	37529	1,920.00	Renato Sabillena	Reimb of material & hauling expenses for the period 1/2-21, 2010, repair of office of the administrator
2/2/2010	37571	750.00	Lea M. Duque	reimb of labor re bookbinding of books of accounts to be submitted to BIR
2/2/2010	37572	3,000.00	Renato Z. San Jose	Reimb. Of one unit phot services re pictures for BOD members
2/5/2010	37594	550.00	Carl Sanoy	Reimb. Of fuel expenses SV w/plat # SHE 202 for the period January 28-29, per SI # 37888, VI # 113080 & GS # 10-054
2/5/2010	37601	7,668.50	Rosa B. Catolico	Reimb of various supplies re : visit of senator J.P.Enrile L.legarda & Joseph Estrada dtd Jan. 28, 2010 (other supplies, representation & other MOOE
2/8/2010	37627	1,197.00	Jasmin P. Peñaflorida	Reimb. Of varios expenses for monthly staff meeting dtd. 2/5/2010 per inv # 174639 dtd 2.4.2010
2/8/2010	37631	1,050.00	Samuel Cesar	reimb. Of fuel and carwash for the period 1/18 -2/2, 2010 (Gasoline,oil & lubricants,and R/m motor vehicle)
2/8/2010	37632	400.00	Ramon F. Fuentesbella	Reimb of fuel consumption of SV # w/ plate SHE 341 per GS # 10-062 & VI # 113526 dtd 1/30/2010.
2/9/2010	37642	939.00	Girlye O . Camano	Reimb. Of expenses re: Airfare Ticket for PDA Board Chairman per OR # 039580 dtd 2/2/2010
2/10/2010	37658	10,000.00	Rosa B. Catolico	Reimb of various tokens for Physician and Guest re: Operation Reach Out 2010
2/10/2010	37654	200.00	Armando Lalaguna	Reimb. Of fuel consumption of SV w/ palte # SHE 202 dtd 2/6/2010 per GS # 10-076
2/15/2010	37703	2,927.00	Jose Bolante	Labor & materials for repair of motorcycle w/ plate # SD -9229 for the period 1/29-29/2010
2/17/2010	37725	590.00	Armando Lalaguna	Reimb. Of one pc. Keyboard for billing section use per or # 0272 dtd 2/25/2010.
2/19/2010	37742	2,570.00	Renato Z. San Jose	Reimb. Of expenses for the period 2/10-11/2010. (office supplies)
2/22/2010	37751	2,899.75	Lea M. Duque	Reimb. Of various expenses for the period 1/26-2/8/2010.

				(Travel exp., Gasoline Oil & Lubricants, cooking gas, other maintenance & Operating Expenses.)
2/22/2010	37752	1,354.00	Lea M. Duque	Materials and Labor re: book binding of General ledger 2009 & Book of Official Receipt.
2/22/2010	37763	2,400.00	Brian Ramirez	Reimb of 3 cartridge ink for T10 printer per OR # 4089 dtd 1/4/2010.
3/5/2010	37888	500.00	Ramon F. Fuentebella	Reimb. Of fuel consumption of SV w/ plate # SHE 341 per SI # 28294 & gaslip # 10-116 both dtd 2/20/2010
3/8/2010	37892	6,000.00	Oscar Benecio C. Peñaflorida	Reimb of 1 lot flange adaptor Fabrication per OR # 2374 dtd 2/17/2010.
3/8/2010	37893	16,320.00	Oscar Benecio C. Peñaflorida	Reimb. Of 204 kgs steel plate x 3/4 per SI # 6451 dtd 2/16/2010
3/16/2010	224815	2,745.00	Rosa B. Catolico	Reimb of expenses in excess of CA per ck # 37661 dtd 2/11/10 (repair & maintenance -Motor Vehicles)
3/16/2010	224831	10,354.00	Jean M. Tabaco	Reimb of expenses dtd 2/19/2010 (representation exp.)
3/16/2010	224842	1,225.00	Gerardo Bergonio	Reimb of Transportation and Delivery expenses.
3/18/2010	224860	2,264.75	Edwin F. San Juan	Reimb. Of various materials for renovation of Budget Office
2/22/2010	224877	1,855.75	Michelle Vargas	reimb . Of various expenses for the period 3/4-5/2010
3/23/2010	224900	1,399.75	Lea T. Moreno	fuel expenses and one laptop bag per inv # 28397 & 157818 dtd 3/3-7/10. (gasoline ,oil and Lubricants and office supplies
3/25/2010	224944	1,250.00	Jose T. Bolante	Reimb. Of freon and labor for general cleaning of aircon in Goa Collection Center ,R/M -office equipment)
3/26/2010	224950	2,150.00	Renato B. Sabillena	materials used for construction of frame for tarpulin.
3/30/2010	224961	1,225.00	Gerardo Bergonio	Reimb of hauling expenses, transportation and delivery expenses
4/12/2010	225038	2,965.00	Lea T. Moreno	Reimb. Of various expenses Gasoline,oil & Lubricants and Repair and maintenance-Motor Vehicle.
4/15/2010	37955	500.00	Oscar Benecio Peñaflorida	reimb of fuel consumption of SV SHE 209
4/15/2010	37958	4,475.00	Girlye O. Camano	reimb of various expenses ,other supplies & other MOOE
4/15/2010	37969	10,909.00	Rosa B. Catolico	Reimb of meals and snacks for the perid 4/13-15/2010
4/16/2010	37973	1,700.00	Sem B. Asug	Reimb of various expenses , Transportation & Delivery and Other maintenance & Operating Expenses
4/16/2010	37982	500.00	Lea M. Duque	Reimb of snacks re monthly staff meeting dtd 4/8/2010
4/20/2010	225070	1,225.00	Gerardo Bergonio	Reimb of hauling expenses for the perid 4/19-20/2010
4/21/2010	225098	3,731.00	Mario V. Palma	reimb of melas & supplie re consultative meeting
4/26/2010	225164	3,500.00	Larry Perillo	Reimb of labor re: repair of camera lens per oR # 24926
4/26/2010	225132	1,400.00	Lea M. Duque	reimb of fuel consumptionh w/SV wpf 620
4/26/2010	225142	2,300.00	Jose Bolante	Reimb of labor for repair/overhaul of one unit concrete cutter
4/30/2010	225196	2,597.00	Maricris Basilla	Reimb of various expenses office supplie,other supplies, travel, cooking gas expenses.
5/5/2010	225212	1,500.00	Lea M. Duque	reimb of fuel expenses for thew period 4/22-25/2010
5/5/2010	252222	879.75	Recha Isabel P. quinn	Reimb of books & Office supplies for the period 3/13-18/10
5/5/2011	225230	1,225.00	Gerardo Bergonio	Reimb of hauling expenses
5/5/2011	225236	200.00	Armando Lalaguna	Reimb of fuel consumption w/ plate # SHE 202
5/7/2010	225256	2,500.00	Samuel Cesar	Reimb of gasoline ,oil & lubricants and R/M motor vehicle
5/14/2010	225270	8,165.00	Maricris Basilla	Reimb of various expenses, representation expenses
5/19/2010	225298	500.00	Rosa B. Catolico	Reimb of fuel expenses per gsalip # 10-266 or# 092667
5/19/2010	225302	700.00	Carl Sanoy	Reimb. Of gasoline expeneses per or # 131 & gas lip # 10-280
5/20/2010	225317	2,388.00	Mario V. Palma	Reimb of various expenses, Other maintenance & Operating exp.
5/20/2010	225321	6,773.50	Rosa B catolico	Reimb of meals & supplies .
5/21/2010	225332	7,000.00	Ramon F Fuentebella	Reimb of expenses :re repair of SV SHE 209 per or # 2308
5/21/2010	225345	350.00	Sem B Asug	Reimb of hauling expenses for the period 4/13-27/2010

5/21/2010	225349	4,000.00	Rosa B catolico	Reimb. Of tokens per rer & invoice dtd 5/20/2010
5/24/2010	225388	2,400.00	Angelica P Regondola	Reimb of fuel consumption re 70 litersb diesel
5/24/2010	225390	1,845.00	Russel Rosero	Reimb of other supplie expenses per si # 1614 & or # 315
5/24/2010	225394	5,000.00	Oscar Benecio Peñaflorida	Reimb of materials & labor for repair of SHE 209 per OR #2106
5/24/2010	225395	1,809.00	Lea M duque	Reimb of various expenses ,other maintenance & Operating expenses
5/26/2010	225410	5,165.00	Lea M duque	Reimb of various expenses,Gasoline, oil Lubricants,Office supplies,Representation expenses,Printing &Binding
6/2/2010	225484	5,433.36	Rosa B catolico	Reimb of expenses in excess of ca(representation, repair and maintenance motor vehicles.
6/2/2010	225489	5,397.00	Jasmin P. Peñaflorida	Reimb of expenses re: airfare ticket for PDA Board Chairman.
6/4/2010	225493	577.55	Carl Sanoy	Reimb of fuel expenses of SHE 202 per gaslip # 10-318 and
6/4/2010	225494	300.00	Armando Lalaguna	Reimb of fuel consumption of SHE 209 per GS # 10-319
6/4/2010	225499	500.00	Lea M Duque	Reimb of fuel consumption of SHE 209 per SI # 774773 and 712644
6/10/2010	225529	739.00	Melissa Celestial	Reimb of various expenses for snacks re: TC meeting
6/1/2010	225537	2,700.00	Renato Z. San Jose	Reimb of TE re: taxes duties and license
6/11/2010	225555	1,000.00	Samuel Cesar	Reimb of fuel expenses
6/11/2010	225565	480.00	Lea M Duque	Reimb of various expenses dtd 6/4/2010, other MOOE
6/15/2010	225569	3,450.00	Jasmin P. Peñaflorida	Reimb of variou expenses office supplies per SI # 5066718
6/16/2010	225583	700.00	Vicente Briones	Reimb of expenses re: R/M Motor Vehicle
6/17/2010	225595	1,000.00	Renato Z. San Jose	Reimb of fuel consumption for SV WPF 620
6/18/2010	225612	9,215.00	Ramon F Fuentebella	Reimb of expenses R/M motor vehicle
6/21/2010	225621	80.00	Rolando I Lopez	Reimb of Travel expenses re: R/M motor vehicle
6/22/2010	225628	4,500.00	Francisco Imperial	Reimb of 1 magnetic contractor in WTP garchitorena
6/22/2010	225643	1,200.00	Ramon F Fuentebella	Reimb of CP Charges for the period 4/25-5/10 , 2010
6/22/2010	225646	500.00	Renato Z. San Jose	Reimb of fuel consumption
6/29/2010	225693	3,844.00	Girlie O Camano	Reimb of airfare ticket of BOD Chairman
7/1/2010	225719	900.00	Lea M. Duque	Reimb of fuel consumption
7/1/2010	225721	600.00	Vicente Primavera iii	Reimb of fuel consumption
7/2/2010	225732	12,220.00	Samuel Cesar	Reimb of labor & Materials re: R/M WSG 791
7/2/2010	225733	5,100.00	Rosa B. Catolico	Reimb of radio construction permit fee
7/6/2010	225746	1,225.00	Gerardo Bergonio	Reimb of transportation and Delivery expenses
7/6/2010	225751	4,000.00	Marichu F. Competente	Reimb of photo service for documentation of PDA Board Oath taking
7/9/2010	225770	1,350.00	Sem B. Asug	Reimb of various expenses , other supplies and transportation & Delivery expenses.
7/12/2010	225789	200.00	Rosa B. Catolico	Reimb of fuel consumption of SHE 212 CI # 40817
7/12/2010	225793	4,184.00	Girlie O. Camano	reimb of airfare ticket of BOD chairman
7/13/2010	225801	22,000.00	Samuel Cesar	Reimb of parts & labor re R/M Wsg 791
7/15/2010	225812	460.00	Christine I. Obias	Reimb of expenses R/M Other plant & Equipment and Office supplies expenses
7/16/2010	225821	3,960.00	Mario V. Palma	Reimb of various expenses , gasoline expenses,rent expense R/M -motor vehicles
7/20/2010	225843	150.00	Samuel Cesar	Reimb, of travel expenses ,re: R/M motor vehicle
7/22/2010	225851	100.00	Bryan Ramirez	Reimb of R/M motor vehicle
7/22/2010	225864	1,200.00	Ramon F. Fuentebella	Reimb of cp charges w/ cp # 09088658330
7/26/2010	225882	467.00	Melissa L. Celestial	Reimb of supplies for snacks in Q ed program.
7/27/2010	255888	1,080.00	Mario V. Palma	Reimb of fuel consumption Sv # SHE 211 and R/M -motor vehicle
7/27/2010	225889	1,100.00	Samuel Cesar	Reimb of R/M motor Vehicle
7/28/2010	225920	35,200.00	Samuel Cesar	Reimb of labor & Materials re: R/M WSG 791
7/30/2010	225946	495.00	Mario V. Palma	Reimb of snacks -meetings

8/2/2010	225956	1,083.50	Marichu F. Competente	Reimb of various expenses re: printing and binding expenses
				Other supplies, representation expenses.
8/2/2010	225958	2,948.00	Ramon F. Fuentebella	Reimb of expenses re: R/M motor Vehicle
8/2/2010	225961	2,442.00	Vicente Primavera III	Reimb of fuel consumption
8/5/2010	225977	3,960.00	Armado Lalaguna	Reimb. Of expenes R/M motor Vehicle
8/6/2010	226008	1,490.00	Jofe Muit	Reimb of various expenses re gasoline expenses, legal
				services, taxes and duties and liscense
8/6/2010	226016	699.00	Mario V. Palma	Reimb of fuel consumption for MITC bus
8/9/2010	226031	2,500.00	Angelica P. Regondola	reimb of expenses re:R/M motor Vehicle for SHE 212
8/9/2010	226033	5,360.00	Angelica P. Regondola	Reimb of various expenses re: other supplies expenses.
8/11/2010	226039	12,720.00	Rosa B. Catolico	Reimb of expenses re: labor & material for repair & maintenance
8/12/2010	226042	665.00	Jasmin Peñaflorida	Reimb of electrical supplies per pr # 10-08-338 dtd 8.4.10
8/12/2010	226045	3,845.00	Girle O. Camano	Reimb of airfare ticket of BOD chairman
8/12/2010	226050	200.00	Catherine C. Padin	Reimb of expensense re: mailing of documents
8/12/2010	226056	1,225.00	Gerardo Bergonio	Reimb of travel expense re: transportation & delivery expenses
8/19/2010	226114	4,184.00	Girle O. Camano	Reimb of airfare ticket of BOD chairman
8/19/2010	226116	2,360.00	Renato Z. San Jose	Reimb of fuel express per gs # 10-462
8/20/2010	226122	358.00	Samuel Cesar	Reimb of TE re: R/M motor Vehicle
8/20/2010	226125	1,200.00	Ramon F. Fuentebella	Reimb of CP charges w/ cp # 09088658330
8/24/2010	226149	8,444.50	Maricris Basilla	Reimb of various exp ,other supplies expenses
8/24/2010	226150	750.00	Jean M. Tabaco	Reimb of office expenses
8/24/2010	226154	11,739.00	Francisco Imperial	Reimb of expenses labor & material R/M motor vehicle
8/24/2010	226158	200.00	Armando Lalaguna	Reimb of fuel consumption
8/26/2010	38014	1,255.00	Gerardo Bergonio	Reimb. Of expense re; transportation and Delivery expenses
8/26/2010	38020	130.00	Samuel Cesar	Reimb of TE re:mR/M motor vehicle
8/26/2010	38024	2014	Girle O. Camano	Reimb of airfare ticket of BOD chairman
9/6/2010	226202	3,293.00	Oscar Benicio Peñaflorida	Reimb of various expenses R/M -moto vehicles
9/8/2010	226227	6,820.80	Maricris Basilla	Reimb. Of various expense ,other supplies expenses
9/8/2010	226229	2,500.00	Renato Z. San Jose	Reimb of Fuel consumption.
9/8/2010	226235	164.00	Aline Benipayo	Reimb of Gasoline & Oil lubricants
9/8/2010	226239	760.00	Rosa B. Catolico	Reimb of various expenses re; Gasoline Lubricants and
				R/M - motor vehicle
9/9/2010	226241	8,500.00	Mario V. Palma	Reimb of various expenses re : rent expenses
9/9/2010	226267	2,354.00	Girle O. Camano	Reimb of expenses re : airfare ticket
9/9/2010	226268	10,050.00	Mario V. Palma	Reimb of expenses re: labor and material R/M motor vehicle
9/9/2010	226271	11,000.00	Bryan Ramirez	reimb of expenses R/M motor vehicle
9/13/2010	226273	1,349.50	Jose Bolante	Reimb of various expenses, other supplies exp, Gasoline Oil
				Lubricants,Cable satellite telegraph.
9/13/2010	226285	370.00	Samuel Cesar	Reimb of tarvel expenses re; R/M moto vehicle
9/14/2010	291402	9,800.00	Samuel Cesar	Reimb of repair of aircon, cleaning & leak testing
9/15/2010	291427	450.00	Francisco Imperial	reimb of travel re; representation expenses
9/21/2010	291436	16,080.00	Mario V. Palma	Reimb of various expense re:representation expense and
				general services
9/24/2010	291465	16,330.00	Samuel Cesar	Reimb of various xpenses R/M motor vehicles
9/24/2010	291472	2,300.00	Vicente Primavera iii	Reimb of Fuel consumption.
9/24/2010	291475	1,200.00	Ramon F. Fuentebella	Reimb of cp charges # 09088658330
9/24/2010	291476	2,059.00	Girle O. Camano	Reimb of airfare ticket for BOD chairman or # 048027 9.19.10
9/24/2010	291494	2,042.00	Girle O. Camano	Reimb of airfare ticket for BOD chairman or # 048146 9.22.10
9/28/2010	38084	750.00	Renato Z. San Jose	Reimb of TE re R/M motor Vehicle

9/29/2010	38065	1,443.00	Sem B. Asug	Reimb of various expenses re: other supplies expenses, Transporation & delivery
9/29/2010	38073	1,500.00	Angelica P. Regondola	reimb of apliation fee re new service line w/ # 09088967522
9/29/2010	38075	2,059.00	Girlie O. Camano	Reimb of airfare ticket or # 048235 dtd 9/27/2010
10/4/2010	38109	6,000.00	Bryan Ramirez	Reimb.of expenses re: inastallation of 3 units aircon
10/4/2010	38110	1,842.00	Girlie O. Camano	Reimb . Of airfare ticket for BOD chairman or # 048194
10/4/2010	38111	3,062.00	Samuel Cesar	Reimb. Of travel expenses re: R/M motor vehicle
10/5/2010	38114	8,200.00	Angelica P. Regondola	Reimb of expenses re labor & materials for signboard & signage of PDA
10/8/2010	38162	1,800.00	Vicente Primavera iii	Reimb of fuel expenses
10/19/2010	291524	4,905.00	Francisco Imperial	Reimb. Of various expenses re:R/M Other machineries and R/M - motor vehicle
10/20/2010	291539	9,277.18	Bryan Ramirez	Reimb. Of expenses re: LTO registration & Emission Testing
10/21/2010	291545	500.00	Bryan Ramirez	Reimb of fuel consumption
10/22/2010	38185	5,500.00	Renato Z. San Jose	Reimb of expenses re: boat rental for DZRP peñafrancia festival (Fluvial procession live coverage)
10/28/2010	38219	1,300.00	Armando Lalaguna	Reimb of expenses re: 1 door handle and labor for Anfra 202
10/29/2010	38235	1,000.00	Ramon F. Fuentebella	Reimb of fuel consumption
10/29/2010	38238	929.00	Sem B. Asug	Reimb of expenses re :Transfortation & Delivery and other supplies expenses.
11/2/2010	291550	8,000.00	Ramon F. Fuentebella	Reimb of cost publication for 1 issue oa an invitation to BID for the construction of balley bridge
11/3/2010	38261	5,000.00	Angelica P. Regondola	Reimb of expenses re: medical mission 2011
11/8/2010	38295	2,964.00	Vicente Primavera iii	reimb of fuel consumption
11/8/2010	38302	855.00	Mario V. Palma	Reimb of expenses re: 1 set sprocket T 8125
11/10/2010	38317	423.00	Isagani Brita	Reimb of expenses re: R/M -motor vehicle
11/12/2010	38333	2,345.00	Jose Bolante	Reimb of expenses re: R/M -motor vehicle,TE,and R/M motor
11/19/2010	38399	150.00	Isagani Brita	Reimb of expenses re: R/M motor vehicle
11/22/2010	42610	1,000.00	Lea M. Duque	reimb of fuel consumption
11/25/2010	42621	2,045.00	Lea M. Duque	Reimb of expenses re: material in book binding
11/25/2010	291573	665.00	Melissa Celestial	reimb of expenses re: peacxe corps volunteer orientation meeting
12/1/2010	291582	500.00	Mario V. Palma	reimb of fuel consumption
12/6/2010	42652	1,799.75	Recha Isabel Quinn	Reimb of expenses of planning evaluation and monitoring division
12/6/2010	42674	4,394.00	Rosa B. catolico	reimb of expenses re: representation expenses
12/6/2010	42676	3,000.00	Ronwald Alde	Reimb. Of expenses for service paid for the R/M of intake pipe and chamber
12/17/2010	42774	20,000.00	Angelica P. Regondola	Reimb of purchase of ink per or # 60122
12/17/2010	42776	12,100.00	Girlie O. Camano	reimb of various expenses re bicol song adaptation contests for 7 days
12/21/2010	42798	6,228.00	Rosa B. Catolico	Reimb of expenses re : legal; services and representation
12/22/2010	42828	700.00	Sem B.Asug	Reimb of hauling expenses
12/23/2010	42856	352.00	Armando Medina	Reimb of expenses re: R/M motor vehicle
12/29/2010	291632	3,060.00	Gerardo Bergonio	Reimb of TE re; transportation and delivery expenses
12/30/2010	42871	5,525.00	Jose Bolante	Reimb of labor and m,aterials for pwss goa operation (transfortation & Delivery exp.,R/M Machineries, office supplies)
12/30/2010	42872	3,400.00	Vicente Primavera III	reimb of materials for DZRp Operations
12/30/2010	42875	2,873.00	Liza Serrano	reimb for materials and Fees Bir Registration
TOTAL		P 642,254.64		