



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

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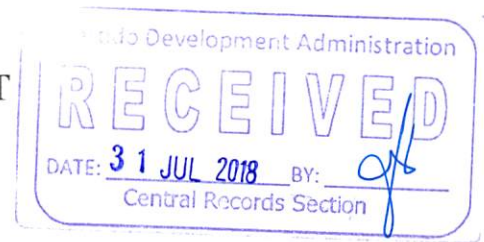
PARTIDO DEVELOPMENT ADMINISTRATION Tigaon, Camarines Sur

For the Year Ended December 31, 2017



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

Telefax Nos.: 482-0547; 482-0548



OFFICE OF THE REGIONAL DIRECTOR

July 25, 2018

THE BOARD OF DIRECTORS
Partido Development Administration
Tigaon, Camarines Sur

Gentlemen:

We are pleased to transmit the Annual Audit Report on the audit of the accounts and operations of the Partido Development Administration, Tigaon, Camarines Sur, for the year ended December 31, 2017, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

The attached Report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, and the Status of Implementation of Prior Years' Audit Recommendations, which were discussed with concerned officials and staff on April 25, 2018.

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements of the Agency for the year ended December 31, 2017.

We request that the recommendations be promptly implemented and we would appreciate being informed of the actions taken thereon within 60 days from receipt hereof, using the prescribed format of the attached copy of the Agency Action Plan and Status of Implementation (AAPSI).

We express our appreciation for the support and cooperation extended to our Auditors by the officials and employees of the Agency.

Very truly yours,



ROLAND A. REY
Regional Director

Copy furnished:

1. Administrator, LWUA
2. Auditor, LWUA
3. Office of the President
4. Office of the Vice-President
5. President of the Senate
6. Speaker of the House of Representatives
7. Chairperson – Senate Finance Committee
8. Chairperson – Appropriations Committee
9. Secretary, Department of Budget and Management
10. Presidential Management Staff, Office of the President
11. National Library
12. University of the Philippines Law Center
13. Commission Central Library
Commission on Audit, Quezon City
14. File, Regional Director, COA RO5



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OFFICE OF THE REGIONAL DIRECTOR

July 25, 2018

ENGR. RAMON F. FUENTEBELLA

Administrator
Partido Development Administration
Tigaon, Camarines Sur

Sir:

We are pleased to transmit the Annual Audit Report on the audit of the accounts and operations of the Partido Development Administration, Tigaon, Camarines Sur, for the year ended December 31, 2017, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

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Commission on Audit, Quezon City
14. File, Regional Director, COA RO5

Republic of the Philippines
 [insert name of agency]
 [insert address of agency]

**AGENCY ACTION PLAN and
 STATUS of IMPLEMENTATION**
 Audit Observations and Recommendations
 For the Calendar Year ____
 As of _____

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reasons for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken	
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From				To
20 CY 1. AAR, p. ____									

Agency sign-off:

[insert date]

[Name of Agency Officer]

[Position of Agency Officer]

Note: Status of implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially implemented, or (e) Delayed

EXECUTIVE SUMMARY

A. Introduction

The Partido Development Administration (PDA) was created on November 18, 1994 by virtue of Republic Act (RA) No. 7820. It was, however, formally organized and operated on October 16, 1997. The PDA, as a corporate body, has jurisdiction over the ten municipalities of the Fourth Congressional District of Partido District, in the Province of Camarines Sur composed of Tigaon, Sagñay, Goa, San Jose, Lagonoy, Presentacion, Caramoan, Garchitorea, Tinambac and Siruma. Per RA No. 7820, as amended by RA No. 8989, it is under the supervision and direction of a Board of Directors, whose members are the ten incumbent mayors of the said municipalities, ten private sector representatives coming from each of the member- municipalities, and the incumbent member of the House of Representatives representing the 3rd Congressional District of Camarines Sur.

An audit of the financial transactions and operations of the Administration was conducted for Calendar Year (CY) 2017. Its objective is to ascertain the fairness of presentation of the financial statements presented by the Administration for the purpose of expressing an opinion on these financial statements. It was also conducted to ascertain the validity, propriety and compliance to prescribed rules and regulations of its financial transactions and operations.

The audit was conducted in accordance with the Philippine Public Sector Standards on Auditing (PPSSA). 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. Due to the voluminous transactions of the Administration, the audit was conducted on a test basis, applying the audit procedures and techniques such as vouching, inspections and interviews.

During the CY 2017, PDA reported the following accomplishments as compared to its targets:

Component	Target	Accomplishment
<i>Expand Service Coverage and Maintain Service Standards of Water Facility</i>		
<i>Service Expansion of PWSS</i>		
Number of service connections for the year	2,460	1,920
<i>Maintain the Quality of Drinking Water</i>		
Based on the result of Third Party test	100%	100%
<i>Improved Client Satisfaction</i>		
<i>Agency Level Satisfaction Survey</i>	90%	100%
<i>Upgrade Human Resources in Various Sectors</i>		
<i>Number of trainees in Education, Fisheries and Coastal Resources, Health and Investment</i>		
Actual number of trainees for the year	2,500	2,554

Component	Target	Accomplishment
<i>Improved Operational Efficiency</i>		
Collection efficiency on current billing	92%	88.93%
Increase collection efficiency on accounts receivables	35%	27.73%
Increase EBITDA	₱61.00M	₱54.27M
Loan Payment to the Bureau of Treasury	₱56.14M	₱57.09M
Non-Revenue Water	20%	24.10%

B. Financial Highlights

The following are the financial highlights composed of comparative financial position and financial performance for CYs 2017 and 2016:

	2017	2016	Increase/ (Decrease)
Assets	₱ 447,662,784.21	₱ 464,655,191.32	₱ (16,992,407.11)
Liabilities	1,112,814,536.69	1,128,140,445.94	(15,325,909.25)
Equity	(665,151,752.48)	(663,485,254.62)	(1,666,497.86)

	2017	2016	Increase/ (Decrease)
Gross Income	105,061,448.91	98,677,111.41	6,384,337.50
Other Income	(7,900,722.97)	(3,056,882.50)	(4,843,840.47)
Total	97,160,725.94	95,620,228.91	1,540,497.03
Expenses:			
Personnel Services	19,701,834.59	17,684,106.77	2,017,727.82
Maintenance and Other Operating Expenses	36,145,168.24	31,878,359.28	4,266,808.96
Financial Expenses	16,203,390.36	13,468,465.01	2,734,925.35
Non-Cash Expenses	22,773,867.40	23,250,346.86	(476,479.46)
Total	94,824,260.59	86,281,277.92	8,542,982.67
Net Income (Loss)	2,336,465.35	9,338,950.99	(7,002,485.64)

C. Independent Auditor's Report on the Financial Statements

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements because of the following exceptions:

- a) A variance of ₱5.57 million exists between the Accounts Receivable book balance of ₱22.69 million and the Aging of Accounts Receivable/Subsidiary Ledger balance of ₱28.25 million.

- b) The Allowance for Impairment – Accounts Receivable amounting to ₱0.79 million provided by the Administration for the balance of the Accounts Receivable is unreliable due to the inconsistencies/errors in the Aging of Accounts Receivable.
- c) A net discrepancy in the Inventories account amounting to ₱0.66 million exists between the General Ledger Balances and Supplies Ledger Cards/Subsidiary Ledger Balances, both maintained by the Accounting Office, thus, the accuracy and propriety of the Inventories account totaling ₱4.30 million as at year-end is doubtful.

D. Significant Audit Observations and Recommendations

Financial and Compliance Audit

1. A net discrepancy of ₱130,825 existed between the General Ledger balances and the submitted Report on the Physical Count of Property, Plant and Equipment (RPCPPE) as of December 31, 2017 on some Property, Plant and Equipment (PPE) accounts.

We recommended and Management agreed to require the Accountant and the Acting Property Officer to:

- a) Continue exerting efforts to determine the cause/s of the discrepancies in the balances of the PPE accounts, and to effect immediate adjustments in their respective records, if warranted; and
 - b) Continue conducting periodic reconciliation of their records and thereafter reconcile them with the result of physical count, thru RPCPPE, to determine discrepancies for immediate adjustments in order to reflect the correct balance of the PPE accounts.
2. The payment for the Retainer Fees to the Administration's hired legal counsel for the period from August to November, 2017 in the net amount of ₱39,960.00 was not supported with a written concurrence of the Commission on Audit, and with an official receipt acknowledging receipt of payment.

We recommended and Management agreed to:

- a) Submit immediately the written concurrence of the Commission on Audit (COA) to avoid the issuance of Notice of Disallowance;
- b) Henceforth, secure first the prior written conformity and acquiescence of the Government Corporate Counsel and the written concurrence of the COA before hiring or employment of a private lawyer or law firm to handle the Administration's legal cases/matters;

- c) Require the hired legal counsel to refund the collected unauthorized travelling expenses to avoid the issuance of Notice of Disallowance; and
 - d) Require the Cashier II/Administrative Officer III to request the legal counsel to issue the official receipt for the attorney's fees collected by him to avoid the issuance of Notice of Suspension. Further, for future payments of any claims to persons required to issue receipts per Section 237 of RA No. 8424, official receipts be requested.
3. The Annual Procurement Plan (APP) for CY 2017 of the Administration was not prepared properly, completely and in the prescribed format, and not submitted to the Department of Budget and Management (DBM) on time. Further, it did not purchase most of its common-use supplies and equipment from the DBM-Procurement Service (DBM-PS).

We recommended and Management agreed to:

- a) Require the Bids and Awards Committee (BAC) Secretariat to consolidate the individual Project Procurement Management Plans (PPMPs) into an APP to be prepared in accordance with the format prescribed by the Government Procurement Policy Board (GPPB) to aid Management in the proper planning of procurement activities. All the applicable columns of the consolidated APP should be completely filled-out;
 - b) Require the BAC to adopt public bidding as the general mode of procurement and resort only to the alternative methods if the conditions for their use are present;
 - c) Require the Acting Property Officer to submit the APP- Common Use Supplies and Equipment (APP-CSE) to the DBM-PS before November 15 of every year in order that their proposed procurements shall be included in Procurement Service (PS) list; and
 - d) Require the Acting Property Officer to procure the common-use supplies and equipment from the DBM-PS or request for certification that the supplies/equipment are not available thereat before purchasing them from the local suppliers.
4. The Administration was unable to prepare its Water Safety Plan (WSP) for the year, contrary to the Department of Health (DOH) Administrative Order No. 2014-0027 issued on September 4, 2014, however, it was regular in its obligation of submitting its water samples for bacteriological potability tests for the assurance that the supplied water to its concessionaires are of safe quality.

We recommended that Management comply with the regulations on the development and implementation of WSP as required by the DOH. For continuity of assurance of safe water quality, strict implementation of the WSP be undertaken.

5. The Administration was not able to develop policies and plans to address concerns relating to Disaster Risk Reduction and Management (DRRM). Furthermore, it was not able to allocate a portion of its Corporate Operating Budget (COB) for CY 2017 as DRRM Fund.

We recommended and Management agreed to inquire from the National Disaster Risk Reduction and Management Council (NDRRMC) for the guidelines and policies on DRRM, and from the DBM on the requirement for the allocation of DRRM Fund. Thereafter, the Administration shall use the information to develop policies and plans relating to DRRM, and allocate a portion from its COB as DRRM Fund to finance for its implementation.

Value-For-Money Audit

6. The Non-Revenue Water (NRW) of the Administration for CY 2017 of 24.12 per cent was within their targeted acceptable efficiency level of 28.92 per cent, but was 4.12 per cent higher than the water industry average of 20 per cent, which resulted in an estimated foregone revenue of ₱6.54 million.

We recommended that Management:

- a) Investigate the cause/s of high percentage of NRW of the Administration and come up with remedies to address the causes to minimize if not totally eliminate its incurrence. Further, it should aspire to attain or even go below the standard NRW of 20 per cent required by the Local Water Utilities Administration (LWUA) from the water districts or drinking water providers; and
 - b) Make representations with the Chiefs/Heads of the Bureau of Fire Protection (BFP) of the municipalities under the coverage of the Administration and request to use the fire hydrants only during the incurrence of fire. To monitor the consumption, monthly report of consumption be requested from the BFP.
7. Past due active accounts which are 60 days and over amounting to ₱5.05 million or 46.88 per cent of the total Accounts Receivable-Active existed despite Management's efforts in enforcing the policy on disconnection of water service of delinquent concessionaires and adoption of other collection strategies.

We recommended that Management:

- a) Ensure that the policy on disconnection is strictly enforced to prevent the accumulation of past due active accounts;

- b) Take time to locate the whereabouts of concessionaires whose accounts are already dormant or inactive and enforce collection of their accounts;
 - c) Employ mechanisms to enforce collection of long overdue big accounts by sending more demand letters or by resorting to legal remedies available; and
 - d) Cause the monitoring of the demand letters sent, and in case of reshuffling of personnel, require strict turnover of accountabilities and responsibilities, and assign a person to monitor the demand letters sent.
8. The Administration's poor financial performance and position casts doubt on its ability to perform its functions and powers and to continue as a going concern.

We recommended that Management:

- a) Implement cost cutting measures by eliminating excessive/unnecessary expenditures in its entire operations;
 - b) Intensify collection of outstanding Accounts Receivable through follow-up on the series of demand letters sent. Strictly implement the two-month disconnection policy for concessionaires who are not able to pay on time in order to collect the payments promptly and increase the Agency's cash flows;
 - c) Consider viable options for its minor operating units such as privatization of the DZRP radio station and the re-opening of the Center for Human Resources Development (CHRD) for rental of the Maceda Hall and its furniture and fixtures;
 - d) Follow-up the approval of the repayment plan and cause its full implementation once approved;
 - e) Find ways to settle its foreign loan amortization on or before the due dates to prevent the incurrence of additional interest charges as well as lighten the financial burden of the National Government.
 - f) Make representation with proper authorities to implement Section 6 of RA No. 7820 which provides that the member-municipalities shall take charge of the amount necessary for the capitalization of the PDA to be charged against their respective Internal Revenue Allotment; and
 - g) Make representation with proper authorities to source fund from the government share on the proceeds earned by PAGCOR as provided for under Section 12 of PD No. 1869.
9. A net difference of ₱0.51 million resulted between the total amount withheld for remittance to the Bureau of Internal Revenue (BIR), Home Development Mutual Fund (HDMF) and Philippine Health Insurance Corporation (PHIC) of ₱1.00 million as of December 31, 2017, and its corresponding remittances amounting to ₱494,633.

We recommended and Management agreed to require the Accountant and/or the Accounting Processor B to immediately:

- a) Review the pertinent records relating to the Due to BIR, Due to Pag-IBIG and Due to PhilHealth accounts to effect adjustment/reconciliation, if necessary; and
- b) Remit any under remittance discovered and/or inquire with the concerned agencies regarding the differences.

Compliance with Gender and Development (GAD) Laws, Rules and Regulations

10. The appropriations per revised GAD Plan and Budget (GAD PB) for CY 2017 of ₱408,572, was only 0.48 per cent of the proposed Administration's budget for the year. Likewise, although all the activities listed in the GAD PB were carried out, evaluation of the expenditures incurred could not be made thoroughly due to insufficiency of data.

We recommended that Management require the Chairperson, GAD Focal Point System to:

- a) Prepare the GAD PB, in the ensuing years, in accordance with the guidelines prescribed in Joint Circular No. 2012-01 of the Philippine Commission on Women (PCW), National Economic and Development Authority (NEDA) and DBM, and submit it to the PCW for review and DBM for approval in accordance with the timetable provided in the JC; and
- b) Prepare summaries and details of the costs/expenditures incurred per GAD activity as reported in the GAD Accomplishment Report.

E. Summary of Total Suspensions, Disallowances and Charges as of Year-End

The ending balances of Notices of Suspension/Disallowances/Charges as of December 31, 2017 are as follows:

	Beginning Balance (As of December 31, 2016)	This Period January 1 to December 31, 2017		Ending Balance (As of December 31, 2017)
		NS/ND/NC	NSSDC	
Notice of Suspension	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Notice of Disallowance	295,072.81	0.00	0.00	295,072.81
Notice of Charge	0.00	0.00	0.00	0.00
Total	₱ 295,072.81	₱ 0.00	₱ 0.00	₱ 295,072.81

F. Status of Implementation Prior Years' Audit Recommendations

Out of the 66 audit recommendations incorporated in the prior years' Annual Audit Reports, which covered CYs 2011 to 2016, 25 were fully implemented, 36 were partially implemented and five were not implemented during the year.

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Part I

**AUDITED FINANCIAL
STATEMENTS**



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Partido Development Administration
Tigaon, Camarines Sur

We have audited the accompanying financial statements of the Partido Development Administration, Tigaon, Camarines Sur, which comprise the Statement of Financial Position as at December 31, 2017 and the Statement of Financial Performance, Statement of Changes in Net Assets/Equity and Statement of 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 the Philippine Public Sector Accounting 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 Philippine Public Sector Accounting Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 misstatement of the financial statements, whether due to fraud or error. In making 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 accounting policies used and the reasonableness of significant 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 qualified audit opinion.

Basis for Qualified Opinion

As discussed in Part II of the Audit Report:

1. A variance of ₱5.57 million exists between the Accounts Receivable book balance of ₱22.69 million and the Aging of Accounts Receivable/Subsidiary Ledger balance of ₱28.25 million.
2. The Allowance for Impairment – Accounts Receivable amounting to ₱0.79 million provided by the Administration for the balance of the Accounts Receivable is unreliable due to the inconsistencies/errors in the Aging of Accounts Receivable.
3. A net discrepancy in the Inventories account amounting to ₱0.66 million exists between the General Ledger Balances and Supplies Ledger Cards/Subsidiary Ledger Balances, both maintained by the Accounting Office, thus, the accuracy and propriety of the Inventories account totaling ₱4.30 million as at year-end is doubtful.

Qualified Opinion


In our opinion, except for the effects of the matters 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 at December 31, 2017, and its comprehensive income and its cash flows for the year then ended in accordance with the Philippine Public Sector Accounting Standards.

Emphasis of Matter

The computed Total Debt to Total Assets Ratio of the Administration for CY 2017 is 2.49:1.0 (₱1,112,814,536.69/₱447,662,784.21). Based on this ratio, it appears that the Administration could hardly meet its obligations. Further, the Administration, except for CYs 2016 and 2017, has been incurring losses in its operations adversely affecting continuity of its operation as discussed in Audit Observation No. 12, Part II of this Audit Report.

COMMISSION ON AUDIT

By:


MAREDITH A. BRAZAL
State Auditor IV
OIC-Supervising Auditor

April 27, 2018



Partido Development Administration

Created under R.A. 7820
Caraycayon, Tigaon, Camarines Sur
Tel. No. (54) 881-9480, 881-1056 Telefax: 881-9474
Email: partidodevelopment7820@gmail.com
Website: www.pda.gov.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the PARTIDO DEVELOPMENT ADMINISTRATION is responsible for the preparation of the financial statements as at December 31, 2017, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other user.

The Commission on Audit has audited the financial statements of the Partido Development Administration in accordance with the Philippines Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.

JIMMY V. DELEÑA
Chairman of the Board

JAN 30 2018
Date Signed

JEAN T. MORAÑA
Accountant III

JAN 30 2018
Date Signed

RAMON F. FUENTEBELLA
Administrator I

JAN 30 2018
Date Signed

Republic of the Philippines
PARTIDO DEVELOPMENT ADMINISTRATION
Tigaon, Camarines Sur

Statement of Financial Position
As at December 31, 2017
(With Comparative Figures for CY 2016)

	<u>Note</u>		<u>2017</u>		<u>2016</u>
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and Cash Equivalents	3	P	38,621,003.08	P	57,246,536.49
Receivables, Net	4		22,690,102.15		20,901,583.42
Inventories	5		4,303,133.74		2,432,747.61
Prepayments	6		524,333.54		706,545.48
Other Current Assets			2,717.39		2,717.39
Total Current Assets		P	66,141,289.90	P	81,290,130.39
NON-CURRENT ASSETS					
Property, Plant and Equipment, Net	7		380,595,371.84		382,438,938.46
Other Assets			926,122.47		926,122.47
Total Non -Current Assets		P	381,521,494.31	P	383,365,060.93
TOTAL ASSETS		P	447,662,784.21	P	464,655,191.32
<u>LIABILITIES AND EQUITY</u>					
CURRENT LIABILITIES					
Current Financial Liabilities	8	P	70,273,601.13	P	57,846,618.78
Inter-Agency Payables	9		1,040,556,344.45		1,016,998,504.02
Intra-Agency Payables	10		607,667.91		607,667.91
Trust Liability	11		641,880.37		510,712.84
Other Payables	12		12,037.47		18,017.88
Total Current Liabilities		P	1,112,091,531.33	P	1,075,981,521.43
NON-CURRENT LIABILITIES					
Non-Current Financial Liabilities	13	P	0.00	P	52,148,782.58
Deferred Credits/Unearned Income	14		723,005.36		10,141.93
Total Non-Current Liabilities		P	723,005.36	P	52,158,924.51
TOTAL LIABILITIES		P	1,112,814,536.69	P	1,128,140,445.94
EQUITY					
Government Equity	15	P	48,027,921.30	P	48,027,921.30
Accumulated Surplus/(Deficit)			(713,179,673.78)		(711,513,175.92)
Total Equity		P	(665,151,752.48)	P	(663,485,254.62)
TOTAL LIABILITIES AND EQUITY		P	447,662,784.21	P	464,655,191.32

(See accompanying Notes to Financial Statements)

Republic of the Philippines
PARTIDO DEVELOPMENT ADMINISTRATION
Tigaon, Camarines Sur

Statement of Financial Performance
For the Year Ended December 31, 2017
(With Comparative Figures for CY 2016)

	Note	<u>2017</u>		<u>2016</u>
Income				
Service and Business Income	16	P 105,061,448.91	P	98,677,111.41
Expenses				
Personnel Services	17	P 19,701,834.59	P	17,684,106.77
Maintenance and Other Operating Expenses	18	36,145,168.24		31,878,359.28
Financial Expenses	19	16,203,390.36		13,468,465.01
Non-Cash Expenses	20	<u>22,773,867.40</u>		<u>23,250,346.86</u>
Total Expenses		<u>P 94,824,260.59</u>	P	<u>86,281,277.92</u>
Surplus/(Deficit) from Current Operations		P 10,237,188.32	P	12,395,833.49
Gain/(Loss) on Foreign Exchange (ForEx)		(8,223,050.39)		(3,378,774.10)
Interest Income		322,327.42		321,891.60
Net Surplus/(Deficit) for the Period		<u>P 2,336,465.35</u>	P	<u>9,338,950.99</u>

(See accompanying Notes to Financial Statements)

Republic of the Philippines
PARTIDO DEVELOPMENT ADMINISTRATION
 Tigaon, Camarines Sur

Statement of Changes in Net Assets/Equity
 For the Year Ended December 31, 2017
 (With Comparative Figures for CY 2016)

	<u>2017</u>	<u>2016</u>
Government Equity	₱ 48,027,921.30	₱ 48,027,921.30
Accumulated Surplus/(Deficit):		
Balance, Beginning	₱ (711,513,175.92)	₱ (715,124,258.44)
Net Income for the year	2,336,465.35	9,338,950.99
Prior Years' Adjustments	(4,002,963.21)	(5,727,868.47)
Balance, Ending	<u>₱ (713,179,673.78)</u>	<u>₱ (711,513,175.92)</u>
Total Equity	<u>₱ (665,151,752.48)</u>	<u>₱ (663,485,254.62)</u>

Republic of the Philippines
PARTIDO DEVELOPMENT ADMINISTRATION
Tigaon, Camarines Sur

Statement of Cash Flows
For the Year Ended December 31, 2017
(With Comparative Figures for CY 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Collection of Income	P 104,848,398.91	P 97,187,636.62
Refund of overpayment of expenses	72,860.34	155,411.32
Receipt of Fund Airport Project	6,000,000.00	0.00
Receipt of Performance/Bidders/Bail Bonds	107,450.00	652,963.18
Total Cash Inflows	P 111,028,709.25	P 97,996,011.12
Cash Outflows		
Payment of operating expenses	P 39,995,922.98	P 34,455,288.91
Remittance to GSIS/PAG-IBIG/BIR/PHILHEALTH	12,206,397.55	9,836,533.56
Refund of Performance/Bidders/Bail Bonds	109,140.50	478,566.50
Payment of payables	3,756,577.30	6,247,728.93
Purchase of office supplies and other inventories	6,089,639.87	4,447,439.31
Payment of prepaid expenses	210,376.20	75,227.28
Payment of Other Payables/Trust Fund	2,358,879.67	16,557,035.02
Payment to COA/Other GOCCs	500,000.00	700,000.00
Total Cash Outflows	P 65,226,934.07	P 72,797,819.51
Total Cash Provided (Used) by Operating Activities	P 45,801,775.18	P 25,198,191.61
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Receipt of interest on deposit	P 322,327.42	P 319,293.97
Total Cash Inflows	P 322,327.42	P 319,293.97
Cash Outflows		
Office Equipment, Furniture and Fixtures, and other fixe	P 7,659,636.01	P 6,451,847.40
Total Cash Outflows	P 7,659,636.01	P 6,451,847.40
Total Cash Provided (Used) by Investing Activities	P (7,337,308.59)	P (6,132,553.43)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Outflows		
Payment of domestic and foreign loans	P 57,090,000.00	P 16,800,000.00
Total Cash Outflows	P 57,090,000.00	P 16,800,000.00
Total Cash Provided (Used) by Financing Activities	P (57,090,000.00)	P (16,800,000.00)
Cash Provided by Operating, Investing and Financing Activities	P (18,625,533.41)	P 2,265,638.18
Cash and Cash Equivalents, January 1, 2017	57,246,536.49	54,980,898.31
Cash and Cash Equivalents, December 31, 2017	P 38,621,003.08	P 57,246,536.49

Republic of the Philippines
PARTIDO DEVELOPMENT ADMINISTRATION
Tigaon, Camarines Sur

Notes to Financial Statements
December 31, 2017

1. AGENCY BACKGROUND

The Partido Development Administration (PDA) was created on November 18, 1994 by virtue of Republic Act (RA) No. 7820. It was, however, formally organized and operated on October 16, 1997.

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

The PDA is under the stewardship of Administrator Ramon F. Fuentebella who is assisted by three Division Chiefs for Planning, Evaluation and Monitoring, Administrative and Finance, and Operations. Its Rationalization Program took effect on January 16, 2007 and presently complemented with 51 personnel, 42 of which are either on permanent or co-terminus status and 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; and
- Establish, operate and/or contract to operate such agencies, functional units and instrumentalities; and exercise other functions necessary to attain the purpose for which it was created.

The PDA as a government corporate entity with a distinctly local and provincial character has enjoyed a high degree of autonomy in its operations and up to the present, has no National government budgetary support.

The current assistance being extended by the national government is the servicing of its foreign loan for the water system.

The main source of income is WATER. The Partido Water Supply System (PWSS) provides a 24-hour potable water system. It has nine pumping stations and eight collections centers. The other minor projects are Center for Human Resource Development (CHRD), the FM Radio Station (DZRP) and the Nato Port which is under the supervision of Philippine Port Authority (PPA).

With the creation of the GOCC Act of 2011 under RA No. 10149, the Partido Development Administration is one among the 157 GOCCs existing in the Philippines which is under the Government Commission for GOCCs (GCG).

2. SIGNIFICANT ACCOUNTING PRINCIPLES AND CONCEPTS AND SELECTED POLICIES AND PRACTICES OF THE WATER DISTRICT

- ***Recognition of Income and Expenses***

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 Impairment – Accounts Receivable 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 five per cent provision was set on accounts which are over 4 years.

A provision for allowance for impairment 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 and Inactive Accounts:	
0 to 180 days	0%
181 days to 1 year	1%
1 year to 2 years	2%
2 years to 3 years	3%
3 years to 4 years	4%
More than 4 years	5%

- **Accounting for Property, Plant 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 five to 30 years. Depreciation starts on the second month after purchase. A 10 per cent residual value is set.

3. CASH AND CASH EQUIVALENTS

This account is composed of the following accounts, to wit:

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Cash – Collecting Officers	₱ 288,048.49	₱ 105,417.75
Cash in Bank – Local Currency	38,332,954.59	57,141,118.74
Total	₱ 38,621,003.08	₱ 57,246,536.49

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

The account *Cash in Bank-Local Currency* pertains to cash deposited with Land Bank of the Philippines (LBP) - Goa, Tigaon, Producers Bank - Tinambac, United Coconut Planters Bank (UCPB) – Goa, and Postal Bank - Tigaon, all in Camarines Sur under current and savings accounts as follows:

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Cash in Bank – Local Currency, Current Account	₱ 33,951,152.52	₱ 12,332,231.18
Cash in Bank – Local Currency, Savings Account	4,381,802.07	44,808,887.56
Total	₱ 38,332,954.59	₱ 57,141,118.74

The *Cash in Bank – Local Currency, Current Account* is broken down as follows:

Account No.	<u>CY 2017</u>	<u>CY 2016</u>
3592-1003-20 (OPEX-Tigaon)	₱ 2,137,037.85	₱ 1,631,009.14
3592-1000-10 (Sinking Fund - BTR)	3,339,494.23	5,449,661.67
3592-1014-23 (Payroll)	21,550,866.27	1,697,304.50
3400-00005-9 (UCPB Caramoan)	575,447.57	1,092,072.56
3592-1005-67 (RARE)	0.00	1,019,276.34
111-02-1000001-5 (Producers Bank – Tinambac)	590,528.80	117,674.29
050311-00013-3 (Postal Bank)	115,694.64	1,325,232.68
3592-1015-63 (DOTR)	5,642,083.16	0.00
Total	₱ 33,951,152.52	₱ 12,332,231.18

The *Cash in Bank – Local Currency, Savings Account* is broken down as follows:

Account No.	CY 2017	CY 2016
3591-0002-91	₱ 0.00	₱ 15,004,251.75
3591-0002-75	0.00	10,919,041.64
3591-0030-61	4,381,802.07	4,336,910.75
3591-0031-85	0.00	14,548,683.42
Total	₱ 4,381,802.07	₱ 44,808,887.56

4. RECEIVABLES, NET

Receivables include the following accounts:

Account Title	CY 2017	CY 2016
Accounts Receivable (AR)	₱ 22,688,282.45	₱ 30,051,658.76
Less: Allowance for Impairment - AR	787,717.86	9,952,527.78
Accounts Receivable (Net)	₱ 21,900,564.59	₱ 20,099,130.98
Due from National Government Agencies	234,252.45	234,252.45
Due from Government Corporations	44,324.42	45,606.04
Due from Local Government Units	115,521.79	115,521.79
Receivables-Disallowances/Charges	216,000.00	216,000.00
Other Receivables	179,438.90	191,072.16
Total	₱ 22,690,102.15	₱ 20,901,583.42

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

Allowance for Impairment - Accounts Receivable is computed at year-end based on Aging of Accounts Receivable.

Accounts Receivable (Net) is the net book value of Accounts Receivable after deducting the corresponding Allowance for Doubtful Accounts.

5. INVENTORIES

This account represents the cost of various items in the stockroom stated at cost using the Moving Average Method. The breakdown of the account is as follows:

Account Title	CY 2017	CY 2016
Office Supplies Inventory	₱ 872,132.04	₱ 801,524.73
Accountable Forms, Plates and Stickers Inventory	72,728.52	81,193.34
Chemicals and Filtering Supplies Inventory	175,380.11	651,178.01
Fuel, Oil and Lubricants Inventory	553,923.53	6,768.23

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Other Supplies Inventory	2,628,969.54	892,083.30
Total	₱ 4,303,133.74	₱ 2,432,747.61

Chemical and Filtering Supplies Inventory pertains to the aluminum sulfate, chlorine granules and other supplies for use in the various water treatment plant operations.

Other Supplies and Materials Inventory pertains to supplies for the use household water services connections and leak repairs such as couplings, teflon tapes, saddle clamps and the like.

6. PREPAYMENTS

This account consists of:

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Prepaid Rent	₱ 314,530.35	₱ 219,947.05
Prepaid Insurance	59,974.95	341,189.14
Other Prepayments	149,828.24	145,409.29
Total	₱ 524,333.54	₱ 706,545.48

Prepaid Rent pertains to advance payment for lease/rentals for PWSS collection office and for the land being occupied by the Goa Water Treatment Plant (WTP).

Prepaid Insurance pertains to advance payment to GSIS for motor vehicles, PDA Main Building and fidelity bonds of bonded employees.

7. PROPERTY, PLANT AND EQUIPMENT, NET

Set forth are the PPEs at their acquisition cost and the corresponding accumulated depreciation, to wit:

For CY 2017

Account Title	Acquisition Cost	Accumulated Depreciation	Net Book Value
Land	₱ 4,488,933.00	₱ 0.00	₱ 4,488,933.00
Other Land Improvements	171,352.63	31,952.50	139,400.13
Communication Network	8,954,500.00	4,845,596.25	4,108,903.75
Buildings	42,937,686.37	29,274,951.48	13,662,734.89
Other Structures	194,895,376.18	139,623,807.92	55,271,568.26
Machinery	35,213,743.04	28,295,577.19	6,918,165.85
Office Equipment	8,381,944.20	5,947,789.78	2,434,154.42
Information and Communication Technology Equipment	15,438,987.53	12,574,861.14	2,864,126.39

Account Title	Acquisition Cost	Accumulated Depreciation	Net Book Value
Communication Equipment	1,010,551.97	699,160.36	311,391.61
Disaster Response and Rescue Equipment	120,500.00	103,901.75	16,598.25
Other Equipment	2,110,679.13	1,569,474.85	541,204.28
Motor Vehicles	10,825,829.18	9,773,924.24	1,051,904.94
Watercrafts	1,043,748.23	892,713.29	151,034.94
Other Transportation Equipment	91,118.33	84,819.09	6,299.24
Furniture and Fixture	1,992,007.30	1,475,141.74	516,865.56
Books	23,820.00	19,565.54	4,254.46
Other Property, Plant and Equipment	460,006,943.90	171,899,112.03	288,107,831.87
Total	₱ 787,707,720.99	₱ 407,112,349.15	₱ 380,595,371.84

For CY 2016

Account Title	Acquisition Cost	Accumulated Depreciation	Net Book Value
Land	₱ 4,488,933.00	₱ 0.00	₱ 4,488,933.00
Other Land Improvements	171,352.63	16,530.82	154,821.81
Communication Network	7,474,500.00	4,172,891.25	3,301,608.75
Buildings	41,211,116.37	27,420,697.74	13,790,418.63
Other Structures	191,887,805.97	134,259,723.38	57,628,082.59
Machinery	33,511,707.24	27,910,769.26	5,600,937.98
Office Equipment	8,021,883.45	5,762,313.52	2,259,569.93
Information and Communication Technology Equipment	13,207,894.53	12,190,886.86	1,017,007.67
Communication Equipment	1,010,551.97	645,557.80	364,994.17
Disaster Response and Rescue Equipment	120,500.00	90,792.81	29,707.19
Other Equipment	2,110,679.13	1,502,645.89	608,033.24
Motor Vehicles	10,825,829.18	9,606,189.20	1,219,639.98
Watercrafts	1,043,748.23	867,063.29	176,684.94
Other Transportation Equipment	91,118.33	84,256.59	6,861.74
Furniture and Fixture	2,024,007.30	1,422,037.38	601,969.92
Books	23,320.00	18,573.02	4,746.98
Leased Assets Improvements, Buildings	32,250.00	32,249.00	1.00
Other Property, Plant and Equipment	449,601,496.82	158,416,577.88	291,184,918.94
Total	₱ 766,858,694.15	₱ 384,419,755.69	₱ 382,438,938.46

Land consists of the following:

Particulars	Amount
PDA Main	₱ 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) – Garchitorea, C.S.	3,000.00
Total	₱ 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 other 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. CURRENT FINANCIAL LIABILITES

Account Title	CY 2017	CY 2016
Accounts Payable	₱ 11,880,061.44	₱ 4,768,036.15
Due to Officers and Employees	2,139,640.26	929,800.04
Loans Payable (March 1 to September 1, 2018) DANIDA Mixed Credit	56,253,899.43	52,148,782.59
Total	₱ 70,273,601.13	₱ 57,846,618.78

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

Due to Officers and Employees are payables to employees.

9. INTER-AGENCY PAYABLES

This account consists of payables to the:

Account Title	CY 2017	CY 2016
Due to National Treasury:		
Advances re: Amortization	₱ 898,750,607.45	₱ 841,682,164.63
Interest on Advances	196,856,626.07	178,046,629.73
Guarantee Fees	68,732,746.86	67,692,642.93
Less: Partial Payments	(150,639,675.71)	(93,549,675.71)
Sub-total	₱ 1,013,700,304.67	₱ 993,871,761.58
Due to GSIS, Pag-IBIG and PhilHealth	289,069.48	700,617.82

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Due to Bureau of Internal Revenue (BIR)	729,646.85	1,200,068.71
Due to Nat'l Government Agency (NGAs)	25,707,760.87	21,098,493.33
Due to Government Corporations	48,489.29	48,489.29
Due to Local Government Units (LGUs)	81,073.29	79,073.29
Total	<u>₱ 1,040,556,344.45</u>	<u>₱ 1,016,998,504.02</u>

Due to National Treasury consists of the guarantee fee payable to the National Government including the advances made by the bureau as the guarantor for the first Twenty Six 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 and PhilHealth accounts pertain 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 account pertains to the taxes due and the various amounts withheld for remittance to the BIR.

Due to Other NGAs represents the amount payable to COA for the cost of annual services up to CY 2017, amounts payable to NWRB and fund coming from DOTR for Partido Airport Project.

Due to Government Corporations the amount of ₱48,489.29 represents Nato Port collection which will be remitted to Philippine Ports Authority.

10. INTRA-AGENCY PAYABLES

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Due to Other Funds	<u>₱ 607,667.91</u>	<u>₱ 607,667.91</u>

Due to Other Funds includes Congressman Arnulfo P. Fuentesbella's subsidy for certified seeds growers.

11. TRUST LIABILITY

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Guaranty/Security Deposits Payable	<u>₱ 641,880.37</u>	<u>₱ 510,712.84</u>

Guaranty/Security Deposits Payable represents the 10 per cent retention fee from Suppliers and Contractors.

12. OTHER PAYABLES

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Other Payables	₱ <u>12,037.47</u>	₱ <u>18,017.88</u>

Other Payables represents the amount deducted from employees for their salary loans granted by LBP, UCPB, Postal Bank.

13. NON-CURRENT FINANCIAL LIABILITIES

This account consists of:

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Loans Payable (March 1, 2017 to September 1, 2018) DANIDA Mixed Credit	₱ <u>0.00</u>	₱ <u>52,148,782.58</u>

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 per cent and 2 per cent, 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, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th and 28th 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 loan was revalued last December 29, 2017 at 49.9992 USD and 60.022 EUR resulting into Loss on FOREX of P8,223,050.39. The balance was restated at balance sheet date using year-end exchange rates USD=P49.9992 and EUR=P60.022 for December 29, 2017.

14. DEFERRED CREDITS / UNEARNED INCOME

This account represents taxes due to BIR which was temporarily lodged to Other Deferred Credits when the obligation was recognized but the withheld taxes will be remitted to BIR upon payment of Accounts Payable.

15. GOVERNMENT EQUITY

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.

16. SERVICE AND BUSINESS INCOME

This account consists of the following:

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Waterworks System Fees (Net of Discount)	₱ 99,267,538.34	₱ 93,507,292.46
Other Business Income	658,762.00	937,741.00
Rent/Lease Income	7,575.00	42,080.00
Fines and Penalties-Business Income	5,092,889.22	4,162,378.01
Miscellaneous Income	34,684.35	27,619.94
Total	₱ <u>105,061,448.91</u>	₱ <u>98,677,111.41</u>

17. PERSONNEL SERVICES

Salaries and Wages

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Salaries and Wages – Regular	₱ 11,106,902.09	₱ 9,924,819.89
Salaries and Wages – Casual/Contractual	1,554,078.89	1,466,388.14
Total	₱ <u>12,660,980.98</u>	₱ <u>11,391,208.03</u>

Other Compensation

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Personal Economic Relief Allowance (PERA)	₱ 1,236,283.15	₱ 1,269,355.11
Representation Allowance (RA)	288,000.00	288,000.00
Clothing/Uniform Allowance	260,000.00	275,000.00
Productivity Incentive Allowance	255,000.00	255,000.00
Honoraria	259,416.67	330,024.98
Longevity Pay	145,000.00	0.00
Overtime and Night pay	8,168.72	12,151.83
Cash Gift	264,000.00	0.00
Year End Bonus	2,162,119.20	1,891,937.70
Total	₱ <u>4,877,987.74</u>	₱ <u>4,321,469.62</u>

Personnel Benefits Contribution

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Retirement and Life Insurance Premium	₱ 1,328,792.26	₱ 1,190,978.37
Pag-IBIG Contributions	62,500.00	64,274.97
PhilHealth Contributions	125,837.50	131,562.50
EC Insurance Premium	50,698.29	52,059.98
Total	₱ 1,567,828.05	₱ 1,438,875.82

Other Personnel Benefits

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Terminal Leave Benefits	₱ 180,918.01	₱ 352,447.07
Other Personnel Benefits	414,119.81	180,106.23
Total	₱ 595,037.82	₱ 532,553.30

TOTAL PERSONNEL SERVICES ₱ 19,701,834.59 ₱ 17,684,106.77

18. MAINTENANCE AND OTHER OPERATING EXPENSES

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Travelling Expenses	₱ 1,559,811.00	₱ 1,602,269.51
Training Expenses	428,155.05	401,835.39
Supplies and Material Expenses	7,604,622.90	6,290,388.54
Utility Expenses	8,526,204.61	9,438,843.66
Communication Expenses	477,057.59	457,846.50
Confidential, Intelligence and Extraordinary Expenses	116,196.89	108,638.56
Professional Services	401,505.00	420,958.06
General Services	8,448,509.94	7,929,079.07
Repairs and Maintenance	2,540,456.08	2,198,429.41
Taxes, Insurance Premiums and Other Fees	5,073,957.55	2,123,204.98
Other Maintenance and Operating Expenses	968,691.63	906,865.60
TOTAL MOOE	₱ 36,145,168.24	₱ 31,878,359.28

Supplies and Materials Expenses

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Office Supplies Expenses	₱ 594,945.86	₱ 606,295.86
Accountable Form Expenses	107,064.82	97,160.00
Chemical and Filtering Supplies Expenses	1,973,754.48	1,373,069.06
Fuel, Oil and Lubricants Expenses	2,411,511.05	1,903,389.65
Other Supplies Expenses	2,517,346.69	2,310,473.97
Total	₱ 7,604,622.90	₱ 6,290,388.54

Utility Expenses

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Water Expenses	₱ 32,034.00	₱ 42,873.00
Electricity Expenses	8,494,170.61	9,395,970.66
Total	₱ <u>8,526,204.61</u>	₱ <u>9,438,843.66</u>

Communication Expense

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Postage and Courier Services	₱ 5,340.00	₱ 2,345.00
Telephone Expenses	410,130.93	415,881.40
Internet Subscription Expenses	58,626.66	37,965.10
Cable, Satellite, Telegraph and Radio Expenses	2,960.00	1,655.00
Total	₱ <u>477,057.59</u>	₱ <u>457,846.50</u>

Professional Services

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Legal Services	₱ 55,500.00	₱ 0.00
Auditing Services	305,205.00	366,083.06
Other Professional Services	40,800.00	54,875.00
Total	₱ <u>401,505.00</u>	₱ <u>420,958.06</u>

General Services

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Janitorial Services	₱ 556,228.64	₱ 601,572.12
Security Services	145,130.00	243,815.00
Other General Services	7,747,151.30	7,083,691.95
Total	₱ <u>8,448,509.94</u>	₱ <u>7,929,079.07</u>

Repairs and Maintenance Expenses

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Repairs and Maintenance – Land Improvements	₱ 0.00	₱ 23,220.00
Repairs and Maintenance – Building and Other Structure	955,024.10	634,289.40
Repairs and Maintenance – Machinery and Equipment	265,661.00	138,392.33
Repairs and Maintenance –Transportation Equipment	691,544.98	888,849.48
Repairs and Maintenance – Other Property, Plant and Equipment	628,226.00	513,678.20
Total	₱ <u>2,540,456.08</u>	₱ <u>2,198,429.41</u>

Taxes, Insurance Premiums and Other Fees

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Taxes, Duties and Licenses	₱ 5,002,442.44	₱ 2,051,489.53
Fidelity Bond Premiums	30,906.33	36,531.30
Insurance Expenses	40,608.78	35,184.15
Total	₱ <u>5,073,957.55</u>	₱ <u>2,123,204.98</u>

19. FINANCIAL EXPENSES

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Bank Charges	₱ 7,729.20	₱ 11,160.00
Interest Expenses	16,195,060.48	13,456,104.15
Other Financial Expenses	600.68	1,200.86
Total	₱ <u>16,203,390.36</u>	₱ <u>13,468,465.01</u>

20. NON-CASH EXPENSE

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Depreciation	₱ 22,754,465.50	₱ 22,578,311.80
Impairment Loss	0.00	672,035.06
Losses	19,401.90	0.00
TOTAL NON-CASH EXPENSE	₱ <u>22,773,867.40</u>	₱ <u>23,250,346.86</u>

Depreciation

Account Title	<u>CY 2017</u>	<u>CY 2016</u>
Depreciation – Land Improvements	₱ 15,421.68	₱ 7,530.93
Depreciation – Infrastructure Assets	672,705.00	672,705.00
Depreciation – Building and Other Structures	7,216,142.23	7,096,536.21
Depreciation – Machinery and Equipment	1,104,016.03	1,206,447.85
Depreciation – Transportation Equipment	193,947.54	182,295.76
Depreciation – Furniture, Fixtures and Books	68,496.88	75,754.74
Depreciation – Leased Assets Improvements	1.00	32,249.00
Depreciation – Other Property, Plant and Equipment	13,483,735.14	13,304,792.31
Total	₱ <u>22,754,465.50</u>	₱ <u>22,578,311.80</u>

Losses

This pertains to Loss of Television set and Component (DVD/VCD) due to robbery. Recorded amount is net of accumulated depreciation.

Part II

**OBSERVATIONS
AND RECOMMENDATIONS**

OBSERVATIONS AND RECOMMENDATIONS

Financial and Compliance Audit

1. **The reliability of the Accounts Receivable (AR) account balance of ₱22.69 million was doubtful due to the existence of a variance of ₱5.57 million compared with the Aging of Accounts Receivable/Subsidiary Ledger (SL) balance of ₱28.25 million.**

Section 111 of Presidential Decree (PD) No. 1445 on keeping of accounts provides that:

- (1) The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.*
- (2) The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.*

Whereas, Section 64 of Government Accounting and Auditing Manual (GAAM), Volume I provides:

Recording of receivables - Each accounting unit with accounts receivables shall keep one or more subsidiary ledgers showing, for customers or other types of debtors, the amounts due and received from them and the balances of their accounts. These subsidiary records shall support the general ledger control account.

Quarterly, each agency accounting unit shall prepare a statement scheduling overdue accounts receivable. The agency head, or his authorized representative, shall review and sign this statement as an indication that he has examined the list of overdue accounts and has instituted, or will institute, action for their collection.

Verification of the Accounts Receivable for Calendar Year (CY) 2017 showed that the balance per General Ledger (GL) did not reconcile with the Aging Schedule of Accounts Receivables/SL for active and inactive accounts, with a variance of ₱5.57 million, computed as follows:

Per Aging Schedule- Subsidiary Ledger	₱	28,254,542.63
Per General Ledger		22,688,282.45
Difference/Variance	₱	5,566,260.18

Thus, the condition above was unable to provide accurate and correct information to the readers of the financial statements of the Administration. Moreover, the difference/variance amounting to ₱1.78 million in CY 2016 increased to ₱3.78 million or 211.95 per cent resulting in the difference/variance of ₱5.57 million as of year-end.

In addition to the above stated condition, there was also a variance noted between the manual computation of the total AR per aging schedule and the total generated by the computer program. The differences in the balances are shown below:

	Per Aging Report / SL		Difference
	Computed Total	Computer Generated	
Active Accounts	₱ 10,774,633.50	₱ 10,782,505.82	₱ (7,872.32)
Inactive Accounts	17,479,909.13	17,673,641.78	(193,732.65)
Total	₱ 28,254,542.63	₱ 28,456,147.60	₱ (201,604.97)

Management justified that the lapses might be due to their Billing Program which is already outdated. In the previous years, they have planned to hire a programmer to update and improve the program wherein the transactions in the coastal areas can be monitored and easily recorded in the PDA main office. During the inquiry with the Accountant, she has mentioned that their system is already scheduled for updating in April 2018. She also admitted that aside from the difference between the manually computed totals in the aging schedule and the program-generated total, the Billing Program is also problematic with regard to the consistency of the data in the reports/schedules generated. When the aging schedules were generated and printed out on different dates, some balances on the more recently generated report changed despite both schedules being dated as of December 31, 2017.

Moreover, the Accountant revealed that they tried to reconcile the GL balance with the balance presented in the Aging of Accounts Receivable generated by the computer program. They tried to match the concessionaires' individual accounts in the aging schedule with those recorded manually in the books. Despite their effort, the difference between the GL and the aging schedule remained and has in fact increased to more than twice than the prior year's difference.

We recommended and Management agreed to require:

- a) **The Accounting and the Billing Sections to continue the reconciliation of the GL and SLs/Aging of the Accounts Receivable, and make the necessary adjustments for the noted difference; and**
- b) **The updating of the billing program being used in order to trace the deficiencies and finally reconcile the balances of the AR. If the program has already been updated, to make sure to test it as to whether the problems in the Billing Program have already been resolved.**

2. **The Allowance for Impairment – Accounts Receivable amounting to P0.79 million provided by the Administration for the balance of the AR is unreliable due to the inconsistencies noted in the Aging of AR, thus, casting doubt on the fairness of presentation of the financial statements.**

Section 66 of the Manual on the Government Accounting System (MGAS) provides that trade receivables shall be valued at their face amount minus, whenever appropriate, allowance for doubtful accounts. Bad Debts Expense and/or any anticipated adjustments which, in the normal course of events will reduce the amount of receivables from the debtors to estimated realizable values, shall be set up at the end of the accounting period.

The Allowance for Doubtful Accounts shall be provided in an amount based on the collectability of receivable balances and evaluation of such factors as aging of the accounts, collection experiences of the agency, expected loss experiences and identified doubtful accounts.

The determination of bad debts expense/allowance for doubtful accounts shall be derived from computations based on percentages and aging of accounts receivable, as shown below:

Age of Accounts	Percentage
1 – 180 days	0%
181 days – 1 year	1%
1 – 2 years	2%
2 – 3 years	3%
3 – 4 years	4%
More than 4 years	5%

An adjusting journal entry shall be prepared to take up the bad debts expense by a debit to account “Bad Debt Expense (code 901) and credit to account “Allowance for Doubtful Accounts” (code 301).

It is also provided that in estimating bad debts expense based on the aging of receivables, the desired or supposed ending balance of the allowance for doubtful accounts should be considered. The bad debts expense or allowance for the year to be provided should bring the balance in the allowance for doubtful accounts to the supposed ending balance based on the aging of the AR at the end of the year.

Furthermore, as per Annex A of COA Circular No. 2016-006 dated December 29, 2016 on the Conversion from the Philippine Government Chart of Accounts under the New Government Accounting System per COA Circular No. 2004-008 dated September 20, 2004, as amended, to the Revised Chart of Accounts for Government Corporations under COA Circular No. 2015-010 dated December 1, 2015, Allowance for Doubtful Accounts should now be named Allowance for Impairment-Accounts Receivable (Account Code: 1 03 01 011) and Impairment Loss-Loans and Receivables (Account Code: 5 05 03 020) should be used instead of Bad Debts Expense.

Audit of the AR revealed that the determination of the Allowance for Impairment-Accounts Receivable and Impairment Loss-Loans and Receivables, which were derived from computations based on certain age classifications and percentages, was already in accordance with the above mentioned provision. However, the Allowance for Impairment-Accounts Receivable amounting to ₱0.79 million as of December 31, 2017 may not be reliable due to the inconsistencies noted in the program-generated Aging of Accounts Receivable used by the Accounting Section as the basis for the computation for the said allowances at year end.

The table below shows the computation of the Allowance for Impairment-Accounts Receivable presented by the Administration and reflected in the CY 2017 Financial Statements, as compared to the allowance computed based on the submitted aging schedule generated by the Billing Program on April 10, 2018.

Age	%	Per computation of the Accountant		Per recomputation		Difference
		Accounts Receivable	Allowance for Impairment-AR	Accounts Receivable	Allowance for Impairment-AR	
1 - 180 days	0%	9,236,187.77	-	9,335,964.81	-	
181 days - 1 year	1%	1,548,598.92	15,485.99	1,548,563.72	15,485.64	
over 1 year - 2 years	2%	1,743,540.66	34,870.81	1,746,658.85	34,933.18	
over 2 years - 3 years	3%	1,218,289.51	36,548.69	1,228,471.76	36,854.15	
over 3 years - 4 years	4%	1,504,720.90	60,188.84	1,518,234.10	60,729.36	
over 4 years	5%	12,812,470.77	640,623.54	12,876,649.39	643,832.47	
Total AR		28,063,808.53		28,254,542.63		(190,734.10)
Total Allowance			787,717.86		791,834.80	(4,116.94)

As shown in the table, there is a difference of ₱190,734 between the total AR in the aging schedule used by the Accountant in the computation of the allowance and the aging schedule submitted for recomputation. Therefore, the Allowance for Impairment-Accounts Receivable was also affected resulting to a difference between the amount reflected in the Financial Statements and the recomputed amount in the amount of ₱4,117.

The Accountant disclosed that there is really a problem with their Billing Program, but she has mentioned that the system is already scheduled for updating. According to her, the balances per age classification in the aging schedule, as well as the total balance of the AR, changed when aging schedules are generated and printed out on different dates, despite the reports/schedules being dated as of December 31, 2017. The aging schedule submitted was generated and printed on April 10, 2018 whereas the aging schedule used by the Accountant in the determination of the allowance was printed on an earlier date. Both schedules are dated as of December 31, 2017 but their total AR balance differed by ₱190,734.

The inconsistencies noted in the Aging of AR arising from the limitations of the Billing Program to provide reliable data may hinder the correct computation of the allowance for impairment for the year. In effect, the AR may not be properly presented in

its net realizable value, thus casting doubt on the fairness of presentation of the financial statements.

We recommended that Management require for the updating of the Billing Program in order to generate the correct Aging of AR, which will result to the correct computation of the Allowance for Impairment-Accounts Receivable and the proper presentation of the AR in the correct net realizable value. If the program has already been updated, make sure to run tests as to whether the problems in the Billing Program have already been resolved.

Management Comment:

Phase 1 - 3 of the new BIR-Complaint Cloud-Based Read and Bill Android Application, Billing and Teller and Customer Service Software with Payment Partners System Integration Program is already completed and will be turned over to the Administration soon.

3. **Discrepancies of ₱0.66 million existed between the GL Balances and Supplies Ledger Cards (SLC), both maintained by the Accounting Office, due to insufficient reconciliation of the two records.**

Section 111 of PD No. 1445 provides - *Keeping of accounts.*

- (1) *The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.*
- (2) *The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.*

Section 490 of the GAAM, Volume I, provides that physical stock-taking is an indispensable procedure for checking the integrity of property custodianship. Chiefs of offices are required to take a physical inventory of all the supplies belonging to their respective offices at least once a year. The inventory taking shall be made as of December 31 and shall be in the charge of a committee of two or more employees designated by the chief of office, to be witnessed by a representative of the Agency Auditor. The report shall be submitted to the Auditor not later than January 31 of each year.

Further, inventory of goods and/or supplies and materials in stock shall be taken at least every six months, as of June 30 and December 31 of each year, to be reported on appropriate forms applicable to each type of property involved.

The required annual/semi-annual inventory shall be certified correct by the committee in charge thereof, and approved by the chief of agency.

Review of the Inventory accounts as of December 31, 2017 disclosed that the balances per GL did not reconcile with the balances per SLCs, showing a net discrepancy of ₱0.66 million, as follows:

Inventory Accounts	Balances Per General Ledger	Balances Per Supplies Ledger Cards (SL)	Difference
Office Supplies Inventory	₱ 872,132.04	₱ 154,870.12	₱ 717,261.92
Accountable Forms, Plates and Stickers Inventory	72,728.52	26,070.30	46,658.22
Chemical and Filtering Supplies Inventory	553,923.53	421,614.72	132,308.81
Fuel, Oil and Lubricants Inventory	175,380.11	175,380.25	(0.14)
Other Supplies and Materials Inventory	2,628,969.54	4,180,638.23	(1,551,668.69)
Total	₱ 4,303,133.74	₱ 4,958,573.62	₱ (655,439.88)

The above figures were taken from the Detailed Statement of Financial Position and Breakdown of Physical Inventory for CY 2017, both provided by the Accounting Section. As shown above, all the inventories had differences. Based on interview with the Accountant, the reason for the discrepancy for the Office Supplies Inventory, and Accountable Forms, Plates and Stickers Inventory accounts was the utilization of the weighted average inventory method in its computation of the ending balance of the said inventory accounts. However, as can be gleaned from the table, the amount of discrepancies (as highlighted) is material, thus the reason cited cannot be the sole reason for the discrepancies. As an additional audit procedure, the Audit Team interviewed the Accounting Processor A and she said that an additional reason for the discrepancy is the unreconciled balances of GL and SL prior to September 2016 when she started preparing the SL of the inventory accounts. However, a review of the records pertaining to this period was not yet completed, thus adjustments were not yet taken up. The reasons of the differences for the other inventory accounts are still to be determined since currently, they are reconciling the GL and SL balances.

These conditions affect the accuracy and propriety of the balances of the inventory accounts. Thus, the balance of the inventory account of ₱4.30 million in the financial statements is doubtful.

We recommended and Management agreed to require the Accountant and the Accounting Processor A to immediately reconcile the GL and SL balances of the inventory accounts especially those pertaining to the previous years, and effect immediate adjustments to reflect proper balances in both records.

4. A net discrepancy of ₱130,825 existed between the GL balances and the submitted Report on the Physical Count of Property, Plant and Equipment (RPCPPE) as of December 31, 2017 on some Property, Plant and Equipment (PPE) accounts.

Section 39b.3 of the GAAM, Volume III, states that financial controls include the methods and procedures concerned with the safeguarding of assets and are designed to ensure that the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The GL balances of some of the PPE accounts as of December 31, 2017 and the balances reflected in the submitted RPCPPE as of the same date prepared and certified by the Acting Property Officer/Head of Inventory Committee and the members of the committee, and approved by the Administrator showed a difference/variance of ₱130,825, broken down as follows:

PPE Account (per GL)	Amount per GL	Amount per RPCPPE	Difference/ Variance	PPE Account (per RPCPPE)
Land	4,488,933.00	4,488,933.00	0.00	
Other Land Improvements	171,352.63	171,352.63	0.00	Land Improvement
Communication Network	8,954,500.00	0.00	8,954,500.00	
Communication Equipment	1,010,551.97	9,965,051.97	(8,954,500.00)	
Buildings	42,937,686.37	42,937,686.37	0.00	Building Structure
Other Structures	194,895,376.18	109,112,437.14	85,782,939.04	
Machinery	35,213,743.04	35,213,743.04	0.00	
Office Equipment	8,381,944.20	8,310,244.23	71,699.97	
Information and Communication Technology Equipment	15,438,987.53	15,762,309.49	(323,321.96)	Information Technology
Disaster Response and Rescue Equipment	120,500.00	120,500.00	0.00	Fire Fighting Equipment and Accessories
Other Equipment	2,110,679.13	2,084,189.13	26,490.00	Medical, Dental and Laboratory Equipment
Motor Vehicles	10,825,829.18	10,825,829.18	0.00	
Watercrafts	1,043,748.23	1,043,748.23	0.00	
Other Transportation Equipment	91,118.33	91,118.33	0.00	
Furniture and Fixtures	1,992,007.30	1,992,007.30	0.00	
Books	23,820.00	22,407.00	1,413.00	
Other Property, Plant and Equipment	460,006,943.90	460,006,943.90	0.00	
Electrification, Power, Energy and Structures		85,657,794.83	(85,657,794.83)	
Leasehold Improvement – Building		32,250.00	(32,250.00)	
Total	787,707,720.99	787,838,545.77	(130,824.78)	

In CY 2017, it was noted that the total amount per GL was less than the amount per RPCPPE by ₱130,825 (₱787.84 million - ₱787.71 million). However, it is noteworthy to mention that this amount was lower by ₱0.62 million (82.48 per cent) than the net discrepancy in CY 2016 amounting to ₱0.75 million (₱767.61 million - ₱766.86 million).

The Accountant and the Acting Property Officer have been provided with a copy of the table above to properly determine the cause/s of the differences in the various PPE accounts. However, as of date, the Audit Team was not yet provided with any explanation on the cause/s of the discrepancy. Thus, the net discrepancy between the GL and the submitted RPCPPE may affect the accuracy and propriety of the balances of the PPE accounts as reflected in the financial statements totaling ₱787.71 million.

We recommended and Management agreed to require the Accountant and the Acting Property Officer to:

- a) **Continue exerting efforts to determine the cause/s of the discrepancies in the balances of the PPE accounts, and to effect immediate adjustments in their respective records, if warranted; and**
 - b) **Continue conducting periodic reconciliation of their records and thereafter reconcile them with the result of physical count, thru RPCPPE, to determine discrepancies for immediate adjustments in order to reflect the correct balance of the PPE accounts.**
5. **The payment for the Retainer Fees to the Administration's hired legal counsel for the period from August to November, 2017 in the net amount of ₱39,960 was not supported with a written concurrence of the Commission on Audit, and with an official receipt to acknowledge receipt of payment.**

COA Circular No. 95-011 dated December 4, 1995 deals on the prohibition against employment by government agencies and instrumentalities, including government-owned or controlled corporations, of private lawyers to handle their legal cases. It states that public funds shall not be utilized for payment of the services of a private legal counsel or law firm to represent government agencies in court or to render legal services for them. In the event that such legal services cannot be avoided or is justified under extraordinary or exceptional circumstances, the written conformity and acquiescence of the Solicitor General or the Government Corporate Counsel (GCC), as the case may be, and the written concurrence of the Commission on Audit (COA) shall first be secured before the hiring or employment of a private lawyer or law firm. This amended COA Circular No. 86-255 dated April 2, 1986.

Further, under COA Circular No. 2012-003 dated October 29, 2012, it was included as Section 2 in its Annex "A" that the hiring of private lawyers by the GOCCs to handle their cases and legal matters without prior written conformity and acquiescence of the Solicitor General or the Government Corporate Counsel, as the case may be, and the written concurrence of the COA is one of the cases that are considered "Irregular" Expenditures or Uses of Government Funds and Property.

Moreover, Section 237 of Republic Act (RA) No. 8424 provides that all persons subject to an internal revenue tax shall, for each sale or transfer of merchandise or for

services rendered valued at Twenty-five pesos (P25.00) or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: Provided, however, That in the case of sales, receipts or transfers in the amount of One hundred pesos (P100.00) or more, or regardless of the amount, where the sale or transfer is made by a person liable to value-added tax to another person also liable to value-added tax; or where the receipt is issued to cover payment made as rentals, commissions, compensations or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client.

Whereas, Section 264 of the aforementioned RA provides the penalty for the failure or refusal to issue receipts or sales or commercial invoices by the persons required to issue per Section 237.

The Administration hired the services of a private lawyer to act as its Legal Counsel to handle its legal matters for a period of one year, effective upon approval by the OGCC and the concurrence of the COA, renewable for another year at the Administration's option and upon OGCC's approval and COA's prior written concurrence. The lawyer was entitled to a monthly retainer fee of ₱11,100, inclusive of acceptance fees, billings for conferences and meetings, consultas, documentation, pleadings, memoranda, position papers, brief and notarial fees for all the Administration's documents. Likewise, he was also granted an appearance fee of ₱3,000, in case of hearings within Camarines Sur, and ₱5,000, in case of hearings outside the Province, particularly in Metro Manila, which appearance fee was in lieu of transportation and meal expenses.

Per OGCC Contract Review No. 299, Series of 2017 dated July 27, 2017, the legal retainer agreement was approved with some comments. However, there was no request for the concurrence of COA. The Accountant justified that they were unaware that there was still a need to request for COA's concurrence because when the Administrator went to the OGCC, he was told by a lawyer thereat that their request was already approved and could be implemented without COA's concurrence.

Thus, post audit of the disbursement vouchers (DV) for CY 2017 disclosed that the hired legal counsel was paid the total amount of ₱46,040 for the payment of the legal retainer fees for the months of August to November, 2017 and travelling expenses to Metro Manila on November 26, 2017, under DV Nos. 2017-12-2571 dated December 12, 2017 and 2017-11- dated November 24, 2017 with Check Nos. 110506 dated December 29, 2017 and 101529 dated November 24, 2017, respectively, without the concurrence of the COA as required under COA Circular No. 95-011 and reiterated under COA Circular No. 2012-003. Thus, the claims were considered as irregular/unauthorized.

Further, if ever the concurrence of COA was obtained, the travelling expenses claimed has still no legal basis. Per Retainership Agreement, he is not allowed to be paid transportation and meal expenses. In lieu of these, appearance fee in case of hearing shall be given to him.

It was also observed that the payment of the attorney's fees was not supported with official receipt acknowledging the receipt of payment, contrary to the above provision of law, thus, may be subjected to suspension in audit, in case the concurrence of COA could be provided.

We recommended and Management agreed to:

- a) **Submit immediately the written concurrence of the Commission on Audit to avoid the issuance of Notice of Disallowance;**
 - b) **Henceforth, secure first the prior written conformity and acquiescence of the OGCC and the written concurrence of the COA before hiring or employment of a private lawyer or law firm to handle the Administration's legal cases/matters;**
 - c) **Require the hired legal counsel to refund the collected unauthorized travelling expenses to avoid the issuance of Notice of Disallowance; and**
 - d) **Require the Cashier II/Administrative Officer III to request the legal counsel to issue the official receipt for the attorney's fees collected by him to avoid the issuance of Notice of Suspension. Further, for future payments of any claims to persons required to issue receipts per Section 237 of RA No. 8424, official receipts be requested.**
6. **Leave balances appearing in the applications for monetization of six officers and employees of the Administration did not tally with the balances reflected in their respective Leave Cards.**

Section 22 of Omnibus Rules on Leave, Rule XVI of the Omnibus Rules Implementing Book V of Executive Order (EO) No. 22 states that "Officials & employees in the career and non-career service whether permanent, temporary, casual or coterminous, who have accumulated fifteen (15) days of vacation leave credits shall be allowed to monetize a minimum of ten (10) days: Provided, that at least five days is retained after monetization and provided further that a maximum of thirty days may be monetized in a given year.

Further, the Civil Service Commission issued Resolution No. 000034 dated January 05, 2000 which explained that although under Section 22 it is stated that only the accumulated vacation leave credits maybe monetized but under Section 23, accumulated sick leave balances maybe monetized also for valid and justifiable reasons subject to the discretion of the agency head and the availability of funds as an extraordinary measure to relieve an employee from financial difficulties. Consequently, for purposes of monetization, vacation leave credits must be exhausted first before sick leave credits.

Likewise, generally accepted internal control on the keeping of accounts provides that in accounting, reconciliation refers to the process of ensuring that two sets of records

(usually the balances of two records/reports) are in agreement. This is done by making sure the balances match at the end of a particular accounting period.

To ensure the reliability of the financial records, reconciliations must therefore, be performed for all records on a regular and ongoing basis. Reconciliation process improves the accuracy of the financial reporting function and the production of financial reports and other records with confidence.

The audit disclosed that leave balances in the application for monetization of six officers and employees did not tally with the leave balances reflected in their corresponding Leave Cards, thereby showing unreconciled records, both maintained and prepared by the Human Resource Division, thereby leaving doubts whether the said officers & employees were really qualified to monetize. See Annex A.

Interview with the Secretary 1(B) disclosed that the difference of leave balances as appearing in the Applications for Leave and those reflected in their Leave Cards was because she did not yet update the Leave Cards when the application for monetization were prepared. The balances that were posted in the applications were those as of the end of the preceding month and not on the day the applications were filed, thereby, leaving the leave balances posted in the applications inaccurate and unreliable.

We recommended and Management agreed to require the Secretary 1(B), with the guidance of the Administrative Officer V, to update the Leave Cards on the date the applications for monetization are filed to come up with the latest and updated leave balances of their employees.

- 7. The Annual Procurement Plan (APP) for CY 2017 of the Administration was not prepared properly, completely and in the prescribed format, and not submitted to the Department of Budget and Management (DBM) on time. Further, it did not purchase most of its common-use supplies and equipment from the DBM-Procurement Service.**

Section 7 of the Revised IRR of RA No. 9184 provides that all procurements shall be within the approved budget of the procuring entity and should be meticulously and judiciously planned. Relative to this, an Annual Procurement Plan (APP) shall be prepared/consolidated by the Bids and Awards Committee (BAC) out of the submitted Project Procurement Management Plans (PPMP) by the end-user units of the procuring agency (Section 7.3.2). The APP shall include provisions for foreseeable emergencies based on historical records. It shall bear the approval of the Head of the Procuring Entity (HOPE) or second-ranking official designated by him to act on his behalf, and must be consistent with its duly approved yearly budget.

Further, the APP shall include the following information/data, as reflected in the APP form approved by the Government Procurement Policy Board (GPPB):

- a) Name of Procurement Project;
- b) Procurement Management Office (PMO)/end-user/implementing unit;

- c) Method of Procurement;
- d) Schedule of identified procurement activities;
- e) Source of funds;
- f) Indicative ABC; and
- g) Other relevant descriptions of the project, if applicable.

The PPMPs and consolidated APP maybe updated every six months or as often as may be required by the HOPE. The updating of the PPMPs shall be the responsibility of the respective end-user units of the procuring entities, while the consolidation of these PPMPs into an APP shall be lodged with the BAC Secretariat, subject to the approval of the HOPE.

Likewise, for an efficient preparation of the APP, the GPPB prescribed a format for the government agencies use. In addition, Circular 07-2015 on the Preparation of the Annual Procurement Plan was issued on July 16, 2015. It has the purpose of reiterating the requirement of preparing the APP and inform all procuring entities to prepare the APP in the format approved by the GPPB, since the accurate preparation of the APP fosters meticulous and judicious procurement planning at the agency level. Further, it was also issued to clarify that the APP-Common-Use Supplies and Equipment (APP-CSE) which is to be submitted to the Department of Budget and Management – Procurement Service (DBM-PS) on or before November 15 of every year pursuant to Administrative Order (AO) No. 17, Series of 2011, and DBM Circular Letter No. 2013-14, for the purpose of determining the quarterly cash requirements for common supplies, materials, and equipment of the agency and for the over-all management of the central procurement of common-use supplies and equipment by the DBM-PS, is different from the APP required under RA No. 9184.

Section 4 of the AO No. 17 provides that common-use supplies shall be procured directly from the DBM-PS or its depots without the need of public bidding.

Review of the APP for CY 2017, provided to the Audit Team, disclosed that it was not in the correct format as prescribed by the GPPB, thus, the filled-out columns were not those suggested in the GPPB approved format (Annex B).

Likewise, the APP-Common-Use Supplies and Equipment (APP-CSE), although may be considered as completely filled-out, yet was not submitted to the DBM-PS on or before November 15, 2016 but rather on January 20, 2017 already, per Acknowledgement Receipt issued by the DBM (Annex C). Moreover, scrutiny of the procurement transactions revealed that for CY 2017 only two purchases of its common-use supplies and equipment were made from the DBM-PS. Most of its procurements were made from the local suppliers. The Acting Property Officer reasoned out that they are not aware that the APP-CSE should be submitted to the DBM-PS on or before November 15 every year. Moreover, she justified that they did not purchase most of their common-use supplies and equipment from the DBM-PS because they considered that purchasing from DBM-PS is not very advantageous to the Administration. Most of the items that they needed were not available thereat. When they called-up the DBM-PS and provided them with the copy of

the Purchase Request, and they were assured that the items were available thereat, they prepared the Purchase Order and the DV and the corresponding Check for payment. However, when they went to the DBM-PS, usually it turned out that the supplies assured to them to be available were not, so they have to return again on a later date to pick up the remaining items, resulting to more travelling expenses for the Administration. Likewise, the DBM-PS does not easily provide certification for unavailability of goods in their depot.

The above conditions negated the meticulous and judicious procurement planning aside from its non-compliance with the above-stated regulations.

We recommended and Management agreed to:

- a) **Require the BAC Secretariat to consolidate the individual PMPs into an APP to be prepared in accordance with the format prescribed by the GPPB to aid Management in the proper planning of procurement activities. All the applicable columns of the consolidated APP should be completely filled-out;**
 - b) **Require the BAC to adopt public bidding as the general mode of procurement and resort only to the alternative methods if the conditions for their use are present;**
 - c) **Require the Acting Property Officer to submit the APP-CSE to the DBM-PS before November 15 of every year in order that their proposed procurements shall be included in PS list; and**
 - d) **Require the Acting Property Officer to procure the common-use supplies and equipment from the DBM-PS or request for certification that the supplies/equipment are not available thereat before purchasing them from the local suppliers.**
8. **The Administration was unable to prepare its Water Safety Plan (WSP) for the year, however, it was regular in its obligation of submitting its water samples for bacteriological potability tests for the assurance that the supplied water to its concessionaires are of safe quality.**

The Department of Health (DOH) has issued on September 4, 2014, AO No. 2014-0027 declaring the development and implementation of WSP by all drinking-water service providers as a national policy for drinking-water quality management.

For CY 2017, the Administration was unable to prepare its WSP, however it was regular in its obligation of submitting its water samples for bacteriological potability tests for the assurance that the supplied water to its concessionaires are of safe quality. Audit of the disbursement transactions disclosed the regular submission by the Administration of its water samples for bacteriological tests to the Metropolitan Naga Water District (MNWD).

Verification of the documents relative to the results of the tests conducted on the water samples revealed that out of the 148 water samples submitted to the MNWD for testing, 127 or 85.81 per cent have results of "Passed" while 21 samples or 14.19 per cent have results of "Failed". Hence, the quality of the drinking water supplied by the Administration to its concessionaires could be declared as safe.

The Division Manager C for Operations declared that they are still in the process of preparing the WSP for the Administration and have just prepared a draft for review and completion. However, although they do not have yet the WSP, they are submitting monthly their water samples for bacteriological potability tests. In fact majority of the results were "Passed". Further, it was also learned that aside from the bacteriology tests, the Administration followed the instructions contained in the Manual of Operations of the Water Systems being used which included the provisions on how to maintain that the supplied water to its concessioners are of safe quality.

We recommended that Management comply with the regulations on the development and implementation of WSP as required by DOH. For continuity of assurance of safe water quality, strict implementation of the WSP be undertaken.

Management Comment:

Management is still in the process of preparing the WSP and will be completed within this year. However, Water Treatment Plant operational procedures stipulated in the Operations and Maintenance Manual were strictly implemented. Samples for monthly bacteriological potability tests were regularly collected and tested at MNWD. All parameters measured were within the Philippine Standard for Drinking Water (PNSDW).

- 9. The Administration was not able to develop policies and plans to address concerns relating to Disaster Risk Reduction and Management (DRRM). Furthermore, it was not able to allocate a portion of its Corporate Operating Budget (COB) for CY 2017 as DRRM Fund.**

Section 4, Rule 1 of the IRR of RA No. 10121 on its Scope of Application states that, "These Rules provide for the development of policies and plans and the implementation of actions and measures pertaining to all aspects of disaster risk reduction and management, including good governance, risk assessment, and early warning, knowledge building and awareness raising, reducing underlying risk factors, and preparedness for effective response and early recovery. These shall apply to all levels of government, civil societies, private sectors and all other DRRM stakeholders.

Section 5, Rule 19 of the same IRR on Funding of DRRM Projects states that, "All departments, bureaus, offices and agencies of the government are hereby authorized to use a portion of their appropriations to implement projects designed to address DRRM activities in accordance with the guidelines to be issued by the NDRRMC in coordination with DBM."

Furthermore, Section 35 of the General Appropriations Act for 2017 on Disaster Risk Reduction and Climate Change Adaptation and Mitigation Projects states that –

“The agencies of the government shall implement programs, projects and activities designed to enhance climate change adaptation and mitigation and disaster risk reduction at the national and local community levels pursuant to the Climate Change Act of 2009, as amended by the People's Survival Fund Act of 2012 and the Philippine Disaster Risk Reduction and Management Act of 2010. The programs, projects and activities shall include those that would (i) strengthen participatory local risk governance; (ii) enhance the resilience of rural livelihoods and promote business continuity planning; (iii) preserve the integrity of ecosystems; (iv) promote the resilience of culture and indigenous practices; and (v) strengthen the early disaster recovery planning. The programs, projects and activities shall also support the attainment of national targets in line with the implementation of (a) SENDAI Framework for Disaster Risk Reduction 2015-2030; and (b) the Agenda 2030 for Sustainable Development.”

Review of the Administration's COB for CY 2017 disclosed the non-provision of any allocation for the DRRM Fund. Further, audit of the expense transactions revealed that there was no disbursement relating to DRRM activities. Based on interview with the Division Manager C, they are not aware that they should allocate for DRRM Fund in their COB. He said that sometime during the third quarter of 2017, a personnel from the Local Government Unit of Tigaon visited the PDA office and inquired if they have vehicles that can be used in case of disaster. However, no further action was done regarding the matter.

The conditions noted may increase the possible dangers to life and property in case of disasters. Furthermore, the non-allocation of DRRM Fund weakens the Administration's disaster resilience as its preparedness and response capabilities are low.

We recommended and Management agreed to inquire from the National Disaster Risk Reduction and Management Council (NDRRMC) for the guidelines and policies on DRRM, and from the DBM on the requirement for the allocation of DRRM Fund. Thereafter, the Administration shall use the information to develop policies and plans relating to DRRM, and allocate a portion from its COB as DRRM Fund to finance for its implementation.

Value-for-Money Audit

- 10. The Non-Revenue Water (NRW) of the Administration for CY 2017 of 24.12 per cent was within their targeted acceptable efficiency level of 28.92 per cent, but was 4.12 per cent higher than the water industry average of 20 per cent, which resulted in an estimated foregone revenue of ₱6.54 million.**

NRW is water that has been produced and is lost before it reaches the customer. Losses can be real losses through leaks or apparent losses through theft or metering inaccuracies. High level of NRW is detrimental to the financial viability of water service providers, as well to the quality of water itself.

The National Water Resources Board (NWRB) provides that the standard NRW is 25 per cent of the water production. However, the Local Water Utilities Administration (LWUA), in its Resolution No. 444 dated September 15, 2009, reduced the acceptable NRW level to 20 per cent which is applicable to all water districts under its supervision. Although, the Administration is not being supervised by LWUA, adoption of the 20 per cent acceptable NRW for water districts may be made since its main source of revenue is water sales. NRW higher than the benchmark is an indication of inefficiency in the water supply system.

For CY 2017, the Administration targeted to have an operational efficiency level of 28.92 per cent NRW as reflected in its Corporate Performance Measures. Per Monthly Data Sheet for the Month ended December 31, 2017, the Administration produced 5,120,730 cubic meters (cu. m.) of water as measured by its three flow meters. Out of this, only 3,885,586 cu. m. were metered billed resulting to an NRW of 1,235,144 or 24.12 per cent. Although, this is below their target of 28.92, this was 4.12 per cent higher than the standard of 20 per cent NRW for water districts/water service providers. Details are shown below:

Month	Production	Billed Water Consumption	Non- Revenue Water (NRW)	% of Losses/NRW
January	383,482.66	297,280.00	86,202.66	22.48
February	357,552.15	274,480.00	83,072.15	23.23
March	367,686.36	264,952.00	102,734.36	27.94
April	428,825.40	324,021.00	104,804.40	24.44
May	455,222.55	359,455.00	95,767.55	21.04
June	457,631.66	362,816.00	94,815.66	20.72
July	450,199.17	333,694.00	116,505.17	25.88
August	448,577.54	336,699.00	111,878.54	24.94
September	451,727.68	346,588.00	105,139.68	23.28
October	441,783.40	327,837.00	113,946.40	25.79
November	444,964.20	332,013.00	112,951.20	25.38
December	433,077.24	325,751.00	107,326.24	24.78
Total	5,120,730.01	3,885,586.00	1,235,144.01	24.12

Due to the NRW of 24.12 per cent, the Administration incurred an estimated foregone sales/revenue of P6.54 million, as computed below:

NRW in cubic meter		Standard NRW (5,120,730.01 X 20%)		Excess NRW from Standard		Average Water Rate		Estimated Foregone Sales/Revenue
1,235,144.01	-	1,024,146	=	210,998.01	x	P 31.00		P6,540,938.31

The occurrence of high NRW/water losses of the Administration could be attributed to the possibility of pipeline leakages, illegal connections, and defective water meters which might be a result of inadequate safeguard and protection measures being adopted. Likewise, as in the previous year, the Division Manager C for Operations explained that another reason for the NRW is the free water loaded to firetrucks from the fire hydrants of the municipalities under the coverage of the Administration. They do not monitor their consumption, hence, they could not determine the unmetered unbilled water from those fire hydrants which is an addition to their NRW.

It is noteworthy to mention, however, that the NRW for the current year decreased by 3.05 per cent as compared with the NRW of 27.17 per cent in CY 2016.

We recommended that Management:

- a) **Investigate the cause/s of high percentage of NRW of the Administration and come up with remedies to address the causes to minimize if not totally eliminate its incurrence. Further, it should aspire to attain or even go below the standard NRW of 20 per cent required by the LWUA from the water districts or drinking water providers; and**
- b) **Make representations with the Chiefs/Heads of the Bureau of Fire Protection (BFP) of the municipalities under the coverage of the Administration and request to use fire hydrants only during the incurrence of fire. To monitor the consumption, monthly report of consumption be requested from the BFP.**

Management Comment:

The Administration managed to reduce the result of NRW percentage from the previous year and Management will continue to address the reduction of NRW to an acceptable NRW level or below the standard NRW required by LWUA. Management will make a representation with the BFP of the municipalities under the coverage of Partido Water Supply System (PWSS) to submit monthly consumption report and advise the BFP to control the withdrawal of water from the fire hydrants which is solely intended for the firefighting activities. Management will continue the implementation of color coding of water meters to easily identify and check old/defective water meters that provide low efficiency ratings and will be subjected to water meter calibration or change meters. Repairs of damaged pipes shall be attended immediately.

- 11. Past due active accounts which are 60 days and over amounting to ₱5.05 million or 46.88 per cent of the total Accounts Receivable-Active existed despite Management's efforts in enforcing the policy on disconnection of water service of delinquent concessionaires and adoption of other collection strategies.**

Section 6 of the Utility Rules and Regulations Governing the Operations of Partido Water Supply System (PWSS) provides the following:

Water Bill is the amount of water consumed within the monthly billing cycle and other charges and/or obligations due and payable at the office of PWSS designated collecting center, or authorized PWSS collectors. Xxxxx, whereas, if the payment is made after the due date, a 10 per cent penalty shall be charged. Unpaid bills which are more than ₱1,000.00 or 2 months in arrears whichever comes first, from the due date shall be considered delinquent and as such, shall be subject for disconnection. If no payment is made or no agreement between the parties is reached, disconnection shall be made. Water service will not be re-connected until full payment of the amount due is made, including reconnection fee and other charges, xxxx.

Review of the Aging of Accounts Receivable - Active as of December 31, 2017 in the amount of ₱10.77 million showed the following details:

Age of Accounts Receivable	CY 2017		CY 2016	
	Amount	% to Total	Amount	% to Total
1 to 60 days	₱ 5,723,984.04		₱ 6,135,747.46	
<i>Sub-total</i>	<i>5,723,984.04</i>	<i>53.12%</i>	<i>6,135,747.46</i>	<i>41.66%</i>
61 - 180 days	3,203,173.48		3,890,671.30	
181 days - 1 year	915,876.96		1,501,231.26	
over 1 year - 2 years	352,114.27		1,112,689.86	
over 2 years - 3 years	104,654.76		864,292.99	
over 3 years - 4 years	12,526.50		*1,222,185.95	
over 4 years	462,303.49			
<i>Over 180 Days Sub-total</i>	<i>1,847,475.98</i>	<i>17.15%</i>	<i>4,700,400.06</i>	<i>31.92%</i>
<i>Over 60 Days Sub-total</i>	<i>5,050,649.46</i>	<i>46.88%</i>	<i>8,591,071.36</i>	<i>58.34%</i>
Total	₱ 10,774,633.50	100.00%	₱ 14,726,818.82	100.00%

*over 3 years

As shown in the table, of the total Accounts Receivable (Active) of ₱10.77 million, ₱5.05 million or 46.88 per cent were already past due or over 60 days old. Likewise, of this past due accounts, ₱1.85 million or 17.15 per cent of the total receivables were already 181 days to over four years, per Aging Schedule provided. The percentage of the accounts which are past due or over 60 days decreased from last year's 58.34 per cent to 46.88 per cent. Those accounts aged over 180 days also decreased from 31.92 per cent to 17.15 per cent.

In addition, the Aging Schedule of Accounts Receivable as of December 31, 2017 also disclosed that of the total receivables amounting to ₱28.25 million, ₱17.48 million or 61.87 per cent relates to Accounts Receivables from Inactive Accounts. Of this amount, ₱16.44 million or 94.04 per cent were already past due for over one year.

Age	Active	Inactive	Total
1 - 180 days	₱ 8,927,157.52	₱ 408,807.29	₱ 9,335,964.81
181 days - 1 year	915,876.96	632,686.76	1,548,563.72
One year or less	<u>9,843,034.48</u>	<u>1,041,494.05</u>	<u>10,884,528.53</u>
over 1 year - 2 years	352,114.27	1,394,544.58	1,746,658.85
over 2 years - 3 years	104,654.76	1,123,817.00	1,228,471.76
over 3 years - 4 years	12,526.50	1,505,707.60	1,518,234.10
over 4 years	462,303.49	12,414,345.90	12,876,649.39
Over one year	<u>931,599.02</u>	<u>16,438,415.08</u>	<u>17,370,014.10</u>
TOTAL AR	<u>₱ 10,774,633.50</u>	<u>₱ 17,479,909.13</u>	<u>₱ 28,254,542.63</u>
	<u>38.13%</u>	<u>61.87%</u>	<u>100.00%</u>

Management explained that a disconnection team was formally organized last September 2014 to handle those past due accounts, with the intended result of increasing collection and decreasing the Accounts Receivable balance. Inquiry with the Head of the Billing Section disclosed that as of current year, the two-month collection policy is continuously being implemented to ensure the collection of said accounts. Demand letters were also sent in the previous year, however, they are not being monitored. The primary reason for the non-monitoring is the lack of proper turn-over of documents pertaining to these demand letters. Aside from that, the Head of the Billing Section said that the lack of personnel to particularly perform such task also made it difficult to start monitoring the demand letters sent to concessionaires.

With regard to the writing-off of accounts, Management is in the process of completing the supporting documents for those accounts identified to be uncollectible and are to be written off.

Despite the effort exerted by Management in the enforcement of their disconnection policies and the collection of accounts which resulted to a slight decrease in percentage of those past due and outstanding accounts, there is still a large percentage of the total Accounts Receivable that remained past due and outstanding as of year-end. The money that may have been collected from these past due accounts could have been used by the Administration in its operation, implementation of projects and much more in the payment of its long overdue loans.

We recommended that Management:

- a) **Ensure that the policy on disconnection is strictly enforced to prevent the accumulation of past due active accounts;**
- b) **Take time to locate the whereabouts of concessionaires whose accounts are already dormant or inactive and enforce collection of their accounts;**

- c) **Employ mechanisms to enforce collection of long overdue big accounts by sending more demand letters or by resorting to legal remedies available; and**
- d) **Cause the monitoring of the demand letters sent, and in case of reshuffling of personnel, require strict turnover of accountabilities and responsibilities, and assign a person to monitor the demand letters sent.**

Management Comment:

Management commented that they are trying their best to enforce strictly the disconnection policy and the sending of demands letters to the delinquent concessioners, both active and inactive. However, due to lack of personnel, they are having difficulty in the enforcement.

12. The Administration's poor financial performance and position casts doubt on its ability to perform its functions and powers and to continue as a going concern.

The Partido Development Administration (PDA) was established on November 18, 1994 by virtue of RA No. 7820 with the mission to catalyze industry and commerce through upgrading of human resources, enhancement of Local Government Unit (LGU) capability, and operation of pioneering business ventures. It envisions a district where the quality of life is comparable with the more advanced districts in the country through an integrated and coordinated approach.

Among the functions and powers of the Administration as provided in RA No. 7820, and reflected in the Notes to Financial Statements furnished to the Audit Team are the following:

- **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, projects, and project developmental programs proposed by the local government agencies within the district, public corporations, and private enterprises which are related to the development of 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; and**

- Establish, operate and/or contract to operate such agencies, functional units and instrumentalities; and exercise other functions necessary to attain the purpose for which it was created.

PDA was formally organized and became operational on October 16, 1997. It has ten-member municipalities whose incumbent Mayors are ex-officio members of the Board of Directors (BOD), among others. The incumbent member of the House of Representatives representing the congressional district is also an ex-officio member. Section 6 of RA No. 7820 provides that the amount necessary for its implementation shall be charged against the member-municipalities and against the special fund provided for under Section 12 of PD No. 1869, which comes from the government share on the proceeds earned by PAGCOR from granting franchise to operate gambling enterprises. For this purpose, the General Provisions of the General Appropriations Act (GAA) has provided that the member-municipalities may charge the capitalization requirement against their respective Internal Revenue Allotment (IRA).

It appears that the ten-member municipalities and the PAGCOR were unable to provide the necessary capitalization for the operation of PDA. Hence on December 18, 1999, the PDA contracted a mixed credit of EURO 7,806,869.40 and USD 7,504,611.56 with ABN AMRO Bank, N. V. Copenhagen Branch, Denmark, for the delivery, supply and installation of the design, construction, commissioning and operating and maintenance supervision by the Danish Supplier for the purpose of the Partido Water Supply Project. The loan was to be payable twice a year for a period of 10 years to start on March 1, 2004, but eventually lengthened by five years.

Since the start of its operations up to the present, PDA focused mainly on supplying water to the ten-member municipalities and derived income therefrom. Its minor projects are the Center for Human Resources Development (CHRD), the FM Radio Station and the Nato Port, which is under the supervision of the Philippine Ports Authority (PPA). All of the Administration's minor projects have constantly brought financial losses to PDA.

Relative to this, the conceptual framework of accounting mentions two assumptions, one of which is the Going Concern or Continuity Assumption, which states that, in the absence of evidence to the contrary, the accounting entity is viewed as continuing in operation indefinitely. In other words, the financial statements are normally prepared on the assumption that the entity will continue in operations for the foreseeable future. If there is evidence that the entity would experience large and persistent losses or that the entity's operations are to be terminated, the going concern assumption is abandoned.

Analysis of PDA's Financial Position

Starting the year 2004, PDA consistently operated on huge losses, hence has not been able to pay its loan amortizations. For 14 years, from CY 2004 to CY 2017, PDA was unable to make its repayments as scheduled, hence the loan amortizations and interest charges were advanced by the National Government thru the Bureau of Treasury (BTr),

being the guarantor for the loan. Shown below are the highlights of the payments made by PDA to the BTr for its foreign loan obligations for CYs 2004 to 2017 (Detailed schedule found in Annex D). As shown in the table, as of December 31, 2017, PDA had paid only ₱150.64 million or 13.67 per cent of the total Gross Advances and Interest due to the National Treasury amounting to ₱1.10 billion (Gross Advances and Interest Due), excluding its liability for Guarantee Fees. Notwithstanding the improvement of its ability to pay in CYs 2014 to 2017, in which it was able to pay ₱15.90 million , ₱14.40 million , ₱16.80 million and ₱57.09 million, respectively, its payable attributable to the National Treasury amounting to ₱1.01 billion still comprised 91.09 per cent of its total liabilities of ₱1.11 billion for CY 2017.

Table 1 - Schedule on the Due to National Treasury Account					
Year	Gross Advances	Interest Due	Total Payment Made for the Year	Total Amount Due	% of Payment to Aggregate of Gross Advances and Interest
2004	80,434,595.85	3,822,917.57	0.00	84,257,513.42	0.00%
2005	82,197,155.16	11,296,167.12	0.00	93,493,322.28	0.00%
2006	73,139,937.03	14,979,850.07	0.00	88,119,787.10	0.00%
2007	69,918,729.54	14,571,083.05	2,000,000.00	82,489,812.59	2.37%
2008	66,556,301.46	21,038,389.84	7,000,000.00	80,594,691.30	7.99%
2009	69,591,092.02	21,128,260.63	3,000,000.00	87,719,352.65	3.31%
2010	63,214,187.97	21,531,232.89	5,000,000.00	79,745,420.86	5.90%
2011	60,926,396.12	14,685,379.60	8,400,000.00	67,211,775.72	11.11%
2012	56,297,379.18	13,229,619.71	12,049,675.71	57,477,323.18	17.33%
2013	55,859,870.13	5,461,762.80	9,000,000.00	52,321,632.93	14.68%
2014	57,744,309.78	9,779,459.84	15,900,000.00	51,623,769.62	23.55%
2015	52,596,572.18	15,656,172.42	14,400,000.00	53,852,744.60	21.10%
2016	53,205,638.21	14,282,396.06	16,800,000.00	50,688,034.27	24.89%
2017	57,068,442.82	21,423,735.00	57,090,000.00	21,402,177.82	72.73%
Total	898,750,607.45	202,886,426.60	150,639,675.71	950,997,358.34	13.67%
<i>*Per Books</i>	<i>898,750,607.45</i>	<i>196,856,626.07</i>	<i>150,639,675.71</i>	<i>944,967,557.81</i>	
Add: Liability for Guaranty Fees				68,732,746.86	
Due to National Treasury				1,013,700,304.67	
Balance of Total Liabilities				1,112,814,536.69	
% of Due to National Treasury to Total Liabilities				91.09%	

*There were differences noted between the balances per PDA books and per BTr books which were due to the late receipt of communication from BTr on adjustments to be made in PDA's books for interest on advances and guarantee fees amounting to ₱6,029,800.53 and ₱560,029.35, respectively. Communications on the adjustments were received only on February 2, 2018 and January 24, 2018, respectively, when books were already closed. These adjustments will be effected in CY 2018, the year the Administration received the billing, and will be recorded as expense in the current year.

Particulars	Per Books	Per BTr Books	Variance
Advances	₱ 898,750,607.45	₱ 898,750,607.45	0.00
Interest on Advances	196,856,626.07	202,886,426.60	(6,029,800.53)
Guarantee Fees	68,732,746.86	69,292,776.21	(560,029.35)
Less: Payment	(150,639,675.71)	(150,639,675.71)	0.00
Balance	₱ 1,013,700,304.67	₱ 1,020,290,134.55	(6,589,829.88)

As of the end of CY 2017, the balance of total liabilities of PDA amounted to ₱1.11 billion (of which ₱1.01 billion or 91.09 per cent are from foreign loans), while total assets amounted to ₱447.66 million. Based on the Total Debt to Total Asset ratio of 249 per cent, PDA could no longer meet its debt obligations by itself. This increased by five per cent as compared with the past year's ratio of 244 per cent, indicating that for every liability of ₱2.49, the Administration only has an asset of ₱1.00 to cover it. Also, it is no longer financially capable to continue its present operation. While PDA's mandate calls for the development and improvement of the socio-economic life in the Partido District, its financial condition hinders the continued attainment of the tasks.

In an effort to settle its debts and to aid the payment of the loan amortizations and interest charges advanced by the BTr, PDA proposed a Repayment Plan which shall commence in 2019 and shall extend up to the remaining corporate life of the Administration. The PDA committed to pay the principal amount and the interest due to BTr in 26 years, details of which are presented in Annex E. This was submitted to the Department of Finance for approval, which was then forwarded to the Office of the President. The Accountant also prepared an estimated schedule for the Projected Income and Cash Flows from CY 2018 to CY 2022 to support the proposed payment plan of the Administration. However, the schedule only covers up to five years which may not be enough to support its claim that it can generate sufficient income and cash inflows to fully implement the Repayment Plan. In order to show whether or not the Agency is capable of generating sufficient cash inflows to repay its loan, the five year schedule was extended up to the 26th year using the same estimates and multipliers established by the Accountant (Annex F).

Analysis of PDA's Financial Performance

For CY 2017, PDA had a net income of only ₱2.34 million, while in CY 2016, it had a net income of ₱9.34 million. Presented on the next page is a summary of the comparison of its Statements of Income and Expenses for CYs 2016 and 2017. As shown in the table, income had increased by ₱6.38 million or 6.47 per cent. However, total operating expenses increased by ₱5.81 million or 7.97 per cent, and the loss on foreign exchange increased by ₱4.84 million or 143.37 per cent, both of which greatly affected the

net income for CY 2017. Details of the comparison between the Administration's financial performance for CYs 2016 and 2017 are shown in Annex G.

Table 3 - Comparison of PDA's Statements of Income and Expenses for CYs 2016 and 2017

	2017	2016	Increase/ (Decrease)	% Increase/ (Decrease)
Income	105,061,448.91	98,677,111.41	6,384,337.50	6.47%
Personal Services	19,701,834.59	17,684,106.77	2,017,727.82	11.41%
Maintenance & Other Operating Expenses	31,141,061.80	29,826,869.75	1,314,192.05	4.41%
Taxes, Duties and Licenses	5,002,442.44	2,051,489.53	2,950,952.91	143.84%
Non-Cash Items	22,773,867.40	23,250,346.86	(476,479.46)	-2.05%
<i>Total Operating Expenses</i>	78,619,206.23	72,812,812.91	5,806,393.32	7.97%
Financial Expenses	16,205,054.36	13,468,465.01	2,736,589.35	20.32%
<i>Income (Loss) From Operations</i>	10,237,188.32	12,395,833.49	(2,158,645.17)	-17.41%
Gain/(Loss) on Foreign Exchange (ForEx)	(8,223,050.39)	(3,378,774.10)	(4,844,276.29)	143.37%
Interest Income	322,327.42	321,891.60	435.82	0.14%
Net Income/(Loss)	2,336,465.35	9,338,950.99	(7,002,485.64)	-74.98%

In addition, as can be inferred in Table 4, the income from Waterworks System decreased by ₱6.16 million (₱9.89 million - ₱3.73 million) during the year, while all of its minor operating units [Center for Human Resource Development (CHRD), Nato Port and DZRP Radio Station] incurred Losses on Operations for the current year and the past three consecutive years. This further posed a great concern on the Administration's ability to continue as a going concern. Based on interview with the previous Acting Accountant and as confirmed by the present Accountant, Nato Port had already been non-operational since July 2014 because of the damages caused by typhoon Glenda which hit Camarines Sur. Thus, management of the port was passed on to the Philippine Ports Authority. As to the CHRD, it has also ceased its operations but it still generated income from rentals (of the hall, tables and chairs, etc). However, as per Annex G, its MOOE still exceeded its income by ₱87,796 (₱95,371-₱7,575). Currently, the DZRP Radio Station which had a net loss of ₱1.29 million (See Table 4) for CY 2017 is the only minor project that continues to operate. However, this negative amount increased again by ₱0.84 million (₱1.29 million-₱449,305) or 186.68 per cent. The continued losses of the radio station for the past years and the 186.68 per cent increase in the current year's loss should be assessed so that the option to privatize it be considered. Details of PDA's financial performance per operating unit are reflected in the table on the next page.

Table 4 – Summary of PDA’s Financial Performance per Operating Unit

<i>NET INCOME/(LOSS) ON OPERATIONS - Per Operating Unit</i>					
Year	PWSS/PDA	CHRD	NATO PORT	DZRP	TOTAL
2017	3,727,258.28	(87,795.73)	(14,931.97)	(1,288,065.23)	2,336,465.35
2016	9,885,184.15	(74,561.73)	(22,366.00)	(449,305.43)	9,338,950.99
2015	(2,206,234.15)	(58,487.56)	(73,148.13)	(960,224.69)	(3,298,094.53)
2014	(12,649,100.54)	(103,549.02)	(19,912.21)	(1,191,075.74)	(13,963,637.51)
2013	(7,190,429.13)	(125,468.16)	80,322.34	(1,417,491.02)	(8,653,065.97)
2012	(11,979,922.08)	(121,197.83)	75,358.87	(1,203,063.61)	(13,228,824.65)
2011	(22,936,961.96)	(28,966.11)	(98,684.28)	(982,765.53)	(24,047,377.88)

PDA needs to improve its financial position and performance considering the continuous incurrence of financial losses/low net income. It has to employ more effective measures to overturn the situation, otherwise the capability of the Administration to continue its operation as a going concern is at stake.

We recommended that Management:

- a) **Implement cost cutting measures by eliminating excessive/unnecessary expenditures in its entire operations;**
- b) **Intensify collection of outstanding Accounts Receivable by making necessary follow-ups on series of demand letters sent. Strictly implement the two-month disconnection policy for concessionaires who are not able to pay on time in order to collect the payments promptly and increase the Agency’s cash flows**
- c) **Consider viable options for its minor operating units such as privatization of the DZRP radio station and the re-opening of CHRD for rental of the Maceda Hall and its furniture and fixtures;**
- d) **Follow-up the approval of the repayment plan and cause its full implementation once approved;**
- e) **Find ways to settle its foreign loan amortization on or before the due dates to prevent the incurrence of additional interest charges as well as lighten the financial burden of the National Government;**
- f) **Make representation with proper authorities to implement Section 6 of RA No. 7820 which provides that the member-municipalities shall take charge of the amount necessary for the capitalization of PDA to be charged against their respective Internal Revenue Allotment; and**
- g) **Make representation with proper authorities to source fund from the government share on the proceeds earned by PAGCOR from granting**

franchise to operate gambling enterprises, as provided for under Section 12 of PD No. 1869.

Management Comments:

- a. Management committed to continue implementing cost cutting measures;
- b. They explained that they have intensified their collection effort. A list of inactive accounts which were included in its receivables were issued final disconnection notice, verified personally, and those that are nowhere to be found, due to circumstances like death, migration and others, were recommended to be written off from PDA books to clear its record and eventually reduce its collectibles. Increasing collection on accounts receivable is also one of the agency targets submitted to GCG – thus PDA continuously exerts effort to collect outstanding balances of PWSS consumers;
- c. They declared that PDA has reduced significantly its expenditures on some of its operating units. The Center for Human Resources Development (CHRD) is currently being packaged as a Training Center for Technical Courses such as Plumbing, Housekeeping and others. For DZRP, privatization remains an option. They are using the radio station in advertising their programs and projects. PDA will have difficulty disseminating information to the general public and it might even become costly on the part of PDA. Anyway, PDA is reducing the operating cost of DZRP and intensifying marketing to increase its revenues;
- d. They will increase the payment to BTR to a much higher amount;
- e. The Administrator explained that they are encountering difficulties in the implementation of Section 6 of RA No. 7820. When he presented the provision of Section 6 to the mayors of the member-municipalities in one of their meetings, there was no positive reaction from them; and
- f. The Administrator justified that there is also a problem in the implementation of Section 12 of PD No. 1869 since it is only the President of the Philippines who has the authority to issue order to source fund from the government share on the proceeds earned by PAGCOR from granting franchise to operate gambling enterprises;

Auditor's Rejoinder:

We informed Management that we are acknowledging their efforts to improve their financial performance and operations, however, their present efforts maybe lacking to continue as a going concern.

Compliance with GSIS, BIR, HDMF and PhilHealth Laws, Rules and Regulations

- 13. The Administration was not able to insure its insurable properties, other than the PDA main office building and vehicles, with the Government Service Insurance System (GSIS) General Insurance Fund, thus, it has no assurance of any indemnification in case of destruction, damages to, or loss of its property through fire, flood, theft or other fortuitous events.**

Section 5 of RA No. 656, the Property Insurance Law, provides that every government, except a municipal government below first class, is hereby required to insure its properties, with the General Insurance Fund of the GSIS against any insurable risk and pay the premiums thereon, which, however shall not exceed the premiums charged by private insurance companies.

Moreover, Section 4.c provides the definition of Property as follows:

"Property" includes vessels and craft, motor vehicles, machineries, permanent buildings, properties stored therein, or in buildings rented by the Government, or properties in transit.

As stated under the above Section of the Law, the GSIS is mandated as the exclusive insurer of assets, properties, contracts, rights of action and other insurable risks of government agencies and offices to compensate and indemnify the Government for any damage or loss of properties.

This provision of law was reiterated under Section 489 of the GAAM, Volume I.

Hence, in compliance with the mentioned regulations, verification of the PPE accounts, in relation to the Insurance Expense, of the Administration for CY 2017 was performed, and results showed that it was not able to fully comply with the regulations. Only its PDA Main Office building and vehicles were covered by insurance during the year. Based on verification, the total amount of insurance premiums paid by the Administration during CY 2017 was ₱56,274 (Annex H) which included the renewal of insurance premiums for its service vehicles, and the initial insurance premium paid for the PDA Main Office building.

Based on interview with the Accountant, they prioritized insuring the PDA Main Office as the other PPE items which may be insurable were yet to be assessed by the GSIS. In addition, the cost of insurance for these properties was not included in the Administration's Corporate Operating Budget for 2017. Furthermore, based on verification, the total budget for Fidelity Bond and Insurance Premiums was only ₱90,000 but the actual expenses incurred during the year totaled ₱93,774.

In addition, some of the Administration's other properties which are insurable with the GSIS are shown on the next page.

PPE Description	Acquisition Cost
*Buildings	₱ 33,959,997.10
Other Structures	194,895,376.18
Machinery	35,213,743.04
Total	₱ 264,069,116.32
*Only the PDA Main Office was insured	

Hence, in case of destruction, damages to, or loss of its property through fire, flood, theft or other fortuitous events on the uninsured properties, the Administration would not have any indemnification from the GSIS to augment its funds for any possible repairs.

We recommended and Management agreed to follow up with GSIS regarding the assessment of its other insurable properties, in compliance with RA No. 656, as amended by PD No. 245, and allocate funds for their insurance premiums.

- 14. The Administration was regular in the deduction of premiums and loan repayments from the salaries of its employees and remitted the same on time to the GSIS during the year. However, there was an ending balance of ₱15,920 even after remittance of premiums and loan repayments for December 2017 was made.**

RA No. 8291 requires the mandatory monthly contributions of government employees and employers to the GSIS and the regular remittance of same, together with the repayments of loans of the employees, if any.

Verification of the Due to GSIS account and the remittance transactions to the GSIS revealed that the Administration regularly/monthly deducted the personal shares of the GSIS premiums and the loan repayments from its employees and remitted them together with the employer's share on time during the year. However, it was noted that even though the Administration already remitted the Premiums and Loan Repayments for December 2017, there was still an ending balance of ₱15,920. Based on interview with the Accountant, out of this amount, ₱11,144 pertains to unremitted balances for the previous years which are still under reconciliation. Furthermore, the Accountant said that the remaining balance of ₱4,775 (₱15,920-₱11,144) pertains to adjustments in GSIS premiums brought about by salary adjustments of various employees which were not yet reflected in the billings they received from the GSIS.

We commended Management for complying with the regulation on the regular deduction and remittance of the premiums and loan repayments to the GSIS for CY 2017. However, we recommended and Management agreed to require the Accountant to look into the prior years' records to investigate on the unremitted balances amounting to ₱11,144, and to follow up with the GSIS regarding the under billing of ₱4,775. These should be immediately remitted to the GSIS as soon as practicable to avoid the incurrance of any penalty that may be imposed.

15. A net difference of ₱0.51 million resulted between the total amount withheld for remittance to the Bureau of Internal Revenue (BIR), Home Development Mutual Fund (HDMF) and Philippine Health Insurance Corporation (PHIC) of ₱1.00 million as of December 31, 2017, and its corresponding remittances amounting to ₱494,633.

Section 1 of RA No. 1051 provides that, all bureaus, offices, agencies and instrumentalities of the government, including government owned or controlled corporations, provinces, cities and municipalities, shall, before making any money payment to private individuals, corporations, partnerships and/or associations, deduct and withhold any and all taxes the amount of which can be fixed, determined, computed or ascertained, due from such individuals, corporations, and/or associations on account of said money payment. Provided, however, That, the deductions and withholdings referred to herein shall not be required in case previous payments of the aforesaid tax liability or liabilities had already been made by the corresponding payee.

Moreover, the BIR also issued Revenue Memorandum Order (RMO) No. 8-2003 on March 3, 2003 to ensure efficient compliance of government withholding agents to existing withholding tax laws, rules and regulations and to identify government officials who shall be personally responsible for the correct withholding of tax and its timely remittance. Said memorandum order listed the government officials who are personally charged with the duty to correctly withhold taxes on compensation, expanded and final withholding tax as well as government money payments to persons registered as Non-VAT (percentage, franchise, etc.) and VAT taxpayers and the timely remittance of taxes withheld. Further, it was stated in the said RMO that the aforesaid officials shall be equally liable to the penalties prescribed in Title X of the National Internal Revenue Code, as amended.

Likewise, the IRR of RA No. 7742 provides that “All employers shall remit to the Fund their contributions as well as the contributions of their covered employees including those employees who, in proper instances, voluntarily join the Fund within fifteen (15) days from the date the contributions were collected unless another period is previously agreed upon between the employer and the Fund.”

Moreover, Section 11 of the Revised IRR of the National Health Insurance Act of 2013 on the Remittance of Premium Contribution requires that, “Remittance of contribution shall be mandatory for all members. It shall be made to PhilHealth offices or to any of the accredited collecting agents.”

Verification of the balances of the Due to BIR, Due to Pag-IBIG and Due to PhilHealth accounts as of December 31, 2017 revealed that the amounts remitted in January, 2018 were not equal to the amounts withheld for the month of December, 2017 or with the balances as of year-end. A summary of this is shown on the next page.

Account	Balance, 12/31/2017	Remitted January 2018	Difference	Remarks
Due to BIR	729,646.85	301,032.75	428,614.10	Pertains to prior years' unremitted balances
Due to Pag-IBIG	255,002.96	193,600.37	61,402.59	
Due to PhilHealth	18,146.51	-	18,146.51	
TOTAL	1,002,796.32	494,633.12	508,163.20	

Based on interview with the Accountant, for the Due to BIR and Due to Pag-IBIG accounts, a portion of the ending balance was for the amount withheld for December 2017 which was remitted in January 2018. On the other hand, there was no remittance in January 2018 for the amount withheld for PhilHealth contributions for December 2017 since it was already paid prior to year-end. She said that the total difference amounting to ₱0.51 million pertains to prior years' unremitted balances which are still under reconciliation. Thus, this condition if not remedied immediately may deprive the employees of benefits due them such as availing loans and protection through insurance. It may also lead to imposition of penalties by the concerned agencies due to late payment.

We recommended and Management agreed to require the Accountant and/or the Accounting Processor B to immediately:

- a) **Review the pertinent records relating to the Due to BIR, Due to Pag-IBIG and Due to PhilHealth accounts to effect adjustment/reconciliation, if necessary; and**
- b) **Remit any under remittance discovered and/or inquire with the concerned agencies regarding the differences.**

Compliance with Gender and Development (GAD) Laws, Rules and Regulations

16. **The appropriations per revised GAD Plan and Budget (GAD PB) for CY 2017 of ₱408,572, was only 0.48 per cent of the proposed Administration's budget for the year. Likewise, although all the activities listed in the GAD PB were carried out, evaluation of the expenditures incurred could not be made thoroughly due to insufficiency of data.**

Pursuant to Section 30 of the General Provisions of the General Appropriations Act (GAA) for FY 2017, all agencies of the government are tasked to formulate a GAD Plan designed to address gender issues within their concerned sectors or mandate and implement applicable provisions under RA No. 9710 or the Magna Carta of Women, Convention on the Elimination of All Forms of Discrimination Against Women, the Beijing Platform for Action, the Philippine Plan for Gender-Responsive Development (1995-2025), and the Philippine Development Plan. The GAD Plan shall be integrated in the regular activities of the agencies, which shall be at least five per cent of their budgets. The activities currently being undertaken by agencies which relate to GAD or those that contribute to poverty alleviation, economic empowerment especially of marginalized women, protection, promotion, and fulfillment of women's human rights, and practice of

gender-responsive governance are considered sufficient compliance with said requirement. Utilization of the GAD budget shall be evaluated based on the GAD performance indicators identified by said agencies.

Joint Circular (JC) No. 2012-01 issued by the Philippine Commission on Women (PCW), the National Economic and Development Authority (NEDA), and DBM provides the guidelines for the preparation of Annual GAD PBs and Accomplishment Reports (AR) to implement the Magna Carta of Women. It superseded the DBM-NEDA-NCRFW JC No. 2004-1 dated April 5, 2004, and took effect beginning 2013 for the GAD planning and budgeting process of FY 2014 and the ensuing years until repealed.

Pertinent guidelines under the JC are the following:

- At least five per cent of the total agency budget appropriations shall correspond to activities supporting GAD plans and programs. The GAD budget shall be drawn from the agency's maintenance and other operating expenses (MOOE), capital outlay (CO), and personal services (PS). It is understood that the GAD budget does not constitute an additional budget over an agency's total budget appropriations.
- Pursuant to Section 37A.1 of the Magna Carta for Women Implementing Rules and Regulations (MCW-IRR), all agencies, offices, bureaus and all government instrumentalities and others concerned shall formulate their annual GAD plans and budgets (GPBs) within the context of their mandates. The GPBs shall be submitted to the PCW for review. The reviewed GPBs shall be endorsed back to the agency for submission to the DBM for approval. A template on GPB and the instruction/ guide in filling it up is attached as Annex A to the Circular.
- Upon receipt of the letter of endorsement from the PCW, the agency head shall issue an appropriate policy directive, copy furnished PCW, to disseminate and implement the GPB. All agencies shall endeavor to integrate GAD indicators into their existing monitoring and evaluation system.
- The GAD Accomplishment Report (GAD AR) shall be prepared by all agencies based on the PCW-endorsed GPB following the form prescribed in Annex B of the Circular.

COA Circular No. 2014-001 dated March 18, 2014 provides the revised guidelines in the audit of GAD Funds in government agencies. The COA is tasked to determine whether all government agencies complied with the above-stated regulations on GAD. In order that the audit will be facilitated, the concerned government agencies shall provide the COA Auditors with the GAD PB and the GAD AR for verification.

Based on the copies of CY 2017 GAD PB furnished to the Audit Team, it was revealed that the Administration prepared two GAD PB for the year. The first was prepared by the Division Chief I – Administration and Finance and implicitly submitted to

the DBM on January 23, 2017 since it was attached to the proposed COB for CY 2017 submitted to the DBM on that date. The other GD PB was prepared by the Division Chief I- Planning, Evaluation & Monitoring Division/Chairperson, GAD Focal Point System on July 12, 2017 and submission to the PCW or DBM was not established since no copy of the transmittal letter was provided to the Audit Team. Moreover, the first GAD PB allotted ₱4.29 million, which was five per cent of the total proposed budget appropriations of ₱85.74 million (Personnel Services Budget of ₱23.03 million, Maintenance and Other Operating Expenses Budget of ₱42.74 million , and Capital Outlays Budget of ₱19.97 million) for CY 2017. Whereas, the second GAD PB which was the revised GAD PB had only an allocation of ₱408,571, which was only 0.48 per cent of the proposed Administration's budget (See attached Annexes I and J).

Verification of the documents on GAD disclosed that the first GAD PB was not implemented while the second one was implemented per GAD AR and GAD Annual Report provided to the Audit Team. Per GAD AR, the Administration spent ₱289,909 for undertaking the GAD activities during the year. This was 70.96 per cent of ₱408,571.

However, the Audit Team could not conduct a thorough evaluation of whether or not the GAD funds were used for the purpose for which they have been appropriated and whether the amounts spent for carrying out/implementing the GAD activities/projects as reported in the GAD AR were reasonable and valid because there was no summaries of the expenses incurred per activity. The GAD Annual Report only contains the pictures and attendance sheets for the activities but the details of reported actual cost/expenditures per GAD AR were not provided to the Audit Team. A request was made from the Chairperson, GAD Focal Point System during the audit but she was not able to provide the Audit Team until the conduct of the exit conference. However, to comply with the recommendation, she submitted the documents after two weeks, thus they are still subject for verification.

Scrutiny of the GAD AR disclosed that the activities conducted were compliant to the gender issues and concern of the Administration, both organization-focused and client-focused, however, since the details of reported actual cost/expenditures per GAD AR were not provided immediately, we could not determine whether the expenses were reasonable and within the budget.

We recommended that Management require the Chairperson, GAD Focal Point System to:

- a) Prepare the GAD PB, in the ensuing years, in accordance with the guidelines prescribed in JC No. 2012-01 and submit it to the PCW for review and DBM for approval in accordance with the timetable provided in the JC; and**
- b) Prepare summaries and details of the costs/expenditures incurred per GAD activity as reported in the GAD AR.**

Management Comment:

According to Management, there was a change in the composition of the GAD Focal Points System in CY 2017. During the transition period, capability-enhancement activities were conducted by the PDA concerned personnel for the agency to adequately and appropriately comply with the requirements. The PDA GAD Focal Point System visited PCW and NEDA to seek technical assistance.

The 2017 and 2018 GAD PBs did not meet the deadline of submission because of adjustments that need to be done but the 2019 GAD PB submission met the January 31 deadline following the PCW-NEDA-DBM JC No. 2012-01. The Administration had to resubmit the GPB through the GMMS, even without the training on how to use the system, last March 7, 2018. Tutorial session was given to PDA personnel.

Management has agreed to comply with the recommendations. A system shall be established so that all PPAs of the agencies incorporate the GAD agenda and will make the respective Division Chiefs responsible for compliance of at least five per cent allocation, to be monitored by the Budget Officer and the Accountant for the tracking of expenses.

Summary of Total Suspensions, Disallowances and Charges as of Year-End

The ending balances of Notices of Suspension/Disallowances/Charges as of December 31, 2017 are as follows:

	Beginning Balance (As of December 31, 2016)	This Period January 1 to December 31, 2017		Ending Balance (As of December 31, 2017)
		NS/ND/NC	NSSDC	
Notice of Suspension	P 0.00	P 0.00	P 0.00	P 0.00
Notice of Disallowance	295,072.81	0.00	0.00	295,072.81
Notice of Charge	0.00	0.00	0.00	0.00
Total	P 295,072.81	P 0.00	P 0.00	P 295,072.81

Part III

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

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of 66 prior years' audit recommendations, 25 were fully implemented, 36 were partially implemented and five were not implemented during the year.

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>1. Past due active accounts which are 61 days and over amounting to ₱8.59 million or 58.34 per cent of the total Accounts Receivable-Active existed despite Management's efforts in enforcing the policy on disconnection of water service of delinquent concessionaires.</p> <p>We recommended that Management:</p> <p>a) Ensure that the policy on disconnection is strictly enforced to prevent the accumulation of past due accounts;</p> <p>b) Take time to locate the whereabouts of concessionaires whose accounts are already dormant or inactive and enforced collection of their accounts;</p> <p>c) Employ mechanism to enforce collection of long overdue big accounts by sending more demand letters or by resorting to legal remedies available; and</p> <p>d) Cause the monitoring of the demand letters sent, and in case of reshuffling of personnel, require</p>	<p>AAR CY 2016 page 24, CY 2015 page 27 and CY 2014 page 25, AAR CY 2013 page 39</p>	<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>	<p>Reiterated under Observation No. 12.</p> <p>On-going completion of supporting documents for accounts to be requested to be written off</p> <p>No demand letters sent or any other action employed in CY 2017 to enforce collection.</p> <p>No monitoring of demand letters sent due to lack of proper turnover of</p>	<p>On-going implementation of 2-month disconnection policy</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>strict turnover of accountabilities and responsibilities.</p>			<p>documents and lack of personnel to handle the monitoring</p> <p>The sending of demand letters was stopped because the person-in-charge in sending out and monitoring demand letters has been transferred to the Budget Section.</p>	
<p>2. Collections of the Caramoan and Tinambac/Siruma Collecting Centers for CY 2016 in the total amounts of ₱8.69 million and ₱11.63 million, respectively, were deposited in private banks located in the municipalities where the collecting centers are located, thus exposing government funds to the risk of possible loss due to accounts closure and banks insolvency.</p> <p>We recommended that Management:</p> <p>a) Cause the approval of their bank transactions with the UCPB Caramoan Branch and Producers Bank Tinambac Branch from the DOF, in compliance the DOF DO No. 27-05 and BSP Circular Letter dated March 14, 2006; and</p> <p>b) Secure first the prior approval of the DOF before opening any account with private banks in the future.</p>	<p>AAR CY 2016 page 26</p>	<p>Partially Implemented</p> <p>Partially Implemented</p>		<p>PDA sent request with the necessary supporting documents (Certification from the AGDBs, Vicinity Map & Certification from the PNP)</p>
<p>3. The reliability of the Accounts Receivable of ₱30.05 million was doubtful due to the existence</p>	<p>AAR CY</p>			

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>of a variance of ₱1.78 million with the Aging of Accounts Receivable/Subsidiary Ledger balance of ₱31.84 million.</p> <p>We recommended that Management:</p> <p>a) Require the Accounting and the Billing Sections to cause the reconciliation of the general ledger and subsidiary ledgers/aging of the accounts receivable and make the necessary adjustments for the noted difference;</p> <p>b) Cause the updating of the billing program being used in order to trace the deficiencies and finally reconcile the balances of the Accounts Receivable. If not immediately practicable, require the Accounting and the Billing Sections to maintain an excel file for monitoring of the accounts in order to note the differences in the balance of AR for eventual reconciliation of the records; and</p> <p>c) Consider the writing off of the unidentified dormant accounts after exhausting all necessary and available collection remedies. Request for writing off shall be submitted to the Commission on Audit for processing and approval. The documents to be submitted should include all data/information that will show that no officer or employee of the Administration had incurred negligence in the performance of their duties and obligations that resulted in the incurrence of the present condition of</p>	<p>2016 page 28, AAR CY 2015 page 25, CY 2014 page 24</p>	<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Reconciliation on going</p> <p>Phase 1 - 3 of the new BIR-Complaint Cloud-Based Read and Bill Android Application, Billing and Teller and Customer Service Software with Payment Partners System Integration Program is already completed and will be turned-over on the 3rd week of April</p> <p>Still completing the required documents for the write-off of accounts</p> <p>Reiterated under Observation No. 1.</p>	

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
the account.				
<p>4. The Allowance for Doubtful Accounts amounting to ₱9.95 million provided by the Administration for the balance of the Accounts Receivable was unreliable due to the improper recognition of Bad Debts Expense for the year, thus, casting doubt on the fairness of presentation of the financial statements.</p> <p>We recommended and the Management agreed to require the Acting Accountant to:</p> <p>a) Prepare the Aging of Accounts Receivables in accordance with the proper classification as prescribed in the Manual on Government Accounting System in order to correctly provide for an Allowance for Doubtful Accounts and properly present the Accounts Receivable in the correct realizable value; and</p> <p>b) Prepare the necessary adjusting entry to rectify the overstatement of the Allowance for Doubtful Accounts for CY 2016.</p>	<p>AAR CY 2016 page 31</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Recommendations were fully implemented, however, due to the inconsistencies with the Aging of Accounts Receivable, the computed Allowance for Impairment may not be reliable.</p> <p>Reiterated under Observation No. 2.</p>	<p>Adjusted</p>
<p>5. Discrepancies of ₱0.81 million existed between the General Ledger Balances and Supplies Ledger Cards of the Inventory accounts.</p> <p>We recommended and the Management agreed to require the Acting Accountant and the Accounting Processor A to reconcile the GL and SL balances,</p>	<p>AAR CY 2016 page 34</p> <p>AAR CY</p>	<p>Not Implemented</p>	<p>Reiterated under Observation No. 3.</p>	

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
and effect immediate adjustments to reflect proper balances in both records. In cases of change in assignments, proper turnover should be a requirement to facilitate assumption of personnel on the new roles and to effectively pinpoint responsibilities.	2015 page 27 and CY 2014 page 26			
<p>6. Lack of reconciliation between the accounting and property records of the Inventory account balance of ₱2.43 million</p> <p>We recommended that Management require the Acting Accountant and the Property Custodian Designate to:</p> <p>a) Trace the remaining difference of 249 items of Office Supplies Inventory, and make sure that all items are listed in both records; and</p> <p>b) Check the Gasoline, Oil and Lubricants Inventory and effect immediate adjustments, if warranted. Likewise, the Acting Accountant should sign the SL to certify that the said account is correct.</p>	<p>AAR CY 2016 page 35</p> <p>AAR CY 2015 page 30 and CY 2013 page 23</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>		<p>For CY 2017, difference in quantity was only 3.</p>
<p>7. Unreliable reported year-end balance of Prepaid Insurance account in the amount of ₱341,189</p> <p>We recommended that Management:</p> <p>a) Require the previous Accounting Clerk to immediately turnover all available records and documents to the Acting Accountant relating to the</p>	<p>AAR CY 2016 page 37</p>	<p>Fully Implemented</p>		<p>Adjusted August 31, 2017 with copy of JEV17-08-527</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>Prepaid Insurance account; and</p> <p>b) Require the Acting Accountant and other Accounting staff to examine all available records to determine proper amortization of the said account and effect proper adjustments, if necessary.</p>		Fully Implemented		
<p>8. A net discrepancy of ₱0.75 million existed between the General Ledger balances and the submitted Report on the Physical Count of Property, Plant and Equipment as of December 31, 2016.</p> <p>We recommended and the Management agreed to require the Acting Accountant and the Property Custodian Designate to:</p> <p>a) Continue exerting efforts to determine the causes of the discrepancies in the balances of the PPE accounts, and to effect immediate adjustments in their respective records, if warranted; and</p> <p>b) Continue conducting periodic reconciliation of their records and thereafter reconcile them with the result of physical count, thru RPCPPE, to determine discrepancies for immediate adjustments in order to reflect the correct balance of the PPE accounts.</p>	<p>AAR CY 2016 page 38</p> <p>AAR CY 2015 page 31 and CY 2014 page 29</p>	<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Reiterated under Observation No. 4.</p>	<p>The Acting Accountant and the Property Custodian Designate are continuously reconciling their records. In CY 2017, the difference between the GL and RPCPPE decreased by ₱616,032.96 (₱746,857.74- ₱130,824.78)</p>
<p>9. The fuel consumption of the service vehicles of the Administration amounting to ₱0.80 million for CY 2016 not properly controlled and regulated</p>	<p>AAR CY 2016 page 39</p>			

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>We recommended and the Management agreed to:</p> <p>a) Ensure that disbursement for gasoline/fuel should be properly controlled, regulated and monitored as provided under COA Circular No. 77-61;</p> <p>b) Immediately have the defective odometers and fuel gauges repaired to serve as control mechanism for fuel utilization of service vehicles and cause the submission of duly and correctly filled out Driver's Trip Tickets and Weekly Report of Official Travels;</p> <p>c) Require the Property Custodian Designate to prepare the Monthly Report of Fuel Consumption for each vehicle summarizing the submitted Driver's Trip Tickets and Weekly Report of Official Travels; and</p> <p>d) Require the Division Chief I-Administrative and Finance Division to supervise the proper monitoring and control of the consumption of gasoline/fuel.</p>		<p>Fully Implemented</p> <p>Partially Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Defective odometers and fuel gauges are scheduled to be repaired or replaced (whichever option is more advantageous) by 2018</p>	<p>Proper monitoring is being done in the utilization of gasoline/fuel.</p> <p>With Control Measures adopted</p> <p>Driver's Trip Ticket and Weekly Report of Official Travels were duly and correctly filled out.</p>
<p>10. Journal Entry Vouchers (JEVs), together with the Disbursement Vouchers (DVs) for January to October 2016 transactions, amounting to ₱1.05 million were not yet submitted to the Office of the Auditor and submission of the collection accounts and other JEVs with their DVs for CY 2016 were delayed.</p> <p>We recommended and the Management agreed to:</p>	<p>AAR CY 2016 page 42</p> <p>AAR CY 2015 page 49</p>			

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>a) Direct the Acting Accountant and the other persons responsible in gathering and filing the JEVs, DVs and the supporting documents to submit immediately to the Office of the Auditor/Audit Team the unsubmitted JVs and DVs with complete supporting documents; and</p> <p>b) Ensure that the required reports and accounts with complete supporting documents are submitted within the prescribed period.</p>		<p>Fully Implemented</p> <p>Fully Implemented</p>		<p>JEVs and DVs are being submitted on time.</p>
<p>11. The Non-Revenue Water of the Administration for CY 2016 of 27.17 per cent was within their targeted acceptable efficiency level of 29 per cent, but was 2.17 per cent higher than the water industry average of 25 per cent, which resulted to foregone revenue of ₱3.32 million.</p> <p>We recommended that Management investigate the cause/s of high percentage of NRW of the Administration and come up with remedies to address the causes to minimize if not totally eliminate its incurrence. Further, it should aspire to attain or even go below the standard NRW of 25% required by the NWRB from drinking water providers.</p>	<p>AAR CY 2016 page 43</p>	<p>Partially Implemented</p>	<p>Reiterated under Observation No. 11. NRW in CY 2017 = 24.12%</p>	
<p>12. The Administration's efforts to improve its financial performance and position may not be enough, casting doubt on its ability to perform its functions and powers and to continue as a going</p>	<p>AAR CY 2016 page 44</p>			

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>concern.</p> <p>We recommended that Management:</p> <p>a) Make representation with proper authorities to implement Section 6 of RA No. 7820 which provides that the member-municipalities shall take charge of the amount necessary for the capitalization of PDA to be charged against their respective Internal Revenue Allotment;</p> <p>b) Make representation with proper authorities to source fund from the government share on the proceeds earned by PAGCOR from granting franchise to operate gambling enterprises, as provided for under Section 12 of PD No. 1869;</p> <p>c) Continue implementing cost cutting measures by eliminating excessive/unnecessary expenditures in its entire operations;</p> <p>d) Intensify collection of outstanding Accounts Receivables by making necessary follow-ups on series of demand letters sent. Continue the disconnection of water service of all concessionaires with unpaid water bills;</p> <p>e) Consider viable options for its minor operating units such as privatization of the DZRP radio station and the re-opening of CHRD for rental of the Maceda Hall and its furniture and fixtures;</p>	<p>AAR CY 2015 page 50</p> <p>AAR CY 2013 page 34</p> <p>AAR CY 2011 Page 27</p>	<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Municipal Mayors as members of the PDA Board were already informed and reminded during board meetings but there is no commitment on their part</p> <p>The management already tackled this matter and still looking for other government agencies that have the authority to grant funds</p> <p>On-going implementation of 2-month disconnection policy</p> <p>The management intensified the promotion for radio advertisements and implemented some cost-cutting measures.</p>	<p>Intensified cost-cutting measures and eliminated excessive/unnecessary expenditures</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>f) Prioritize the payment of the foreign loans to minimize incurrence of interest and other charges; and</p> <p>g) Find ways to settle its foreign loan amortization on or before the due dates to prevent the incurrence of additional interest charges as well as lighten the financial burden of the National Government.</p>		<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Reiterated under Observation No. 13.</p>	<p>With repayment plan beginning CY 2019</p> <p>Total payments made in CY 2017 totaled ₱57,090,000.</p>
<p>13. The Administration was not able to prepare its Water Safety Plan for the year, however was regular in its obligation of submitting its water samples for bacteriological potability tests for the assurance that the supplied water to its concessionaires are of safe quality.</p> <p>We recommended that Management comply with the regulations on the development and implementation of Water Safety Plan as required by DOH. For continuity of assurance of safe water quality, strict implementation of the WSP should be undertaken.</p>	<p>AAR CY 2016 page 51</p>	<p>Partially Implemented</p>	<p>Reiterated under Observation No. 9.</p>	<p>The Division Manager C for Operations declared that they are still in the process of preparing the WSP for the Administration and have just prepared a draft for review and completion.</p>
<p>14. The Partido Development Administration was not able to insure its insurable properties, other than</p>	<p>AAR CY</p>		<p>PDA will cause the insurance of other Insurable Properties this year</p>	<p>PDA Main Building is already insured</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>vehicles, with the Government Service Insurance System General Insurance Fund, thus, it has no assurance of any indemnification in case of destruction, damages to, or loss of its property through fire, flood, theft or other fortuitous events.</p> <p>We recommended that Management cause the insurance of its insurable properties with the GSIS in compliance with RA No. 656, as amended by PD No. 245, to insure that in case of destruction, damages to, or loss of its property through fire, flood, theft or other fortuitous events, the PDA would have indemnification from the GSIS to augment its funds for any possible repairs.</p>	2016 page 52	Partially Implemented	Reiterated under Observation No. 14.	(Policy #4500508742) Applied for insurance renewal for its service vehicles
<p>15. The Administration was regular in the deduction of premiums and loan repayments from the salaries of its employees and remitted same on time to the GSIS during the year. However, there was an unremitted balance of ₱369,642 reflected in the General Ledger of the Due to GSIS account.</p> <p>We commended Management for complying with the regulation on the regular deduction and remittance of the premiums and loan repayments to the GSIS for CY 2016. However, we recommended that the Acting Accountant look into the prior years' records to investigate on the unremitted balances, and remit the same to the GSIS as soon as practicable to avoid the incurrance of any consequence that maybe imposed.</p>	AAR CY 2016 page 53	Partially Implemented	<p>In CY 2017, there was an ending balance of ₱15,920 even after remittance of premiums and loan repayments for December 2017 was made.</p> <p>Reiterated under Observation No. 15.</p>	

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>16. The Administration paid to the Bureau of Internal Revenue the amount of ₱25,000 as penalty charge for late submission of Annual Information Return of Income Taxes Withheld on Compensation and Final Withholding Taxes (BIR Form 1604-CF) for Calendar Year 2014, thus it incurred unnecessary expenses.</p> <p>We recommended that Management:</p> <p>a) Assess whether liability could be imposed on the defaulting employee/s which resulted in the penalty of ₱25,000; and</p> <p>b) Require the Acting Accountant and the Accounting Processor B to ensure that attachments have no errors prior to submission. Also, early submission should be made to allow ample time to resubmit attachments in case of errors noted by the eSubmission Validation Report.</p>	<p>AAR CY 2016 page 54</p>	<p>Partially Implemented</p> <p>Partially Implemented</p>		<p>To follow-up with the BIR.</p>
<p>17. Of the 33 identified Gender and Development (GAD) projects and activities for the year with a total allotment of ₱4.06 million, only eight were implemented with no reported amount of expenses incurred, thus GAD Program was not efficiently implemented.</p> <p>We recommended that Management:</p> <p>a) Advise the GAD Focal Person and the other</p>	<p>AAR CY 2016 page 55</p> <p>AAR CY 2015 page 54 and</p>	<p>Fully</p>		<p>Some of the</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>personnel involved in the GAD Program to attend seminars on GAD in order to enhance their knowledge and skills in the preparation and implementation of the GAD PB in accordance with the standards set by the PCW;</p> <p>b) Require the GAD Focal Person to prepare the GAD PB in accordance with the format/template prescribed in JC No. 2012-01 and submit it to the PCW for review and DBM for approval on time. She should be guided with the timetable provided in the JC;</p> <p>c) Cause the implementation of the PCW-endorsed and DBM- approved GPB; and</p> <p>d) Require the GAD Focal Person to prepare also the AR in accordance with the format/template prescribed in JC. Amounts of actual costs incurred should be reflected and should be within the approved budget.</p>	<p>CY 2014 page 44</p>	<p>Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p>	<p>GAD PB and AR were prepared already in accordance with the prescribed format/template but was not submitted on time.</p> <p>Reiterated under Observation No. 17.</p>	<p>personnel involved in GAD program had already attended seminars on GAD.</p>
<p>18. Travel expenses to Davao City of seven PDA personnel amounting to ₱110,350 were unnecessary.</p> <p>We recommended and the Management agreed to explain/justify further why they allowed the seven personnel to go on travel to Davao City. If unjustified, to require them to refund the expenses incurred which may be considered as unnecessary in the implementation of the Cacao and Pili Seedlings</p>	<p>AAR CY 2016 page 58</p>	<p>Fully Implemented</p>		<p>Individual accomplishment reports were submitted to the Audit Team.</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
Production Training Project of the DSWD.				
<p>19. Purchases of agricultural and hardware materials amounting to ₱12.37 million were not supported with Warranty Security.</p> <p>We recommended and the Management agreed to:</p> <p>a) Require the suppliers of the agricultural and hardware materials for the Cacao and Pili Seedlings Production Project to submit their Warranty Securities for their deliveries to protect the interest of the beneficiaries and to avoid the suspension in audit; and</p> <p>b) Require the personnel processing the claims that in the future purchases of goods and infrastructure projects, Warranty Security should be required from all the suppliers and contractors as required under Section 62 of the RIRR of RA No. 9184.</p>	<p>AAR CY 2016 page 60</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>		
<p>20. Some cash advances for travel were not liquidated properly as required.</p> <p>We recommended that Management strictly comply with the provisions of COA Circular No. 96-004 in the grant, liquidation and monitoring of cash advances for travel. In the preparation of the Itinerary of Travel which is the basis for determining the amount of cash advance, only the possible necessary</p>	<p>AAR CY 2015 page 24</p>	<p>Partially Implemented</p>	<p>The Administration aims to strictly implement the following: (1) “No liquidation of previous Cash Advance, No cash Advance shall be granted”; and (2) 30-day upon return to official station liquidation policy are now being done. However, despite of this, some cash advances granted within the year were not liquidated within the</p>	<p>The Administration aims to consistently implement its policies on the granting and liquidation of cash advances.</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>expenses per EO No. 248, as amended by EO No. 248-A and EO No. 298, should be included. If there is still any excess cash advance due to cancelled or shortened travel, immediate refund should be required.</p>			<p>required 30-day period.</p> <p>In CY 2016, there were two persons who liquidated beyond the 30-day period.</p>	
<p>21. The Deeds of Absolute Sale/Donation of five parcels of land amounting to ₱4,488,933.00 were not registered with the Register of Deeds where the lands are located.</p> <p>We recommended and the Management agreed to cause the immediate registration of the Deeds of Absolute Sale/Donation of the acquired parcels of land under the name of Partido Development Administration with the Register of Deeds where the lands are located to make their ownership legal and binding.</p>	<p>AAR CY 2015 page 32</p>	<p>Partially Implemented</p>	<p>Registration still in process</p>	<p>A designated individual was assigned the task of registering with the Register of Deeds the five parcels of land.</p>
<p>22. The submitted RPCPPE as of December 31, 2015 was not completely filled-up.</p> <p>We recommended and the Management agreed to require the Inventory Committee to prepare and submit a properly and completely accomplished/filled-up RPCPPE based on a physical count conducted in the correct/prescribed format.</p>	<p>AAR CY 2015 page 33 and CY 2014 page 31</p>	<p>Partially Implemented</p>	<p>The form was already changed but there were still some incomplete details in the RPCPPE.</p> <p>Details could not be completed due to properties that are unlocated. Records from 2004-2016 are still being reviewed to properly reflect actual PPE items on hand in the RPCPPE.</p>	

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>23. Some of the issued Property, Plant and Equipment were not yet covered by Memorandum Receipt/Property Acknowledgement Receipt.</p> <p>We recommended and the Management agreed to require the Acting Property Officer to expedite the preparation of the ARE/PARs for the issued property and to renew them every January of the third year after issue. The ARE/PARs should contain the complete description of the property, including the brand name and their serial number.</p>	<p>AAR CY 2015 page 34 and CY 2014 page 32</p>	<p>Partially Implemented</p>	<p>Preparation and renewal of AREs are still on-going.</p>	<p>The Acting Property Officer already prepared MR/PAR/ARE for some PPE items.</p>
<p>24. A Honda HRV Wagon, Model 2001 has a unit value of ₱1.00 only, resulting in the understatement of Assets and Government Equity.</p> <p>We recommended and the Management agreed to:</p> <p>a) Cause the immediate appraisal of the donated Honda HRV wagon; and</p> <p>b) Require the Accountant to record the appraised value of the property and rectify the understatement of the asset and government equity accounts.</p>	<p>AAR CY 2015 page 35</p>	<p>Not Implemented</p> <p>Not Implemented</p>	<p>The service vehicle is still for appraisal. The service vehicle is still valued at ₱1.00 as per RPCPPE As of December 31, 2017.</p>	
<p>25. The Medical, Dental and Laboratory Supplies Inventory, Other Deferred Credits and Accounts Payable accounts were overstated by</p>	<p>AAR CY 2015</p>			

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>₱981,000.00, ₱52,553.87 and ₱928,446.13, respectively, due to erroneous recording and posting of transactions.</p> <p>We recommended and the Management agreed to instruct the Accountant to carefully review transactions before recording, and to comply with the prescribed Chart of Accounts per NGAS and generally accepted accounting principles in booking up transactions, as a means of ensuring the accuracy and reliability of financial records.</p>	page 39	Fully Implemented		
<p>26. The payments of per diems to the Board of Directors (BOD) for CY 2015 in the total amount of ₱314,325.00 were not supported with attendance sheets and minutes of the meetings.</p> <p>We recommended that Management:</p> <p>a) Require the Disbursing Officer/concerned employee to submit the attendance sheets and minutes of the BOD's meetings conducted in CY 2015 which were the subject of the liquidation reports/disbursements made to avoid the issuance of Notice of Suspension; and</p> <p>b) Always ensure that disbursements of funds for the payment of honoraria/per diems of BODs for meetings attended be duly supported with complete documentation to establish its propriety.</p>	AAR CY 2015 page 41	Fully Implemented Fully Implemented		Attendance sheets and minutes of the meetings as supporting documents to the payment of per diems to the BOD are already attached to the DVs.

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
<p>27. Expenses for meals amounting to ₱148,301.31 were incurred for the activities conducted by the Administration which were deemed not in accordance with its mandates.</p> <p>We recommended that the Management:</p> <p>a) Justify why it conducted the activities which were deemed not in accordance with its mandate/mission/ functions and powers; and</p> <p>b) Conduct only activities that are related or within its mandate/mission/function.</p>	<p>AAR CY 2015 page 43</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>		<p>Beginning CY 2016, the PDA was already cautious in conducting activities to ascertain that that the activities will be in accordance with its mandates.</p>
<p>28. Honoraria, Consultancy Services and Other Maintenance and Operating expenses were understated while Travelling Expenses-Local and Training Expenses were overstated by ₱314,325.00, ₱114,869.45 and ₱14,196.43 respectively.</p> <p>We recommended that Management:</p> <p>a) Require the Acting Budget Officer to be very careful in the preparation of the budget, thus to review thoroughly the expenses incurred in previous years as bases;</p> <p>b) Require the Accountant to carefully review transactions before recording; and</p> <p>c) Require Acting Budget Officer and the Accountant</p>	<p>AAR CY 2015 page 45</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully</p>		

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
to comply with the prescribed NGAS Chart of Accounts, in taking up transactions, as a means of ensuring the accuracy and reliability of financial records.		Implemented		
<p>29. Of the total amount of ₱28,046,598.48 billed by the National Water Resources Board (NWRB) to the PDA as supervision and regulations fees for CY 2005-2001, only ₱19,402,696.52 was recorded in the books as Accounts Payable, thus resulted in the understatement of liability account and overstatement of equity account by ₱8,643,901.96. Likewise, the recording of the amount as Accounts Payable instead of Due to Other NGAs is contrary to the provisions on the classification of accounts in the New Government Accounting System.</p> <p>We recommended and the Management agreed to:</p> <p>a) Require the Accountant to record in the books the amount of ₱8,643,901.96 as liability as provided for under NGAS – Corporate and IAS 37;</p> <p>b) Require the Accountant to reclassify the indebtedness from the Accounts Payable account to the Due to Other GOCCs account to reflect the proper classification of accounts in the financial statements; and</p> <p>c) Cause the payment of the payable to the NRWB</p>	AAR CY 2014 page 36	Fully Implemented Fully Implemented Partially	The request for condonation of	Management already made the necessary adjusting entries for reclassification of account and booking of the penalties – July 21, 2015.

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
to avoid the further accumulation of penalties and surcharges, and the disapproval for the renewal of the CPC and other legal sanctions that maybe imposed.		Implemented	interest is yet to be made by Management.	
<p>30. The PDA paid the total amount of ₱325,000.00 as penalty charges for using the read and bill machines and the systems without permit from the Bureau of Internal Revenue, in pursuance to the provisions of the National Internal Revenue Code, contrary to Section 368(b) of the Government Accounting and Auditing Manual, Volume I, thus the Agency incurred unnecessary expenses.</p> <p>We recommended that the Management investigate and pinpoint the person/s/employee/s who caused the incurrence of the additional expenses and require him/her to give justification/explanation or charge the amount to his/her account to avoid the issuance of Notice of Disallowance.</p>	AAR CY 2014 page 39	Partially Implemented	We have not received from the PDA any update regarding any further action taken by Management.	<p>The Management stated that they will make an appeal to COA for the following reasons:</p> <p>a) The employees responsible were no longer connected with PDA; and</p> <p>b) They will also make an appeal to BIR because for the past six years of using the read and bill machines and system, BIR did not require PDA for such permit.</p> <p>Representatives from BIR RO No. V already visited the</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
				PDA to witness the usage of the read and bill and machines. A copy of the findings and recommendations were furnished to the Administration. In conclusion, the machines currently in use fall under the category of Special Purpose Machines (SPM), which should also be registered with the BIR.
<p>31. Unserviceable Property, Plant and Equipment (PPE) which were no longer used in the operations with a total amount of ₱9,747,020.51 were still included in the recorded PPE accounts, contrary to the basic accounting policies adopted in the NGAS-GOCCs and the Philippine Accounting Standard No. 16. Their non-disposal deprive the Agency from earning additional income from sale thereof, prevent it from using the space that these properties occupy and expose the latter to elements causing their further deterioration, and diminished value.</p> <p>We recommended that the Administrator direct the</p>	<p>AAR CY 2013 page 24 and CY 2010 Page 26</p>	<p>Partially Implemented</p>	<p>Request for inspection was already made.</p>	

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
Disposal Committee to immediately segregate and appraise all unserviceable properties/equipment and if found to be of value, sell the same at public auction to generate additional funds, and make available the use of the storage space occupied by these properties.				
<p>32. The agency could have avoided overspending and misspending had Management exercised prudence in the use of its corporate funds in accordance with COA Circular Nos. 85-55-A and 2012-003 dated Sept. 8, 1985 and Oct. 29, 2012, respectively.</p> <p>We recommended that Management observe prudence and frugality in the utilization of the Agency's funds and property in accordance with the provisions of COA Circular Nos. 85-55-A and 2012-003 to prevent further depletion of the source fiscal resources of PDA.</p> <p>We also recommended that persons liable for the excess EME refund the amount disallowed.</p>	<p>AAR CY 2013 page 32</p>	<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>With Notice of Disallowance</p>	<p>The Management commented that:</p> <p>a) The meals for seminars and trainings for Project Implementation and Development Activities or PIDA are being charged to these accounts;</p> <p>b) They promised to comply with the recommendations; and</p> <p>c) PDA Office Order No. 28 series of 2014 was issued by the Administrator regarding the</p>

Observations and Recommendations	Ref.	Status of Implementation	Reason for Partial/Non-Implementation	Management Action
				limit of mobile expenses.
<p>33. The Corporation had remitted a total of only ₱300,000.00 to the Bureau of Treasury for the assessed cost of audit services for CY 2011 and prior years, failed again to set the total unremitted balance of ₱2,914,554.00 as payables and appropriate in the COB contrary to Section 2 of EO 271 and COA – DBM Joint Circular No. 88-1, thus understating the Due to NGAs account of the same amount as of December 31, 2011.</p> <p>Management should strictly comply with the provisions of Section 2 of EO 271 dated January 1, 1987 and Section 4.2 and 4.5 of COA-DBM Joint Circular No. 88-1 dated July 29, 1988.</p>	<p>AAR CY 2011 Page 31</p>	<p>Partially Implemented</p>	<p>Future payments are yet to be made. The PDA has still payables to the COA as of the end of the year.</p>	

Part IV

ANNEXES

List of Annexes

ANNEX	DESCRIPTION
A	Schedule for Monetization of Leave Credits with Discrepancies for CY 2017
B	Consolidated Annual Procurement Plan of PDA for CY 2017
C	Acknowledgement Receipt by the DBM of the PDA-Accomplished Annual Procurement Plan for CY 2017
D	Detailed Schedule of the Payments made by PDA to the BTr for its Foreign Loan Obligations for CYs 2004 to 2017
E	Proposed Repayment Plan of PDA
F	Projected Income and Cash Flow Statement of PDA
G	Details of the Comparison between the Administration's Financial Performance for CYs 2016 and 2017
H	Schedule of Insurance Premiums Paid During the Year
I	Gender and Development (GAD) Plan and Budget for FY 2017
J	GAD Plan and Budget with the GAD Accomplishment Report for FY 2017

**PARTIDO DEVELOPMENT ADMINISTRATION
SCHEDULE FOR MONETIZATION OF LEAVE CREDITS WITH DISCREPANCIES
CALENDAR YEAR 2017**

DATE MONETIZED	NAME OF EMPLOYEE	DV #	CHECK #	PER LEAVE CARD			PER APPLICATION FOR MONETIZATION (LEAVE APPLICATION & COMPUTATION FOR MONETIZATION)			DISCREPANCY BEFORE MONETIZATION
				EARNED VL	EARNED SL	TOTAL NO. OF VL & SL	EARNED VL	EARNED SL	TOTAL NO. OF VL & SL	
01/19/17	Hilario Ursus B. Navarro	17-01-0194	89131	37.568	181.250	218.818	37.583	181.250	218.833	0.015
03/16/17	Edwin F. San Juan	17-03-654	94308	9.979	43.150	53.129	11.277	43.150	54.427	1.298
04/10/17	Sandy P. Gonzales	17-04-0808	94465	8.458	73.124	81.582	8.508	71.874	80.382	1.200
08/10/17	Catherine C. Padin	17-08-1737	100896	25.233	108.250	133.483	25.733	110.250	135.983	2.500
10/09/17	Jean T. Moraña	17-10-2174	101249	16.986	90.240	107.226	16.992	90.240	107.232	0.006
10/23/17	Recha Isabel P. Quinn	17-10-2271	101364	5.282	111.300	116.582	5.338	111.300	116.638	0.056

Legend:

Discrepancy in Red Font Color: Total No. of VL & SL Per Leave Card < Total No. of VL & SL Per Leave Application & Computation for Monetization

Prepared by:


HILDA A. QUIAPO

State Auditor I

Audit Team Member - Team R5-02

Reviewed by:


MAREDITH A. BRAZAL

State Auditor IV

Audit Team Leader - Team R5-02

**PARTIDO DEVELOPMENT ADMINISTRATION
SCHEDULE FOR MONETIZATION OF LEAVE CREDITS WITH DISCREPANCIES
CALENDAR YEAR 2017**

DATE MONETIZED	NAME OF EMPLOYEE	DV #	CHECK #	PER LEAVE CARD			PER APPLICATION FOR MONETIZATION (LEAVE APPLICATION & COMPUTATION FOR MONETIZATION)			DISCREPANCY BEFORE MONETIZATION
				EARNED VL	EARNED SL	TOTAL NO. OF VL & SL	EARNED VL	EARNED SL	TOTAL NO. OF VL & SL	
01/19/17	Hilario Ursus B. Navarro	17-01-0194	89131	37.568	181.250	218.818	37.583	181.250	218.833	0.015
03/16/17	Edwin F. San Juan	17-03-654	94308	9.979	43.150	53.129	11.277	43.150	54.427	1.298
04/10/17	Sandy P. Gonzales	17-04-0808	94465	8.458	73.124	81.582	8.508	71.874	80.382	1.200
08/10/17	Catherine C. Padin	17-08-1737	100896	25.233	108.250	133.483	25.733	110.250	135.983	2.500
10/09/17	Jean T. Moraña	17-10-2174	101249	16.986	90.240	107.226	16.992	90.240	107.232	0.006
10/23/17	Recha Isabel P. Quinn	17-10-2271	101364	5.282	111.300	116.582	5.338	111.300	116.638	0.056

Legend:

Discrepancy in Red Font Color: Total No. of VL & SL Per Leave Card < Total No. of VL & SL Per Leave Application & Computation for Monetization

Prepared by:


HILDA A. QUIAPO
State Auditor I

Audit Team Member - Team R5-02

Reviewed by:


MAREITH A. BRAZAL
State Auditor IV

Audit Team Leader - Team R5-02



Partido Development Administration

Created under R.A. 7820
Caraycayon, Tigaon, Camarines Sur
Tel. No. (54) 881-9480, 452-3929 Telefax: 881-9474
Website: www.pda.gov.ph

18 January 2017


Department Of Budget and Management
General Solano St., San Miguel
Malacanang, Metro Manila

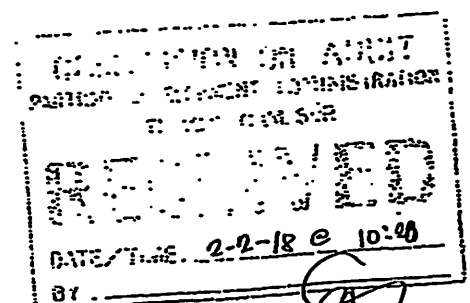
Dear Sir/Madam:

Respectfully forwarded herewith is the accomplished Annual Procurement Plan - Supplies and Materials for CY 2017 of the Partido Development Administration.

Thank you very much.

Very truly yours,


RAMON F. FUENTEBELLA
Administrator I





Partido Development Administration
Created Under R.A. 7820
Caraycayon, Tlgaon, Camarines Sur

**CONSOLIDATED ANNUAL PROCUREMENT PLAN
CAPITAL OUTLAY
CY 2017**

#	PARTICULARS	QTY.	UNIT	UNIT COST	TOTAL COST	SCHEDULE (Quarter)				MODE OF PROCUREMENT
						1st	2nd	3rd	4th	
1. General Administration and Support Services										
1. Water Treatment Plant & Office Rehabilitation/ Improvements										
		1	lot	25,000.00	25,000.00	1				NP-SVP
1	Improvement of Toilet (Dormitory and VIP Room)	1	lot	150,000.00	150,000.00	1				NP-SVP
2	Improvement of Personnel Office	1	lot	50,000.00	50,000.00	1				NP-SVP
3	Improvement of Internal Audit Office	1	lot	25,000.00	25,000.00	1				Public Bidding
4	Improvement of PDA Board Room	1	lot	1,200,000.00	1,200,000.00	1				NP-SVP
5	Installation of Genset, 125KVA/440VAC, WTP-Presentacion	1	lot	500,000.00	500,000.00	1				Public Bidding
6	Rehabilitation of Water Intake Pipe, WTP-Presentacion	1	lot	1,750,000.00	1,750,000.00	1				NP-SVP
7	Rehabilitation/Improvement of Access Road/River Crossing, WTP-Lag	1	lot	200,000.00	200,000.00	1				NP-SVP
8	Rehabilitation/Improvement of Access Road, WTP-Pres	1	lot	100,000.00	100,000.00	1				NP-SVP
9	Rehabilitation/Improvement of Access Road, WTP-T/S	1	lot	500,000.00	500,000.00		1			NP-SVP
10	Rehabilitation/Improvement of WTP Building/Facility	1	lot	25,000.00	100,000.00	1	2	1		NP-SVP
11	Rehabilitation of WTP HV Transformer Shed	4	lot	300,000.00	300,000.00	1				NP-SVP
12	Installation of Overhead Elec. Cable for RW Pump, WTP-Pres	1	lot	850,000.00	850,000.00	1				NP-SVP
13	Installation of additional transmission pipe, WTP-Goa	1	lot		850,000.00	1				NP-SVP
	Sub-total				5,750,000.00					
B. Furnitures, Fixtures, Office and I.T. Equipment										
		3	unit	20,000.00	60,000.00	2	1			Shopping
1	Aircondition, window type, 2HP	1	unit	50,000.00	50,000.00	1				Shopping
2	Aircondition, split type, Inverter	1	unit	150,000.00	150,000.00	1				Shopping
3	Biometrics	6	set	25,000.00	150,000.00	2	3	1		Shopping
4	Desktop Computer	2	set	28,000.00	56,000.00		1		1	Shopping
5	Desktop Computer	1	set	30,000.00	30,000.00	1				Shopping
6	Desktop Computer									

September 1, 2

Rev. No. 0

#	PARTICULARS	QTY.	UNIT	UNIT COST	TOTAL COST	SCHEDULE (Quarter)				MODE OF PROCUREMENT
						1st	2nd	3rd	4th	
		3	set	35,000.00	105,000.00	2		1		Shopping
7	Desktop Computer	4	unit	25,000.00	100,000.00	2				Shopping
8	Laptop	2	unit	35,000.00	70,000.00	2				Shopping
9	Laptop						6			Shopping
10	Read and Bill Gadget (with complete accessories and program)	6	set	47,000.00	282,000.00		6			Shopping
11	Printer for R & B Gadget (with complete accessories and program)	6	set	35,000.00	210,000.00		1			Shopping
12	Printer, Dot Matrix, Epson Fx2175	1	unit	30,000.00	30,000.00		1			Shopping
13	Printer, 3 In 1 (with scanner)	1	unit	15,000.00	15,000.00		1			Shopping
14	Projector	1	unit	30,000.00	30,000.00	1				Shopping
15	Projector	2	unit	32,000.00	64,000.00	2				Shopping
	Sub-total				1,402,000.00					

C. SERVICE VEHICLES										
		2	unit	800,000.00	1,600,000.00	1				Public Bidding
1	Multicab				1,600,000.00					
	Sub-total									

D. WTP EQUIPMENT/MACHINE										
		1	unit	100,000.00	100,000.00	1				NP-SVP
1	Submersible Pump, SP 17-2 with motor, WTP-Garchitorea	1	unit	150,000.00	150,000.00	1				NP-SVP
2	Submersible Pump, SP 30-3 with motor, WTP-Presentacion	1	unit	100,000.00	100,000.00	1				NP-SVP
3	Submersible Motor, 15HP x 440VAC	1	unit	60,000.00	60,000.00	1				NP-SVP
4	Submersible Motor, 5HP x 440VAC	1	set	250,000.00	250,000.00		1			NP-SVP
5	Electronic Governor, Volvo/Tad 1232	1	set	60,000.00	120,000.00		2			Shopping
6	Auto Voltage Regulator, Leroy Somer/R230	2	pc	20,000.00	40,000.00		2			Shopping
7	Grasscutter	1	unit	15,000.00	15,000.00		1			NP-SVP
8	Pressure Washer	6	pcs	30,000.00	180,000.00	6				NP-SVP
9	Bonnet Assy, Swing-Chk Valve, DN100	6	pcs	25,000.00	150,000.00	4				NP-SVP
10	Bonnet Assy, Swing-Chk Valve, DN80	4	pcs	25,000.00	100,000.00	4				NP-SVP
	Sub-total				1,115,000.00					

E. PLUMBING MATERIALS AND EQUIPMENT AND NC II MOCK-UP INSTALLATION										
		10	pcs	21,000.00	210,000.00	10				Shopping
1	315mm (12") PVC Pipes Series 8, Class-150 x 6m	10	pcs	19,425.00	194,250.00	10				Shopping
2	400mm CI Sleeve Type Couplings	10	pcs	16,800.00	168,000.00	10				Shopping
3	355mm CI Sleeve Type Couplings									

September 1, 20

Rev. No. 0

DA-F-PROC/CAPPCO-010

#	PARTICULARS	QTY.	UNIT	UNIT COST	TOTAL COST	SCHEDULE (Quarter)				MODE OF PROCUREMENT
						1st	2nd	3rd	4th	
		1	unit	25,000.00	25,000.00	1				Shopping
4	Jumping Jack Compactor	1	unit	20,000.00	20,000.00	1				Shopping
5	Cutting Outfit Set with oxygen/acetylene cylinder	1	lot	150,000.00	150,000.00	1				NP-SVP
6	Plumbing Mock-up Installation for NC II Training				767,250.00					
Sub-total										
F. DISTRIBUTION NETWORK EXTENSIONS & IMPROVEMENTS										
1	Rehabilitation and repair of distribution lines in Binalay to	1	lot	200,000.00	200,000.00	1				Shopping & NP-SVP
2	Installation of lateral lines in Buenavista, Tinambac, C.S.	1	lot	100,000.00	100,000.00			1		Shopping & NP-SVP
3	Installation of lateral lines in Magtang, Tinambac, C.S.	1	lot	30,000.00	30,000.00			1		Shopping & NP-SVP
4	Installation of lateral lines in Magtang, Tinambac, C.S.	1	lot	150,000.00	150,000.00			1		Shopping & NP-SVP
4	Installation of lateral lines in Cagllilog, Tinambac, C.S.	1	lot	2,500,000.00	2,500,000.00		1			Public Bidding & NP
5	Construction of storage tank in Canayonan, Tinambac	1	lot	150,000.00	150,000.00	1				Shopping & NP-SVP
6	Installation of lateral lines in Sitio Boncao, San Roque, Lagonoy, C.S.	1	lot	200,000.00	200,000.00		1			Shopping & NP-SVP
7	Installation of lateral lines in Pasay Road, Matala, Goa, C.S.	1	lot	40,000.00	40,000.00			1		Shopping & NP-SVP
8	Installation of lateral lines in Digdigon, Goa, C.S.	1	lot	40,000.00	40,000.00			1		Shopping & NP-SVP
9	Installation of lateral lines in Zone 2, Dolo, San Jose, C.S.	1	lot	25,000.00	25,000.00			1		Shopping & NP-SVP
10	Installation of lateral lines in Zone 2, Sabang, San Jose, C.S.	1	lot	120,000.00	120,000.00	1				Shopping & NP-SVP
11	Replacement of PRV diaphragm 315mm (12") in Goa, C.S.	1	lot	450,000.00	450,000.00	1				Shopping & NP-SVP
12	Installation of additional distribution lines in Buracan, Sagay, C.S.	1	lot	1,500,000.00	1,500,000.00		1			Public Bidding & NP
13	Installation of Distribution Network Mother Meters	1	lot	1,800,000.00	1,800,000.00		1			Public Bidding & NP
14	Installation of Distribution Isolation Valves	1	lot	2,000,000.00	2,000,000.00			1		Public Bidding & NP
15	Installation of additional Pressure Reducing Valves	1	lot	2,000,000.00	2,000,000.00			1		Public Bidding & NP
					P	9,305,000.00				
Sub-total										
					P	19,939,250.00				
TOTAL										

Prepared by:

JEAN T. MORANA
Customer Services Asst. A

Recommending Approval:

ANGELICA A. REGONDOLA
BAC Chairperson

Approved by:

RAMON F. FUENTEBELLA
Administrator I

September 1, 20

Rev. No. 0

JA-F-PROC/CAPPCO-010

Paradiso Development Administration
 Created Under R.A. 7820
 Caraycayon, Tigaon, Camarines Sur



**AMENDED CONSOLIDATED ANNUAL PROCUREMENT PLAN
 CAPITAL OUTLAY
 CY 2017**

#	PARTICULARS	QTY.	UNIT	UNIT COST	TOTAL COST	SCHEDULE (Quarter)				MODE OF PROCUREMENT
						1st	2nd	3rd	4th	
A. General Administration and Support Services										
A. Water Treatment Plant & Office Rehabilitation/ Improvements										
1	Rehabilitation of WTP Building/Facility (Phase 1 CA S1)	1	lot	765,000.00	765,000.00	1				NP-SVP
2	Rehabilitation/Improvement of WTP Building/Facility (Phase 1 CA S1)	1	lot	500,000.00	500,000.00	1				NP-SVP
3	Rehabilitation of 125KVA "Johndeere" Genset in Garchi	1	lot	300,000.00	300,000.00	1				NP-SVP
4	Rehabilitation of 200KVA "Johndeere" Genset in Car WTP	1	lot	500,000.00	500,000.00		1			NP-SVP
5	Rehabilitation of 125 kva "Iveco" genset	1	lot	70,000.00	70,000.00		1			NP-SVP
6	Rehabilitation of 125 kva "Johndeere" genset in Pres WTP	1	lot	60,000.00	60,000.00		1			NP-SVP
7	Rehabilitation of 125 kva "Johndeere" genset in Goa WTP	1	lot	48,000.00	48,000.00		1			NP-SVP
8	Rehabilitation of 50 kva "Johndeere" genset in Goa WTP	1	lot	122,500.00	122,500.00		1			NP-SVP
9	Rehab/Improve of (5) units TW pumps	1	lot	150,000.00	150,000.00	1				Direct Contracting
10	Installation of 220VAC power supply @ WTP-Siruma (Vito)	1	lot	77,500.00	77,500.00			1		NP-SVP
11	Rehab/Improvement of access road (Pres. WTP)	1	lot	250,000.00	250,000.00	1				NP-SVP
12	Improvement/extension of PWSS Chem. WHSE	1	lot	425,000.00	425,000.00		1			NP-SVP
13	Repair of CHRD Building roofing, gutters, ceilings	1	lot	996,000.00	996,000.00		1			Public Bidding
14	Rehabilitation & Improvement of PDA Main building	1	lot	1,500,000.00	1,500,000.00		1			NP-SVP
15	Installation of DZRP Radio Station antenna/tower, Sur	1	lot	242,325.75	242,325.75				1	NP-SVP
16	Rehabilitation, improvement & installation of electrical wirings at PDA Main bldg.	1	lot	440,883.52	440,883.52		1			NP-SVP
17	Installation of office signage at Tigaon Collection Center	1	lot	26,000.00	26,000.00				1	NP-SVP
Sub-total					6,473,209.27					
B. Furnitures, Fixtures, Office and I.T. Equipment										
1	Aircondition, window type, 2HP	1	unit	20,000.00	20,000.00	1				NP-SVP
2	Aircon, window type	1	unit	30,000.00	30,000.00	1				NP-SVP
3	Office Signages	3	set	39,000.00	39,000.00	1				NP-SVP
4	Desktop Computer	2	set	25,000.00	75,000.00	1			1	NP-SVP
5	Desktop Computer	2	set	37,000.00	74,000.00	1				NP-SVP
6	Desktop Computer	1	set	30,000.00	30,000.00	1				NP-SVP
7	Desktop Computer	3	set	35,000.00	105,000.00	2		1		NP-SVP
8	Desktop Computer	4	unit	25,000.00	100,000.00	3				NP-SVP
9	Laptop	2	unit	31,000.00	62,000.00				1	NP-SVP

10	Laptop	1	unit	50,000.00	50,000.00	1	NP-SVP
11	Projector	1	unit	30,000.00	30,000.00	1	NP-SVP
12	Projector	2	unit	32,000.00	32,000.00	2	NP-SVP
13	Aircondition, floor mounted 4hp, Inverter	1	unit	90,000.00	180,000.00	1	NP-SVP
14	Document Scanner	1	unit	45,000.00	45,000.00	1	NP-SVP
15	DLP Projector	1	unit	35,000.00	35,000.00	1	NP-SVP
16	Camera w/ kit lens 16mm-50mm, 3.5-5.6 24Amp, mpsg4	1	unit	38,000.00	38,000.00	1	NP-SVP
17	Database Computer Server	1	lot	150,000.00	150,000.00	1	NP-SVP
	Sub-total			1,095,000.00			

C. SERVICE VEHICLES							
1	Van with FB Body (Single AC)	2	unit	800,000.00	1,600,000.00	1	Public Bidding
	Sub-total			1,600,000.00			

D. WTP EQUIPMENT/MACHINE							
1	Submersible Pump, SP 17-2 with motor, WTP-Garhitorena	1	unit	95,000.00	95,000.00	1	NP-SVP
2	Submersible Pump, SP 30-3 with motor, WTP-Presentation	1	unit	130,000.00	130,000.00	1	NP-SVP
3	Submersible Pump, SP 60-4 with motor, WTP-Lagonoy	2	unit	240,000.00	240,000.00	1	NP-SVP
4	Submersible Pump, SP 30-2 with motor, WTP-Caramoan	4	pieces	115,000.00	230,000.00	4	NP-SVP
5	Timer 24 volt/230 volt (S102166924)	3	pieces	15,000.00	45,000.00	3	NP-SVP
6	Interval Timer/External start (S11216724)	3	pieces	15,000.00	45,000.00	3	NP-SVP
7	Timer (S105166924)	2	pc	20,000.00	40,000.00	2	NP-SVP
8	Grasscutter	1	unit	15,000.00	15,000.00	1	NP-SVP
9	Pressure Washer	6	pcs	22,500.00	135,000.00	6	NP-SVP
10	Bonnet Assv. Swing-Chk Valve, DN100	4	pcs	20,000.00	80,000.00	4	NP-SVP
11	Bonnet Assv. Swing-Chk Valve, DN80	1	unit	80,000.00	80,000.00	1	NP-SVP
12	Demolition Jackhammer, GSH 16-30	1	unit	60,000.00	60,000.00	1	NP-SVP
13	Portable Generator, 3,900 watts	2	unit	30,000.00	60,000.00	2	NP-SVP
14	Stand-by Power generator set						
	Sub-total			1,315,000.00			

E. BILLING AND COLLECTION CONSULTING SERVICES							
1	BIR Compliant cloud based read and bill android application, tellering, & customer software w/ payment partner system	1	lot	1,790,000.00	1,790,000.00	1	Public Bidding
	Sub-total			1,790,000.00			

F. PLUMBING MATERIALS AND EQUIPMENT AND NC II MOCK-UP INSTALLATION							
1	355mm (14") PVC Pipes Series 8, Class-150 x 6m	8	pcs	26,250.00	210,000.00	10	NP-SVP
2	400mm CI Sleeve Type Couplings	10	pcs	19,425.00	194,250.00	10	NP-SVP
3	355mm CI Sleeve Type Couplings	10	pcs	16,800.00	168,000.00	10	NP-SVP
4	Pipe Threader, Heavy Duty	3	unit	76,000.00	228,000.00	3	NP-SVP
	Sub-total			800,250.00			

G. DISTRIBUTION NETWORK EXTENSIONS & IMPROVEMENTS							
1	Installation of lines from Camagong Crossing to Camagong Proper, Tinambac.	1	lot	469,690.00	469,690.00	1	NP-SVP

2	Installation of additional transmission Pipes and Filter Tank at Tinambac WTP.	1	lot	268,812.00	268,812.00			1		NP-SVP
3	Installation of lateral lines in Sitio Boncao, San Roque, Lagonoy, C.S.	1	lot	150,000.00	150,000.00	1				NP-SVP
4	Installation of distribution lines in Salog, Goa, Cam, Sur	1	lot	265,000.00	265,000.00		1			NP-SVP
5	Installation of Distribution Isolation Valves	1	lot	481,442.48	481,442.48		1			NP-SVP
6	Rehabilitation of Camagong Bridge Crossing Lines in Camagong, Tinambac.	1	lot	260,000.00	260,000.00		1			NP-SVP
7	Rehabilitation of lateral lines in Bociod, San Jose	1	lot	144,674.25	144,674.25		1			NP-SVP
8	Rehabilitation of lateral lines in Zone 4 Napawon, Sitio Bagacay, Catagbacan, Sitio Sorocol, Halawig-gogon and Zone 1 Gimaga Goa	1	lot	100,000.00	100,000.00		1			NP-SVP
9	Installation of additional transmission lines from Mahalnod Spring source to Tlgaon WTP.	1	lot	4,635,000.00	4,635,000.00				1	Public Bidding
10	Installation of Spring Box perimeter fence in Belen, Goa	1	lot	91,172.00	91,172.00			1		NP-SVP
				P				6,865,790.73		
Sub-total										
				P				19,939,250.00		
TOTAL										

Prepared by:

CATHERINE C. PADIN
BAC Secretary

Recommending Approval:

ANGELICA R. REGONDOLA
BAC Chairperson

Approved by:

RAMON F. FUENTEBELLA
Administrator I



Partido Development Administration
Created Under R.A. 7820
Caraycayon, Tigaon Camarines Sur

Consolidated Annual Procurement Plan (APP)
CAPITAL OUTLAY
CY 2017

DIVISION	AMOUNT
1. ADMINISTRATIVE & FINANCE	
PERSONNEL	P 350,000.00
CASH	105,000.00
PROPERTY	50,000.00
ACCOUNTING	75,000.00
INTERNAL AUDIT	75,000.00
Sub-total	<u>655,000.00</u>
2. PLANNING, EVALUATION & MONITORING	<u>125,000.00</u>
3. BOD	<u>60,000.00</u>
4. ENGINEERING & OPERATION DIVISION2	
DZRP FM Station	30,000.00
CHRD	65,000.00
BILLING	692,000.00
Production	6,640,000.00
Distribution Network & Main Office	11,672,250.00
Sub-total	<u>19,099,250.00</u>
TOTAL	<u><u>19,939,250.00</u></u>

Prepared by:

JEAN T. MORANA
 CSA - A

Recommending Approval:

ANGELICA P. REGONDOLA
 BAC Chairperson

Approved by:

RAMON F. FUENTEBELLA
 Administrator I



In following-up, pls. cite DMS ref #
2017-BC-0005081

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
General Solano St, San Miguel, Manila
ACKNOWLEDGEMENT RECEIPT

The DEPARTMENT OF BUDGET AND MANAGEMENT hereby acknowledges the receipt of your letter/request which has been uploaded to the DBM-Document Management System and routed to the appropriate office/s with the following information:

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Document Title: PDA-ACCOMPLISHED ANNUAL PROCUREMENT PLAN - SUPPLIES AND MATERIALS FOR CY 2017

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Partido Development Administration
 Analysis of Due to National Treasury
 As of December 31, 2017

Year	Advances			Interest on Advances			Total Amount Due	Total Payment Made for the Year	% of Payment to Aggregate of Gross Advances and Interest
	Gross Advances	Payments	Net Advances	Interest Due	Payments	Net Interest Due			
2004	80,434,595.85	-	80,434,595.85	3,822,917.57	-	3,822,917.57	84,257,513.42	-	0.00%
2005	82,197,155.16	-	82,197,155.16	11,296,167.12	-	11,296,167.12	93,493,322.28	-	0.00%
2006	73,139,937.03	-	73,139,937.03	14,979,850.07	-	14,979,850.07	88,119,787.10	-	0.00%
2007	69,918,729.54	-	69,918,729.54	14,571,083.05	2,000,000.00	12,571,083.05	82,489,812.59	2,000,000.00	2.37%
2008	66,556,301.46	-	66,556,301.46	21,038,389.84	7,000,000.00	14,038,389.84	80,594,691.30	7,000,000.00	7.99%
2009	69,591,092.02	-	69,591,092.02	21,128,260.63	3,000,000.00	18,128,260.63	87,719,352.65	3,000,000.00	3.31%
2010	63,214,187.97	-	63,214,187.97	21,531,232.89	5,000,000.00	16,531,232.89	79,745,420.86	5,000,000.00	5.90%
2011	60,926,396.12	-	60,926,396.12	14,685,379.60	8,400,000.00	6,285,379.60	67,211,775.72	8,400,000.00	11.11%
2012	56,297,379.18	49,675.71	56,247,703.47	13,229,619.71	12,000,000.00	1,229,619.71	57,477,323.18	12,049,675.71	17.33%
2013	55,859,870.13	-	55,859,870.13	5,461,762.80	9,000,000.00	(3,538,237.20)	52,321,632.93	9,000,000.00	14.68%
2014	57,744,309.78	-	57,744,309.78	9,779,459.84	15,900,000.00	(6,120,540.16)	51,623,769.62	15,900,000.00	23.55%
2015	52,596,572.18	11,000,000.00	41,596,572.18	15,656,172.42	3,400,000.00	12,256,172.42	53,852,744.60	14,400,000.00	21.10%
2016	53,205,638.21	16,800,000.00	36,405,638.21	14,282,396.06	-	14,282,396.06	50,688,034.27	16,800,000.00	24.89%
2017									
1st Quarter	27,642,620.91	19,000,000.00	8,642,620.91	3,838,552.81		3,838,552.81	12,481,173.72	19,000,000.00	60.35%
2nd Quarter	-	-	-	5,572,268.87		5,572,268.87	5,572,268.87	-	0.00%
3rd Quarter	29,425,821.91	28,740,000.00	685,821.91	5,983,112.79		5,983,112.79	6,668,934.70	28,740,000.00	81.17%
4th Quarter		9,350,000.00	(9,350,000.00)			-	(9,350,000.00)	9,350,000.00	
	898,750,607.45	84,939,675.71	813,810,931.74	196,856,626.07	65,700,000.00	131,156,626.07	944,967,557.81	150,639,675.71	13.75%

Note: Interest Due amounting to 6,029,800.53 in the 4th Quarter not yet reflected because communication regarding the interest was only received in February 2018, when the book was already closed. It will be recorded as expense in CY 2018, the year the billing for the interest was received.

Add: Liability for Guaranty Fees	68,732,746.86
Due to National Treasury	1,013,700,304.67
Balance of Total Liabilities	1,112,814,536.69
% of Due to National Treasury to Total Liabilities	91.09%
Gross Advances and Interest	1,095,607,233.52



Partido Development Administration

Created under R.A. 7820
Caraycayon, Tigayon, Camarines Sur
Tel. No. (54) 881-9480, 452-3929 Telefax: 881-9474
Email: partidodevelopment7820@gmail.com
Website: www.pda.gov.ph

02 October 2017

CARLOS DOMINGUEZ III

Secretary

Department of Finance

Roxas Boulevard corner Pablo Ocampo, Sr. St.

Manila 1004

Attention : Soledad Emilia J. Cruz
Assistant Secretary
Corporate Affairs Group

Subject : Proposed Repayment Plan for NG advances on Partido Development Administration's loan obtained from ABN AMRO Bank N.V., through DANIDA

Dear *Secretary Dominguez*:

PDA, on its commitment to improve operational efficiency, unceasingly exerted efforts to generate sufficient revenues to settle its foreign loan obligations, and for the past three years PDA had continuously remitted with the Bureau of Treasury. During CY 2015 PDA had been able to pay ₱ 14.4Mn; ₱ 16.8Mn for CY 2016; as of August 2017, it would be noteworthy that PDA had already paid ₱ 47.74Mn and will still remit ₱ 9.328Mn by December 2017 to cover in full its CY 2017 loan amortization. By 2018, PDA will also commit to pay its two (2) remaining loan amortization with ABN-AMRO.

With the aforementioned undertakings, PDA is now proposing its adjusted 26-year repayment plan, based on its remaining corporate life, which shall start on year 2019. Please see attached Proposed 26-year Repayment Plan (using the latest available interest rate from BTr: 2.710%) and PDA Board Resolution No. 18 s. 2017 for your perusal and consideration.

Thank you very much.

Very truly yours,


RAMON F. FUENTEBELLA
Administrator I



Excerpts from the minutes of the PDA Board of Directors meeting held on 29 September 2017 at PDA Tigaon, Camarines Sur.

RESOLUTION NO. 12
 Series of 2017

RESOLUTION APPROVING THE PDA'S REPAYMENT PLAN FOR THE NATIONAL GOVERNMENT'S ADVANCES FOR THE PARTIDO WATER SUPPLY SYSTEM PROJECT

Whereas, the Partido Development Administration, a government-owned and controlled-corporation has an existing soft-loan granted from the Denmark's Official Development Assistance (ODA) granted through the Royal ABN-AMRO Bank of Denmark for the Partido Water Supply System Project (PWSSP);

Whereas, having established from the feasibility study that the loan is not financially feasible but economically viable, the Philippine government issued a National Guarantee for the said loan;

Whereas, the project provides potable water, a basic human need, to the ten municipalities in the Fourth Congressional District (Partido) of Camarines Sur;

Whereas, for the past several of its operation the PDA has requested and was granted advances from the National Government for the PWSS loan amortizations;

Whereas, despite encountering financial difficulties in settling its loan obligations, the PDA has improved its financial performance and has since formulated a repayment plan for National Government Advances based on the remaining corporate life of the PDA, covering a period of twenty-six (26) years beginning 2019;

Whereas, the said repayment plan considers an annual interest rate of 2.71%, with a total principal amount due of P855,908,723.04, and a total computed interest of P313,134,206.33;


Now therefore, on unanimous motion, **BE IT RESOLVED AS IT IS HEREBY**

RESOLVED, to approve the PDA's repayment plan for the Philippine National Government's advances for the Partido Water Supply System Project.


RESOLVED FURTHER, to provide a copy of this resolution to the Governance Commission for GOCCs, Department of Budget and Management and the Department of Finance.

Done this 29th day of September 2017 at Partido Development Administration, Tigaon, Camarines Sur.

Certified Correct:


LEO FRANCISCO T. BRIGUERA
 Board Secretary
 Private Sector Representative – Sagñay

Attested by:


JIMMY V. DELEÑA
 Board Chairman
 Mayor - Presentacion

Parkido Development Administration
created under R.A. 7820
Caraycayon, Tigaon, Camarines Sur

PROPOSED REPAYMENT PLAN

Pay*	Year	Total Principal	Interest Due	Principal Due	Total Due	Quarterly Due
Year 1	2019	855,908,723.04	23,195,126.39	32,919,566.27	56,114,692.67	14,028,673.17
2	2020	822,989,156.77	22,303,006.15	32,919,566.27	55,222,572.42	13,805,643.10
3	2021	790,069,590.50	21,410,885.90	32,919,566.27	54,330,452.17	13,582,613.04
4	2022	757,150,024.23	20,518,765.66	32,919,566.27	53,438,331.93	13,359,582.98
5	2023	724,230,457.96	19,626,645.41	32,919,566.27	52,546,211.68	13,136,552.92
6	2024	691,310,891.69	18,734,525.16	32,919,566.27	51,654,091.44	12,913,522.86
7	2025	658,391,325.42	17,842,404.92	32,919,566.27	50,761,971.19	12,690,492.80
8	2026	625,471,759.15	16,950,284.67	32,919,566.27	49,869,850.94	12,467,462.74
9	2027	592,552,192.88	16,058,164.43	32,919,566.27	48,977,730.70	12,244,432.67
10	2028	559,632,626.61	15,166,044.18	32,919,566.27	48,085,610.45	12,021,402.61
11	2029	526,713,060.34	14,273,923.94	32,919,566.27	47,193,490.21	11,798,372.55
12	2030	493,793,494.06	13,381,803.69	32,919,566.27	46,301,369.96	11,575,342.49
13	2031	460,873,927.79	12,489,683.44	32,919,566.27	45,409,249.71	11,352,312.43
14	2032	427,954,361.52	11,597,563.20	32,919,566.27	44,517,129.47	11,129,282.37
15	2033	395,034,795.25	10,705,442.95	32,919,566.27	43,625,009.22	10,906,252.31
16	2034	362,115,228.98	9,813,322.71	32,919,566.27	42,732,888.98	10,683,222.24
17	2035	329,195,662.71	8,921,202.46	32,919,566.27	41,840,768.73	10,460,192.18
18	2036	296,276,096.44	8,029,082.21	32,919,566.27	40,948,648.48	10,237,162.12
19	2037	263,356,530.17	7,136,961.97	32,919,566.27	40,056,528.24	10,014,132.06
20	2038	230,436,963.90	6,244,841.72	32,919,566.27	39,164,407.99	9,791,102.00
21	2039	197,517,397.63	5,352,721.48	32,919,566.27	38,272,287.75	9,568,071.94
22	2040	164,597,831.35	4,460,601.23	32,919,566.27	37,380,167.50	9,345,041.88
23	2041	131,678,265.08	3,568,480.98	32,919,566.27	36,488,047.25	9,122,011.81
24	2042	98,758,698.81	2,676,360.74	32,919,566.27	35,595,927.01	8,898,981.75
25	2043	65,839,132.54	1,784,240.49	32,919,566.27	34,703,806.76	8,675,951.69
26	2044	32,919,566.27	892,120.25	32,919,566.27	33,811,686.52	8,452,921.63
			313,134,206.33	855,908,723.04	1,169,042,929.37	

* Based on the remaining corporate life of PDA (Creation: September 19, 1994)

Interest Rate: 2.710%

Assumption: PDA will pay its own loan amortization for CY 2018

NG Advances as of June 30, 2017

822,475,109.83

Interest Expense for July - December 2017 (based on the Outstanding NG Advances * 2.710%) * 180/360

11,144,537.74

Interest Expense for CY 2018 (based on the Outstanding NG Advances * 2.710%)

22,289,075.48

Estimated Outstanding NG Advances, December 31, 2018

855,908,723.04

Partido Development Administration
Projected Income & Cash Flow Statement
CY 2018 to 2024 (in '000 Pesos)

	As prepared by the PDA						
	2016 <u>Audited</u>	2017 <u>Actual</u>	2018 <u>Estimate</u>	2019 <u>Estimate</u>	2020 <u>Estimate</u>	2021 <u>Estimate</u>	2022 <u>Estimate</u>
Cash Receipts from PWSS	95,705.49	103,943.44	120,117.15	138,134.72	145,041.45	152,293.53	159,908.20
Add: Beginning Cash Balance	54,980.80	57,246.54	38,621.00	2,037.85	352.06	598.98	3,972.07
Other Income	1,482.15	1,300.15	1,396.77	1,536.45	1,690.09	1,859.10	2,045.01
Performance/Bidders/Ball Bonds	652.96	107.45	186.08	204.69	225.16	247.68	272.44
Receipt of Fund for Airport Project		6,000.00					
Total Cash Flow	152,821.50	168,597.57	160,321.00	141,913.71	147,308.77	154,999.29	166,197.73
Less: Operating Budget	46,619.92	52,207.42	71,921.79	74,079.45	77,783.42	81,672.59	85,756.22
					1,500.00	1,650.00	1,815.00
Retooling Maintenance of PWSS WTPs		1,324.24			2,287.46	2,516.20	2,767.82
Machineries and Equipment	2,198.43	1,212.95	2,310.56	2,079.51	2,765.00	3,041.50	3,345.65
Installation/Rehabilitation/Improvement of various WTP Transmission Lines and Distribution Lines		3,511.77	3,761.90	2,633.33	2,079.00	2,286.90	2,515.59
Rehabilitation/Repair of Generator Set		355.08	2,100.00	1,890.00			
Installation of Isolation Valves and Fire Hydrants			756.50				
Office Equipment, Furniture and Fixtures and other Fixed Assets		7,659.64	2,098.51	1,888.66	2,077.52	2,285.28	2,513.81
Transportation Vehicle			1,562.00				
Expansion of PWSS service connection	6,451.85						
Net Operating Inflow	97,551.30	102,326.46	75,809.73	59,342.76	58,816.57	61,546.82	67,483.64
Other Cash Inflow(Outflow)							
Payment of advances made by BTr	(16,800.00)	(57,090.00)	(56,253.90)	(56,114.69)	(55,222.57)	(54,330.45)	(53,438.33)
Accounts Payable	(6,247.73)	(3,756.58)	(11,880.06)	(2,376.01)	(2,494.81)	(2,744.29)	(3,018.72)
Payment of trust fund	(16,557.04)	(2,358.88)	(5,137.92)				
Payment to COA	(700.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)
Net Cashflow before Foreign Loan	57,246.54	38,621.00	2,037.85	352.06	598.98	9,972.07	10,526.59
Advances from BTr (Foreign Loan)	50,511.15	52,148.78	56,253.90	56,114.69	55,222.57	54,330.45	53,438.33
Payment of Foreign Loan	(50,511.15)	(52,148.78)	(56,253.90)	(56,114.69)	(55,222.57)	(54,330.45)	(53,438.33)
Ending Cash Balance	57,246.54	38,621.00	2,037.85	352.06	598.98	9,972.07	10,526.59

Note:

BTr Payment of Loan

CY 2016 - P 1,400,00/MONTH

CY 2017 - 100% of the NG Advances for CY2017

CY 2018 - 100% of the NG Advances

CY 2019 to 2022 - Please see Proposed Repayment Plan

Partido Development Administration
Projected Income & Cash Flow Statement
CY 2018 to 2044 (in '000 Pesos)

	Extended (Based on the Estimates used by PDA)										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Cash Receipts from PWSS	167,903.61	176,298.79	185,113.73	194,369.42	204,087.89	214,292.29	225,008.90	236,257.25	248,070.11	260,473.61	273,497.30
Add: Beginning Cash Balance	10,526.59	20,977.69	157,094.61	174,294.48	195,649.02	220,561.50	249,073.19	281,984.37	318,631.18	359,037.11	404,054.53
Other Income	2,249.51	2,474.46	2,721.91	2,994.10	3,293.51	3,622.86	3,985.15	4,383.66	4,822.03	5,304.23	5,834.65
Performance/Bidders/Ball Bonds	299.69	329.66	362.62	398.89	438.77	482.65	530.92	584.01	642.41	706.65	777.31
Receipt of Fund for Airport Project	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow	180,979.40	200,080.61	345,292.87	372,056.89	403,469.19	438,939.30	478,596.15	523,209.29	572,165.72	625,321.60	684,163.79
Less: Operating Budget	90,044.03	94,546.23	99,273.54	104,237.22	109,449.08	114,921.53	120,667.61	126,700.99	133,036.04	139,687.84	146,672.23
Net Operating Inflow	77,344.50	90,584.42	229,574.38	250,438.58	274,900.92	303,006.65	335,560.50	371,903.45	422,084.35	456,901.45	505,666.02
Other Cash Inflow/Outflow											
Payment of advances made by BTR	(52,546.21)	(51,654.09)	(50,761.97)	(49,869.85)	(48,977.73)	(48,085.61)	(47,193.49)	(46,301.37)	(45,409.25)	(44,517.13)	(43,625.01)
Accounts Payable	(3,320.60)	(3,652.66)	(4,017.92)	(4,419.71)	(4,861.68)	(5,347.85)	(5,882.64)	(6,470.90)	(7,117.99)	(7,829.79)	(8,612.77)
Payment of trust fund	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)
Payment to COA	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)
Net Cashflow before Foreign Loan	20,977.69	157,094.61	174,294.48	195,649.02	220,561.50	249,073.19	281,984.37	318,631.18	359,037.11	404,054.53	436,303.24
Advances from BTR (Foreign Loan)	52,546.21	51,654.09	50,761.97	49,869.85	48,977.73	48,085.61	47,193.49	46,301.37	45,409.25	44,517.13	43,625.01
Payment of Foreign Loan	(52,546.21)	(51,654.09)	(50,761.97)	(49,869.85)	(48,977.73)	(48,085.61)	(47,193.49)	(46,301.37)	(45,409.25)	(44,517.13)	(43,625.01)
Ending Cash Balance	20,977.69	157,094.61	174,294.48	195,649.02	220,561.50	249,073.19	281,984.37	318,631.18	359,037.11	404,054.53	436,303.24

Notes:

BTR Payment of Loan

CY 2016 - P 1,400.00/MONTH

CY 2017 - 100% of the NG Advances for CY2017

CY 2018 - 100% of the NG Advances

CY 2019 to 2022 - Please see Proposed Repayment Plan

**Partido Development Administration
Projected Income & Cash Flow Statement
CY 2018 to 2044 (in '000 Pesos)**

	Extended (Based on the Estimates used by PDA)										
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Cash Receipts from PWSS	287,172.16	301,530.77	316,607.31	332,437.67	349,059.56	366,512.53	384,838.16	404,080.07	424,284.07	445,498.27	467,773.19
Add: Beginning Cash Balance	60,303.24	113,027.69	170,514.36	231,884.66	297,088.19	367,102.93	440,884.48	518,315.65	600,448.33	686,016.29	774,805.39
Other Income	6,418.12	7,059.93	7,765.92	8,542.51	9,396.76	10,336.44	11,370.09	12,507.09	13,757.80	15,133.58	16,646.94
Performance/Bidders/Bail Bonds	855.05	940.55	1,034.61	1,138.07	1,251.87	1,377.05	1,514.77	1,666.24	1,832.87	2,016.15	2,217.77
Receipt of Fund for Airport Project	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow	354,748.56	422,558.93	495,922.19	574,002.91	656,796.38	745,328.96	838,607.49	936,569.05	1,040,323.07	1,148,664.30	1,261,443.29
Less: Operating Budget	154,005.85	161,705.14	169,791.45	178,281.02	187,195.07	196,554.82	206,382.56	216,701.69	227,536.78	238,913.61	250,859.30
Net Operating Inflow	165,734.62	223,276.58	284,796.91	350,254.68	420,638.29	494,914.61	572,979.67	655,898.62	742,420.68	832,348.50	926,833.28
Other Cash Inflow/Outflow											
Payment of advances made by BTr	(42,732.89)	(41,840.77)	(40,948.65)	(40,056.53)	(39,164.41)	(38,272.29)	(37,380.17)	(36,488.05)	(35,595.93)	(34,703.81)	(33,811.69)
Accounts Payable	(9,474.05)	(10,421.45)	(11,463.60)	(12,609.96)	(13,870.95)	(15,258.05)	(16,783.85)	(18,462.24)	(20,308.46)	(22,339.31)	(24,573.24)
Payment of trust fund	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)
Payment to COA	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)
Net Cashflow before Foreign Loan	113,027.69	170,514.36	231,884.66	297,088.19	367,102.93	440,884.48	518,315.65	600,448.33	686,016.29	774,805.39	867,948.35
Advances from BTr (Foreign Loan)	42,732.89	41,840.77	40,948.65	40,056.53	39,164.41	38,272.29	37,380.17	36,488.05	35,595.93	34,703.81	33,811.69
Payment of Foreign Loan	(42,732.89)	(41,840.77)	(40,948.65)	(40,056.53)	(39,164.41)	(38,272.29)	(37,380.17)	(36,488.05)	(35,595.93)	(34,703.81)	(33,811.69)
Ending Cash Balance	113,027.69	170,514.36	231,884.66	297,088.19	367,102.93	440,884.48	518,315.65	600,448.33	686,016.29	774,805.39	867,948.35

Note:

BTr Payment of Loan

CY 2016 - P 1,400.00/MONTH

CY 2017 - 100% of the NG Advances for CY2017

CY 2018 - 100% of the NG Advances

CY 2019 to 2022 - Please see Proposed Repayment Plan

Partido Development Administration
 Detailed Analysis of Income and Expenses
 For Calendar Years 2017 and 2016

	2017					2016				
	PWSS/PDA	CENTER FOR HUMAN RESOURCE DEVELOPMENT	NATO PORT	DZRP	TOTAL	PWSS/PDA	CENTER FOR HUMAN RESOURCE DEVELOPMENT	NATO PORT	DZRP	TOTAL
Income	104,395,111.91	7,575.00	-	658,762.00	105,061,448.91	97,697,290.41	42,080.00	-	937,741.00	98,677,111.41
Personal Services	19,701,834.59	-	-	-	19,701,834.59	17,684,106.77	-	-	-	17,684,106.77
Maintenance & Other Operating Expenses	29,103,333.77	75,968.83	14,931.97	1,946,827.23	31,141,061.80	28,300,815.59	116,641.73	22,366.00	1,387,046.43	29,826,869.75
Taxes, Duties and Licenses	5,002,442.44	-	-	-	5,002,442.44	2,051,489.53	-	-	-	2,051,489.53
Non-Cash Items	22,754,465.50	19,401.90	-	-	22,773,867.40	23,250,346.86	-	-	-	23,250,346.86
Total Operating Expenses	76,562,076.30	95,370.73	14,931.97	1,946,827.23	78,619,206.23	71,286,758.75	116,641.73	22,366.00	1,387,046.43	72,812,812.91
Financial Expenses	16,205,054.36	-	-	-	16,205,054.36	13,468,465.01	-	-	-	13,468,465.01
Income (Loss) From Operations	11,627,981.25	(87,795.73)	(14,931.97)	(1,288,065.23)	10,237,188.32	12,942,066.65	(74,561.73)	(22,366.00)	(449,305.43)	12,395,833.49
Gain/Loss on Foreign Exchange (ForEx)	(8,223,050.39)	-	-	-	(8,223,050.39)	(3,378,774.10)	-	-	-	(3,378,774.10)
Interest Income	322,327.42	-	-	-	322,327.42	321,891.60	-	-	-	321,891.60
Net Income/(Loss)	3,727,258.28	(87,795.73)	(14,931.97)	(1,288,065.23)	2,336,465.35	9,885,184.15	(74,561.73)	(22,366.00)	(449,305.43)	9,338,950.99

Partido Development Administration
Schedule of Insurance Premiums Paid During the Year
Calendar Year 2017

Check Date	Check No.	Payee	Nature of Payment	Amount	OR'S#
01/23/17	89114	GSIS	Insurance premium of SV SHE 212	3,088.02	#5740005825
01/23/17	89115	GSIS	Insurance premium of MC SJ 3482	1,336.71	#5740005824
02/21/17	89427	GSIS	Insurance premium MC SD 9233	1,234.25	#5740006035
02/21/17	89428	GSIS	Insurance premium SV SFK 233	2,756.51	#5740006036
03/21/17	94346	GSIS	Insurance premium of SEH784	4,669.94	#5740006360
03/21/17	94350	GSIS	Insurance premium of MC SD 9234	1,217.97	#5740006359
04/20/17	94501	GSIS	Insurance premium of MC SD 9235	1,220.93	#5740006563
05/16/17	94676	GSIS	Insurance premium of MC SD 9226	1,225.93	#5740006718
08/01/17	100757	GSIS	Insurance premium of MC SD 9228	1,387.35	#5740007214
08/01/17	100758	GSIS	Insurance premium of MC SD 9238	1,387.35	#5740007215
05/16/17	94677	GSIS	Insurance premium of MV SEH596	3,497.19	#5740006717
08/23/17	100948	GSIS	Insurance premium of MC SD 9239	1,387.35	#5740007386
08/23/17	100949	GSIS	Insurance premium of MC SD 9229	1,387.35	#5740007385
08/23/17	100950	GSIS	Insurance premium of SEH209	2,956.56	#5740007384
11/15/17	101443	GSIS	Fire insurance premium of PDA main building	13,353.72	#5740007813
11/27/17	101550	GSIS	Insurance premium of WPF 620	2,898.56	#5740007829
12/18/17	101663	GSIS	Insurance premium of SEH211	3,667.79	#5700009729
12/18/17	101664	GSIS	Insurance premium of WSG 791	3,889.12	#5700009728
12/18/17	101665	GSIS	Insurance premium of SHE#341	3,712.16	#5700009730
TOTAL				56,274.76	



Partido Development Administration

Created under R.A. 7820
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Email: partidodevelopment7820@gmail.com
Website: www.pda.gov.ph

Philippine Commission on Women
1145 J.P. Laurel St., San Miguel
Manila, Philippines

Cc: Department of Budget and Management
General Solano St., San Maiguel
Manila, Philippines

Dear Sir/Ma'am:

This is to officially transmit to you our GAD Plan & Budget (GPB) 2019 and GAD Accomplishment Report (GAD AR) 2017 wherein the former has been submitted via Gender Mainstreaming Monitoring System (GMMS) as well.

Thank you!

Very truly yours,


RAMON F. FUENTEBELLA R.C.E., M.M.
Administrator I

ANNUAL GENDER AND DEVELOPMENT (GAD) PLAN AND BUDGET (FY 2017)

Department (Central Agency) _____

Agency/ Bureau/Office **PARTIDO DEVELOPMENT ADMINISTRATION**

Total GAA of Agency: _____

GENDER ISSUE and/or GAD Mandate	Cause of the Gender Issue	GAD Result Statement/GAD Objectives	Relevant Agency MFO/PAP	GAD ACTIVITY	Output Performance Indicators and Targets	GAD BUDGET	SOURCE OF BUDGET	Responsible Unit/Office
Creation and Strengthening of PDA GAD Focal Point system (PDA-GFPS)								
PDA has yet to re-formulate policies, plans, programs and projects that are gender responsive based on the standard of Philippine Commission for Women	There might be misinterpretation of GAD policies and procedures resulting to non-implementation of proposed activities	To formulate Plans and programs that are gender responsive		Establishment of PDA-GAD Focal Point System (PDA-GFPS)	Office Order for the PDA GAD Focal Point System (PDA-GFPS)			A&F Division , PEMD, Operations Division
				Re-orientation/ Re-training of the key personnel on GAD Planning and Budgeting	Trainings/Seminars/ Workshop of the PDA GAD Focal Point System with COA and PCW	60,000.00	PS, MOOE & CO	A&F Division , PEMD, Operations Division
There is a need to link Gender Analysis, Gender Mainstreaming and the GAD Budget	Gender Issues might be interpreted differently from what it should be	To evaluate and assess existing GAD Activities through Gender Analysis (GA) to be conducted by PCW accredited GAD Specialist		Gender Analysis to be conducted by PCW accredited specialist held at PDA	GAD Plan and Budget Approved by PCW	200,000.00	PS, MOOE & CO	A&F Division , PEMD, Operations Division
				Conduct a Gender Mainstreaming Planning Workshop	Gender Mainstreaming Plan/ GAD Agenda	300,000.00	PS, MOOE & CO	A&F Division , PEMD Operations Division
				Annual GAD Planning and Budget	Validated Gender Mainstreaming Analysis	300,000.00	PS, MOOE & CO	A&F Division , PEMD Operations Division
				Gradually increase the gender-responsiveness of PDA Plans and projects by allocating a portion or whole of their budgets to the GAD budget supporting gender-responsive plans, projects and activities (PPAs)	3% annual increase on the attributed gender-responsive PDA PPAs	400,000.00	PS, MOOE & CO	A&F Division , PEMD Operations Division
OPERATIONAL EXCELLENCE								
PDA has yet to develop manpower pool for critical services	There may be misconception about performance of duties pertaining to the capability of technical and non-technical personnel	To develop the skills, abilities and capabilities of all employees regardless of appointment status through attendance in trainings and seminar related to technical skill enhancement with emphasis on gender and development		Trainings and seminars for Plumbers to be participated by both male and female	5 TESOA Certified plumbers	15,000.00	PS, MOOE & CO	Operations Division
				Equal opportunity for both male and female to attend trainings and seminars that will broaden the awareness of its respective role within the organization regardless of sexuality	35 employees with Salary Grade 18 and below	126,000.00	MOOE	A&F Division
				Equal opportunity for Middle Management to attend supervisory/ Managerial trainings to enhance their management skills.	3 Division Chiefs & Administrator	98,322.96	MOOE	A&F Division
There is a need for a Quality Management System with emphasis	Strengthening of male and female role in the	To increase PDA employees' level of awareness for an effective delivery of services		Equal opportunity for executive /managerial post to attend gender-responsive related trainings and seminar related to ISO requirements.	3 Division Chiefs & Administrator	80,000.00	MOOE	A&F Division

GENDER, ISSUE and/or GAD Mandate	Cause of the Gender Issue	GAD Result Statement/GAD Objectives	Relevant Agency MFO/PAP	GAD ACTIVITY	Output Performance Indicators and Targets	GAD BUDGET	SOURCE OF BUDGET	Responsible Unit/Office
on strengthening gender-responsive programs and projects.	delivery of services to clients	that is compliant with International Operation for Standardization (ISO)		Equal opportunity for SO 18 and below to participate in gender responsive/career advancement trainings and seminars relevant to ISO requirements	10 GAD-advocates	60,000.00	MOOE	AS&F Division
PDA has to establish gender responsive mechanism to improve operational efficiency	Stereotyped role of male and female with regard to operational efficiency	Equal opportunity of male and female to participate in activities to improve operational efficiency		Attendance to gender-responsive trainings which includes highly strategic approach that will improve operational efficiency Formulate policies and procedures on personnel actions that will have potentially capable personnel to delay critical functions Brain bag discussion with GAD-advocates to harness potential contribution in improving operational efficiency Capacity building activities that will enhance the awareness of supervisory/ managerial personnel to actively contribute in revenue generation	3 Division Chiefs & Administrator 15 Middle Managers AS&F, CO, PRGD	107,000.00 111,000.00 150,000.00	MOOE MOOE MOOE	AS&F Division AS&F Division All Division AS&F Division
Inadequate capacity of both gender to generate revenues	These might be practices that are not gender-sensitive	To be able to inspire both gender contribute in revenue generation		Equal opportunity of both gender to avail of the trainings and seminars offered by accredited financial institutions to enhance PDA's strategies in revenue generation A safe work place for all personnel performing audits and functions concerning revenue generation	3 Division Chiefs & Administrator 30 personnel handling revenue generations functions	48,000.00 233,840.34	MOOE MOOE & CO	AS&F Division AS&F Division
Absence of gender sensitive monitoring mechanism to determine the level of customer satisfaction	There might be practices/policies that are still not gender-sensitive / responsive	PDA ensure a gender - sensitive / responsive services		Coordination with GAD vocates Academe in the formulation of gender sensitive survey to determine the level of customer satisfaction Conduct a gender-responsive / sensitive survey to determine the level of PDA quality of service and find out the level of customers' satisfaction	Gender Sensitive Survey results of customer's level of satisfaction	105,000.00 112,000.00	MOOE MOOE	Operations Division Operations Division
GOOD GOVERNANCE								
PDA has to partner with GAD-advocates line agencies and stakeholders in monitoring and project implementation	There might be practices in monitoring and project implementation that is discriminatory to both gender with regard to partnership with line agencies and stakeholders	affirmative action programs to increase women's participation in policy making and decision making e.g. hiring, promotion, representation, etc.		Learning and Development programs for the Administrator & Division Chief (GAD-advocates)	Annual GAD communication Plan established with IEC (Information, Education and Communication)	96,000.00	MOOE	AS & F
Lack of awareness among employees (men and women) and GAD Focal System on Regional/National/ International updates on GAD Programs/Projects, Disaster Risk Reduction Management and others	United participation to regional/national GAD conventions, trainings and other related activities	Increased participation of GAD PS and employees to various international/national conventions/trainings and other related activities		Organizational Consultative Meetings	Quarterly Organizational Consultative Meetings on GAD issues and concerns 4 convenors/ trainings and other related activities attended by 5 GAD PS members and employees (men and women)	24,000.00 186,000.00	MOOE MOOE	AS&F Division AS&F Division
				Partner with GAD-advocates Academe/ Institutions who are experts on Climate Change Mitigation and Disaster Risk Management In-house training on Disaster Risk Management and Climate Change Mitigation	PDA with Academe/Institutions who are expert in climate change mitigation and Disaster Risk management	150,000.00 89,000.00	MOOE & CO PS & MOOE	Operations Division Operations Division

GENDER ISSUE and/or GAD Mandate	Cause of the Gender Issue	GAD Result Statement/GAD Objectives	Relevant Agency MFO/PAP	GAD ACTIVITY	Output Performance Indicators and Targets	GAD BUDGET	SOURCE OF BUDGET	Responsible Unit/Office
DEVELOPMENT FOCUS								
Upgrade Human Resource in various sectors	Lack of Information of the Policies and procedures on Retirement	Awareness on their plight after work age		RETIREMENT PROGRAM- The need to be aware of their plight after work age	Quarterly Orientation for all employee ages 60 and above	\$3,000.00	MOOE	A&F Division
	Absence of Proposal/plans that will address Women's Issue/Problems	To prepare plans/proposals that will address/attend on Women's Issues.		WOMEN'S MONTH CELEBRATION - Forum, Crowdsourcing	100% attendance of Female Employees	100,000.00	MOOE	A&F Division
	Lack of Interaction with other agencies.	To interact with other agencies regardless of gender & status of appointment		PHILIPPINE CIVIL SERVICE Anniversary	20 employees (MALE/FEMALE) attended the activity	30,000.00	MOOE	A&F Division
	Continue to Improve the 5 "S" (SORT, SYSTEMATIZE, SWEEP, STANDARDIZE and SUSTAIN).	To actively participate in the implementation regardless of gender and status of appointment		BRIGADA AMENSYA	100% OF Employees attended the activity	37,000.00	MOOE	
Inadequate information on RA 9262 * Anti-Violence Against Women & Children Act of 2004*	Lack of information on RA, 9262	Awareness on R.A. 9262 * Anti-Violence Against Women & Children Act of 2004		Orientation on RA 9262 * Anti-Violence Against Women & Children Act of 2004*	100% of Female Employees attended the orientation	25,000.00	MOOE	A&F Division
Lack of awareness on women & men's rights and rules on Sexual Harassment in the workplace	Lack of information dissemination on Women & Men's rights on sexual harassment in the workplace	To raise awareness on RA 7877 * Anti-Harassment Act of 1995*		Orientation on RA 7877 * Anti-Sexual Harassment Act of 1995*	100% of Employees attended the orientation	15,000.00	MOOE	A&F Division
Lack of Awareness on R.A. 10028 /Non-Implementation of R.A. 10028	Lack of information on R.A. 10028 * The Expanded Breastfeeding Promotion Act of 2009*	To raise awareness on R.A. 10028		Orientation on RA 10028	100% of Female Employees attended the orientation	40,000.00	MOOE	
EMPLOYEES WELFARE- Insufficient support to employees with young children.	Due to familial/domestic obligation the effectiveness, efficiency & productivity of female employees are affected.	Provide employees with young children a private & well-ventilated room for children.		Formulate policy on placing a child care center & construction of one (1) room/building.	Issuance of Office Order /Policy on setting up a child center & 1 room/building constructed at the end of 2016	391,428.00	CO/MOOE	
COMMUNITY SERVICES- Coastal Clean up	Social Responsibility with regard to environment is in danger/at stake.	To participate and promote activities that will help preserving our environment regardless of gender and status of appointment.		COASTAL CLEAN-UP	4 coastal areas in mainland LGUs of Parido District	192,400.00	MOOE	PEMD
Improve GAD sensitive Development Planning capabilities	Low level capability to prepare development plans for the administration	Increase the capabilities of supervisory/ managerial employees to prepare GAD responsive Development Plans		Attendance to GAD responsive training/seminars conducted by highly respected Academia/ Institution	Administrator 1 3 Division Chiefs and 5 members of PDA GAD-Focal Point System	192,000.00	MOOE	A&F Division
						4,286,991.30		

Prepared by:

ANGELICA P. REGONDOLA
Division Chief I for Admin. & Finance

Approved by:

RAMON F. FUENTE BELL, RCE, MM
Administrator I

ANNUAL GENDER AND DEVELOPMENT (GAD) PLAN AND BUDGET
FY 2017

Department (Central Agency):						
Agency/Bureau/Office, PARTIDO DEVELOPMENT ADMINISTRATION Total GAA of Agency:						
GENDER ISSUE and/or GAD Mandate	Cause of the Gender Issue	GAD Result Statement/GAD Objectives	Relevant Agency MFO/PAP	GAD ACTIVITY	Output Performance Indicators and Targets	RESPONSIBLE PERSON/UNIT OFFICE
					GAD BUDGET 2017	SOURCE OF BUDGET
		Created PDA-GAD Focal Point System (PDA-GFFS)		Establishment of PDA-GAD Focal Point System	Office Order appointing PDA GAD Focal Point System	Admin and Finance/PEMD; Operations
Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates	Lack of GAD policies such as foundational policies that support GAD mandates and policies to mainstream GAD in PDA	Furnished GAD policies		Establishment of GAD-related policies	Policy articulating support to GAD Mandates and establishing elements of GAD (Setting up of GFFS, Collection and maintenance of disaggregated data, conduct of organization-wide gender audit, capacity building of GFFS)	GFFS; PEMD
		Formulated GAD Capacity Development Plan		Construct GAD Capacity Development Plan	Policy to mainstream GAD and implement GAD programs Capacity Development Plan 2018	GFFS; PEMD GFFS and other concerned staff
Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates	Lack of Basic Seminars and Training Activities for employees	Conducted GAD-related Seminars/ Training Activities for employees		Gender and Development Orientation/Team-building and Gender Sensitivity Training Gender Analysis and GAD Planning and Budgeting	Seminars and Training Activities attended by PDA Employees	GFFS, PEMD
					155,980.00	COB
					24,052.00	COB

Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates		Seminar on CEDAW (Convention on Elimination of All Forms of Discrimination Against Women) Seminar on Anti-Violence Against Women and their Children Act of 2004	Seminar on CEDAW (Convention on Elimination of All Forms of Discrimination Against Women) Seminar on Anti-Violence Against Women and their Children Act of 2004	9,518.00	COB	GFFS; PEMD
Lack of Basic Seminars and Training Activities for employees	GFFS Members and other concerned staff attended GAD-related meetings/seminars/training/conferences	Training/Seminars/Conferences	Seminars/Training/Conferences attended by PDA GFFS and other concerned staff	8,063.32	COB	GFFS; PEMD
Lack of awareness on GAD issues, GAD-related activities and GAD mainstreaming in PAs	Established GAD Corner	Setup GAD Corner	GAD Corner	21,063.00	COB	GFFS and other concerned staff
	Increased awareness on GAD issues and increased gender-responsiveness	Establishment of Policy to celebrate GAD-related Events such as Women's Day, Month, International Women's Day, 10-day campaign on VAW, Human Rights Day, 1 Billion-rising campaign	Office Order to celebrate 1 Billion Campaign on VAW	33,075.26	COB	GFFS; PEMD
		Women's Tenth Culminating Activity	GAD-related events conducted and attended by PDA Employees	25,212.00	COB	GFFS; PEMD
		Conduct/Celebrate 18-Day Campaign on VAW	Activity merged with Seminar on Anti-Violence Against Women and their Children Act of 2004			GFFS; PEMD
Lack of utilization of sex-disaggregated data	Gathered sex-disaggregated data	Updating of GAD database (sex-disaggregated data)	Updated GAD database		COB	GFFS and other concerned staff
Inefficient mainstreaming of GAD in the implementation of PAs	Provided advocacy for female elementary pupils to aspire for completion of their studies and pursue a career or business after studies	Conduct of Parish-wide Elementary Career Awareness	IEC on career options and successful stories of women	63,950.00	COB	PEMD

Insufficient mainstreaming of GAD in the implementation of PAPs	Lack of activities that mainstream GAD	Promoted participation of women in upholding the conservation of the Environment and Natural Resources	Conduct of Seminar on Environmental Conservation of Coastal and Marine Ecosystem and Ecological Waste Management Awareness	Improved opportunity and awareness of female in upholding the conservation of the Environment	29,472.00	COB	PEND
Come up with a workable plan that addresses the health and safety issues of open defecation practices in the community, especially among women and children		Training on Community-Led Sanitation	Female and Male Barangay Health Workers trained; Action Plan prepared		48,156.00	COB	PEMD
TOTAL:					408,571.58		

Date: 7/22/2017

Approved By: RAMON F. FUENRELLA
Administrative Officer I

Prepared By: *[Signature]*
RECHA ISABEL P. QUINN
Chairperson, GAD Focal Point System

ANNUAL GENDER AND DEVELOPMENT (GAD) ACCOMPLISHMENT REPORT
FY 2017

Agency/Bureau/Office: PARTIDO DEVELOPMENT ADMINISTRATION (PDA)
(Central Office): _____
Total GAA of Agency: _____

Department: _____

GAD Mandate/Gender Issue	Cause of the Gender Issue	GAD Result Statement/ GAD Objective	Relevant Agency MFO/PAP	GAD Activity	Performance Indicators and Target	Actual Result (Outputs/outcomes)	Total Agency Approved Budget	Actual Cost/Expenditure	Variances/Remarks
Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates	Lack of GAD policies such as foundational policies that support GAD mandates and policies to mainstream GAD in PDA	Created PDA-GAD Focal Point System (PDA-GFPS)		Establishment of PDA-GAD Focal Point System	Office Order appointing PDA GAD Focal Point System	PDA Office Order No. 21, see GAD Annual Report page 16			
		Formulated GAD policies		Establishment of GAD-related policies	Policy articulating support to GAD Mandates and establishing 4 elements of GIB (Setting up of GFPS, Collection and maintenance of sex-disaggregated data, conduct of organization-wide gender audit, capacity-building of GFPS)	PDA Office Order No. 52, see GAD Annual Report page 7			
		Formulated GAD Capacity Development Plan		Construct GAD Capacity Development Plan	Policy to mainstream GAD and implement GAD programs	Office Order No. 47, see GAD Annual Report page 5			
					Capacity Development Plan 2018	Capacity Development Plan; see GAD Annual Report page 9-11			

		<p>Gender and Development Orientation-cum-teambuilding and Gender Sensitivity Training</p>	<p>Seminar and Training Activities attended by PDA Employees</p>	<p>128 PDA employees attended; see GAD Annual Report page 18-20, and Annex D.1, D.2 for Activity Report, and Activity Proposal, and Attendance</p>	<p>155,980.00</p>	<p>81,680.00</p>	
	<p>Gender Analysis and GAD Planning and Budgeting</p>	<p>Seminar on CEDAW (Convention on Elimination of All forms of Discrimination Against Women)</p>	<p>Seminar and Training Activities attended by PDA Employees</p>	<p>All GHS members attended; see GAD Annual Report page 21-22 and Annex E.1, E.2 for Activity Report, Activity Proposal, and Attendance</p>	<p>24,052.00</p>	<p>14,964.00</p>	
<p>Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates</p>	<p>Lack of Basic Seminars and Training Activities for employees</p>	<p>Conducted GAD-related Seminar/ Training Activities for employees</p>	<p>53 PDA employees attended; see GAD Annual Report page 52-53 and Annex I.1, I.2 for Activity Report, Activity Proposal, and Attendance</p>	<p>9,548.00</p>	<p>5,767.10</p>		
	<p>Seminar on Anti-Violence Against Women and their Children Act of 2004</p>	<p>Seminar and Training Activities attended by PDA Employees</p>	<p>45 PDA employees attended; see GAD Annual Report page 47-49 for Activity Report, and Activity Proposal, and Attendance</p>	<p>8,063.32</p>	<p>6,795.32</p>		

[Handwritten signature]

<p>Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates</p>	<p>Lack of Basic Seminars and Training Activities for employees</p>	<p>GFPS Members and other concerned staff attended GAD-related meetings/seminars/training/conferences</p>	<p>Meetings/Training/Seminars/Conferences</p>	<p>Seminars/Training/Conferences attended by PDA GFPS and other concerned staff</p>	<p>Consultation Meeting on Technical Assistance about GAD at PCW; see GAD Annual Report page 30-33</p>	<p>9,280.00</p>	<p>9,410.00</p>
				<p>Training/Seminar on Document Preparation Of Gender Responsive And Assessment Of Tools In the preparation of GAD Plan and Budget; see GAD Annual Report page 24, and 26</p>		<p>7,943.00</p>	<p>7,943.00</p>

<p>Inadequate knowledge of the management and employees on GAD and GAD Policies & Mandates</p>	<p>Lack of basic Seminars and Training Activities for employees</p>	<p>Established GAD Corner</p>	<p>Meetings/Training/Seminars/Conferences</p>	<p>Seminars/Training/Conferences attended by FDA GFPS and other concerned staff</p>	<p>6th GAD Planning and Budgeting Forum 2017 : see GAD Annual Report page 25 and 27</p>	<p>3,840.00</p>	<p>4,050.00</p>
<p>Insufficient knowledge and competence to mainstream GAD-related concerns in POA's, PAPs</p>	<p>Lack of awareness on GAD issues, GAD-related activities and GAD mainstreaming in PAPs</p>	<p>Increased awareness on GAD issues and increased gender responsiveness</p>	<p>Set-up GAD Corner</p>	<p>GAD Corner</p>	<p>GAD Corner Section Layout; see GAD Annual Report page 50</p>	<p>23,075.26</p>	<p>1,890.52</p>
			<p>Establishment of Policy to celebrate GAD-related Events such as Women's Month, International Women's Day, 18-day campaign on VAW, Human Rights Day, 1 billion-rising campaign</p>	<p>Office Order to celebrate 16-Day Campaign on VAW</p>	<p>Office Order No 48; see GAD Annual Report page 3</p>		

Insufficient knowledge and competence to mainstream (GAD-related concerns in PDA's PAPS	Lack of awareness on GAD issues, GAD-related activities and GAD mainstreaming in PAPS	Increased awareness on GAD issues and increased gender-responsiveness	Women's Month Culminating Activity	GAD-related events conducted and attended by PDA Employees	30 PDA employees attended Women's Month Culminating Activity; see GAD Annual Report page 44-45 for Activity Report, Activity Proposal, and Attendance	25,212.00	15,792.00
Lack of utilization of sex-disaggregated data	Insufficient data	Gathered sex-disaggregated data	Updating of GAD database (sex-disaggregated data)	Updated GAD database (sex-disaggregated data)	45 PDA employees attended; see GAD Annual Report page 47-49 for Activity Report, Activity Proposal, and Attendance	see Seminar on VAWC Act of 2004 approved budget	see Seminar on VAWC Act of 2004 actual cost and expenditure
Client Satisfaction							
Insufficient mainstreaming of GAD in the implementation of PAPS and Lack of GAD-related activities for client satisfaction	Lack of activities that mainstream GAD and other activities for client satisfaction	Provided advocacy for female elementary pupils to aspire for completion of their studies and pursue a career or business after studies	Conduct of Participatory Elementary Career Awareness	IEC on career options and successful stories of women	13 school-districts Implemented Career Awareness Program; See GAD Annual Report page 12 and Annex A.1 and A.2 for Project Proposal and Documentation	63,950.00	63,950.00

Insufficient mainstreaming of GAD in the implementation of PAPs and Lack of GAD-related activities for client satisfaction	Lack of activities that mainstream GAD and other activities for client satisfaction	Promoted participation of women in upholding the conservation of the Environment and Natural Resources	Conduct of Seminar on Environmental Conservation of Coastal and Marine Ecosystem and Ecological Waste Management Awareness	Improved opportunity and awareness of female in upholding the conservation of the Environment	206 male and female participants attended Seminar on Environmental Conservation of Coastal and Marine Ecosystem and Ecological Waste Management Awareness; See GAD Annual Report page 14 and Annex B.1, B.2, and B.3 for Activity Proposal, Documentation, and Attendance	29,472.00	29,472.00
TOTAL	Prepared By: RECHA ISABEL P. QUINN Chairperson, GAD Local Point System	Come up with a workable plan that addresses the health and safety issues of open defecation practices in the community, especially among women and children	Training on Community-Led Sanitation	Female and Male Barangay Health Workers trained; Action Plan prepared	60 participants in Training on Community-Led Sanitation; See GAD Annual Report page 15 and Annex C.1 and C.2. Activity Proposal and Documentation	48,156.00	48,156.00
Approved By: RAMON S. FUENTESELLA Administrator						408,571.58	289,909.94
							Date 1/19/2018

