

**ACTION MONITORING TOOL**

Sector  
 Team  
 Agency Audited CARCAR WATER DISTRICT  
 Audit Period 2023  
 AAR Date

**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION AS OF DECEMBER 31, 2024**

Ref.	Audit Observations	Audit Recommendations	Action Plan	Person/Dept. Responsible	Target Implementation Date		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable
					From	To		
AOM No. 2023-003	Thus, depriving the Water District of additional funds that could help sustain its operation.	Furthermore, be consistent in the implementation of the disconnection policy of six (6) days from due date with unpaid water bill as provided under Section 12.3 of the CWD URR to avoid accumulation of additional water consumption and water bill of the delinquent concessionaires.	b. Add additional team for Disconnection	Commercial Division	12/01/2023	12/31/2024	Not Implemented	still deferred since the number of delinquent accounts has reduced to an average of 2988 in 2024
		We also recommend that Management consider requiring concessionaires to pay security/guaranty deposits upon approval of their water service contract, as protection in case of unpaid water bills.	c. Review and analyze Accounts Receivable for proposal of guaranty deposit	Commercial Division	12/01/2023	12/31/2024	Not Implemented	
AOM 2021-008	Annual Water Charges paid to the National Water Resources Board (NWRB) for CY 2020 in the amount of P40,095.77 was contrary to the decision of the Office of the Secretary of Justice (OSJ) under OSJ Case No. 01-2010 dated March 29, 2012, thereby rendering the payment illegal.	We recommend that Management request from NWRB for the refund of the payments made for the annual water charges, for lack of legal basis by the NWRB and the Water District to collect and pay, respectively.	Due to collective efforts of PAWD, a new policy suspending payment of annual water dues was issued by NWRB.	Finance Division	07/01/2024	12/31/2024	Implemented	
AOM No. 2023-005	CWD did not prepare a Septage Management Plan (SMP) as required by Presidential Decree (PD) No. 198 and Republic Act (RA) No. 9275, depriving its concessionaires of a sound waste water treatment and disposal system	We recommend that Management prepare a concrete SMP as required by the above mentioned laws, to address wastewater and sanitation concerns of the concessionaires.	A feasibility study was developed by Virtvs Solutions, Inc. to address the wastewater and sanitation issues faced by concessionaires.	Management	08/01/2024	12/31/2024	Implemented	
		We also recommend for Management to regularly coordinate and propose a written formal program to the LGU of Carcar City, on the necessity and importance of the SMP in the improvement of water quality, sanitation and public health conditions.	CWD lobbied for the ordinance at the city council and have participated in the public hearing last August 18 2024.	Management	08/01/2024	12/31/2024	Implemented	
AOM No. 2024-001	Segregation of duties of accountable officers were not observed in the handling of government funds contrary to Department of Budget and Management (DBM) Circular Letter No. 2008-8 dated October 23, 2008 and Section 50 of the Government Accounting and Auditing Manual (GAAM), Volume III which shows weak internal control over cash	We recommend that Management implement the segregation of duties and responsibilities among its personnel. Those involved in the recording/accounting transactions should not be allowed to act as tellers to reduce the opportunity of having a complete control over the functions and resources of the Water District; and to strengthen the internal control over cash.	Management complied with the recommendation and has now hired additional personnel to act as teller.	HR	05/01/2024	06/01/2024	Implemented	
AOM No. 2024-002	Several dormant Account Receivables accounts aggregating ₱1.633million remained in the books as at December 31, 2023 because the Water District did not initiate the writing-off/recognition from the books of accounts the inactive receivable which have been outstanding for more than 10 years, contrary to COA Circular No. 2023-008 dated August 17, 2023 (Amending COA Circular NO. 2016-005 dated December 19, 2016). This affects the fair presentation of the Financial Statements as prescribed under PAS No. 1	We recommend that Management, through the head of Finance Services Department initiate the writing-off of these dormant receivables accounts by following the guidelines and procedures prescribed under COA Circular No. 2023-008 dated August 27, 2023.  We also recommended for the accountant to disclose in the Notes to Financial Statements these dormant receivables that are subject for write-off, for fair presentation of the financial statements.	The Finance Division will prepare the necessary write-off request and comply with the needed requirements in accordance with the guidelines set in COA Circular No. 2023-008	Finance Division	06/01/2024	08/27/2024	Partially Implemented	Requirements were sent last July 9, 2024 for COA's evaluation.  As per COA evaluation, the following documents must be submitted: a. Certified copy of the letters, signed by the Head of the Agency (HoA), addressed to each concerned Accountable Officer (AO)/personnel demanding the AO to execute a certificate of justification as to why the supporting documents are not available in his/her office or in any other office; b. Certification by the responsible officials of the entity to the effect that there are no records/documents available to validate the account c. Certified copy of the notice of loss filed with the Auditor immediately after the discovery of the loss. If none, a satisfactory explanation or the reason(s) for non-submission thereof; d. Investigation Report approved by the HoA and the corresponding decision referred to in Item 7.5. e. Management's action/s based on the results of the investigation including the sanctions instituted on erring officers and employees, if any; f. The steps to be undertaken by Management to prevent the occurrence of similar losses; and g. Other justifications due to loss of documents, the circumstances of the loss should be stated in the letter-request. h. Certification of no pending case relative to the account, issued by the Legal Officer or the official handling the legal matters of the water district.
AOM No. 2024-003	The accuracy of the Accounts Receivable - Trade (AR-Trade) account as at December 31, 2023 with gross amount of ₱7,582,454.19 cannot be ascertained due to the variances between the Subsidiary Ledger (SL) and the Aging of AR in the total amount of ₱67,017.46	We recommend that the Mangement, through the Finance Services Department fast track the reconciliation of the variance between the SL and Aging of Accounts Receivable so that appropriate adjustment/s can be effected to fairly present the AR-Trade account in the Statement of Financial Position.	The Finance Division will prepare a schedule that identifies the difference between the subsidiary ledger (SL) and the aging of accounts receivable before the end of 3rd quarter 2024. The Finance Division will investigate transaction logs, customer accounts, and reconciliations to pinpoint the cause of the discrepancy.	Finance Division	06/01/2024	09/30/2024	Implemented	
AOM No. 2024-004	Collecting Officers of CWD did not prepare the Report of Accountability of Accountable Forms (RAAF) as required under Section 68 of the Manual on New Government Accounting System (MNGAS), Volume II, thus rendering difficulty in the accounting of the accountable forms.	We recommend that Management require the Cashiers as well as all AOs in possession of accountable forms, to prepare and furnish a monthly RAAF to the Office of the Auditor to ensure that the movements/status of receipt and issuances of the official receipts are properly monitored and to have an accurate record thereof.	The Management will incorporate in the tasks of the Accountable Officer particularly in the monitoring tool starting July 2024, and to register this form in the Quality Management System to ensure that this report will be prepared on a monthly basis.	Finance Division	06/01/2024	12/31/2024	Implemented	

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AAR 2010-2012	The expenses that were capitalized and treated as reforestation project do not qualify as an asset of the water district under par 49, 39, and 90 of the Framework for the Preparation and Presentation of the Financial Statements.  Moreover, the expenses incurred by Barangay Guadalupe in the amount of P150,000 which formed part of the account balance are regular operating expenses of the Barangay and not for a watershed management.	We recommended that the management require Brgy. Guadalupe to replenish the P150,000.00 that was erroneously used by the Barangay so that the funds can be used for watershed management programs as agreed in the MOA.	Since the P150,000 financial assistance to Brgy Guadalupe was made on December 5, 2011, the account has been deemed dormant for the past 12 years. Thus, this shall be part of CWD's request to Write Off Dormant Account Balances in accordance to COA Circular No. 2023-008.	Finance Division	07/01/2024	12/31/2024	Partially Implemented	Request to Write Off Dormant Account Balances as of December 31 2023 in accordance to COA Circular No. 2023-008 has been submitted last July 9 2024.  As per further evaluation by COA, the following document must be submitted:  A. Separate Request of Writeoff of dormant account (Brgy Guadalupe) amounting to P150,000 to be addressed to COA Cluster Director
AOM No. 2023-001	Due from LGU account amounting ₱150,000.00 was not refunded by the implementing agency within the prescribed period and has been dormant/outstanding for more than 10 years contrary to COA Circular No. 94-013 dated December 13, 1994 and COA Circular No. 2016-005 dated December 19, 2016, thus, affecting the fair presentation of FS.	We recommend to Management to make representation or call the attention of responsible officials of the barangay to enforce/demand the refund from barangay Guadalupe, Carcar City, Cebu of the long outstanding fund transfer amounting to ₱150,000.00.						
AOM 2015-002	Abnormal and dormant balances including one erroneous subsidiary account balance which was the outcome of the inappropriate accounting treatment of the covering transactions still formed part of the year-end account balance of various asset and liability accounts, a condition which may mislead users of the financial statements in making sound economic decisions.	We recommend that Management require the Finance Services Department to set a timetable for the re-verification/analysis of the abnormal and dormant account balances including the errors noted with a deadline for drawing the adjustments on these deficiencies.  We also reiterate our previous years' audit recommendation requiring a semestral review of the composition/details of account balances so that dormant items/abnormal balances contained therein can immediately be acted upon.	Each Finance Division Personnel has been given assigned accounts to monitor/ review the transactions to ensure the accuracy and validity of transactions. Any error / deficiencies and dormant accounts identified during the review shall be assessed for adjustments and action plans. This shall be part of the individual's monitoring tool.	Finance Division	07/01/2024	12/31/2024	Implemented	
2015 AAR, AO No. 2a, Page 8	A parcel of land acquired in 2015 with an area of 100 square meters was paid even if the disbursement voucher was not supported with the necessary documentary requirements as enumerated under Sections 13.1 and 13.2 of COA Circular No. 2012-001.	We recommended that Management secure the required documents to validate the purchase transaction, which papers will simultaneously fast track the titling of the acquired lot in the name of the Water District.	Process necessary documents to effect the transfer					The process of titling/transfer of real estate takes a long time considering the various agencies involved. But progress has been made on some properties pertaining to securing the necessary documents and conduct of actual survey.
2015 AAR, AO No. 2b, Page 10	Four donated lots with a total land area of 282 square meters have not yet been recorded in the books of accounts because of lack of valuation.	We recommended that Management request the Cebu Provincial Appraisal Committee to appraise all the donated lots so that the Water District will have a reliable basis for the costing and recording of the transactions in the books of accounts	There is dedicated officer who will facilitate all transactions with regards to all donated lots	Admin Division	11/01/2023	12/31/2024	Partially Implemented	
2015 AAR, AO No. 2c, Page 12	Ownership of 16 parcels of land which were either donated to or purchased by the Water District with a total approximate land area of 1,621.5 square meters has not yet been absolutely established as these properties are still not titled in the name of the Water District.	We recommended that Management closely monitor the titling of the lots donated and/or purchased by the Water District to certainly establish ownership.	Monthly monitoring of status of compliance					
AOM 2020-008	Disbursement amounting to P100,000.00, as partial payment of the cost of a parcel of land with an area of 100 square meters, was made despite absence of complete documents as required under Sections 13.1 and 13.2 of COA Circular No. 2012-001. This circumstance is not only contrary to Section 4(6) of Presidential Decree (PD) 1445 but may also lead to delay in the titling of the land in the name of the Water District.	We recommended that Management submit the lacking documents, for review and evaluation, such as: -Survey Plan; -Certification that there is no previous pending claim and previous payment on subject property;  -Environmental Clearance Certificate (ECC), and -Independent appraisal report or Committee Resolution as to the valuation of the land to determine the reason-ability of the offered price.  Ensure that the following documents are secured prior to the full payment of the remaining balance, to wit: -Deed of Absolute Sale registered with the Register of Deeds (now Land Registration Authority) where the land is located; and  -Certified photocopy of Transfer Certificate of Title and Tax Declaration in the name of the procuring entity or previous owner with annotation of sale	Process necessary documents to effect the transfer	Admin Division	11/01/2023	12/31/2024	Partially Implemented	Management has hired a job/order personnel to handle the processing of the title for this lot as well as other lots acquired by Water District.
	Accounts Receivable (AR) totaling ₱2,984,922.98 or 41.74 percent of the total AR balance of ₱7,151,595.50 as at December 31, 2022, were overdue and inactive, which indicates low collection efficiency. Further, the disconnection policy as stated Sections 12.2, 12.3 and 15 of the CWD Utility Rules and Regulations (URR) was not fully implemented. These are contrary to Section 2 of Presidential Decree (PD) No. 1445.	We recommend that Management exert extra effort to intensify the collections and formulate additional strategies to address the problem of collection/reduction of overdue and inactive accounts.	a. In order to address the problem of collection of overdue and inactive accounts, a proposed policy on the Sale of Inactive Service Connections to New Service Connection Applicants was crafted and approved on April 2023.  (Consistent implementation of AR reduction activities, such as the sale of waived inactive accounts and the inspection of these accounts, has reduced AR aging of 3 months and above by Pp 99,166 as of November 30, 2024.)	Commercial Division	04/01/2023	12/31/2024	Implemented	

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AOM No. 2024-005	Instances of advance payments were noted in the procurement of goods in the total amount of ₱118,554.37, contrary to Section 88 of Presidential Decree (PD) No. 1445 and Section 4 of Annex "D" of the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184	In conformity with Section 88 of PD 1445 and the RIRR of RA 9184, we recommend to Management to stop the practice of making advance payment for goods and services not yet delivered or rendered.	The Management has ceased this practice and observed with Section 88 of PD 1445 and RIRR of RA 9184. In order to ensure successful implementation, the Finance Division in collaboration with the Procurement section has improved the current procurement monitoring system.	Admin Division	06/01/2024	12/31/2024	Implemented	
AOM No. 2024-006	Several transactions of the Water District were not recorded/posted to its appropriate accounts, but instead were lumped under the Deferred Charges/losses account in the total amount of ₱1,588,266.16. This is contrary to the Revised Chart of Accounts for Government Corporations as prescribed under Annex C of COA Circular No. 2020-002 dated January 8, 2020	We recommend that Management direct the concerned personnel at the Accounting Department to make the necessary adjusting entries, which they can coordinate with this Office, to record and use the proper account code/title in recording the transactions in accordance with COA Circular No. 2020-001 on the Revised Chart of Accounts for Government Corporations.	Make the necessary adjusting entries to proper account the transactions (please refer to JL-2024-06-82039, JL-2024-06-82202, JL-2024-07-84126, JL-2024-06-82186, JL-2024-12-93099, and JL-2024-12-92931)	Finance Division	06/01/2024	08/31/2024	Implemented	

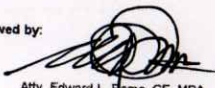
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