



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

# **ANNUAL AUDIT REPORT**

**on the**

**NATIONAL IRRIGATION ADMINISTRATION  
(Corporate Fund – F501)**

**For the Year Ended December 31, 2014**

## **EXECUTIVE SUMMARY**

### **INTRODUCTION**

The National Irrigation Administration (NIA) was formally created as a government corporation under Republic Act (RA) No. 3601 on June 22, 1963 with an authorized capital of P300 million. In 1974, under Presidential Decree (PD) No. 552, the authorized capital was increased to P2 billion, and later, under PD No. 1702 dated July 18, 1980, it was further increased to P10 billion. The capital was to be subscribed and paid for entirely by the Philippine Government. Section 2, paragraph (b) of PD No. 552 provides NIA's sources of operating funds. The increase in Capital Stock is already included in the Government Equity.

The Agency was originally attached to both the Department of Public Works and Highways (DPWH) and the Department of Agriculture (DA) and was later transferred to the Office of the President. Under Administrative Order (AO) No. 17 dated October 14, 1992, NIA was again attached to DA. On May 5, 2014, Executive Order (EO) No. 165, s. 2014 transferred NIA together with the National Food Authority, Philippine Coconut Authority and Fertilizer and Pesticide Authority from DA to the Office of the President, in order to enhance and coordinate the efforts of these agencies in fulfilling their respective mandates.

The principal function of NIA was initially to develop, maintain, operate, improve and rehabilitate irrigation systems including communal and pump irrigation projects. However, with the reorganization of the government that occurred after NIA's creation, the Agency also assumed the irrigation activities of other government agencies, including those of the Irrigation Service Unit of the then Presidential Assistance on Community Development. Thereafter, with the passage of RA No. 6978, otherwise known as "An Act to Promote Rural Development by providing for an Accelerated Program within a Ten-Year Period of the Construction of Irrigation Projects," the activities of NIA significantly increased to cover the remaining 1.5 million unirrigated but irrigable hectares of land nationwide.

NIA has the following powers and functions pursuant to the provisions of RA No. 3601 and PD Nos. 552 and 1702:

- a. To investigate, study and develop all available water resource in the country, primarily for irrigation purposes; to plan, design, construct and/or improve all types of irrigation projects and appurtenant structures; to operate, maintain and administer all national irrigation systems; to supervise the operation, maintenance and repair, or;
- b. To administer temporarily all communal and pump irrigation systems constructed, improved and/or repaired wholly or partially with government funds; to delegate the partial or full management of national irrigation systems to duly organized cooperatives or associations; and
- c. To charge and collect from the beneficiaries of all irrigation systems constructed by or under administration such fees or administrative charges as may be necessary to cover the cost of operation, maintenance and insurances; and to cover the cost of construction within a reasonable period of time to the extent consistent with government

policy; to cover funds or portions thereof expended for the construction of communal irrigation systems, which shall accrue to a special fund for irrigation development.

NIA is headed by an Administrator who is assisted by a Senior Deputy Administrator and supported by Deputy Administrator for Administrative and Finance and Deputy Administrator for Engineering and Operations. Besides the Central Office (CO), it has 17 Regional Irrigation Offices (RIOs), including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIIS), 44 Irrigation Management Offices (IMOs) inclusive of two interim IMOs, and 16 Project Management Offices (PMOs). The Agency manages 245 National Irrigation Systems (NIS) nationwide with a total service area of 821,598 hectares and firmed-up service area (FUSA) of 740,214 hectares. The total irrigated area is 579,014 hectares during the dry season (November to April), 571,944 hectares during the wet season (May to October) and 10,634 hectares for the third crop/Quick turn-around (QTA).

As of December 31, 2014, NIA had a personnel complement of 5,444, composed of 3,466 monthly paid and 1,978 daily paid personnel.

The Agency maintains the Corporate Fund (F501) to finance its operations. The Fund consists mainly of collections of irrigation fees, equipment rentals, pump amortizations, interest and miscellaneous income such as subsidy income from the national government - management fee, income derived from sale of electrical energy, service fee for the operation and maintenance of non-power components of Hydroelectric Power Plants, Communal Irrigation Project amortization on principal and equity contribution and proceeds from sale of property, plant and equipment.

## **FINANCIAL PROFILE (In Million Pesos)**

The NIA Corporate Fund's financial condition and results of operations are presented below:

### **I. Comparative Financial Condition**

	<b>2014</b>	<b>2013</b>	<b>Increase/ (Decrease)</b>
Assets	123,334.040	117,736.639	5,597.401
Liabilities	108,027.213	103,293.998	4,733.215
Equity	15,306.827	14,442.641	864.186

### **II. Comparative Results of Operation**

	<b>2014</b>	<b>2013</b>	<b>Increase/ (Decrease)</b>
Income	4,267.921	5,344.166	(1,076.245)
Expenses	3,048.091	4,105.350	(1,057.259)
Net income/(loss)	1,219.830	1,238.816	( 18.986)

## **SCOPE OF AUDIT**

Our audit covered the operations of NIA – Corporate Fund (F501) for the period January 1 to December 31, 2014. The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## **AUDITOR'S OPINION**

We rendered an adverse opinion on the fairness of presentation of the financial statements of NIA-Corporate Fund (F501) for CY 2014, in view of the following:

1. The accuracy of the Property, Plant and Equipment (PPE) account with net book value of P26.729 billion was not reasonably substantiated due to, among others, lack of reports for completed irrigation projects, inadequate accounting and property records, significant variances between books and results of physical counts, and the inclusion of unserviceable properties.
2. The accuracy and validity of Accounts Receivable – Irrigation Service Fees (ISF) and Communal Irrigation System (CIS) with a balance of P19.184 billion is affected due to, among others, unreconciled discrepancies of P3.926 billion between records of the regional offices (ROs) and field offices (FOs); receivables of P1.882 billion without subsidiary records; unrecorded amortization of P0.670 billion from farmer-beneficiaries; discrepancy of P0.370 billion between books and aging schedule; and receivables of P0.483 billion that have been dormant for over five to 40 years.
3. The reliability of the balance of the Cash in Bank account of P2.532 billion could not be ascertained due to absence of records to support the account balance; non-preparation of bank reconciliation statements (BRS); and discrepancy in balances among accounting records and two unrecorded bank accounts. Moreover, 55 bank accounts are maintained in three banks which are not authorized government depository banks (AGDBs).

## **SUMMARY OF SIGNIFICANT AUDIT RECOMMENDATIONS**

For the above-mentioned observations which were made basis of adverse opinion on the fairness of presentation of the consolidated financial statements, we recommended that Management:

1. Create a task group/team to undertake within a target period the immediate reconciliation of the variances between the Report on the Physical Count of PPE and the accounting records, analyze the Construction-in-Progress (CIP) account for reclassification to the proper PPE account duly supported with complete documentation;
2. Require the Accounting and Property Sections to maintain/update accounting and property records, conduct periodic reconciliation between these records, and immediately investigate and clear any discrepancies;

3. Require the Property Section to conduct the proper and complete annual physical inventory of all properties, prepare the corresponding inventory reports, reconcile the results of the physical inventory with the property and accounting records, and to act immediately on matters pertaining to the proper disposal of all unserviceable/disposable properties so that proper adjustments to correct/update the PPE account are effected;
4. Consider enhancing NIA Memorandum Circular (MC) No. 52 in a way that would resolve the inconsistency on the use of the Government Support Price (GSP) in the valuation of Accounts Receivable-ISF;
5. Require the Accounting Section to maintain Subsidiary Ledgers (SLs) for receivable accounts and regularly reconcile the SL balances with the General Ledger (GL) balances, and exert all efforts to reconcile the balances of recorded receivables in the ROs/FOs;
6. Request for write-off of dormant/uncollectible accounts from COA, in accordance with COA Circular No. 97-001 dated February 5, 1997;
7. Require the Managers of IMOs to timely submit all documents pertaining to completed projects and turned-over Communal Irrigation System (CIS) to farmer-beneficiaries to the Engineering and Operations Division (EOD) for review and to the Finance Management Division for recording the Accounts Receivable in the RO books;
8. Always maintain complete and updated SLs for the Cash in Bank account, prepare BRS on a monthly basis, and conduct periodic reconciliation of GL and subsidiary records; and
9. Seek approval from the Department of Finance (DOF) for the maintenance of depository accounts with banks other than the Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP); otherwise, transfer all bank accounts maintained with the Philippine National Bank, Philippine Veterans Bank, United Coconut Planters Bank and Philippine Postal Bank to these AGDBs.

The other significant audit observations and recommendations are as follows:

10. NIA has been deprived of annual rental income of P4.481 million since the effectivity or in March 2009 of its Lease Agreement with New Kanlaon Construction, Inc. (NKCI) due to non-enforcement of the termination clause thereof, which resulted in the accumulation of unpaid rentals totaling P25.539 million as of December 31, 2014.

10.1 We recommended that Management:

- a. Rescind/terminate immediately the Lease Agreement with the NKCI and exercise control and supervision over the leased premises; and
  - b. Exhaust all legal means to collect the total amount due of P25.539 million and file appropriate charges against the NKCI.
11. Weak collection efforts for ISF back accounts and Management's inability to timely disseminate policies/guidelines on incentive program on the payment of back accounts, resulted in the accumulation of said accounts representing approximately 79 to 95 per

cent of the total accounts receivable as illustrated in some regions. In UPRIIS, the Allowance for Doubtful Accounts was understated by P9.163 million as the balance of P118.961 million remained constant since 2011.

11.1 We recommended and Management agreed to:

- a. Intensify collection efforts of ISF back accounts specifically those aged one year and above, and closely monitor the collection performance of collecting officers assigned at CIS areas with higher uncollected receivables;
- b. Monitor and evaluate the financial activities of Irrigators' Associations (IAs) and ensure that accounting procedures and control measures are in place to attain a higher collection efficiency rate of receivables;
- c. Exert effort to timely disseminate/inform the farmer-beneficiaries of the policies/benefits due them as provided for in NIA MC No. 54, series of 2013; and
- d. Provide allowance for Doubtful Accounts based on collectability of receivable balances and evaluation of such factors as aging of the accounts, collection and expected loss experiences, and identified doubtful accounts.

12. The extensive damage to the CIS of the Cebu-Bohol IMO during the 2013 earthquake and the inability of the said IMO to exercise proper supervision and interventions with the affairs of the IAs brought financial loss to NIA of P17.354 million representing unpaid amortizations.

12.1 We recommended and Management agreed to:

- a. Monitor regularly the affairs, performance, results of operation and financial standing of existing IAs to determine their viability and ability to sustain operation, both on short-term and long-term basis;
- b. Intervene on the affairs of the IAs in accordance with the guidelines set forth in the MOA, which may be in the form of simple provision of training, seminars, selection of personnel and up to temporary administration, if necessary; and
- c. Evaluate non-operational CIS potential and viability for rehabilitation and reconstitution of the IA. Where rehabilitation is warranted, plans and programs should be proposed.

13. In NIA UPRIIS, procurement of vehicles and infrastructure projects amounting to more than P20.333 million and P38.807 million, respectively, through First Gen Hydro Power Corporation (FGHPC), a private corporation that has an Operation and Maintenance (O and M) Agreement with NIA, was of doubtful regularity since payments for the said procurement were offset from the Service Fees payable by FGHPC to NIA, although such conditions/circumstances were not among those allowable for offsetting under the O and M Agreement. The transactions were not recorded/improperly recorded resulting in the misstatement, by undetermined amounts, of the related assets, liabilities, and equity accounts as at December 31, 2014. Further, accountability over these assets was not adequately established, thereby exposing them to risks of misuse or unauthorized use.

13.1 We recommended and Management agreed to:

- a. Submit the procurement documents together with the agreements to the Office of the Auditor for review and evaluation;
- b. Secure ownership on the assets and establish accountability through the issuance of corresponding Acknowledgement Receipt for Equipment/Property Acknowledgement Receipt;
- c. Require the UPRIIS-Dam and Reservoir Division to register the vehicles in the name of NIA pursuant to Section 361 of the Government Accounting and Auditing Manual (GAAM), Volume I and COA Circular No. 75-6 dated November 7, 1975; and
- d. Ensure that the use of government funds are duly authorized and are properly accounted for.

14. In NIA RO XIII, the implementation of contract LMC-ANDWARIS-2014-04-N-ADS, with contract amount of P40.570 million sourced out from the Calamity Fund, was delayed by 148 days due to the late preparation of the project's final plan/re-design by the EOD, thus, deprived the project beneficiaries not only of the timely benefits of the project, but also protection from natural calamities and disasters in the area.

14.1 We recommended that, henceforth, Management direct the EOD to prioritize the preparation of projects' revised design plan so that the purpose for which the Calamity Fund is allocated could be immediately attained and the projects' benefits could be afforded to the intended beneficiaries.

15. The unutilized balance of P117.696 million Disbursement Acceleration Program (DAP) Funds for two NIA projects were not returned to the Bureau of the Treasury (BTr) despite the decision of the Supreme Court on July 1, 2014, declaring acts and practices under the DAP unconstitutional.

15.1 We recommended that Management immediately refund/return the unobligated/unutilized DAP Funds to the account of the BTr.

## **AUDIT SUSPENSIONS, DISALLOWANCES AND CHARGES AS AT YEAR-END**

As at December 31, 2014, unsettled audit suspensions, disallowances and charges amounted to P231.023 million, P255.860 million and P31,011, respectively. The details are presented in Annex A of this report.

## **STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS**

Of the 81 audit recommendations embodied in the previous years' Annual Audit Reports (AARs), 7 were fully implemented, 51 were partially implemented and 23 were not implemented. Details are presented in Part III of this Report.

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

## **INDEPENDENT AUDITOR'S REPORT**

### **THE BOARD OF DIRECTORS**

National Irrigation Administration  
EDSA, Quezon City

We have audited the accompanying financial statements of the **National Irrigation Administration - Corporate Fund (F501)**, which comprise the balance sheet as at December 31, 2014, and the statement of income and expenses, statement of changes in 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 State accounting principles, 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 reasonableness of 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 adverse audit opinion.

### ***Basis for Adverse Opinion***

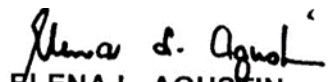
We rendered an adverse opinion on the fairness of the presentation of the financial statements in view of the following:

1. The accuracy of the Property, Plant and Equipment account with net book value of P26.729 billion was not reasonably substantiated due to, among others, lack of reports for completed irrigation projects, inadequate accounting and property records, significant variances between books and results of physical counts, and the inclusion of unserviceable properties.
2. The accuracy and validity of Accounts Receivable – Irrigation Service Fees and Communal Irrigation System with a balance of P19.184 billion is affected due to, among others, unreconciled discrepancies of P3.926 billion between records of the regional offices and field offices; receivables of P1.882 billion without subsidiary records; unrecorded amortization of P0.670 billion from farmer-beneficiaries; discrepancy of P0.370 billion between books and aging schedule; and receivables of P0.483 billion that have been dormant for over five to 40 years.
3. The reliability of the balance of the Cash in Bank account of P2.532 billion could not be ascertained due to absence of records to support the account balance; non-preparation of bank reconciliation statements; and discrepancy in balances among accounting records and two unrecorded bank accounts.

### ***Adverse Opinion***

Because of the significance of the matters discussed in the Basis for Adverse Opinion paragraphs, the consolidated financial statements do not present fairly the financial position of the **National Irrigation Administration - Corporate Fund (F501)** as at December 31, 2014, and their financial performance and their cash flows for the year then ended in accordance with State accounting principles.

### **COMMISSION ON AUDIT**



**ELENA L. AGUSTIN**

Supervising Auditor

Audit Group B

Cluster 5–Agricultural and Natural Resources

Corporate Government Sector

June 30, 2015



Republic of the Philippines  
Office of the President  
*National Irrigation Administration*  
(PAMBANSANG PANGASIWAAN NG PATUBIG)  
Quezon City

Office Address: National Government Center  
EDSA, Diliman, Quezon City, Philippines  
Telephone Nos.: (02) 929-6071 to 78  
Website: [www.nia.gov.ph](http://www.nia.gov.ph)

Telefax No. (632) 928-9343  
TIN 000-916-415

December 31, 2014

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of NATIONAL IRRIGATION ADMINISTRATION is responsible for all information and representations contained in the accompanying Consolidated Trial Balance, Balance Sheet, Statement of Government Equity as of December 31, 2014 and the related Statement of Income and Expenses and Cash Flow for the year then ended under Fund 501 (Corporate Fund). The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

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

  
NOEMI V. VILLANUEVA

Acting Manager, Accounting Division

  
ESTRELLA E. ICASIANO

Deputy Administrator for  
Administrative and Finance

  
ENGR. FLORENCIO F. PADERNAL, DPA  
Administrator

**NATIONAL IRRIGATION ADMINISTRATION**  
**CORPORATE FUND (F501)**  
**BALANCE SHEET**  
**December 31, 2014**  
(In Philippine Peso)

	Note	2014	2013
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4	2,633,418,169	2,746,163,584
Receivables - net	5	33,426,288,591	32,481,203,173
Inventories - net	6	60,991,353	63,163,951
Prepayments	7	164,850,299	171,444,917
Other current assets	8	(197,106,723)	(198,643,759)
		36,088,441,689	35,263,331,866
<b>Non-current assets</b>			
Investments	9	60,177,227,296	56,276,662,585
Property, plant and equipment - net	10	26,729,313,795	25,604,865,596
Other assets	11	339,057,208	591,778,559
		87,245,598,299	82,473,306,740
<b>TOTAL ASSETS</b>		<b>123,334,039,988</b>	<b>117,736,638,606</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Payables	12	1,637,142,706	1,451,877,160
Inter/intra-agency payables	13	74,217,046,945	70,487,850,137
Other liabilities	14	1,248,671,832	1,265,551,304
		77,102,861,483	73,205,278,601
<b>Non-current liabilities</b>			
Long-term liabilities	15	11,506,340,534	11,506,340,534
Deferred credits	16	19,418,011,243	18,582,378,511
		30,924,351,777	30,088,719,045
		108,027,213,260	103,293,997,646
<b>Equity</b>		<b>15,306,826,728</b>	<b>14,442,640,960</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>123,334,039,988</b>	<b>117,736,638,606</b>

The Notes on pages 8 to 21 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION**  
**CORPORATE FUND (F501)**  
**STATEMENT OF INCOME AND EXPENSES**  
**For the Year Ended December 31, 2014**  
(In Philippine Peso)

	Note	2014	2013
<b>INCOME</b>			
<b>Operating income</b>			
Irrigation service fees (ISF)		1,921,489,754	1,647,756,436
10% Discount on ISF	5	(117,052,115)	(92,840,269)
Loss on sale of palay		-	(353,586)
		1,804,437,639	1,554,562,581
Rent income		128,077,465	169,020,636
Fines and penalties-service income		24,582,141	24,979,839
		1,957,097,245	1,748,563,056
<b>Non-operating income</b>			
Management fees		35,745,099	28,462,937
CIP/CIS/RIS amortization and equity		203,248,541	329,455,380
Pump amortization and equity		21,446,160	21,169,485
Service fees - water		321,259,766	460,798,798
Energy delivery fees - NPC		40,735,278	94,935,267
Other fines and penalties		537,263	816,822
Miscellaneous income	20	103,771,391	150,363,459
		726,743,498	1,086,002,148
<b>GROSS INCOME</b>		2,683,840,743	2,834,565,204
<b>EXPENSES</b>			
Personal services		1,463,871,344	1,661,608,641
Maintenance and other operating expenses (MOOE)		1,189,241,951	2,018,632,327
Financial expenses		394,977,929	422,519,999
	21	3,048,091,224	4,102,760,967
<b>LOSS FROM OPERATION</b>		(364,250,481)	(1,268,195,763)
<b>OTHER INCOME (EXPENSE)</b>			
Interest income		16,723,870	23,704,068
Gain (loss) on foreign exchange		2,702,458	(2,329,875)
Gain (loss) on sale of assets		495,819	(259,180)
		19,922,147	21,115,013
<b>LOSS BEFORE SUBSIDY</b>		(344,328,334)	(1,247,080,750)
Subsidy income from national government			
Subsidy for operations			
5% Management fee	17	294,794,463	1,187,039,841
<b>NET LOSS BEFORE SUBSIDY</b>		(49,533,871)	(60,040,909)
<b>SUBSIDY FOR THE IMPLEMENTATION OF VARIOUS PROJECTS</b>	17		
Indirect cost of projects (capital outlay)		475,163,255	-
Capital outlay		442,025,148	676,611,159
<b>Disbursement acceleration program (DAP):</b>	17		
Casecnan Multipurpose Irrigation and Power Project II		-	283,620,000
Malitubog Maridagao Irrigation Project II		56,769,000	233,181,000
Umayam River Irrigation Project (URIP)		77,707,000	105,445,000
Calamity fund - for calamity-related rehabilitation/ restoration projects and other priority projects	17	217,699,700	-
		1,269,364,103	1,298,857,159
<b>FROM OPERATIONS (MOOE)</b>	17	96,800,133	-
<b>Less: Disbursements from MOOE</b>		(96,800,133)	-
		-	-
<b>PENSION AND GRATUITY FUND</b>	17		417,490,784
<b>Less: Disbursement for pension and gratuity fund</b>		-	(417,490,784)
		-	-
<b>NET INCOME AFTER SUBSIDY FOR THE IMPLEMENTATION OF VARIOUS PROJECTS</b>		<b>1,219,830,232</b>	<b>1,238,816,250</b>

The Notes on pages 8 to 21 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION**  
**CORPORATE FUND (F501)**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended December 31, 2014**  
(In Philippine Peso)

	Note	Capital stock	Government equity (Note 18)	Retained operating surplus (Note 18)	Property, plant and equipment - public infrastructures (Note 18)	Total
<b>Beginning balance, January 1, 2013</b>		<b>5,559,191,864</b>	<b>18,026,845,232</b>	<b>(10,030,131,383)</b>	<b>(77,430,319)</b>	<b>13,478,475,394</b>
Net income after subsidy for the						
implementation of various projects		-	-	1,238,816,250	-	1,238,816,250
Correction of prior period errors	19	-	-	(54,367,717)	-	(54,367,717)
Refund to BTr-CNA charged to project funds						
should be charged to Corporate funds		-	-	(824,000)	-	(824,000)
Refund to BTr-disallowed expenses		-	-	(250,000)	-	(250,000)
Set up of CNA for 2012		-	-	(244,734,000)	-	(244,734,000)
Income and expense summary		-	720,527,025	(609,402,290)	-	111,124,735
Rice and transportation subsidy-UPRIIS		-	-	(916,587)	-	(916,587)
Rice subsidy-MARIIS		-	-	(22,994,627)	-	(22,994,627)
Rice and transportation subsidy-ENERCON		-	-	(6,732,148)	-	(6,732,148)
Other adjustments		-	-	(29,998)	-	(29,998)
Public infra-closed to government equity						
NDC - Region I		-	-	-	(6,037,000)	(6,037,000)
NDC - CAR		-	-	-	(23,340,866)	(23,340,866)
Completed and turned-over projects						
NDC - Region VII		-	-	-	(25,548,476)	(25,548,476)
<b>Ending balance, December 31, 2013</b>		<b>5,559,191,864</b>	<b>18,747,372,257</b>	<b>(9,731,566,500)</b>	<b>(132,356,661)</b>	<b>14,442,640,960</b>
Net income after subsidy for the						
implementation of various projects		-	-	1,219,830,232	-	1,219,830,232
Correction of prior period errors	19	-	-	(7,367,740)	-	(7,367,740)
Remittance to BIR -						
Refund of management fee charged to						
general fund	18	-	-	(2,430,934)	-	(2,430,934)
Energy conservation for CY 2013	18	-	-	(5,280,894)	-	(5,280,894)
Income and expense summary		-	(88,707,988)	(74,887,075)	-	(163,595,063)
Adjustments of prior period expenses						
should be charged to Fund 101		-	-	276,075	-	276,075
Rice and transportation subsidy-UPRIIS	18	-	-	(1,019,635)	-	(1,019,635)
Partial payment of dividend to DOF						
CY 2013 income	18	-	-	(8,505,215)	-	(8,505,215)
Other adjustments		-	(399,300)	(299,139)	-	(698,439)
Public infra (NDC account closed						
to government equity) - Region I		-	-	-	(61,392,032)	(61,392,032)
Public infra closed to gov't. equity - Region I		-	-	-	(108,115,764)	(108,115,764)
Completed and turned over projects						
NDC-Region VII		-	-	-	(21,656,333)	(21,656,333)
CIP transferred to F-101 - BBMP		-	(50,000,000)	-	-	(50,000,000)
Transfer of retained earnings from:						
Region II		-	-	70,690,380	-	70,690,380
Region IV-B		-	-	3,790,206	-	3,790,206
Region X		-	-	(339,076)	-	(339,076)
<b>Ending balance, December 31, 2014</b>		<b>5,559,191,864</b>	<b>18,608,264,969</b>	<b>(8,537,109,315)</b>	<b>(323,520,790)</b>	<b>15,306,826,728</b>

The Notes on pages 8 to 21 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION**  
**CORPORATE FUND (F501)**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2014**  
(In Philippine Peso)

	Note	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from irrigation users and other customers		2,417,253,002	2,719,976,394
Receipt of subsidy from the national government		1,660,958,700	2,903,387,784
Receipt of subsidy from LGUs/NGAs		15,323,908	15,774,770
Fund transfer from other funds		45,593,132	139,618,439
Guarantee deposits		93,353,200	110,662,916
Trust deposits		105,142,648	105,529,459
Refund of cash advances and disallowances		2,980,006	41,423,960
Collection of other receivables		252,569,977	23,313,966
Interest on deposits		12,727,960	20,291,936
Prior period errors		-	38,597,902
Cash received from other government-owned and/or controlled corporations (GOCCs)		10,294,521	132,635,928
Receipt of management fee		35,745,099	28,462,935
Receipt of inter/intra-agency cash transfer		-	252,464,172
Bank charges		(2,000)	(1,030)
Repair/rehabilitation of existing irrigation facilities		(2,449,729)	(296,414)
Advances to GOCCs		-	(4,040,597)
Advances to LGUs		(300,672)	(2,703,631)
Payment to other GOCCs/NGAs		(10,925,677)	(30,000)
Refund of performance/bidders' bond		(47,350,826)	(13,631,676)
Adjustments		-	(13,181,400)
Advance payment to contractors		(44,447,030)	(16,305,100)
Advances to NGAs		(19,313,589)	(29,448,782)
Fund transfer to other funds		(34,402,997)	(174,929,267)
Cash advances granted to officers and employees		(74,176,996)	(53,310,206)
Payment of due to officers and employees		(89,293,336)	(3,448,862)
Payment of accounts payable		(336,833,716)	(349,140,284)
Inter/intra-agency transfers		(39,410,781)	-
Payment of other payables		(268,741,867)	(515,658,131)
Remittances to BIR, GSIS, Pag-IBIG and PhilHealth		(484,679,553)	(403,532,845)
Cash paid to suppliers, employees and others		(2,424,764,573)	(2,889,731,438)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>774,848,811</b>	<b>2,062,750,898</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property and equipment		183,564	371,530
Construction of office buildings		(84,038,722)	(856,535)
Purchase of office and IT equipment and software		(36,457,071)	(221,262,509)
Construction in progress		(758,776,782)	(1,258,643,855)
Dividends paid to Department of Finance	18	(8,505,215)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(887,594,226)</b>	<b>(1,480,391,369)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(112,745,415)</b>	<b>582,359,529</b>
<b>CASH, BEGINNING OF YEAR</b>		<b>2,746,163,584</b>	<b>2,163,804,055</b>
<b>CASH, END OF YEAR</b>	<b>4</b>	<b>2,633,418,169</b>	<b>2,746,163,584</b>

The Notes on pages 8 to 21 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION  
CORPORATE FUND (F501)  
NOTES TO FINANCIAL STATEMENTS**  
(All amounts in Philippine Peso unless otherwise stated)

**1. AGENCY BACKGROUND**

The National Irrigation Administration (NIA) was formally created as a government corporation under Republic Act (RA) No. 3601 on June 22, 1963 with an authorized capital of P300 million. In 1974, under Presidential Decree (PD) No. 552, its capitalization was increased to P2 billion; under PD No. 1702 dated July 17, 1980, it was further increased to P10 billion. The capital was to be subscribed and paid for entirely by the Philippine Government. Section 2, paragraph (b) of PD No. 552 provides NIA's sources of operating capital. The increase in Capital Stock is already included in the Government Equity.

The Corporation was originally attached to both the Department of Public Works and Highways (DPWH) and the Department of Agriculture (DA) and was later transferred to the Office of the President. Under Administrative Order (AO) No. 17 dated October 14, 1992, NIA was again attached to DA. On May 5, 2014, Executive Order (EO) No. 165, s. 2014 transferred NIA together with the National Food Authority, Philippine Coconut Authority and Fertilizer and Pesticide Authority from DA to the Office of the President, in order to enhance and coordinate the efforts of these agencies in fulfilling their respective mandates.

The principal function of NIA was initially to develop, maintain, operate, improve and rehabilitate irrigation systems including communal and pump irrigation projects. However, with the reorganization of the government that occurred after its creation, NIA also assumed the irrigation activities of other government agencies, including those of the Irrigation Service Unit of the then Presidential Assistance on Community Development. Thereafter, with the passage on January 24, 1991 of RA No. 6978, otherwise known as "An Act to Promote Rural Development by providing for an Accelerated Program within a Ten-Year Period of the Construction of Irrigation Projects," the activities of NIA were significantly increased to cover the remaining 1.5 million hectares of un-irrigated but irrigable land nationwide.

NIA is headed by an Administrator who is assisted by a Senior Deputy Administrator and supported by Deputy Administrator for Administrative and Finance and Deputy Administrator for Engineering and Operations. Besides the Central Office (CO), it has 17 Regional Irrigation Offices (RIOs), including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIIS), 44 Irrigation Management Offices (IMOs), 16 Project Management Offices (PMOs) and 245 National Irrigation Systems (NIS). A total of 128 irrigation projects are presently undertaken by the Corporation. Of these projects, 5 are foreign-assisted, 121 are locally-funded (including 53 carry over projects), and two are inter-agency.

The Corporation maintains the Corporate Fund (F501) to finance its operations. This Fund consists mainly of collections of irrigation fees, equipment rentals, pump amortizations, interest and miscellaneous income such as the five per cent management fee, income derived from sale of electrical energy, service fee for the operation and



maintenance of non-power components of Hydroelectric Power Plants, Communal Irrigation Project amortization on principal and equity contribution and proceeds from sale of property, plant and equipment.

## **2. BASIS OF FINANCIAL STATEMENTS PRESENTATION**

The financial statements have been prepared in accordance with State accounting principles. The combined financial statements include the financial statements of the CO, UPRIS, MARIIS, RIOS, IMOs/PMOs under the Corporate Operating Budget (COB) and the Irrigation Component of the Comprehensive Agrarian Reform Program (CARP).

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **a. Allowance for Bad Debts**

The Corporation sets up allowance for bad debts for all outstanding receivables, except reciprocal accounts, and for installment receivables based on the aging of accounts at the rate of one per cent for accounts that are one to 60 days due, two per cent for accounts that are 61 to 180 days due, three per cent for accounts that are 181 days to one year due, and five per cent for accounts that are more than one year due.

### **b. Inventories**

Inventories are measured at lower cost or net realizable value. Items for resale, such as palay, are stated at cost less allowance for inventory variance, which is based on the 56-kilogram-rule, i.e., that NIA shall collect 56 kilograms gross weight for every 50 kilograms net weight paid to compensate for the expected shrinkage, impurity and inferior quality of the palay being collected.

### **c. Investments**

Long-term investments are valued at cost.

### **d. Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method at rates ranging from two per cent to 10 per cent per annum.

Major repairs are capitalized while minor repairs are charged to operations as incurred.

### **e. Revenue Recognition**

Income is taken up on a modified cash basis, i.e., income from space and facilities rental, bid documents and management fee are taken up on a cash basis, whereas income from operations is taken up on an accrual basis. Collections-in-kind (palay, corn, etc.) are recognized as income upon receipt of cash at the time of sale of the palay inventory received from the farmers.

#### 4. CASH

This account includes the following:

	2014	2013
Cash-collecting officers	82,335,240	85,874,798
Working fund	16,366,296	19,615,566
Petty cash fund	1,880,798	1,696,969
Payroll fund	1,137,358	6,439,983
Cash in bank – local currency, current account	1,712,700,284	1,827,388,548
Cash in bank – local currency, savings account	404,369,092	349,480,404
Cash in bank – local currency, time deposits	375,945,079	420,154,327
Cash in bank – foreign currency, time deposits	38,684,022	35,512,989
	<b>2,633,418,169</b>	<b>2,746,163,584</b>

#### 5. RECEIVABLES

This account consists of the following:

	2014	2013
Accounts receivable	19,184,084,756	18,081,259,467
Due from government - owned and/or controlled corporations (GOCCs)	13,479,475,717	13,548,151,129
Due from national government agencies (NGAs)	792,835,710	788,849,645
Due from regional offices (ROs)	492,679,204	528,651,831
Due from local government units (LGUs)	138,397,846	149,168,024
Due from CO	-	633,203
Due from other funds	38,828,331	39,492,250
Due from officers and employees	12,298,436	15,591,410
Receivables - disallowances/charges	9,970,790	10,460,825
Advances to officers and employees	7,303,716	8,817,266
Due from national treasury	(85,059,290)	(85,059,290)
Other receivables	261,912,556	268,609,396
	34,332,727,772	33,354,625,156
Allowance for bad debts	(906,439,181)	(873,421,983)
	<b>33,426,288,591</b>	<b>32,481,203,173</b>

Accounts Receivable account comprises trade/business receivables from irrigation service fees (ISF). Memorandum Circular (MC) No. 26 dated June 7, 1976 requires annual adjustment of the account in the books due to increase in the government support price for palay. Pursuant to MC No. 62 dated December 5, 1977 and MC No. 62-A dated December 22, 1977, NIA grants 10 per cent discount to farmers for payment of ISF on or before due dates. The account also includes current installment receivables from amortization of irrigation pumps, communal irrigation systems and motorcycles.

Due from National Treasury is an account maintained with the Bureau of the Treasury (BTr) through which foreign loan proceeds are released to NIA. Reconciliation of this account is still pending with the BTr. This also includes carried-over balances of the NIA general and bond funds, which were transferred to the corporate fund in 1983.

Due from NGAs represents releases to DPWH District Offices for the construction/rehabilitation of farm to market roads out of the National Development Company (NDC) loan proceeds.

Due from GOCCs includes receivables from National Power Corporation (NPC) relative to the sale of electrical energy generated by the Casecnan Multi-Purpose Irrigation and Power Project per Power Purchase Agreement dated June 30, 1995 and Supplemental Agreement dated September 25, 2003.

Due from LGUs comprises releases to local government units, also, out of loan proceeds from NDC, for the implementation of farm to market road projects.

Due from ROs is the reciprocal account of Due to CO which are both closed at year-end during consolidation of financial statements. However, due to inadequate reconciliation, the account remains open.

Other Receivables account includes claims from accountable officers for cash shortages, claims for dishonored checks and other miscellaneous contingent assets.

## 6. INVENTORIES

This account consists of:

	2014	2013
Merchandise inventory	61,084,532	63,481,757
Allowance for inventory variance	(93,179)	(317,806)
	<b>60,991,353</b>	<b>63,163,951</b>

Merchandise Inventory represents collections-in-kind (palay, corn, etc.) from the end-users of irrigation systems and pump sets, which are intended for resale to the National Food Authority or to other private individuals.

## 7. PREPAYMENTS

This account consists of:

	2014	2013
Advances to contractors	102,411,593	111,232,165
Office supplies inventory	47,081,036	45,738,937
Prepaid rent	7,547,861	7,547,861
Other prepaid expenses	5,233,334	5,234,559
Gasoline, oil and lubricants inventory	2,317,335	1,242,297
Deposit on letters of credit	197,088	197,088
Other supplies inventory	135,438	145,376
Spare parts inventory	47,229	227,249
Deferred charges	(120,615)	(120,615)
	<b>164,850,299</b>	<b>171,444,917</b>

Advances to Contractors account comprises of mobilization costs for various projects undertaken under Fund 501 prior to 1996. Other Prepaid Expenses account represents prepayment to Procurement Service under the Department of Budget and Management (DBM) and to Petron Philippines for the delivery of office supplies and gasoline, respectively. Reconciliation of the Other Prepaid Expenses account amounting to P5.233 million at the NIA-CO is on-going to correct/deduct from the balance, fuel withdrawals for the current and previous years.

## 8. OTHER CURRENT ASSETS

This account consists of:

	2014	2013
Guaranty deposits	21,272,505	19,735,469
Other current assets	(218,379,228)	(218,379,228)
	<b>(197,106,723)</b>	<b>(198,643,759)</b>

Other Current Assets account consists of inactive negative cash in bank-current accounts transferred to this account in December 1997. It also includes receivables under Funds 107, 102 and 101 transferred to the corporate fund without details or breakdown.

## 9. INVESTMENTS

This account consists of:

	2014	2013
Investment in stocks	11,207,000	11,207,000
Investment in bonds	1,600	1,600
Other investments and marketable securities	15,900	15,900
Other investment – CE Casecan	60,166,002,796	56,265,438,085
	<b>60,177,227,296</b>	<b>56,276,662,585</b>

Investment in Stocks account comprises investment in NIA Consult, Inc. (NIACI), a subsidiary of NIA, amounting to P10 million in the form of drilling rigs and auxiliary equipment with appraised value of P12.639 million and cash under Treasury Warrant No. B0481390 dated October 2, 1980 in the amount of P0.750 million. Per Board Resolution No. 3791-82, NIA's investment in NIACI is up to P10 million only and the excess in the amount of P3.389 million is considered as advances and recorded as receivables. This account also includes investment in Gasifier and Equipment Manufacturing Corporation (GEMCOR) shares of stocks, 937 shares purchased in 1981 and another 250 shares acquired in 1984 both at P1,000 per share. In 1988, the GEMCOR privatization plan, which called for its dissolution, was approved. As at audit date, NIA's inquiry on the chance of recovering its investment remains unanswered.

Investment in Bonds account consists of 25-year six per cent Land Bank of the Philippines (LBP) bonds with various maturity dates depending on the dates of issue.

Other Investment – CE Casecnan represents cash advances made by the BTr to California Energy Casecnan Water Electric Company, Inc. (CECWECl) for the account of NIA for water deliveries under the Build, Operate and Transfer (BOT) scheme of the project agreement entered into by and between CECWECl and NIA on November 13, 1994. The project was aimed to: (i) divert certain water in the Casecnan Watershed and transfer that water into the Pampanga watershed at the Pantabangan Reservoir for NIA's subsequent irrigation use in the Central Luzon Valley, (ii) make available new installed electrical capacity and electrical energy to National Power Corporation (NPC) Luzon grid; and (iii) increase electrical energy generation at the existing Pantabangan and Masiway facilities.

On June 26, 1995, NIA and CECWECl entered again into the Amended and Restated Project Agreement to amend and restate in its entirety the original project agreement by reason of the General Agreement on Tariffs and Trade-Uruguay Round (GATT-UR) Agreement on agriculture and for NIA to implement an accelerated irrigation program for the 1,500,000 hectares over the next 10 years.

Consequently, on June 30, 1995 a Power Purchase Agreement (PPA) was entered between NIA and NPC relative to the energy delivery for 20 years of commercial operation or such longer period as may be determined in accordance with the contract.

On September 29, 2003, NIA and CECWECl entered into another Supplemental Agreement regarding the Amended and Restated Casecnan Project Agreement whereby the parties agreed to: (i) Excess Energy Delivery Fees – the excess energy delivery fees chargeable by NIA to NPC shall be reduced to the equivalent of the variable energy rates provided under this supplemental agreement, thereby resulting in the accrual of the benefits relating to excess energy in favor of NPC; (ii) Dispatch Protocol – assumption by NPC of all obligations of NIA relating to dispatch and contractual obligation for energy and (iii) Cooperation on co-Minimization – both parties acknowledge that the failure or inability to prevent or reduce water spillage or wastage will increase both parties' energy and water delivery fees to CECWECl.

From the very start of the cooperation period in calendar year (CY) 2002 up to the present, the BTr advanced the payment of NIA's contractual obligation upon approval of NIA's request by the Department of Finance (DOF). However, Management stopped the recording of these advances effective CY 2009.

In a meeting called for by the DOF on June 6, 2012 between the representatives from the BTr, NIA and COA, it was agreed that NIA would book up the advances by debiting Other Investment - CE Casecnan account and crediting Due to the National Treasury account.

Included also in this account is the ten-year US\$97 million bonds issued on October 15, 2003 by NIA and guaranteed by the Republic of the Philippines and the guarantee fee of one per cent per annum as approved by the DOF.

## 10. PROPERTY, PLANT AND EQUIPMENT (PPE)

This account represents:

Particulars	Land and land improvements	Building and improvements	Machineries, equipment, furniture and fixtures	Construction in progress (CIP)	Total
Cost: January 1, 2014	27,713,166,163	1,437,361,087	2,020,177,135	9,065,599,178	40,236,303,563
Additions	60,142,279	48,448,669	57,940,647	1,202,796,210	1,369,327,805
Liquidations of funds transferred to LGUs	(24,558,820)	-	-	-	(24,558,820)
Reclassification to other assets	-	-	(13,950,937)	-	(13,950,937)
December 31, 2014	27,748,749,622	1,485,809,756	2,064,166,845	10,268,395,388	41,567,121,611
Less: Accumulated depreciation, January 1, 2014	13,106,162,019	265,801,017	1,259,474,931	-	14,631,437,967
Depreciation charges for the year	(10,037)	45,278,149	161,101,737	-	206,369,849*
December 31, 2014	13,106,151,982	311,079,166	1,420,576,668	-	14,837,807,816
<b>Net Book Value – December 31, 2014</b>	<b>14,642,597,640</b>	<b>1,174,730,590</b>	<b>643,590,177</b>	<b>10,268,395,388</b>	<b>26,729,313,795</b>
<b>Net Book Value – December 31, 2013</b>	<b>14,607,004,144</b>	<b>1,171,560,070</b>	<b>760,702,204</b>	<b>9,065,599,178</b>	<b>25,604,865,596</b>

\*Depreciation expenses per Note 21 amounted to P203,208,254 or a difference of P3,161,595. This difference represents adjustment made by ROs which is still for verification.

Land and Land Improvements account includes cost of farm to market roads in various LGUs financed out of the P346 million proceeds of loan from NDC.

Land Improvements account refers to the total cost of completed irrigation projects which have generally redounded to the benefit of the farmers in terms of service areas. This also includes those funded out of appropriations from the National Government through the DPWH and the DA in 1990 until 1996.

Construction in Progress (CIP) account represents cost of projects implemented out of project funds directly released to NIA by DBM.

## 11. OTHER ASSETS

This account consists of work/other animals worth P0.548 million in 2014 and 2013 and other assets in the amount of P338.509 million in 2014 and P591.231 million in 2013.

## 12. PAYABLES

This account includes the following:

	2014	2013
Accounts payable	1,615,396,808	1,404,631,535
Notes payable	128,022	128,022
Due to officers and employees	21,617,876	47,117,603
	<b>1,637,142,706</b>	<b>1,451,877,160</b>

The account Due to National Treasury in the amount of P56,809.566 million in CY 2013 was reclassified under Inter/Intra-Agency Payables.

### 13. INTER/INTRA-AGENCY PAYABLES

This account includes the following:

	2014	2013
Due to national treasury	60,634,534,162	56,809,566,263
Due to other NGAs	13,098,190,768	13,122,591,394
Due to other funds	191,847,427	195,802,597
Due to other GOCCs	145,312,605	144,737,963
Due to CO	60,411,171	136,496,645
Due to Bureau of Internal Revenue	56,851,263	47,850,285
Due to Government Service Insurance System	13,633,193	14,998,410
Due to LGUs	5,797,123	8,038,685
Due to Pag-IBIG fund	4,624,621	3,811,401
Due to PhilHealth	4,181,262	3,956,494
Due to RO	1,663,350	-
	<b>74,217,046,945</b>	<b>70,487,850,137</b>

Due to Other NGAs account includes trust receipts from national government agencies, i.e. DA and DPWH, to finance specific projects or to pay specific obligations, subject to liquidation to the source agencies.

Due to National Treasury is the amount of the cash advances made by the BTr on account of NIA for payment of water delivery fees to CECWECL.

Due to Other GOCCs pertains to trust receipts from government-owned and/or controlled corporations to finance specific projects or to pay specific obligations.

### 14. OTHER LIABILITIES

This account includes the following:

	2014	2013
Guaranty deposits payable	116,090,625	106,375,564
Performance/bidders bond payable	30,450,132	32,089,143
Other payables	1,102,131,075	1,127,086,597
	<b>1,248,671,832</b>	<b>1,265,551,304</b>

Guaranty Deposits Payable represents "retention money" from claims of contractors implementing the Corporation's projects to cover for uncorrected discovered defects and third party liabilities.

Other Payables account includes outstanding allowances and benefits of CO and ROs personnel. Savings account with negative balances, which have been dormant since 1989, and miscellaneous trust liabilities were reclassified to this account.

## 15. LONG-TERM LIABILITIES

This account consists of loans and advances payable to the following:

	2014	2013
<b>Loans payable – domestic and advances payable– national government agencies</b>		
Asian Development Bank	2,829,468,741	2,829,468,741
International Bank for Reconstruction and Development	3,107,554,082	3,107,554,082
Overseas Economic Cooperation Fund	266,583,721	266,583,721
Special Project Implementation Assistance Loan	156,479,931	156,479,931
	6,360,086,475	6,360,086,475
<b>Loans payable – NDC</b>	4,875,000,000	4,875,000,000
<b>Loans payable – foreign</b>		
Asian Development Bank	139,039,695	139,039,695
International Bank for Reconstruction and Development	83,155,142	83,155,142
International Fund for Agricultural Development	49,059,222	49,059,222
	271,254,059	271,254,059
	<b>11,506,340,534</b>	<b>11,506,340,534</b>

Loans Payable – Domestic and Advances Payable to National Government Agencies represent payments made by the BTr to lending banks in favor of NIA. The BTr periodically forwards notices of payments to NIA which serve as basis of the latter in the recording of advances made by the former. Most of these payments cover only the interest incurred on loans.

Loans Payable – Foreign account represents the proceeds of foreign loan availment usually evidenced by the lending institution's payment advice and Bangko Sentral ng Pilipinas credit advice ticket. Verification as to the nature and status of these payables are on-going.

The Loans Payable to NDC was an offshoot of the implementation of economic pump-priming projects of the national government, which NIA is involved in, and completion of NIA's repair and rehabilitation program of existing national and communal irrigation systems (NIS/CIS). As the required fund in the total amount of P3.700 billion was not programmed in the proposed 2006 General Appropriations Act, the NIA Board of Directors authorized the then NIA's Administrator, under Board Resolution No. 7370-06, series of 2006 dated March 3, 2006, to negotiate for a loan with NDC.

In relation to this, a Memorandum of Agreement (MOA) was entered into by and among NIA, NDC, DBM, DOF and DA on May 11, 2006 which defines the roles and responsibilities of the concerned agencies to carry out the said lending activity and the implementation and monitoring of the project. On the same date, NIA entered into a loan agreement with NDC for P1 billion as interim financing, as approved under Board Resolution No. 7375-06 dated April 24, 2006. The loan has a term of six years and bears a fixed interest rate of 10 per cent per annum plus taxes, payable quarterly in arrears.

In October 2006, NIA availed itself of an additional P2 billion loan from NDC, as approved by Board Resolution No. 7391-06, series of 2006. Another MOA was executed among NDC, DBM, DOF and DA for the utilization and repayment of said loan. The terms include utilization of P1 billion for full payment of the interim loan and P1



billion for financing NIA's additional requirements for repair and rehabilitation of NIS/CIS including farm-to-market roads and other projects.

As of December 31, 2014, proceeds from the loan had a remaining balance of P14.607 million. Breakdown of the fund is shown below:

	2014	2013
<b>Balance, December 31</b>	<b>14,606,880</b>	<b>14,606,880</b>
<b>Funds maintained in:</b>		
Cash in bank – savings account	14,093,627	14,093,627
Cash in bank – current account	513,253	513,253
	<b>14,606,880</b>	<b>14,606,880</b>

## 16. DEFERRED CREDITS

This account includes the following:

	2014	2013
Deferred credits	17,730,466,359	16,963,418,591
Other deferred credits	1,687,544,884	1,618,959,920
	<b>19,418,011,243</b>	<b>18,582,378,511</b>

Deferred Credits account represents income to be realized upon collection of previously billed irrigation fees and unearned income on installment sales, equipment rentals and CIS amortizations.

Other Deferred Credits account pertains to miscellaneous liabilities and undistributed collections converted to this account.

## 17. SUBSIDY INCOME FROM NATIONAL GOVERNMENT

A total of P1,660.959 million was received as Subsidy from the National Government, broken down as follows:

	2014	2013
<b>Subsidy for operations</b>		
5% Management fee	294,794,463	1,187,039,841
<b>Budgetary support for the implementation of various projects (Capital outlay)</b>		
2.85% General engineering, supervisory and administrative	1,013,988,536	676,611,159
<b>Disbursement Acceleration Program (DAP)</b>		
Casechan Multipurpose Irrigation and Power Project II (CMIPP II)	-	283,620,000
Malitubog-Maridagao Irrigation Project II (MMIP II)	56,769,000	233,181,000
Umayam River Irrigation Project (URIP)	77,707,000	105,445,000
	134,476,000	622,246,000
<b>Pension and Gratuity Fund</b>	-	417,490,784
<b>Calamity Fund</b>	217,699,700	-
	<b>1,660,958,699</b>	<b>2,903,387,784</b>

Receipts of cash for DAP were credited to LBP Current Account No. 1872-1005-94 under Fund 501 per Letter Authority issued at various dates by the BTr to the LBP, Intramuros Branch.

## **18. GOVERNMENT EQUITY / RETAINED OPERATING SURPLUS / PPE-PUBLIC INFRASTRUCTURES**

This account represents capital expenditures out of funds released directly to NIA by the National Government up to 1989 and out of trust funds released to NIA through the DA and DPWH from 1990 to 1996.

An adjustment amounting to P7.368 million representing various corrections of prior period errors was closed to Retained Operating Surplus account.

The amount of P5.281 million represents Energy Conservation (ENERCON) incentives of NIA-CO personnel for CY 2013. The amount of P1.020 million represents Rice and Transportation Subsidy of NIA-UPRIIS personnel for CY 2013.

The amount of P2.431 million represents deposit to the BTr as refund of disallowed management fee charged to the General Fund.

Likewise, the amount of P8.505 million represents partial payment to the DOF of dividends for CY 2013 net income.

## **19. CORRECTION OF PRIOR PERIOD ERRORS**

This account represents Central and Field Offices prior years' adjustments as detailed below:

	<b>2014</b>	<b>2013</b>
Management fee	-	(4,301,645)
Adjustment on bad debts	9,699,069	3,317,390
Power cost	-	(966,176)
Disallowance	(205,477)	337,553
Reclassification of unserviceable equipment	(947,991)	-
Adjustment of accounts payable	(925,222)	1,120,262
Inventory	-	414,446
Bid documents	(644,878)	110,000
Deposits	306,567	328,518
Subsidy from CO	1,297,615	5,612,767
Staple food allowance	-	40,107
Income	(2,467,704)	702,098
Reconciling items	(1,312,186)	(10,000)
Accounts receivable	(11,667,799)	(29,048,897)
Cost of check booklet	(47,250)	(350)
Pag-IBIG	(79,944)	(124,577)
Trust liabilities	17,161,562	-
Office supplies	(52)	(37,114)
PhilHealth	(650)	337,798
Liquidation of cash advance/equity	(3,640,501)	331,270
Honorarium	-	(404,922)

	<b>2014</b>	<b>2013</b>
Unrecorded expenses/disbursements	(9,387,956)	(5,666,253)
Government Service Insurance System	(1,789,781)	(254,770)
Viability incentive grant	1,676,182	20,000
Reversion of accounts payable	441,305	29,405
Collections/remittance	(497,967)	113,899
Interest income	1,200,245	444,491
Terminal leave	(3,821,448)	(470,989)
Collective Negotiation Agreement	(2,040,000)	(16,378,785)
Cancellation of entry	2,083,964	(1,500)
Depreciation	442,830	(67,659,167)
Salaries, wages/allowances/bonuses	(1,022,856)	(1,295,962)
Disbursements	(638,947)	62,103,915
Bank charges	(36,246)	(50)
Cost of living allowance/amelioration	(513,614)	(219,465)
Others	11,390	(2,891,014)
	<b>(7,367,740)</b>	<b>(54,367,717)</b>

## 20. MISCELLANEOUS INCOME

This account includes income derived from sale of electrical energy generated by the Casecan Multi-Purpose Irrigation and Power Project per Power Purchase Agreement dated June 30, 1995. This also includes service fee for the operation and maintenance of non-power components of the 100 Mega Watts (MW) Pantabangan Hydroelectric Power Plant and 12 MW Masiway Hydroelectric Power Plant per Operations and Maintenance Agreement dated November 13, 2006 and Magat Power Plant Complex per Operations and Maintenance Agreement dated December 13, 2006.

The account is detailed as follows:

	<b>2014</b>	<b>2013</b>
Bid documents	28,676,913	41,583,707
Sale of goods and materials	1,641,820	52,500
Disallowances	577,377	931,257
Scrap of property and equipment	915,714	177,671
Income from NIA housing	-	5,000
Laboratory analysis – soil and water	497,740	670,900
Payment for lost items	10,829	10,379
Printing/photocopy/radio	24,062	29,818
Hauling/milling/drying fish	139,488	117,288
Income from National Home Mortgage Finance Corporation	1,298	1,440
Contract price adjustment/liquidated damages	4,874,475	2,384,518
Other miscellaneous income	66,411,675	104,398,981
	<b>103,771,391</b>	<b>150,363,459</b>

## 21. EXPENSES

The account consists of:

	2014	2013
<b>Personal Services</b>		
Salaries and wages	919,797,518	914,114,725
Terminal leave benefits	139,147,141	242,379,404
Life and retirement insurance contributions	110,037,066	105,700,865
Personnel economic relief allowance	85,123,497	83,301,446
Year-end bonus	70,737,443	73,252,253
Cash gift	23,616,177	21,803,035
Other bonuses and allowances	21,583,641	34,111,243
Clothing/uniform allowance	17,961,380	18,134,999
PhilHealth contributions	10,261,559	9,547,733
Representation allowance	9,364,898	9,072,112
Retirement benefits	9,269,800	42,130,306
Productivity incentive allowance	9,075,100	7,825,876
Transportation allowance	7,864,188	7,868,100
Other personnel benefits	7,166,566	69,832,238
Overtime and night pay	6,328,478	4,958,493
Pag-IBIG contributions	4,572,100	4,476,906
ECC contributions	4,400,042	4,397,445
Longevity pay	3,529,350	3,759,251
Honoraria	2,391,696	3,382,811
Additional compensation allowance	1,643,704	1,479,000
Hazard pay	-	80,400
	<b>1,463,871,344</b>	<b>1,661,608,641</b>
<b>Maintenance and Other Operating Expenses (MOOE)</b>		
Irrigators' share	218,354,770	251,838,753
Collection/viability bonus	213,234,327	193,897,723
Depreciation	203,208,254	844,239,440
Electricity expenses	83,290,674	84,290,354
Other maintenance and operating expenses	80,167,766	86,385,875
Gasoline, oil and lubricants	66,913,720	44,030,695
Bad debts	42,716,266	99,118,574
Repairs and maintenance - motor vehicles	40,396,629	30,340,983
Taxes, duties and fees	32,705,410	6,942,920
Auditing services	32,461,019	41,005,372
Repairs and maintenance – equipment	27,245,754	13,753,481
Travelling expenses	25,394,206	18,342,901
Office supplies expense/supplies and materials	16,589,167	17,681,484
Repairs and maintenance-irrigation, canals and laterals	14,268,618	170,416,325
Other supplies expense	14,050,718	14,380,150
Janitorial services	8,496,829	10,358,486
Insurance expenses	6,431,480	4,498,661
Training expenses	6,416,412	4,976,562
Repairs and maintenance-buildings/structures	6,045,711	32,331,722
Rent expenses	4,075,754	1,261,529
Consulting services	3,889,062	1,633,644
Water expenses	3,833,396	4,035,147
Representation expenses	3,816,482	2,576,354

	2014	2013
Repairs and maintenance-artesian wells, reservoirs, etc.	3,324,053	1,746,565
Telephone expenses - landline	7,668,397	7,773,417
Telephone expenses – mobile	3,282,174	2,504,637
Collection expenses	2,519,845	2,616,282
Security services	2,516,438	-
Fidelity bond premiums	2,014,722	1,210,569
Internet expenses	1,984,423	3,170,523
Printing and binding expenses	1,481,962	2,536,625
Awards and indemnities	1,150,000	-
Advertising expenses	643,138	941,610
Transportation and delivery expenses	598,087	664,647
Legal services	594,461	266,819
Accountable forms expenses	517,307	1,729,418
Motorcycle allowance	366,237	301,438
Extraordinary expenses	288,579	356,562
Subscription expenses	224,584	187,315
Postage and deliveries	207,521	278,657
Rewards and other claims	175,340	20,000
General services	164,800	392,153
Membership dues and contribution to organizations	163,517	62,107
Cable, satellite, telegraph and radio expenses	130,535	91,872
Other professional services	115,350	16,530
Medical, dental and laboratory supplies expenses	98,070	134,063
Drugs and medicines expenses	79,437	283,178
Donations	21,500	1,232,321
Military and police supplies expenses	6,894	14,796
Textbooks and instructional materials expenses	-	105,284
Miscellaneous expenses	4,902,156	11,652,804
Scholarship expense	-	5,000
	<b>1,189,241,951</b>	<b>2,018,632,327</b>
<b>Financial Expenses</b>		
Interest expense	394,922,677	422,505,160
Bank charges	55,252	14,839
	<b>394,977,929</b>	<b>422,519,999</b>
	<b>3,048,091,224</b>	<b>4,102,760,967</b>

\*Depreciation in Note 10 is P206,369,849 or a difference of P3,161,595 which is still for verification.

## 22. COMPLIANCE WITH TAX LAWS

For CY 2014, NIA, under its Corporate Fund, withheld taxes from salaries and wages, and suppliers/contractors and remitted P35.662 million to the Bureau of Internal Revenue (BIR). The Due to BIR account as of December 31, 2014 totaled P56.851 million consisting of taxes withheld for December 2014, prior year's accumulated tax dues and unrecorded remittances from regional and field offices which are still subject to further verification and reconciliation.

## PART II - OBSERVATIONS AND RECOMMENDATIONS

### FINANCIAL OPERATIONS

**1. The accuracy of the Property, Plant and Equipment (PPE) account with net book value of P26.729 billion was not reasonably substantiated due to, among others, lack of reports for completed irrigation projects, inadequate accounting and property records, significant variances between books and results of physical counts, and the inclusion of unserviceable properties.**

1.1. Section 58 of Presidential Decree (PD) No. 1445 states that:

*The examination and audit of assets shall be performed with a view to ascertaining their existence, ownership, valuation and encumbrances as well as the propriety of items composing the respective asset accounts, determining their agreement with records, proving the accuracy of such reports; xxx.*

1.2. The PPE account with a net book value of P26.729 billion is composed of Land and Land Improvements including Roads, Irrigation Canals and Laterals (54.78 per cent), Construction in Progress (38.42 per cent), Buildings and Improvements (4.39 per cent), and Machineries and others (2.41 per cent). Review of the account revealed that the audit observations discussed below are recurring as these are not yet fully addressed by Management.

1.3. Section 41 of the Manual on the New Government Accounting System (MNGAS), Volume I, requires that:

*During the construction period, property, plant and equipment shall be classified and recorded as "Construction in Progress" with the appropriate asset classification. As soon as these are completed, the "Construction in Progress" account shall be transferred to the appropriate asset accounts. Accounts "Public Infrastructures" and "Reforestation Projects" are closed to "Government Equity" account and the asset is recorded in the Registry of Public Infrastructures/Reforestation Projects at the end of the year.*

1.4. Relative to this, NIA, in its Memorandum Circular (MC) No. 43 dated July 20, 2007, provided the guidelines, procedures and journal entries for the transfer of all completed projects from Construction-in-Progress (CIP) account to Public Infrastructure account.

1.5. The CIP account has a total balance of P10.268 billion. This presupposes that the implementation of projects, such as construction, repair, rehabilitation or restoration of irrigation systems, is still on-going and within the normal contract period of less than one year to five years.

a. In the Central Office (CO), the CIP balance of P444.993 million showed that it still included completed irrigation projects mostly pertaining to calendar year (CY) 2008 and prior years that cannot be adjusted to the proper PPE account

due to lack of appropriate supporting documents. NIA MC No. 43 dated July 20, 2007 requires that a copy of Board Resolution approving the consolidated Project Completion Report (PCR) prepared by the Construction Management Department (CMD) based on the Inventory Report (IR) submitted by the composite team assigned to conduct the inventory of all NIA completed/to be completed projects be forwarded to the Property, Plant and Records Division (PPRD) and copy furnished the Accounting Division/Section to be used as basis to close/adjust the CIP account to the proper PPE account.

However, Management did not respond to our letter-request dated March 16, 2015 to submit copy of the Board Resolutions together with the approved consolidated PCR and the IR submitted by the composite team. Thus, completed projects were not also included in the Report on the Physical Count of PPE (RPCPPE) as these could not be physically inspected due to absence of documents to trace their locations, rendering the true nature and value of the CIP account included in the PPE balance at year-end not certain.

b. In NIA Regional Office (RO) III, the accuracy and reliability of the CIP balance of P692.686 million remained doubtful due to the absence of Subsidiary Ledgers (SLs) and the inclusion of completed projects which should have been transferred to the proper PPE account. This also holds true in NIA ROs X and XIII with CIP balances of P466.542 million and P301.691 million, respectively.

c. In Casecan Multipurpose Irrigation and Power Project (CMIPP), CIP balance of P477.380 million represents the total balance of the PPE not yet classified to the proper asset account.

d. In NIA RO VIII, the CIP account included the amount of P23.700 million representing management fees and General Engineering, Supervision and Administration (GESA) sourced out from the Budgetary Support to Government Corporations under the General Appropriations Act (GAA) of 2014 to finance specific projects, which could not be properly identified due to the absence of SLs or Project Cost Sheet.

1.6. Section 43 of the MNGAS, Volume I, requires the Accountant and Property Officer to respectively maintain PPE Ledger Cards (PPELCs) and Property Cards (PCs) for PPE account. But these are not maintained or not properly maintained.

a. In NIA Magat River Integrated Irrigation System (MARIIS), PPELCs were not prepared for property items amounting to P825.640 million.

b. The PPELCs and PCs are not also maintained/properly maintained in NIA ROs II, III, IV-B and XI, for PPE with balances of P829.988 million, P1.441 billion, P188.108 million and P972.952 million, respectively, or a total of P3.432 billion.

1.7. Further in NIA RO III, PPE valued at P525.819 million recorded under Earthquake Rehabilitation Program (QUAKE), National Development Company (NDC), Irrigation Operation Support Project (IOSP), and Comprehensive Agrarian Reform Program-Irrigation Component (CARP-IC) have neither details nor supporting documents. The Audit Team was informed that the present employees of the

Accounting Section have no knowledge of the nature/details of these assets because these were carried-over balances from prior years; thus, these remained unaccounted.

1.8. Due to the lack of basic and mandatory supporting records for the PPE account, verification and reconciliation between records cannot be undertaken and the cost per project cannot be easily determined. As a result, the accuracy of the year-end balances of the sub-accounts classified under PPE cannot be relied upon.

1.9. Physical inventory of property, required under COA Circular No. 80-124 dated January 18, 1980 and Sections 490 and 491 of the Government Accounting and Auditing Manual (GAAM), Volume I, was not completely/properly conducted, and the required RPCPPE under Sections 63 and 66 of the MNGAS was not prepared and submitted to the Office of the Auditor. In view of this, the physical existence of the recorded PPE was not duly substantiated.

a. In NIA CMIPP, there were procedural lapses during the inventory taking such as location of the items that are not updated in the inventory report, some PPE items were not properly tagged/coded, or were not tagged altogether, among others, which cast doubt on the reliability of the result of the physical count as well as the existence of the PPE.

b. In NIA ROs II, IV-B specifically Palawan and Mindoro Occidental Irrigation Management Offices (IMOs) and MARIIS, physical inventory of their PPE valued at P829.988 million, P188.108 million and P825.641 million, respectively, was not completed due to, according to Management, lack of manpower. In NIA RO II, conduct of inventory was not given priority.

1.10. In NIA ROs where RPCPPE were prepared, the variances between the book balances and results of physical count as of year-end cannot be reconciled and traced to source documents due to absence of SLs. This condition runs counter with the provisions of Section 491 of the GAAM, Volume I, requiring all discrepancies between physical and book inventories to be investigated and cleared immediately, and if necessary written explanations shall be required from persons responsible.

a. In NIA-CO, RO II, Upper Pampanga River Integrated Irrigation System (UPRIIS) and MARIIS, the variance between the physical inventory for CY 2014 and the accounting records amounted to P790.816 million, P833.496 million, P901.721 million and P1.058 billion, respectively, or a total of P3.584 billion. Furthermore, PPE amounting to P598.537 million recorded in the CO were not included in the Property Inventory Report due to the absence of SLs and other records to support their existence.

b. In NIA UPRIIS, various items totaling P1.495 million acquired by the different division offices in CY 2014 and included in the physical inventory report as of December 31, 2014 were not included in the schedule of PPE provided by the Accounting Section as these were still carried under the CIP account and not yet reclassified to their proper asset accounts.

c. The cost of MARIIS dam facilities and other structures worth P4.220 billion under the Magat River Multipurpose Project (MRMP), now under the MARIIS Dam Reservoir Division (DRD), was neither booked nor included among the



inventory of PPE of MARIIS, understating the asset account by the same amount in MARIIS' books. MARIIS officials alleged that these properties were included in the inventory and accounting records of the CO. Meanwhile, according to top Management, these properties were recorded in the CO's books as part of the completed projects and the corresponding Journal Entry Vouchers (JEVs) together with all the supporting documents are now being prepared to facilitate the immediate transfer/proper recording of the dam facilities and other structures in the books of accounts of MARIIS.

d. In NIA RO II - Cagayan-Batanes IMO and RO XI, inventory reports balances of P180.659 million and P127.822 million, respectively, do not reconcile with accounting and property records as both the SLs and PCs are not updated.

1.11. Section 143, MNGAS, Volume III, states that *"Other Assets account is used to record the value of obsolete and unserviceable assets awaiting final disposition as well as those assets still serviceable but no longer being used."* Also, Section 79 of PD No. 1445 states that *"when government property has become unserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefore, be inspected by the head of the agency or representative and in the presence of the auditor, and if found valueless or unsalable, it may be destroyed in their presence. If found valuable, it may be sold at public auction."*

1.12. It was noted that transferred and unserviceable properties were still included under the PPE account, and some properties that were already disposed are not yet dropped from the books. These further rendered the balances of the PPE account unreliable.

a. Disposed unserviceable properties in NIA RO I - Pangasinan IMO, RO II, and Cagayan-Batanes IMO amounting to P5.078 million, P748.337 million and P1.304 million, respectively, were still booked up and included in the Inventory Report, thus, overstating the total balance of PPE account. Likewise, various unserviceable properties valued at P0.065 million and P1.842 million in La Union IMO and Ilocos Norte IMO, respectively, were not properly kept thereby exposing the properties to further deterioration and loss.

b. In UPRIIS, PPE items transferred to CO amounting to P3.647 million were not completely documented; hence, accountability could not be readily ascertained. Likewise, some steel gates plates, mechanisms and other accessories were not properly safeguarded and left exposed to elements, resulting in further deterioration and lower appraised value of the said items.

c. In MARIIS, unserviceable property items worth P15.178 million were still classified under PPE account instead of Other Assets account.

d. In CMIPP, items swapped between offices were not documented and the corresponding Acknowledgment Receipts for Equipment (AREs) were not updated.

e. In NIA RO III, 25 units of unserviceable equipment with acquisition cost of P3.879 million that were disposed during the year were still included in the PPE account.

f. In NIA RO XI, properties worth P0.224 million in the name of former employees, who either retired or transferred, were still recorded in the books, while lost/missing properties worth P0.134 million were dropped from the books without the approved Request for Relief from Accountability.

1.13. As a result of the foregoing deficiencies, the PPE account with a net book value of P26.729 billion cannot be relied upon.

1.14. **We recommended and Management agreed to:**

a. **Create a task group/team to undertake within a target period the immediate reconciliation of the variances between RPCPPE and the accounting records, analyze the CIP account for reclassification to the proper PPE account duly supported with complete documentation;**

b. **Require the Accounting and Property Sections to maintain/update accounting and property records, conduct periodic reconciliation between these records, and immediately investigate and clear any discrepancies;**

c. **Require the Property Section to conduct the proper and complete annual physical inventory of all properties, prepare the corresponding inventory reports, and reconcile the results of the physical inventory with the property and accounting records; and**

d. **Require the Property Section to act immediately on matters pertaining to the proper disposal of all unserviceable/disposable properties so that proper adjustments to correct/update the PPE account are effected.**

1.15. Management gave the following comments:

a. In NIA RO II, they assured that they will now conduct complete physical inventory annually, reconcile the physical count with the property and accounting records and adjust any noted discrepancy. They further informed that they are now in the process of reconciling and updating the SLs.

b. In MARIIS, they have already coordinated with the CO on the proper recording of the dam facilities and assured to adhere and comply with the audit recommendations as soon as verification is completed. Likewise, a Task Force has already been created for the reconciliation of PPE account.

c. In CMIPP, Management committed to observe the prescribed procedures in inventory-taking.

d. During the exit conference, the NIA CO Management affirmed that the Dam Facilities of MARIIS were indeed recorded in their books as one of those completed projects in the 1980s. Accordingly, it was the policy of Management during that period that all projects were to be booked in the CO. As at audit date, they are already preparing all the necessary documents/reports to support the preparation of the JEV transferring the said dam facilities to MARIIS books as agreed with the Auditor of MARIIS. Likewise, SLs for PPE are now being maintained by the Bookkeeping Section for PPE acquired beginning 2001. The

reconciliation of the PPE account being undertaken by the Technical Working Group (TWG) is still on-going.

1.16. As a rejoinder, we further recommend that **Management set a timeline for each task/activity of the TWG in the reconciliation of PPE account in the order they are to be undertaken, to serve as basis for monitoring the extent of accomplishments at any given time.**

**2. The accuracy and validity of Accounts Receivable – Irrigation Service Fees (ISF) and Communal Irrigation System (CIS) with a balance of P19.184 billion is affected due to, among others, unreconciled discrepancies of P3.926 billion between records of the regional offices (ROs) and field offices (FOs); receivables of P1.882 billion without subsidiary records; unrecorded amortization of P0.670 billion from farmer-beneficiaries; discrepancy of P0.370 billion between books and aging schedule; and receivables of P0.483 billion that have been dormant for over five to 40 years.**

2.1. Section 111(1), PD No. 1445 states that the *“accounts of the agency shall be kept in such detail as is necessary to meet its needs and at the same time to be adequate to furnish the information needed by fiscal or control agencies of the government.”* Section 114(2) thereof, states that *“subsidiary records shall be kept where necessary.”*

2.2. Audit of the Accounts Receivable account with a balance of P19.184 billion disclosed deficiencies which affected the validity and accuracy of the reported receivables as of December 31, 2014.

a. In RO I, the Accounts Receivable-ISF of the La Union, Pangasinan, Ilocos Norte and Ilocos Sur IMOs totaling P660.233 million remained uncollected. Out of this amount, P426.775 million or 64.64 per cent represents dormant accounts for more than ten years.

b. In Cordillera Administrative Region (CAR), receivables amounting to P2.771 million remained dormant for more than five years due to the absence of supporting documents and no request has been made for their write-off, thus, rendering the account balances doubtful. In RO III, Accounts Receivable of Tarlac-Zambales (TARZAM) IMO and Bulacan-Aurora-Nueva Ecija (BANE) IMO amounting to P50.512 million and P2.667 million were dormant for over 15 and 40 years, respectively. The receivables of TARZAM IMO are composed of receivables from 18 Irrigator's Associations (IAs) which are no longer operational.

c. In RO III, the Accounts Receivable-CIS and ISF of P118.957 million and P1.680 billion, respectively, and the Accounts Receivable-ISF of RO VII amounting to P83.122 million were of doubtful validity due to the absence of Subsidiary Ledgers (SLs).

d. Unreconciled differences existed between the records of the ROs/FOs:

d.1 In UPRIIS, the Accounts Receivable balance of P2.677 billion as of year-end remained unreliable due to the discrepancy that still exists

between accounting records and those maintained at the Division Offices (DOs) aggregating to P5.652 billion, or a difference of P2.975 billion. The discrepancy emanated primarily from the inconsistent basis of valuation of the receivables. As prescribed under NIA Memorandum Circular (MC) No. 52 dated November 26, 2008, the Government Support Price (GSP) for palay at the time of billing was used as basis in the booking up of receivables, while the GSP prevailing at the time of the preparation of Statement of Account was applied when these were collected.

d.2. In RO III, a variance of P44.278 million existed between the Accounts Receivable-ISF balances in the RO records and those of the FOs.

d.3 In MARIIS, a difference of P906.298 million existed between the General Ledger (GL) and SL balances in the four DOs/FOs.

e. In RO V, there is a discrepancy of P0.370 million between the Schedule of Aging of Accounts Receivable-ISF and Accounts Receivable-CIP/CIS totaling P1.426 billion compared with the GL balance of P1.056 billion. This may be attributed to the inability of the Accounting Section to conduct a periodic reconciliation of the receivable accounts between accounting records.

f. In RO IX, the Accounts Receivable-CIS amounting to P669.897 million consisting of amortizations due from the 134 completed CIS projects constructed in the provinces of Basilan, Sulu, and Tawi-Tawi from 2008 to 2014 was not taken up in the books. The concerned IAs failed to submit the required amortization schedule which is the basis of the Billing Section in the computation of the receivables due from the farmer-beneficiaries.

2.3. The foregoing is an indication that Management is not properly monitoring its receivables. There was no concrete action taken to address the issues, such as the analysis of accounts, the determination of their actual status, the investigation of whereabouts of farmer-beneficiaries/IAs, and the compliance with COA Circular No. 97-001 dated February 5, 1997, which provides that dormant accounts may be written off upon receipt of authority from the COA.

2.4. Consequently, the validity and accuracy of the recorded Accounts Receivable with a year-end balance of P19.184 billion could not be ascertained.

**2.5. We recommended and Management agreed to:**

a. Consider enhancing NIA MC No. 52 in a way that would resolve the inconsistency on the use of the GSP in the valuation of Accounts Receivable-ISF;

b. Require the Accounting Section to: maintain SLs for receivable accounts and regularly reconcile the SL balances with the GL balances, and exert all efforts to reconcile the balances of recorded receivables in the ROs/FOs;

c. Request for write-off of dormant/uncollectible accounts from COA, in accordance with COA Circular No. 97-001 dated February 5, 1997; and

d. **Require the Managers of IMO's to timely submit all documents pertaining to completed projects and turned-over CIS to farmer-beneficiaries to the Engineering and Operations Division (EOD) for review and to the Finance Management Division for recording the Accounts Receivable in the RO books.**

2.6. Management gave the following comments:

a. In CAR, the reconciliation of the Other Receivable account is on-going.

b. In UPRIIS, the differences are continuously discovered in the course of the on-going updating of records on Accounts Receivable, in relation to the full implementation of NIA MC No. 54, series 2013 effective January 2014 to December 31, 2015, which encourages the irrigation users to avail of the incentives being offered, provided they settle their current accounts, apply for the settlement of their back accounts until December 2015, and pay these back accounts within six cropping seasons reckoned from the signing of their agreement. NIA MC No. 54, series 2013 was primarily issued to increase collection and thus contribute in improving NIA's financial standing. Divisions III and IV were already done with the updating of the records and will be followed by the reconciliation of accounts.

c. In RO IX, accounting personnel were already tasked to retrieve all pertinent documents of the CIS projects in the provinces of Sulu and Tawi-Tawi to be used as basis for the computation of the amortizations due and the preparation of the Billing Statements to be issued to the concerned IAs.

d. In MARIIS, they committed to reconcile the GL and SL balances and had submitted the following courses of action to correct the deficiencies: (i) Request Management Information Division to generate reports of payments to principal using GSP at the time of billing and not at the time of collection; (ii) require Finance Offices to submit report of collections separating principal using GSP at the time of billing and penalties starting Dry Crop 2015; and (iii) record 100 per cent Accounts Receivable from 2000 to 2013.

2.7. As a rejoinder, considering that most of the noted deficiencies have been recurring, **we further recommend that Management create a task group/team to reconcile the Accounts Receivable between records and evaluate the discrepancies.**

**3. The reliability of the balance of the Cash in Bank account of P2.532 billion could not be ascertained due to absence of records to support the account balance; non-preparation of bank reconciliation statements (BRS); and discrepancy in balances among accounting records and two unrecorded bank accounts. Moreover, 55 bank accounts are maintained in three banks which are not authorized government depository banks (AGDBs).**

3.1. Section 12 of MNGAS, Volume II, requires government agencies to maintain SLs which contain the details or breakdown of the controlling account appearing in the GL,

and to reconcile the SL balances with their respective control account regularly or at the end of the month.

3.2. Also, Section 74 of PD No. 1445 requires the head of the agency to see to it that monthly reconciliation is made between the balance shown in the bank statement and the balance found in the books of the agency.

3.3. Audit disclosed accounting deficiencies already noted in previous years, but remained uncorrected, as summarized in Table 1, which have caused difficulty in establishing the accuracy and reliability of the year-end balance of the Cash in Bank account of P2.532 billion.

**Table 1 – Deficiencies Affecting the Cash in Bank account**

<b>Region</b>	<b>Observations</b>
CAR	Variance of P4.476 million existed between records of the RO and the records of the FOs.
III	No details/SLs for all bank accounts totaling P153.962 million composed of Cash in Bank-Local Currency Current Account (LCCA) and Cash in Bank-Local Currency Savings Account (LCSA) amounting to P7.430 million and P146.532 million, respectively. The BRS for Cash in Bank-LCCA were not duly supported and no BRS for Cash in Bank-LCSA.
X - Bukidnon IMO	BRS for existing Cash in Bank balance for Corporate Operating Budget (COB) Fund of P 2.653 million with Land Bank of the Philippines (LBP), Valencia City was not prepared as allegedly this was not required by RO X, which prepares the consolidated BRS of the region in accordance with the “one account concept.”
XIII	The balances of the two LBP-Butuan Branch Current Accounts totaling P7.757 million were not recorded in the Cash in Bank account, thus understating the total cash balance and the related accounts by the same amount. It was determined that one bank account represents the aggregate ending balances of various RO XIII accounts which became dormant in the prior years; whereas the other bank account is where the proceeds from the sale of bid documents are deposited. Bids and Awards Committee (BAC) honoraria, Technical Working Group (TWG) overtime pay and other items are sourced out and taken from this account. According to the Accountant, the foregoing bank accounts are not booked by the Agency because they have yet to determine the corresponding fund where the amounts are to be recorded.

3.4. Likewise, it was noted that NIA still maintains 55 bank accounts, as shown in Table 2, with banks that are not AGDB, thus without the prior approval of the Department of Finance (DOF).

**Table 2 - Bank Accounts Maintained with Non-AGDB**

<b>Office/ RO/ FO</b>	<b>Philippine National Bank (PNB)</b>	<b>Philippine Veterans Bank (PVB)</b>	<b>United Coconut Planters Bank (UCPB)</b>	<b>Philippine Postal Bank</b>	<b>Total</b>
CO	5	11	2	-	<b>18</b>
UPRIIS	10	-	-	-	<b>10</b>
MARIIS	4	1	1	-	<b>6</b>
II	6	-	-	-	<b>6</b>
XI	11	-	-	4	<b>15</b>
	<b>36</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>55</b>

3.5. DOF Department Order No. 27-05 dated December 9, 2005 on the revised guidelines for the deposit and maintenance of government funds with banks states that:

*Xxx Heads of all Government-Owned and/or Controlled Corporations (GOCCs) are required to secure prior DOF approval if they are to deposit their funds or maintain depository accounts with banks other than the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP).*

3.6. **We recommended that Management require the Finance and Accounting Division to:**

**a. Always maintain complete and updated SLs for the Cash in Bank account, prepare BRS on a monthly basis, and conduct periodic reconciliation of GL and subsidiary records; and**

**b. Seek approval from the DOF for the maintenance of depository accounts with banks other than LBP and DBP; otherwise, transfer all bank accounts maintained with PNB, PVB, UCPB and Philippine Postal Bank to these AGDBs.**

3.7. Management in NIA RO X, Bukidnon IMO assured that the concerned employee shall now prepare and submit the BRS and furnish the RO a copy for their reference; while in NIA RO XIII, they agreed to comply with the audit recommendations and that a complete set of books for the Trust Account will now be maintained.

3.8. As a rejoinder, considering that the Cash in Bank account is a very critical account, more so that the balance is too significant, **we reiterate our previous recommendation that Management require the officers concerned to submit their strategies and commitments on how to address each of the deficiencies noted, monitor the overall progress of these commitments and submit progress report regularly to the Auditor.**

**4. NIA has been deprived of annual rental income of P4.481 million since the effectivity or in March 2009 of its Lease Agreement with New Kanlaon Construction, Inc. (NKCI) due to non-enforcement of the termination clause thereof, which resulted in the accumulation of unpaid rentals totaling P25.539 million as of December 31, 2014.**

4.1. A Lease Agreement was entered into by and between NIA and the NKCI, whereby the former leases to the latter the 2,508 square meters (sq.m.) portion of NIA real property located at EDSA, corner NIA-PDEA Road, NIA Complex, Diliman, Quezon City at P148.88/sq.m per month with escalation of five per cent per year starting on the fourth year, or a total contract price of P194.599 million. The Lease Agreement is for a period of 25 years effective March 1, 2009 and to expire on February 28, 2034.

4.2. As of December 31, 2014, total accounts receivable from NKCI amounted to P25.539 million inclusive of surcharges. Said amount is an accumulation of the unpaid annual rental of P4.481 million exclusive of interest and surcharges since 2009.

4.3. It has been observed that despite NKCI's delinquency in the payment of its rental dues, NIA did not enforce the following termination clause of the Lease Agreement:

**VII. RELIEF AND PENALTY IN CASE OF BREACH OF CONTRACT**

**LESSEE** hereby agrees that all the covenants and agreement herein contained shall be deemed essential conditions hereof and that if default or breach be made of any such conditions, **LESSOR** shall have the right to terminate and cancel the contract upon ninety (90) days written notice to **LESSEE** or its agents, delivered at the leased premises and duly received by the representatives of the **LESSEE**.

4.4. Also, Section 2.2.3(b) of COA Circular No. 88-282A dated December 22, 1988 re: Uniform Standards/Guidelines to Determine Reasonableness of the Terms and Rental Rates of Lease Contracts to Private or Government Buildings/Spaces states that:

*Rights of the Lessor - To terminate the lease contract and eject the LESSEE for failure or refusal of the latter to pay the rentals agreed upon during the period stipulated in the lease contract or for violation of contract conditions by the LESSEE.*

4.5. In CY 2014, Management sent three Statement of Accounts to NKCI dated February 11, October 31 and December 31 in the amounts of P25.149 million, P25.538 million and P25.539 million, respectively, demanding full payment of the total amount due of which NKCI made partial payments as shown in Table 3.

**Table 3 – Schedule of Payments Made by NKCI**

<b>Date</b>	<b>Official Receipt (OR) No.</b>	<b>Amount</b>
August 2014	1210055	P 188,760*
September 2014	1210251	1,280,084*
October 15, 2014	1210673	5,297,412
		<b>P 6,766,256</b>

\*These amounts were offset against the progress billings of NKCI for the Construction contract it entered with NIA separate from the Lease Contract.

4.6. In a letter dated November 20, 2014, the Chairman, NKCI committed to pay within sixty (60) days all its unpaid/accumulated lease rentals of P25.538 million as of October 2014 and submitted for NIA's resolution its pending request for consent on the prospective assignment of the aforesaid lease to the Real Bank.

4.7. Considering the length of time the receivables have been unpaid indicates Management's snail-paced collection efforts thereby depriving NIA of annual rental income of P4.481 million. When payments are not received from NKCI within the terms of the Lease Agreement, the effort to collect should be intensified as much as necessary to ensure payment by NKCI.



4.8. **We recommended that Management:**

- a. **Rescind/terminate immediately the Lease Agreement with the NKCI and exercise control and supervision over the leased premises; and**
- b. **Exhaust all legal means to collect the total amount due of P25.539 million and file appropriate charges against the NKCI.**

4.9. Management gave the following comments

- a. Efforts were made to collect from NKCI its unpaid rentals. But due to the latter's request and believing in good faith in its commitment to settle its unpaid obligations on a staggered basis and to avoid the filing of a case before the court which is tedious and costly, Management agreed for the last time and executed the Restructuring Agreement (NKCI Unpaid Rental on NIA Property). Upon NKCI's default and the NIA Board's confirmation of the termination of the Lease Agreement, Notice of Termination of Lease dated July 6, 2015 has been routed.
- b. During the exit conference, Management informed that the Notice of Termination of Lease dated July 6, 2015 was already served and received by NKCI on July 16, 2015, requiring the latter to vacate the premises after ninety (90) days from receipt thereof. Subsequently, on July 9, 2015, a letter was also sent to the Office of the Government Corporate Counsel (OGCC) requesting assistance in the filing of complaint against NKCI.

**5. Cash advances of P19.602 million remained outstanding although the purposes of the grant were already served due to lack of proper monitoring on the enforcement of liquidation, grant of additional cash advances though previous ones are not yet settled, and due to insufficient subsidiary records.**

5.1. COA Circular No. 97-002 dated February 2, 1997 provides the rules and regulations on the granting, utilization and liquidation of cash advances, among which are the following:

*4.4.1.2 No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first settled or proper accounting thereof is made.*

*4.4.1.3. A cash advance shall be reported on as soon as the purpose for which it was given has been served.*

*5.5.7. When cash advance is no longer needed or has not been used for a period of two (2) months, it must be returned to or refunded immediately to the collecting officer.*

*5.5.8. All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the AO shall refund any unexpended balance to the Cashier/Collecting Officer who will issue the necessary official receipt.*

5.2. Further, on the liquidation of cash advance for official travel, Section 16, Title III of Executive Order (EO) No. 248 and Paragraph 5.1.3 of COA Circular No. 97-002 state that:

*Within sixty (60) days after his return to his permanent station in the case of official travel abroad, or within (30) days of his return to his permanent station in the case of official local travel, every official or employee shall render an account of the cash advance received by him in accordance with existing applicable rules and regulations. Failure of the AO to liquidate his cash advance within the prescribed period shall constitute a valid cause for the withholding of his salary and the imposition of other sanctions as provided for under the law.*

5.3. The foregoing rules and regulations were formulated to provide for a more efficient and effective control over the granting, utilization and liquidation of cash advances. However, it was observed that these rules were not strictly observed and implemented, as unliquidated cash advances as of December 31, 2014 amounted to P19.602 million. Compared to the amount of unliquidated cash advances as of December 31, 2013 of P24.409 million, the 2014 balance decreased by 19.69 per cent or P4.807 million.

5.4. It was noted that the advances were not reported and liquidated as soon the purposes for which these were given have been served; additional cash advances were granted although previous ones were not yet liquidated or settled; and subsidiary records were not also sufficient. All of these, including the apparent lack of proper monitoring, resulted in a minimal decrease in unliquidated cash advances.

5.5. Likewise, subsidiary records in the ROs and the FOs were not updated to include details of the cash advances such as the amounts granted, the liquidations made and the unsettled amounts as of a given period.

5.6. COA Circular No. 2012-004 dated November 28, 2012 serves as the final notice and demand to all concerned to settle and liquidate all outstanding cash advances as of December 31, 2011 on or before January 31, 2013. Despite the issuance of this Circular, some concerned personnel still seemed to disregard the final demand since their accountabilities remained outstanding as of December 31, 2014.

5.7. Section 9 of the same Circular states the following consequences of failure to liquidate the long outstanding cash advances:

- a. Failure of the accountable officer to liquidate his outstanding cash advance on or before January 31, 2013 shall constitute cause for the filing of malversation charge under Article 217, failure to liquidate cash advance under Article 218, both of the Revised Penal Code or criminal prosecution under Section 128 of PD No. 1445;
- b. The suspension of salaries of erring accountable officers shall be ordered by the auditor concerned to the proper agency official through the Head of the Agency; and
- c. Appropriate administrative proceedings shall likewise be instituted.

**5.8. We recommended and Management agreed to:**

- a. Demand immediate liquidation of outstanding cash advances as of CY 2011 which are not yet settled as of December 31, 2013, and impose the consequences on failure to liquidate these cash advances, pursuant to COA Circular No. 2012-004;**
- b. Strictly enforce compliance with COA Circular No. 97-002, on the granting, utilization and liquidation of cash advances to avoid accumulation of unsettled accounts as at end of the year; and**
- c. Require the Regional Accounting Office, together with the head of accounting unit of IMOs, to prepare/update SLs showing detailed information of the cash advances granted, liquidations made, and unsettled balances for all accountable officers.**

5.9. Management of NIA RO X commented that the following actions/measures were already taken: (i) withholding of salary of employees with outstanding cash advances effective August 5, 2013 for RO personnel and last quarter Personal Services (PS) release for FOs; (ii) discontinued the practice of granting additional cash advances to personnel with unliquidated cash advances; and (iii) proper monitoring of cash advances is now strictly effected.

**6. Weak collection efforts for Irrigation Service Fees (ISF) back accounts and Management's inability to timely disseminate policies/guidelines on incentive program on the payment of back accounts, resulted in the accumulation of said accounts representing approximately 79 to 95 per cent of the total accounts receivable as illustrated in some regions. In UPRIIS, the Allowance for Doubtful Accounts was understated by P9.163 million as the balance of P118.961 million remained constant since 2011.**

6.1. The lifeline source of NIA operations is the income from ISF. In this regard, the operating manuals provide for the collection of ISF from the farmer-beneficiaries of the water supply in support to the production of rice and corn crops. This ISF collectibles are set up in the records based on the List of Irrigated and Planted Area (LIPA) prepared and submitted by the IAs or Farmers' Groups serviced by NIA. The LIPA is prepared and submitted every cropping season to NIA which serves as the basis for the computation of the corresponding ISF receivable due from every farmer-cooperator at a fixed rate depending on the cropping season (wet or dry) and the delivery method of irrigation water (gravity or pump).

6.2. Moreover, with the adoption of the Irrigation Management Transfer (IMT) program, the IAs are now given a greater share of responsibility and participation in the management of National Irrigation System (NIS) for more improved performance, better delivery of irrigation services, higher cropping intensity, and higher ISF collection efficiency. The following guidelines were issued relative to IAs financial management:

- a. IAs belonging to Models 2 and 4 were entrusted with full responsibilities of the entire accounting processes, from recording, reporting and financial controls,

including financial statements presentation. Likewise, the ISF bill distribution, collection strategies and remittances are also entrusted to the IAs.

b. IAs belonging to Model 1, the ISF bill preparation and distribution, collections and issuances of ORs, recording of collections, reporting and design collection strategies are still the responsibility of NIA.

6.3. The target collection of ISF back accounts is not based on the periodic aging of the composition of individual accounts, such as 90 per cent of accounts aged below one year, 80 per cent of accounts aged one to two years, 70 per cent of accounts aged two to five years, etc. Only current accounts are given intensified collection efforts prior to the implementation of NIA MC No. 54 dated December 4, 2013, which took effect in January 2014 to sustain the initial gains from the implementation of the previous guidelines on the payment of back accounts, namely: MC No. 79, series 2007, as amended by MC No. 2, series 2008, and MC No. 59, series 2009. However, Management failed to timely disseminate and fully implement the MCs, thus:

a. In NIA UPRIIS, there was no improvement in the collection of Accounts Receivable aged two years and above averaging P1.924 billion or 78.83 per cent of the average total Accounts Receivable for the last five years. The situation might negatively affect the liquidity of the Agency, the same being 75 per cent of the total current assets as of December 31, 2014. Analysis of the status of Accounts Receivable for the last five years showed an increase of P0.484 billion from P2.193 billion in 2010 to P2.677 billion in 2014.

b. In RO VII - Cebu Bohol IMO, collections of Accounts Receivable-ISF back accounts and Accounts Receivable-CIS (loans receivable) registered very low collection efficiency rates of 3.76 per cent and 19 per cent, respectively. Moreover, P3.488 million or 18.71 per cent of the reported loans receivable of P18.646 million pertains to 12 CIS projects that are no longer operational, thus of doubtful collectability as these remained outstanding for more than 20 years now.

c. In RO X – Bukidnon IMO, Accounts Receivable-ISF amounted to P363.261 million or an increase of P16.913 million or 4.88 per cent as compared to last year's balance of P346.348 million. Despite top Management's effort to come up with strategic approach/programs to improve the collection of its back accounts, still no significant improvement in its collection activity was noted during the year. Total outstanding Accounts Receivable continued to increase yearly as shown in Table 4.

**Table 4 – Schedule of Aging of AR-ISF as of December 31, 2014**

<b>Age of Account</b>	<b>Amount</b>	<b>Percent</b>
Current Year	P 16,912,561	4.66
Aged 1 to 3 years	58,952,016	16.23
Over 3 to 6 years	55,843,433	15.37
Over 6 to 10 years	57,677,899	15.88
Over 10 to 15 years	70,275,860	19.34
Over 15 years	103,599,315	28.52
	<b>P 363,261,084</b>	<b>100.00</b>

d. In RO XIII – Agusan Del Norte IMO, only 41 or 3.29 per cent of the 1,246 farmer-beneficiaries with back accounts due and payable before July 2000 availed of the Modified Incentive Program of Back Accounts for ISF, with a total collection of only P 0.840 million for CY 2014.

6.4. Likewise in UPRIIS, the related Allowance for Doubtful Accounts in the amount of P118.961 million as at December 31, 2014 had been unchanged from 2011 to 2014, irrespective of the balance of the Accounts Receivable account. The said allowance is found to be already deficient by P9.163 million as at December 31, 2014, derived from computations based on the percentages and aging of receivables specified in Section 66 of MNGAS, Volume I, i.e., 1 to 60 days – 1 per cent, 61-180 days – 2 per cent, 181 days to 1 year – 3 per cent, and above 1 year – 5 per cent. This resulted in the overstatement of the equity account by the said amount.

6.5. **We recommended and Management agreed to:**

a. **Intensify collection efforts of ISF back accounts specifically those aged one year and above, and closely monitor the collection performance of collecting officers assigned at CIS areas with higher uncollected receivables;**

b. **Monitor and evaluate the financial activities of IAs and ensure that accounting procedures and control measures are in place to attain a higher collection efficiency rate of receivables;**

c. **Exert effort to timely disseminate/inform the farmer-beneficiaries of the policies/benefits due them as provided for in NIA MC No. 54, series of 2013; and**

d. **Provide allowance for Doubtful Accounts based on collectability of receivable balances and evaluation of such factors as aging of the accounts, collection and expected loss experiences, and identified doubtful accounts.**

6.6. Management gave the following comments:

a. In NIA RO VII, continued effort is exerted to improve ISF back account collections. Likewise, Cebu Bohol IMO Management commented that it will intensify its collection efforts to meet its commitment with the RO to collect P2.050 million or 56 per cent of the outstanding Accounts Receivable-CIS loan amortization for CY 2015.

b. In NIA RO X – Bukidnon IMO, demand letters were already sent to farmers with outstanding ISF accounts, with the information that in case of failure to settle their back accounts within the specified time frame, Management will be compelled to bring the matter to the court. The Modified Incentive Policy Scheme in the collection of back accounts in NIS was already implemented.

c. In NIA RO XIII, it will conduct a massive campaign by disseminating the policies/guidelines of NIA MC No. 54 to the farmer-beneficiaries during the conduct of the TSAG, General Assembly and Federation meetings.

**7. The Memorandum of Agreement (MOA) on the AgriPinoy Rice Program entered into by and between NIA through its RO VII and the Department of Agriculture-Regional Field Office (DA-RFO) VII was not strictly complied with and the amount of P1.170 million intended for the program was not properly disbursed; hence, the successful implementation of the said ISF Incentive Program in national and communal irrigation systems in Central Visayas was not fully achieved.**

7.1. The MOA with the DA-RFO VII on the AgriPinoy Rice Program requires that NIA through its RO VII shall:

- a. Identify farmer-recipients (of participating IAs in national and communal irrigation systems) of the registered, certified and hybrid rice seeds provided by DA-RFO VII and submit an initial master list to DA-RFO VII two months prior to the start of cropping season as determined/approved by NIA;
- b. Facilitate distribution of seeds as timely provided by DA-RFO VII based on validated master lists and submit to DA-RFO VII signed seed receipt acknowledgement forms one (1) month after seed distribution;
- c. Designate Institutional Development Officers (IDOs) and/or technical staff as members to the provincial core team, to be created by the Bohol Provincial Technical Working Group (BPTWG), tasked to conduct validation of planted areas of farmer-members of participating IAs who had received seeds allocated by DA-RFO VII for the program in coordination with DA-RFO VII and BPTWG. The provincial core team will be composed of technical personnel from DA-RFO VII/PATCOs, NIA RO VII, and Provincial Local Government Unit/Municipal Local Government Unit (PLGU/MLGU);
- d. Submit to DA-RFO VII duly signed and validated Letter of Intent (LOI) of individual-farmers and master list of qualified participating farmers per IA one (1) month before harvest;
- e. Submit to DA-RFO VII duly signed and validated individual yield data sheets and billing statements of all qualified participating farmers who had availed of the ISF Incentive System two (2) weeks after harvest to support 2nd tranche of project funds; and
- f. Submit to DA-RFO VII an end-season report and COA audited financial statement of project funds transferred to NIA RO VII, and duly signed/validated final master list of farmers who had availed of the ISF Incentive System one (1) month after receipt of 2nd tranche of project funds.

7.2. However, review of the reports submitted by Management to the Audit Team disclosed the following:

- a. The List of Farmers who can avail of the Program received on August 18, 2014 already included the actual area evaluated, the yield per hectare and the corresponding amount of ISF. These data should have been reflected in the final master list of farmers who availed the ISF Incentive System, after the concerned NIA and DA personnel had: (i) assessed the rice fields of farmer-members in

participating IAs who can avail of the ISF Incentive System; (ii) validated the planted areas; and (iii) validated individual yield data sheets.

b. No seed recipient acknowledgement forms duly signed by farmers who received the registered and certified rice seeds were submitted.

c. No separate copy of validation report of planted areas of farmer-members of participating IAs who had received the registered and certified rice seeds;

d. Some LOIs did not bear the signatures of the farmer-beneficiaries, while some did not indicate the rice areas cultivated and the expected production in bags. Moreover, some farmer-recipients with two or more lots did not indicate the lot numbers in the respective LOI. Lastly, almost all LOIs were not approved by the Regional Manager.

e. The validated individual yield shown in the “Final List of Farmers who Availed of the ISF Incentive Program” received by the Audit Team on June 15, 2015 did not coincide with the validated individual yield used by the designated IDOs in granting the ISF Incentive Program to participating farmer-members of the IAs.

7.3. In effect, Management in its inability to strictly comply with the provisions of the MOA had:

a. Provided misleading data that could not be used to evaluate program effectiveness due to the absence of an Initial Master List for the purpose of identifying only those qualified recipients of the program that could be compared with the actual recipients;

b. Created doubt whether the intended beneficiaries of the program are the actual recipients due to the absence of the Seed Recipient Acknowledgement Forms;

c. Caused uncertainty on whether or not Management performed actual evaluation prior to the grant of registered and certified rice seeds to farmer-members due to absence of Validation Report;

d. Displayed laxity in implementing strict measures to ensure farmer-recipients' participation and full support due to incomplete data in the LOI; and

e. Reflected poor or absence of monitoring system due to inconsistencies in reporting.

7.4. **We recommended that NIA RO VII Management:**

a. **Ensure compliance with its obligations stipulated in the MOA and commit to the successful implementation of the ISF Incentive Program in national and communal irrigation systems in Central Visayas;**

- b. Cause the immediate submission of the required Initial Master List, Seed Recipient Acknowledgement Forms, and Validation Reports to enable the Audit Team to verify that only those qualified recipients are benefitted by the program;**
- c. Ensure that all copies of the LOIs are duly signed by the farmer-beneficiaries and approved by the Regional Manager; and**
- d. Reconcile the difference of the validated individual yield shown in the Final List of Farmers who availed of the ISF Incentive Program against the validated individual yield used by the designated IDOs.**

7.5. Management commented that the List of Farmers who can avail of the Program, which already included the actual area evaluated, referred to the list of late batch of qualified farmers after securing an approval from the DA to be considered to avail the Free ISF Incentive, if they met the required number of cavan-harvest per hectare. The “Initial Master list of Farmers” who wished to avail the program was submitted by NIA to DA-RFO VII months prior to crop season. Some farmers who planted late, but were also able to produce good harvest, were given chance to submit their supporting documents, thus some documents were not all filled out, while others did not have signatures of the farmers due to time element to bet extended date set by DA for them. However, the Master list of Farmers in Bohol Integrated Irrigation System (BIIS) who wished to avail was submitted to DA-RFO VII at the start of the program campaign and dissemination. Unfortunately, the approved MOA was not available at the start of the program implementation; hence, some provisions, particularly the seeds distribution, were not properly discussed to the field implementers.

7.6. With regard to Seed Distribution Program, Management commented that there was no instruction from the DA Staff regarding this activity as part of the ISF Incentive Program. Their understanding was that, this Seed Distribution Program is another activity of DA which was offered to all rice farmers in Bohol, be it irrigated or rain-fed paddies. For this program, vehicles were provided to convey the seeds from DA-Agriculture Policy Committee (APC), Tagbilaran to all IA-recipients of the seeds in Bohol province. Another set of monitoring forms/reports were accomplished by the IA recipients with the assistance of the IDOs as technical support of the program. A separate unit of the DA-RFO VII is validating on the program. The seed recipients can only avail the ISF Incentive Program if their yield harvest is seven metric tons per hectare for Full – ISF Incentive, and Half – ISF Incentive for a harvest of five metric tons per hectare. Most of the farmers who applied for the DA ISF Incentive are using private hybrid seeds with high yielding variety.

7.7. Management further commented that in the case of No. 5, the BPTWG was tasked to evaluate the field harvest then prepare the list and submit to DA-APC. Unfortunately, the PLGU representative did not actively participate in the actual yield evaluation in the field. Admittedly, there are some lapses observed in the implementation processes, however, being first time in such program, some details in the implementation process were overlooked. Some lessons were learned that if given the chance to assist similar program with DA, implementing guidelines must be clearly understood and strictly observed by all participating units in order to avoid doubts of any suspicious action.



7.8. Lastly, Management commented that the Free ISF Incentive Program of DA-RFO VII is one of the successful programs of the government. Through this program, the farmers became used to adopt new farming technologies in pursuit for better/higher yielding varieties. Farmers came to realize that using Hybrid seeds and adopting modern farming technologies are more profitable than the old traditional rice farming. This program has motivated the farmers to explore new farming technologies and being aware of becoming an entrepreneurial farmer for global competitiveness.

7.9. As a rejoinder, to ensure the integrity of the implementation process of the ISF Incentive Program and other similar programs in the future, **we further recommend that Management ensure that the rules/guidelines on program availment are in place and that the responsibilities of the designated IDOs and technical staff tasked to conduct validation procedures are clearly defined, specifically the validation form, i.e., seed recipient acknowledgement form is duly signed by farmers to attest that they received the registered and certified rice seeds. Additionally, salient provisions of the MOA such as the seeds distribution be appropriately discussed to the field implementers to avoid confusion/misinterpretation.**

7.10. Furthermore, the absence of vital documents, such as the Seed Recipient Acknowledgement Forms and Initial Master List that would prove that the targeted beneficiaries are the actual recipient of the program, made it difficult to assess the results and impact of the project.

**8. The extensive damage to the Communal Irrigation Systems (CIS) of the Cebu-Bohol IMO during the 2013 earthquake and the inability of the said IMO to exercise proper supervision and interventions with the affairs of the Irrigators' Associations (IAs) brought financial loss to NIA of P17.354 million representing unpaid amortizations.**

8.1. It is the mandate of NIA to provide Irrigation Systems throughout the country and in line with this mandate, the Cebu-Bohol IMO carried out irrigation system projects in partnership with farmer-beneficiaries organized as Community/Farmers IA. Anent thereto is the objective that the projects would be put into good use as well as the recovery of the cost of construction to build more projects throughout its jurisdiction.

8.2. In order to attain such objective, the following special conditions, among others, were embodied in the contract entered by NIA and the respective IA:

*a. In order to further ensure recovery of NIA's Investment in the project, the Association's choice of its Manager shall be subject to NIA's approval;*

*b. The NIA reserves the right to supervise the activities and operation of the Association to provide the necessary skills, training and linkages to various government institutions and non-government organizations to ensure that the much needed support is well and within the reach of the Association for as long as the consideration of this Agreement has not been fully paid by the Associations;*

c. *The Association shall exert all efforts to operate and maintain the system and undertake the needed repairs on the system for damages caused by natural wear and tear, heavy rains or force majeure to the full extent of its resources.*

8.3. Paragraph III-C of NIA's Operations and Maintenance of Completed Irrigations Systems states that:

a. Xxx

b. *Temporary Administration by NIA*

(a) *The NIA shall temporarily administer irrigation systems operated, maintained, and administered by irrigators' association when:*

(1) *There is a violation of the conditions of the existing contract between the NIA and the association.*

(2) Xxx

8.4. NIA is directed and is of the obligation under the contract to make various degree of intervention with the affairs of the IAs, to ensure its success and protect its own interest. It was, however, noted that as of December 31, 2014, five CIS of Bohol Office and 12 CIS of Cebu Office, both of Cebu-Bohol IMO, were already non-operational, viz.:

**Table 5 – Schedule of Non-operational Projects**

**NIA Cebu-Bohol IMO (Bohol Office)**

<b>PROJECT NAME</b>	<b>LOCATION</b>	<b>PROJECT COST</b>	<b>UNPAID AMORTIZATION</b>
Ubujaan CIS	Batuan, Bohol	P 5,000,000	P 4,174,659
Catigbian CIS	Catigbian, Bohol	5,617,680	-
Boctol CIS	Jagna, Bohol	1,500,000	2,471,375
Canmaya CIS	Sagbayan, Bohol	7,000,000	5,906,967
San Isidro CIS	San Isidro, Bohol	1,500,000	1,303,669
		<b>P 20,617,680</b>	<b>P 13,856,670</b>

**NIA Cebu-Bohol IMO (Cebu Office)**

<b>PROJECT NAME</b>	<b>LOCATION</b>	<b>PROJECT COST</b>	<b>UNPAID AMORTIZATION</b>
Balirong CIS	Naga, Cebu	P 2,745,486	P 680,880
Batallon CIS	Cebu City, South	1,597,697	534,700
Bawo CIS	Catmon, Cebu	148,938	59,008
Capasanan	Camotes, Cebu	976,505	220,775
Corazon CIS	Catmon, Cebu	1,133,781	263,572
Lower Grancina CIS	Dalaguete, Cebu	2,498,446	640,177
Naalad CIS	Naga, Cebu	662,836	122,846
Palaypay CIS	Alegria, Cebu	1,127,110	138,259
Pandan CIS	Naga, Cebu	96,112	69,052
Paradahan CIS	Ginatilan, Cebu	541,338	252,946
Pinton CIS	Cebu City, South	1,223,711	394,288
Suba CIS	Samboan, Cebu	254,742	121,186
		<b>P 13,006,702</b>	<b>P 3,497,689</b>

8.5. Management of Cebu Office informed that these CIS were completed projects and were operational at the time these were turned over to the IAs. However, due to either lack of interest of farmers, conversion of agricultural land to other use, or in some instances the CIS sustained damages from landslides and other causes, all these have contributed to the untimely deterioration of the irrigation facilities. In addition, necessary repairs and maintenance were not made causing the facilities to be non-operational.

8.6. The eventual non-operational status of these irrigation systems could have been prevented if only NIA Cebu Office exercised its role and obligation as embodied in the contract and under its own policy and guidelines. Among others, it could have exercised and intervened on the following aspects, i.e., training of personnel, selection of officers, and supervision over the management of the IAs.

8.7. In worst scenario or in qualified cases, NIA Cebu Office is even directed to take control through "Temporary Administration of the Irrigation System" for strengthening of the Association. All these are designed to ensure the continuous viability of the Irrigation Project which is necessary in the attainment of NIA's mandate of providing irrigation to deserving farmers and recovery of its investment.

8.8. Interview with Management disclosed that they made an offer and proposed to the IAs of Bawo and Corazon for the rehabilitation of the CIS, but the IAs refused as the farmers are no longer interested in farming because they now prefer working in the city.

8.9. **We recommended and Management agreed to:**

**a. Monitor regularly the affairs, performance, results of operation and financial standing of existing IAs to determine their viability and ability to sustain operation, both on short-term and long-term basis;**

**b. Intervene on the affairs of the IAs in accordance with the guidelines set forth in the MOA, which may be in the form of simple provision of training, seminars, selection of personnel and up to temporary administration, if necessary; and**

**c. Evaluate non-operational CIS potential and viability for rehabilitation and reconstitution of the IA. Where rehabilitation is warranted, plans and programs should be proposed.**

8.10. In NIA Bohol Office, Management commented that because of the non-release of the calamity fund to finance the rehabilitation of the CIS, NIA regular funds would be used in the rehabilitation of these irrigation facilities, which are not sufficient. As a result, IAs would have to shoulder the cost of rehabilitation in addition to the balance of their old accounts, which the IAs could no longer afford to pay. Management, therefore, requested that the five non-operational CIS be declared as non-functional, the corresponding unpaid amortization be written off and the government's investment on these projects be considered as unrecoverable in compliance with NIA existing rules.

8.11. In NIA Cebu Office, Management commented that monitoring of existing CIS is now being done. However, due to lack of manpower, it is not done on a regular basis, thus, not all aspects were covered. Likewise, Cebu Office had already intervened with the affairs of some IAs, specifically those which requested assistance, by providing

trainings to members of newly constructed/rehabilitated CIS. It has also conducted an initial evaluation of at least six non-operational CIS.

8.12. As an audit rejoinder, we are of the view that the continuous provision of irrigation service to farmers be given utmost importance as the affected farmer-beneficiaries of these damaged CIS rely on agriculture for their livelihood. Thus, there is a need for the rehabilitation and repair of irrigation facilities damaged by typhoons or other calamities.

**9. In NIA UPRIIS, procurement of vehicles and infrastructure projects amounting to more than P20.333 million and P38.807 million, respectively, through First Gen Hydro Power Corporation (FGHPC), a private corporation that has an Operation and Maintenance (O and M) Agreement with NIA, was of doubtful regularity since payments for the said procurement were offset from the Service Fees payable by FGHPC to NIA, although such conditions/circumstances were not among those allowable for offsetting under the O and M Agreement. The transactions were not recorded/improperly recorded resulting in the misstatement, by undetermined amounts, of the related assets, liabilities, and equity accounts as at December 31, 2014. Further, accountability over these assets was not adequately established, thereby exposing them to risks of misuse or unauthorized use.**

9.1. On November 13, 2006, NIA entered into an O and M Agreement, a 25-year contract, with the FGHPC, a private corporation, for the management, operation, maintenance and rehabilitation by NIA of the non-power components of the 100 Mega Watt (MW) Pantabangan Hydroelectric Power Plant and the 12 MW Masiway Hydroelectric Power Plant, for which, FGHPC shall, on a monthly basis, pay NIA a service fee based on actual cubic meter of water it used for power generation.

9.2. Based on the Schedule of Vehicle Used by NIA UPRIIS, there are 20 motor vehicles amounting to more than P20.333 million being used by UPRIIS, but these vehicles were purchased by FGHPC, details shown in Table 6 (next page).

9.3. Under various Joint Certificates of Turn-over and Acceptance between FGHPC and NIA, the latter was allowed the use of these vehicles subject to the following conditions:

a. Ownership shall remain with FGHPC, subject to the provisions of the Certificate, unless the Parties subsequently agree in writing on a mutually binding and acceptable arrangement of charging the entire cost of the vehicle to the Service Fee to be regularly paid by FGHPC to NIA under the O and M Agreement;

b. NIA shall exercise full control of the vehicle, and shall, consequently, be solely responsible for the operation and maintenance of the same, which shall include the corresponding obligation and liability for any and all costs, whether the said costs are directly related or merely consequential;

c. NIA shall use the vehicle exclusively in accordance with and for the purposes contemplated by the provisions of the O and M Agreement;

d. NIA shall exercise extraordinary diligence and shall undertake all measures to ensure that the vehicle shall, at all times, be legally and properly utilized, operated, maintained and secured, including but not limited to that of procuring adequate commercial insurance coverage against property damage or loss under the name of FGHPC;

e. NIA completely and absolutely relieves FGHPC of all and any responsibility, liability, obligation and expense related to the vehicle, regardless of the nature, extent or possible source thereof; and

f. NIA shall hold FGHPC free and harmless against, and shall unconditionally indemnify FGHPC for any damages, expenses, costs, losses, liabilities, including liability under contract, claims, suits and fines arising from NIA's use, control and maintenance of the vehicle, or from any breach thereof; and NIA grants FGHPC the right and authority to automatically withhold or set off any such amount due to FGHPC from or with any amount due to NIA pursuant to the O and M Agreement.

**Table 6 - Schedule of Motor Vehicles Purchased by FGHPC for NIA Use**

	Make/Model/ Description	Plate Number	Date Issued to End User	End User as of 21/31/14	Cost
1.	MITSUBISHI STRADA GL Diesel 4X2 M/T	NIN-600	9/24/2010	Div. II/ Engr. Viernes	P 847,318
2.	MITSUBISHI STRADA GL Diesel 4X2 M/T	NTO-929	9/24/2010	Div. III/ Engr. Mangunay	847,318
3.	MITSUBISHI STRADA GL Diesel 4X2 M/T	NTO-949	9/24/2010	DRD/ Engr. Castillo	847,318
4.	MITSUBISHI STRADA GL Diesel 4X2 M/T	NIN-500	9/24/2010	Div. V/ Engr. Gapasin	847,318
5.	MITSUBISHI STRADA GL Diesel 4X2 M/T	NRO-200	9/24/2010	OMS-UPRIIS/ Engr. Pascual	847,318
6.	MITSUBISHI STRADA GL Diesel 4X2 M/T	NTO-939	9/24/2010	Div. IV - Engr. Conde	847,318
7.	MITSUBISHI STRADA GLS Diesel 4X4 M/T	PJO-520	9/24/2010	Div. I - Engr. Toquero	1,106,399
8.	MITSUBISHI STRADA GLS Diesel 4X4 M/T	PKO-711	9/24/2010	CO - P. Bermudez	1,106,399
9.	MITSUBISHI STRADA GL Diesel 4X2 M/T	POC-925	01/12/2011	DRD - Engr. Ponce	839,542
10.	MITSUBISHI STRADA GL Diesel 4X2 M/T	TMO-392	7/28/2011	DRD - Engr. Salazar	854,801
11.	MITSUBISHI STRADA GL Diesel 4X2 M/T	TMO-701	7/28/2011	OMS-UPRIIS - Engr. Bote	854,801
12.	D-MAX 4X4 M/T DOUBLE CAB (Color-Astral Silver) Chassis No. PABTFS77H50000157	ZJF- 993	NI	OMS-UPRIIS – M.S. Cudia	1,149,440
13.	D-MAX LX 4X4 M/T (Color-Alpine White)	ZGP-588	01/04/2007	DRD – Engr. Toquero	1,149,440
14.	D-MAX LX 4X4 M/T (Color-Astral Silver) Chassis No. PABTFS77H50000160	ZJF- 994	NI	OMS-UPRIIS - Engr. Martinez	1,149,440
15.	D-MAX LX 4X4 M/T (Color-Tornado Red)	ZJF- 986	NI	OMS-UPRIIS- Dr. Collado	1,149,440
16.	D-MAX LX 4X4 M/T (Color-Tornado Red)	ZJF- 896	NI	Central Office - Engr. Talampas	1,149,440
17.	FORTUNER DIESEL 4X4 A/T	WQU-914	NI	NI	1,580,000
18.	FORTUNER DIESEL 4X4 A/T	WQU-917	NI	NI	1,580,000
19.	FORTUNER GAS 4X2 A/T	WQU-916	NI	OMS-UPRIIS-Engr. Puno	1,580,000
20.	ISUZU 2001 FUEGO PICK-UP 4X2	WRF-773	4/02/2012	DRD – Pascual	NI
					<b>P 20,333,050</b>

CO – Central Office; DRD – Dam and Reservoir Division; NI – Not Indicated; OMS – Office of the Manager and Staff

9.4. Under Section 6.4 on Settlement of Accounts of the O and M Agreement, FGHPC is allowed to deduct or offset from the Service Fee due to NIA the payment made by FGHPC for specific circumstances, provided it is not more than 50 per cent of the Service Fee billed and due for the period. Section 6.4 and related provisions of the O and M Agreement are hereunder quoted:

*6.4 Offsetting. In cases when the BUYER [FGHPC] is allowed to directly deduct receivables from NIA, such as those allowed under Subsections 3.3.4, 3.4.3, and Section 7.3, the aggregate amount of all such*

deductions shall not exceed fifty percent (50%) of the Service Fee due at any one time; xxxx

3.3.4 With respect to the costs and expenses necessary to cause the replacement, repair and rehabilitation referred to in the immediately preceding paragraph, the BUYER may finance the same from its own funds, and in such case, NIA shall reimburse the BUYER for the costs and expenses actually paid by the BUYER utilizing its own funds within a period of thirty (30) days from receipt by NIA of the demand for payment from the BUYER. **The failure of NIA to reimburse the BUYER within the said thirty (30)-day period shall confer upon the BUYER the right to offset the amount from the Service Fee due to NIA in an amount not exceeding twenty percent (20%) of the Service Fee due at any one time; xxx until fully reimbursed.** (Emphasis supplied)

3.4.3 **The failure of NIA to release to the BUYER the amount of the Performance Security allowed under this Agreement, within thirty (30) days from the determination of the Oversight Committee of the Buyer's entitlement thereto, shall confer upon the BUYER the right to offset the amount of the Performance Security from the Service Fee due to NIA in an amount not exceeding twenty per cent (20%) of the Service Fee due at any one time; xxx until fully reimbursed.** (Emphasis supplied)

7.2 The BUYER shall be reimbursed by NIA for the actual costs and expenses incurred by the BUYER to temporarily undertake NIA's obligations under the Agreement; provided, that the amount to be used by NIA to reimburse the BUYER under this paragraph shall not be sourced from the Trust Fund.

7.3 **The failure of NIA to reimburse the BUYER within the period of thirty (30) days from receipt of demand for reimbursement shall confer upon the BUYER the right to offset the amount from the Service Fee due to NIA xxx.** (Emphasis supplied)

9.5. Apparently, an agreement for the buying out by NIA of the motor vehicles enumerated earlier was reached because on December 29, 2014, UPRIS recorded the following expenses incurred and installment payments made for motor vehicles, which were offset from 2013 and 2014 Service (Water) Fees to be paid by FGHP to NIA, in compliance with NIA CO's instructions:

**Table 7 – Schedule of Expenses which were Offset  
from 2013 and 2014 Service (Water) Fees from FGHP**

<b>Nature</b>	<b>Amount</b>
Electricity expenses	P 1,488,232
Insurance expenses	480,081
Miscellaneous expenses-others	383,067
Motor vehicles	11,832,055
Miscellaneous income-water fees	14,183,436
	<b>P 28,366,871</b>

9.6. Management was not able to identify to which particular vehicles the payments would be applied because of the absence of supporting documents.

9.7. It was gathered that the recording procedures for past related transactions are that, NIA CO will record the remittance of FGHPC at the net amount after deducting the installment for motor vehicles and other expenses paid in behalf of NIA. Upon receipt of a copy of the Journal Entry Voucher (JEV) from NIA CO, UPRIIS will record the transaction as a debit to Subsidy from CO and a credit to Other Miscellaneous Income-Water Fees. In effect, the income corresponding to the amount withheld by FGHPC and the assets and/or expenses paid for CYs 2007 to 2012 were not recorded in the books of UPRIIS. It was noted that it was only on December 29, 2014 upon NIA CO's instruction that UPRIIS recorded the unremitted portion of the Water Fees for 2013 and 2014 only.

9.8. The NIA UPRIIS-DRD provided, as shown in Table 8 below, the summary of amounts withheld from 2007 to 2012, which were not recorded in NIA books:

**Table 8 - Summary of Deductions from Water Fees from 2007 to 2012**

Deductions from Water Fees							
Year	Vehicle	Insurance	Electricity		Dam lightings	Projects	Total
			Power bill				
2007	P	-	P	-	P 1,230,601	P 166,907	P 5,973,420
2008		-		-	2,624,067	166,907	18,480,103
2009		-		-	1,155,062	-	7,805,324
2010	851,283			-	1,160,037	41,971	5,663,974
2011	1,798,209	116,304			1,000,448	62,783	884,441
2012	1,993,265	342,104			789,363	25,110	-
	<b>P 4,642,757</b>	<b>P 458,408</b>			<b>P 7,959,578</b>	<b>P 463,678</b>	<b>P 38,807,262</b>
							<b>P 52,331,683</b>

9.9. As shown in Table 8, FGHPC did not only purchase vehicles for the use of NIA, but it also undertook several projects for NIA aggregating P38.807 million from 2007 to 2011. However, the DRD could not provide the documents showing the details of the projects.

9.10. The deductions from the remittances of Service Fees were mentioned in general terms in the available Minutes of Meetings of the NIA-FGHPC Technical Working Group (TWG), which was formed to implement the O and M Agreement. The latest Minutes of Meeting available was for the 20<sup>th</sup> TWG Meeting held on August 18, 2009.

9.11. The following were not determined due to the absence of pertinent documents:

- Authority and regularity of the use of collections in the payment of obligations;
- Availability of appropriated funds for the charges made from CYs 2007 to 2014;
- Inclusion of the said items in the Annual Procurement Plan for the given year;

- d. Reasonableness or basis of the purchase price, and extent of compliance with the Government Procurement Law;
- e. Manner of payment (cash or installment basis) and duration of payment, in case of installment; and
- f. Stipulations on when ownership of said vehicles and other assets will be transferred from FGHP to NIA.

9.12. The following deficiencies were also noted in the review of the above transactions:

- a. Unrecorded transactions of CYs 2007 to 2012 -

Given the procedures observed in past transactions, the P52.332 million withheld Water Fees from 2007 to 2012 and the corresponding assets and expenses then acquired/incurred were not booked up, thereby misstating the asset accounts (Motor Vehicles and Infrastructure Projects, and their contra accounts of Accumulated Depreciation) and the Government Equity. Moreover, the Long Term Liability for the unpaid portion of the cost of the vehicles at the end of the reporting period was not recognized.

- b. Failure to observe the matching principle in reporting the 2013 income and expenses -

This accounting principle requires that the income and expenses be taken up in the period these were earned/incurred. As noted, the 2013 withheld Water Fees and the related asset and expense accounts were erroneously taken up as 2014 transactions. The lapse resulted in the misstatement of the related accounts, i.e., Subsidy from CO, Other Miscellaneous Income-Water Fees, Depreciation Expense-Motor Vehicles, Accumulated Depreciation-Motor Vehicles, Net Income and Government Equity as at 31 December 2013 and 2014, respectively.

9.13. The accuracy of the amounts reported could not be determined due to the lack of detailed information.

9.14. It was further noted that three units Toyota Fortuner and one unit Isuzu Fuego Pick up were donated by FGHP to NIA. The Deeds of Donation and Acceptance for these vehicles appeared regular, except for the absence of the exact date when the donation was made.

9.15. As intended, the four vehicles would be used in the implementation of irrigation projects by NIA. The Audit Team observed that one unit Toyota Fortuner is used as the service vehicle of the incumbent Department Manager of UPRIS, while the Isuzu Fuego Pick up is being used as the service vehicle of the Watershed Management Section of DRD. The Audit Team was not informed to whom the remaining two units of Toyota Fortuner were issued. There was no JEV drawn to book up the donated Isuzu Fuego Pick up. On the other hand, the three units of Toyota Fortuner were initially recorded in the books as donation, and were also among those booked up on December 29, 2014, at P2.370 million, equivalent to 50 per cent of the cost, in compliance with NIA CO's instructions.



9.16. From the Statement of Remittances/Automatic Debit Advice (ADA) Releases made as of May 6, 2015, it was validated that the P2.370 million was indeed withheld in October 2013. This amount was taken up as income in December 2014 simultaneous with the booking up of motor vehicle installments and other expenses incurred. However, in December 2013, the same amount was remitted by FGHPC to NIA and thus, was also recorded as income in 2013. As such, the amount of P2.370 million was twice recorded as income.

9.17. The carrying value of the donated vehicles was not in accordance with COA Circular No. 2013-002 dated January 30, 2013, as amended by COA Circular No. 2014-003 dated April 15, 2014, which requires that donated property be recorded at its fair market value or appraised value. Consequently, the accounts, Motor Vehicles, Accumulated Depreciation-Motor Vehicles and Government Equity, were understated by undetermined amounts as at December 31, 2014.

9.18. In view of the above observations, the accountability on the assets paid for and NIA's ownership over the assets were not adequately established, thus the risks of misuse or unauthorized use. As at December 31, 2014, none of these vehicles were registered in the name of NIA, while the projects purportedly accomplished were not officially accounted for at UPRIIS' books.

**9.19. We recommended and Management agreed to:**

- a. Submit the procurement documents together with the agreements to the Office of the Auditor for review and evaluation;**
- b. Secure ownership on the assets and establish accountability through the issuance of corresponding Acknowledgement Receipt for Equipment/Property Acknowledgement Receipt;**
- c. Require the UPRIIS-DRD to register the vehicles in the name of NIA pursuant to Section 361 of GAAM, Volume I and COA Circular No. 75-6 dated November 7, 1975; and**
- d. Ensure that the use of government funds are duly authorized and are properly accounted for.**

9.20. Management informed that the issue on the ownership of the vehicles will be discussed in their meeting with FGHPC personnel. Moreover, they will request for an authority from oversight committee to obtain the details of all payments made for the vehicles and the projects initially paid by FGHPC.

9.21. The NIA Deputy Administrator for Administration and Finance in their meeting at Angeles, Pampanga, already requested for the copy of deeds of sale for the said vehicles.

**9.22. As audit rejoinder, we further recommend that the NIA CO furnish the Office of the Auditor with copy of the following reports required under the O and M Agreement, for audit purposes:**

- a. Yearly program of activities and undertakings for the Non-Power Components, 2007-2015 (Subsection 2.2.1);**
- b. Five-year medium-term and ten-year long-term capital expenditure program for the operation and maintenance of the Non-Power Components (Subsection 2.2.4);**
- c. Annual report for the sources and application of the Service Fee, 2007-2014 (Subsection 2.6); and**
- d. Monthly Reports on the disbursements made from the Trust Fund and the Working Fund (Subsection 3.2.8).**

#### **CALAMITY FUND – National Risk Reduction and Management Fund**

**10. In NIA RO XIII, the implementation of contract LMC-ANDWARIS-2014-04-N-ADS, with contract amount of P40.570 million sourced out from the Calamity Fund, was delayed by 148 days due to the late preparation of the project's final plan/re-design by the Engineering and Operations Division (EOD), thus, deprived the project beneficiaries not only of the timely benefits of the project, but also protection from natural calamities and disasters in the area.**

10.1. Audit of the Calamity Fund of NIA RO XIII for CY 2014 in the amount of P45.000 million under Advice of Sub-Allotment (ASA) No. R-13-501-2014-080 showed that of this amount, P40.570 million was utilized for the construction of irrigation facilities at Andanan-Wawa River Irrigation System (RIS), Bayugan, Agusan del Sur under Contract No. LMC-ANDWARIS-2014-04-N-ADS, which took effect on June 5, 2014. It was noted from the Statistical Report dated November 25, 2014 that the implementation of the project was delayed by 148 days reckoning from June 5, 2014, the effectivity date of the contract. Further, Agusan Del Sur IMO personnel informed the Audit Team that the completion of the said project will again be delayed due to the extensive damage it sustained during typhoon Seniang which badly hit the province on December 29, 2014.

10.2. The delay was caused by lack of manpower at NIA EOD to prepare the final plan/re-design rehabilitation plan of the damaged irrigation facilities. As a result, the project's intended beneficiaries were deprived of its immediate benefits like protection from floods and other natural calamities and disasters in the area.

10.3. Section 2 of PD No. 1445 states that:

*It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take*

*care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.*

10.4. Section 1, Rule 19 of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 10121, otherwise known as the Philippine Disaster Risk Reduction and Management Act of 2010, prescribes the use of Calamity Fund, now known as National Disaster Risk Reduction and Management Fund, for disaster risk reduction or mitigation, prevention and preparedness activities such as, but not limited to training of personnel, procurement of equipment and capital expenditures.

10.5. Calamity Fund can also be utilized for relief, recovery, reconstruction and other work or services in connection with natural or human-induced calamities which may occur during the budget period. To alleviate, if not totally eliminate the impact of damaged irrigation facilities to the livelihood of farmers, NIA is mandated to undertake restoration of damaged facilities immediately after calamities hit the area. This urgency justifies the dispensing of the bidding process in the procurement for repair and rehabilitation works, as provided for in Section 53.2 of RA No. 9184. As such, all infrastructure projects to be implemented charged to Calamity Fund are to be procured through negotiation.

**10.6. We recommended that, henceforth, Management direct the EOD to prioritize the preparation of projects' revised design plan so that the purpose for which the Calamity Fund is allocated could be immediately attained and the projects' benefits could be afforded to the intended beneficiaries.**

10.7. Management commented that they have to revise again the design plan because the original design was no longer workable because of the extensive damage the project had suffered brought about by typhoon Seniang.

## **DISBURSEMENT ACCELERATION PROGRAM (DAP)**

**11. The unutilized balance of P117.696 million DAP Funds for two NIA projects were not returned to the Bureau of the Treasury (BTr) despite the decision of the Supreme Court on July 1, 2014, declaring acts and practices under the DAP unconstitutional.**

11.1. Review of the status of unobligated/unutilized balance of the DAP Funds as of December 31, 2014 provided by Management showed a balance of P117.696 million, details shown in Table 9 (next page).

11.2. The Department of Budget and Management (DBM), in its letter dated September 9, 2014 addressed to the NIA Administrator, clarified that the two NIA projects are National Economic and Development Authority (NEDA)-approved projects and not part of the government's DAP as inadvertently stated in the Notes Portion of the related Special Allotment Release Order (SARO). However, the Notes portion of the SARO issued on December 21, 2012 by the Undersecretary of the DBM read as follows:

*The allotment release hereto shall be valid obligation until December 31, 2012.*

*This release is pursuant to the approval of the President dated December 10, 2012.*

***It shall be part of the Disbursement Acceleration Program.***

*Implementation shall be done in coordination with DBM.*

**Table 9 – List of DAP Funded Projects with Unutilized Balance  
As of December 31, 2014  
(In Million Pesos)**

Project	SARO		NCA		Amount of SARO/NCA	Actual Amount Received from the BTr	Actual Amount Utilized	Unobligated/ Unutilized Balance
	No.	Date	No.	Date				
Umayam River Irrigation Project (URIP )	F-12-11403	Dec. 21, 2012	BMB-F-12-025299	Dec. 21, 2012	P 390.100	P192.652	P 97.346	P 95.306
Casecnan Multi-Purpose Irrigation Power Project (CMIPP)	F-12-11403	Dec. 21, 2012	BMB-F-12-025299	Dec. 21, 2012	483.620	483.620	461.230	22.390
					<b>P 873.720</b>	<b>P 676.272</b>	<b>P 558.576</b>	<b>P 117.696</b>

11.3. Likewise, the Deputy Treasurer of the Philippines, in her response to our letter-request dated October 16, 2013 for certified true copies of the Advices of Notices of Cash Allocation (NCAs) together with the instruction issued by the DBM and the Letter Authority issued by the BTr to Land Bank of the Philippines (LBP), also confirmed that the purpose of the transfer of funds from the Treasurer of the Philippines (TOP) Savings Account No. 0012-1177-87 to NIA Account was for the implementation of irrigation projects under the DAP.

11.4. The Supreme Court, in its en banc decision promulgated on July 1, 2014, partially granted the petitions for certiorari and prohibition and declared the following acts and practices under the DAP, National Budget Circular No. 541 and related executive issuances unconstitutional, for being in violation of Section 25(5), Article VI of the 1987 Constitution and the doctrine of separation of powers, viz.:

- a. The withdrawal of unobligated allotments from the implementing agencies, and the declaration of the withdrawn unobligated allotments and unreleased appropriations as savings prior to the end of the fiscal year and without complying with the statutory definition of savings contained in the General Appropriations Acts (GAA);

b. The cross-border transfers of the savings of the Executive to augment the appropriations of other offices outside the Executive; and

c. The funding of projects, activities and programs that were not covered by any appropriations in the GAA.

**11.5. We recommended that Management immediately refund/return the unobligated/unutilized DAP Funds to the account of the BTr.**

11.6. During the exit conference, Management committed to return the unutilized balance of P117.696 million as soon as it received confirmation from the Engineering and Operations Division (EOD) that there are no NIA projects funded from this source.

11.7. As audit rejoinder, we maintain our stand that the unutilized/unobligated balance of DAP Funds should be returned to the BTr effective upon the promulgation of the Supreme Court's ruling.

## **GENDER AND DEVELOPMENT (GAD)**

**12. Management did not fully implement the targeted programs/activities/projects (PAPs) identified in its GAD Plan for Fiscal Year (FY) 2014 with an allocation of P45.446 million for the purpose.**

12.1. The Agency's GAD Plan and Budget for FY 2014 identified a total of 44 PAPs with an allocation of P45.446 million, the top five activities are shown in Table 10.

**Table 10 – Top Five Activities under FY 2014 GAD Plan and Budget**

<b>IDENTIFIED ACTIVITY</b>	<b>TARGETS</b>	<b>BUDGET</b>
IA trainings and seminars on Agriculture, to include women	231 batches of various types of IA trainings with at least 25 per cent women attendee	P 17,600,614
GAD/GBEST Trainings; Sensitivity level/ Focal system/ Concepts; Training on the 5-S (Waste segregation/ Recycling)	NIA CO personnel, Regional & IMO staff, IA, Concerned NIA Employees for the 5-S Seminar	8,272,850
Health awareness/ Physical fitness program/Sports Fests	NIA Employees	4,500,000
Purchase of shuttle bus	Daily Transport of NIA Employees	4,000,000
Conduct skills training such as basic leadership and financial management training	NIA-Region X IMOs (97 batches of BLCD and FMS trainings)	3,425,000
		<b>P 37,798,464</b>

12.2. However, review of the GAD activities in the CO and the ROs/FOs disclosed the following observations:

- a. GAD activities were not undertaken during the year in UPRIS and RO VII; hence, funds were not utilized;
- b. The CO, MARIIS, ROs III, XI and XII did not submit GAD Accomplishment Reports to the Audit Team, for review;
- c. GAD Focal Point System and the GAD Code were not yet in place in the ROs/FOs;
- d. GAD plan was not formulated in RO IV-A, but included in its budget a minimal amount of P1.600 million; and
- e. GAD plan was neither formulated, nor funds allocated in Cordillera Administrative Region (CAR) and ROs VII, IX and X.

12.3. Sections 2.2 and 2.3 of the Philippine Commission on Women (PCW), National Economic and Development Authority (NEDA) and Department of Budget and Management (DBM) Joint Circular No. 2012-01 provide that:

*Agencies should incorporate and reflect GAD concerns in their agency performance, commitment contracts, annual budget proposals, and work and financial plans.*

*Xxx GAD Planning shall be integrated in the regular activities of the agencies, the cost of implementation of which shall be at least five percent of their total budgets. The computation and utilization shall be implemented in accordance with the specific guidelines provided therein.*

12.4. Likewise, Section 33 of the GAA of FY 2014 requires that:

*All agencies of the government shall formulate a Gender and Development (GAD) Plan designed to address issues within their concerned sectors or mandate and implement applicable provisions under R.A. 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 Millennium Development Goals (2000-2015), the Philippine Plan for Gender-Responsive Development (1995-2025) and the Philippine Development Plan (2011-2016).*

*The GAD Plan shall be integrated in the regular activities of the agencies. For this purpose, 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 compliance with said requirement. Utilization of the GAD budget shall be evaluated based on the GAD performance indicators identified by said agencies*

*The preparation and submission of the annual GAD Plan and annual GAD Accomplishment Report shall be subject to the guidelines issued by the agencies concerned.*

**12.5. We recommended and Management agreed to:**

- a. Formulate GAD Plan and Budget in accordance with the above cited rules and regulations;**
- b. Closely monitor the full implementation of all PAPs identified/included in the GAD Plan and Budget;**
- c. Ensure that the required GAD Focal Point System and GAD Code are in place; and**
- d. Submit the required GAD Accomplishment Reports in accordance with the guidelines issued, for timely review and evaluation.**

12.6. Management admitted its failure to fully implement the Annual GAD Plan and Budget for FY 2014, as it had just undergone compliance with RA No. 366 (NIA Rationalization Plan), which considerably reduced the Agency's manpower complement and had affected GAD implementation that led to a low GAD accomplishment and budget utilization by the CO, ROs and FOs. GAD is not yet fully mainstreamed in the Agency's activities and has not been a priority activity. Further, the NIA GAD Focal System shall continue to pursue its plans and programs by first firming-up and strengthening its membership, and to ensure compliance with its targets, the audit recommendations will be implemented.

## **COMPLIANCE WITH TAX LAWS**

**13.** For CY 2014, the Agency withheld taxes from salaries and wages, suppliers/contractors and remitted P35.662 million to the Bureau of Internal Revenue (BIR). The Due to BIR account as at December 31, 2014 of P56.851 million consists of taxes withheld for December 2014, prior years' accumulated tax dues, and unrecorded remittances from ROs/FOs, which are still subject to further verification and reconciliation.

## **SUMMARY OF UNSETTLED SUSPENSIONS, DISALLOWANCES AND CHARGES**

**14.** As at December 31, 2014, unsettled audit suspensions, disallowances and charges amounted to P231.023 million, P255.860 million and P31,011, respectively, as summarized in Table 11. Likewise, the details of the unsettled audit disallowances, suspensions and charges are presented in Annex A of this report.

**Table 11 – Unsettled Audit Suspensions, Disallowances and Charges**

<b>Office</b>	<b>Suspensions</b>	<b>Disallowances</b>	<b>Charges</b>
Central Office	P 26,029,987	P 21,872,332	-
CAR	55,496	11,936,940	-
Region I	-	9,942,380	-
Region II	-	-	-
UPRIIS	42,223,581	19,235,074	-
MARIIS	4,982,376	-	-
CMIPP	101,038,348	1,327,120	-
Region III	-	10,000	-
Region IV - A	-	5,744,250	-
Region IV - B	-	2,315,000	-
Region V	9,668,929	43,942,500	-
Region VI	18,428,039	55,154,761	28,266
Region VII	1,158,000	249,068	-
Region VIII	6,880,498	25,768,025	-
Region IX	15,277,808	10,240,184	-
Region X	-	6,570,472	-
Region XI	278,799	17,330,628	-
Region XII	2,144,317	14,373,570	-
Region XIII	2,856,472	9,847,278	2,745
	<b>P 231,022,650</b>	<b>P 255,859,582</b>	<b>P31,011</b>



### PART III - STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 81 audit recommendations embodied in the previous years' Annual Audit Reports (AARs), 7 were fully implemented, 51 were partially implemented and 23 were not implemented. The summary is shown below.

Observations and Recommendations	Actions Taken/Comments
<b><u>2013 AAR</u></b>	
<p>1. The accuracy of the Property, Plant and Equipment (PPE) account with net book value of P25.605 billion was not reasonably substantiated due to, among others, absence of Transfer Certificates of Title (TCTs) to prove ownership and existence of parcels of land valued at P3.469 billion (13.6 per cent), lack of reports for completed irrigation projects of more than P0.500 billion, inadequate accounting and property records, significant variances between books and physical counts, and the inclusion of unserviceable properties.</p>	<p>Reiterated in Part II, Observation No. 1 of this report.</p>
<p>We recommended that Management:</p>	
<p>a. Facilitate the titling of all properties recognized under the Land account as well as the land donated to NIA; and create an appraisal committee to determine the current fair market value of the property to serve as basis for recording in the books;</p>	<p>Not implemented.</p>
<p>b. Create a special group to undertake within a target period the immediate reconciliation of the variances between the RPCPPE and the accounting records, and also to analyze the CIP-Irrigation Projects account for reclassification to the proper PPE account, duly supported with complete documentation;</p>	<p>Partially implemented.</p> <p>On April 28, 2014, the NIA Administrator issued a Memorandum directing the Senior Deputy Administrator, Deputy Administrators, Regional/Operations Managers and all others concerned to organize the Physical Inventory Task Group which shall, among others, conduct physical inventory of PPE as of December 31, 2013, identify, evaluate and reconcile variances between accounting and property records.</p>

Observations and Recommendations	Actions Taken/Comments
c. Require the Accounting and Property Sections to maintain/update accounting and property records, conduct periodic reconciliation between these records and immediately investigate and clear any discrepancies;	Partially implemented.  PPE ledger cards are being maintained and updated. Partial reconciliation of PPE accounts was done by the Bookkeeping Section personnel.
d. Give instructions to the Property Section to initiate the annual conduct of proper and complete physical inventory of all properties, prepare the corresponding inventory reports and submit the same to the Office of the Auditor not later than January 31 of the ensuing year;	Partially implemented.  Not all Regional Offices complied with the recommendation.
e. Instruct the Accounting Section to coordinate with the Property Section as regards the unserviceable and disposed properties so that these can be reclassified to the appropriate accounts; and	Partially implemented.  Not all Regional Offices complied with the recommendation.
f. Set a timeline for each task/activity in the order that they are to be undertaken, to serve as basis for monitoring the extent of accomplishments at any point.	Partially implemented.  Not all Regional Offices complied with the recommendation.
2. The reliability of the Cash in Bank account of P2.632 billion could not be ascertained due to inadequate or absence of records to support the account balance, delayed or non-preparation of bank reconciliation statements (BRS) and discrepancies in balances among accounting records. Moreover, 28 bank accounts are maintained in three banks which are not authorized as government depository banks.	Reiterated in Part II, Observation No. 3 of this report.
We recommended that Management require the Finance and Accounting Division to:	
a. Always maintain a complete and updated SLs for the Cash in Bank account, prepare BRS on a monthly basis, and conduct periodic reconciliation of general ledger and subsidiary records;	Partially implemented.  Reconciliation is on-going.

Observations and Recommendations	Actions Taken/Comments
b. Analyze the bank accounts which have been dormant since 2005, including reconciling items which have not been considered for adjustments;	Partially implemented.
c. Seek approval from the DOF for the maintenance of depository account with banks other than LBP and DBP; otherwise, transfer all bank accounts to these authorized depository banks; and	Partially implemented.
d. Require the officers concerned to submit their strategies and commitments on how to address each of the deficiencies noted, and to monitor the overall progress of these commitments and submit progress report pertaining thereto to the Auditor.	Central Office and some Regional Offices failed to fully comply with the recommendation.
3. The accuracy and validity of Accounts Receivable-Irrigation Service Fees (ISF) and Communal Irrigation System (CIS) with a balance of P18.081 billion is affected due to, among others, unreconciled difference of P1.628 billion between records as a result of inconsistency in the valuation of receivables; receivables of P1.531 billion with lacking supporting documents; discrepancy of P0.370 billion between books and aging schedule; and receivables that have been dormant for over 15 to 40 years without adequate accounting records.	Partially implemented.
We recommended that Management:	NIA Administrator's Memorandum, dated April 28, 2014, directed all concerned to organize Task Groups to address the recurring issues raised in the Consolidated Annual Audit Report. The Cash Reconciliation Task Group shall, among others, be responsible for the preparation of updated BRS, evaluation of reconciling items as determined in the BRS and reconciling items determined in comparison of the subsidiary ledgers with the general ledgers.
a. Consider enhancing the NIA Memorandum Circular No. 52 in a way that would resolve the inconsistency on the use of GSP in the valuation of	Reiterated in Part II, Observation No. 2 of this report.
	Not implemented.
	No modification/enhancement to NIA Memorandum Circular No. 52 was

Observations and Recommendations	Actions Taken/Comments
<p>Accounts Receivable-ISF;</p> <p>b. Require the Accounting Section to: maintain subsidiary ledgers for receivable accounts and regularly reconcile the balances with the general ledger balances; exert all efforts to reconcile accounts receivable recorded in the books of the regional office as against the books of the field offices; prepare aging schedules and set up allowance for bad debts for receivables based on the aging schedule;</p> <p>c. Request for write-off of dormant/uncollectible accounts from COA in accordance with COA Circular No. 97-001 dated February 5, 1997;</p> <p>d. Require the billing personnel to submit on time the List of Billed Irrigation Fees Collectibles to the Regional Accounting Section as basis for recording ISF receivables;</p> <p>e. Require the IMOs to timely submit the documents pertaining to completed projects to the Engineering and Operations Division for review and Finance Division for the recording of accounts receivable;</p> <p>f. Require the Managers of IMOs to submit to the Accounting Division the Schedule of Receivables for completed and turned-over CIS to Irrigators' Associations and Aging of Accounts Receivable supported with detailed list of balances of all farmers;</p> <p>g. Assign personnel in Agusan del Norte IMO to monitor payment of receivables from Irrigators' Associations for turned-over CIS and submission of required reports; and</p>	<p>effected to resolve the issue.</p> <p>Partially implemented.</p> <p>Not all Regional Offices complied with the recommendation.</p> <p>Not implemented.</p> <p>Management has not requested for write-off of dormant accounts from COA.</p> <p>Partially implemented.</p> <p>Some Regional Offices failed to comply due to lack of personnel to do the job.</p> <p>Partially implemented.</p> <p>Some Regional Offices failed to comply due to lack of permanent IMO billing clerk who will to do the job.</p> <p>Partially implemented.</p> <p>Partially implemented.</p> <p>Lack of permanent IMO billing clerk to do the job. Some IMOs billing clerks are paid on a daily basis charged to the project fund.</p>

Observations and Recommendations	Actions Taken/Comments
<p>h. Formulate strategies for the efficient and effective implementation of the activities that will be undertaken by the Collection and Receivable Reconciliation Task Force and to submit progress report thereon.</p>	<p>Partially implemented.</p> <p>A Collection and Receivable Reconciliation Task Group was also created based on the Memorandum dated April 28, 2014 of the NIA Administrator. Its tasks include, among others, to reconcile the Accounts Receivable subsidiary ledgers with the general ledger, evaluate the discrepancies between the two ledgers and submit documents for proper adjustment.</p>
<p>4. The existence of the Merchandise and Office Supplies Inventories valued at P63.164 million and P45.739 million is uncertain considering that inventories of P58.757 million (93.0 percent) and P27.453 million (60.0 percent), respectively, are adjustments and balances in prior years which were carried forward to the succeeding years, but without supporting documents and also due to the inconsistent use of the method in accounting said inventories.</p>	
<p>We recommended that Management require the Accountants to:</p>	
<p>a. Exercise due diligence in analyzing the Merchandise and Office Supplies Inventory accounts to determine the actual status of the balances carried forward so that appropriate adjustments may be effected;</p>	<p>Partially implemented.</p>
<p>b. Always maintain and regularly update subsidiary ledgers to support the general ledger balances and facilitate early detection and correction of errors to ensure accuracy of the inventory accounts; and</p>	<p>Partially implemented.</p>
<p>c. Adopt uniformly the prescribe asset method in accounting for inventories to establish accountability.</p>	<p>Partially implemented.</p> <p>CO and some Regional Offices failed to comply with the recommendations.</p>

Observations and Recommendations	Actions Taken/Comments
<p>5. Payment of Viability Incentive Grant (VIG) amounting to P181.896 million to officials and employees including those employed under Contract of Services/Job Orders was bereft of appropriate legal basis due to the absence of express authority from the President of the Philippines as required by pertinent laws and regulations. Moreover, there was no equitable basis of the amount paid per payee giving the impression of an arbitrary distribution of the said benefit.</p> <p>We recommended that Management:</p> <p>a. Ensure strict adherence to laws, rules and regulations on compensation in future payments of same incentives to avoid disallowances; and</p> <p>b. Refund the amount paid. Seek avenues on how to facilitate the refund considering the amount involved and the number of employees affected.</p>	<p>Notices of Disallowances (NDs) were issued to all concerned to refund the said allowances.</p> <p>Not implemented.</p> <p>Payments of VIG were still made in 2014.</p> <p>Not implemented.</p>
<p>6. Frequent delay in the submission of financial reports and supporting documents, sometimes up to four months, precluded the timely auditorial review of the financial transactions, thus errors, if any, could not be rectified immediately by the Accountant on a timely manner.</p> <p>We recommended that Management:</p> <p>a. Require the Accounting/ Bookkeeping Section to: (i) immediately record the reports and supporting schedules/ documents submitted by the accountable officers and thereafter submit the same, including pre-closing trial balances, to the Auditor within the first ten days of the ensuing month; and (ii) on or before February 14 of each year, also submit to the Auditor, the year-end financial statements and reports and schedules in printed and digital copies;</p>	<p>Partially implemented.</p> <p>Not all Regional Offices complied with the recommendation.</p>

Observations and Recommendations	Actions Taken/Comments
<p>b. Establish guidelines on the preparation and submission of reports in accordance with existing rules and regulations for guidance of all concerned and to ensure that these are timely submitted to the Auditor; and</p>	Fully implemented.
<p>c. Consider imposing sanctions on the persons responsible for delayed submission of financial reports and supporting documents to the Auditor.</p>	Not implemented.
<p>7. The reports required by the Department of Budget and Management (DBM) to justify the payment of CNA Incentives for CY 2011 pursuant to National Budget Circular (NBC) No. 528 dated January 3, 2011, DBM Budget Circular No. 2011-5 dated December 26, 2011 and Public Sector–Labor Management Council (PSLMC) Resolution No. 2 dated May 19, 2003 did not show that said reports were duly acknowledged and evaluated by the DBM.</p>	
<p>We recommended that Management cause the immediate submission of the following reports for CY 2011, duly received and evaluated by the DBM to avoid disallowance of the whole amount of CNA Incentive payment:</p>	Partially implemented.
<p>a. Total amount of savings generated for the year;</p>	<p>Not all the required reports were submitted to the Audit Team.</p>
<p>b. Accomplishment Report based on the physical and financial plan submitted and duly received by the DBM;</p>	
<p>c. Annual Report on the total expenditure for CNA Incentives granted to qualified employees and the sources of savings submitted and duly received by the DBM; and</p>	
<p>d. Comparative Schedule of the operating losses for CY 2011 and CY 2010; and comparative schedule of actual operating expenses and the DBM approved level of expenses.</p>	

Observations and Recommendations	Actions Taken/Comments
<p>8. Calamity fund totaling P0.726 million was spent for expenses such as travel, productivity enhancement incentive, landscaping, repair of vehicle and purchase of cell phones not related to disaster risk reduction and management (DRRM) activities, and utilization of the funds was not reported every month, thus, not consistent with the pertinent provisions of Republic Act (RA) No. 10121. Also, bidding process was dispensed with in the procurement of rehabilitation works after calamity amounting to P8.203 million but actually completed in almost a year.</p> <p>We have recommended that Management require:</p>	
<p>a. UPRIIS Division Managers to:</p> <p>a1. Justify the use of calamity fund on activities that were not related to calamity; otherwise, cause the refund of the amount used from the appropriate fund/s; and henceforth, refrain from using the calamity fund on projects and activities that do not directly address calamity-related risks and situations;</p> <p>a2. Harmonize the timeliness of restoration/rehabilitation works with the urgency of the need for the same;</p> <p>a3. Use regular project funds on restorative activities that could be undertaken on longer periods; and</p> <p>a4. Submit to Office of the Manager and Staff (OMS) the monthly report on the receipt and utilization of calamity fund.</p>	<p>Partially implemented.</p> <p>Fully implemented.</p> <p>Fully implemented.</p> <p>Not implemented.</p> <p>No reports were prepared and submitted.</p>
<p>b. Corporate Accountant B/ Senior Accounting Processors A to record incurrence of expenses/ acquisition of assets when goods are already received and services rendered.</p>	<p>Partially implemented.</p>



Observations and Recommendations	Actions Taken/Comments
c. Division Managers, Operations and Engineering and Administrative and Finance, OMS to:	
c1. Regularly monitor the utilization of calamity fund at division levels to assure compliance with regulations;	Partially implemented.
c2. Act accordingly on deviations noted; and	Partially implemented.
c3. Submit monthly to NIA Central Office the consolidated report on the receipt and utilization of calamity fund.	Not implemented.

#### DAP FUNDS

9. In Region VI, non-project related expenses such as purchase of IT equipment, cost of plane tickets and hotel accommodations, conference and registration fees and car rental amounting to P1.363 million that were charged to Jalaur River Multi-Purpose Project II (JRMPP II), a project funded out of DAP, were without valid basis, hence, considered irregular.

We recommended that Management:

- |  |                    |
|--|--------------------|
| a. Discontinue providing service vehicles to NIA Central Office officials or other personnel not involved in the implementation of the JRMPP II project and exercise prudence in the utilization of project funds; and | Fully implemented. |
| b. Require the concerned agency officials and personnel to refund the amount expended irregularly charged to the JRMPP fund, otherwise, the transactions will be disallowed in audit.                                  | Fully implemented. |
10. In Region XII, implementation of seven contract packages under the Malitubog-Maridagao Project II (MMIP II), funded by the DAP were delayed with shortfall in actual accomplishments ranging from 2.5

Observations and Recommendations	Actions Taken/Comments
<p>per cent to 9.8 per cent from the program/target accomplishments, to the detriment of farmer-beneficiaries.</p>	
<p>We recommended that Management require the contractors to fast-track the accomplishments of the projects considering that they are already delayed.</p>	<p>Fully implemented.</p>
<p>11. In Region XIII, the obligations incurred for wages and overhead expenses for pre-construction and construction activities of Umayam River Irrigation Project (URIP) funded out of the DAP exceeded the allotment by P3.679 million, due to realignment of funds without prior approval from the authorized official. Also, the charging of CNA Incentive totaling P0.675 million from the fund is considered irregular, as there was no valid basis.</p>	
<p>We recommended that Management:</p>	
<p>a. Secure post facto approval or authority from the NIA Central Office for the realigned funds of P3.679 million; and henceforth, obtain first the appropriate approval before utilizing savings from another allotment class or activity; otherwise, disbursements will be disallowed in audit; and</p>	<p>Fully implemented.</p>
<p>b. Refund the total amount of CNA Incentive that was charged against the project, and strictly observe that approved funds should only be utilized for expenses related to the functions, activities, projects and programs to which these are appropriated.</p>	<p>Partially implemented.</p>
<p>12. Cash advances, which even increased from P22.271 million in 2012 to P24.409 million in 2013, remained outstanding although the purposes of the grant were already served due to lack of proper monitoring on the enforcement of liquidation, grant of additional cash advances though previous ones are not</p>	<p>Related discussion in Part II, Observation No. 5 of this report.</p>

Observations and Recommendations	Actions Taken/Comments
<p>yet settled, and due to insufficient subsidiary records.</p>	
<p>We recommended that Management:</p>	
<p>a. Demand immediate liquidation of the outstanding cash advances as of CY 2011 which are not yet settled as of December 31, 2013; and impose the consequences on failure to liquidate these cash advances, pursuant to COA Circular No. 2012-004;</p>	<p>Partially implemented.</p>
<p>b. Strictly enforce compliance with COA Circular No. 97-002, on the granting, utilization and liquidation of cash advances to avoid accumulation of unsettled accounts as at end of the year; and</p>	<p>Partially implemented.</p>
<p>c. Require the Regional Accounting Office, together with the head of accounting unit of Irrigation Management Offices to prepare/update subsidiary ledgers showing detailed information of the cash advances granted, liquidations made and unsettled balances for all accountable officers.</p>	<p>Partially implemented.</p>
<p><b><u>GENDER AND DEVELOPMENT (GAD)</u></b></p>	
<p>13. The programmed activities and projects identified in the Annual Gender and Development (GAD) Plan for CY 2013 were not fully implemented.</p>	<p>Related discussion in Part II, Observation No. 12 of this report.</p>
<p>We recommended that Management:</p>	
<p>a. Incorporate in the annual budget proposal the required allocation for the proper implementation of GAD programs and activities in all NIA offices, which is geared towards achieving the objective of the Annual GAD Plan in accordance with the conditions set forth in Joint Circular No. 2012-01 of PCW, NEDA and DBM;</p>	<p>Partially implemented.</p> <p>There were some planned activities that were not conducted during the year.</p>

Observations and Recommendations	Actions Taken/Comments
b. Closely monitor the full implementation of the GAD programs and activities to ensure compliance with its targeted accomplishments; and	Partially implemented.
c. Revert to the project funds the amount expended for GAD activities	Partially implemented.

## **2012 AAR**

14. Various irrigation projects completed since 1996 amounting to P4.962 million recorded under Construction in Progress (CIP) - Agency Assets account was reclassified to Land Improvements account without proper documentation, such as:

- a. Final Accomplishment Report;
- b. Certificate of Completion and Acceptance;
- c. Project Completion Reports (CPR); and
- d. Photographs of completed projects, if any.

We recommended that Management submit immediately all the above cited documents to support the reclassification of various completed irrigation projects to the Land Improvements account.

Not implemented.

Requested documents are not yet submitted to COA for audit.

15. The balance of the Cash in Bank accounts under the General Fund (F102) totaling P12.019 million as of December 31, 2012 included unexpended balance of special projects funds transferred to Corporate Fund (F501) amounting to P11.507 million and P0.512 million, respectively. These fund transfers were never recorded in the books of accounts of both funds, but continuously appear as among the reconciling items in the Bank Reconciliation Statements of Corporate Fund (F501).

Observations and Recommendations	Actions Taken/Comments
We reiterated our previous year's recommendations that Management:	
a. Ensure strict adherence to Section 37 of PD No. 1177 and Section 4(3) of PD No. 1445 and refrain from transferring project funds under General Fund (F102) to the Corporate Fund (F501).	Partially implemented.  Strict adherence to the applicable laws, rules and regulations is now being observed.
b. Remit to the Bureau of the Treasury the unexpended balances of Fund 102 closed accounts in the total amount of P12,019,459; and	Not implemented.  Management informed that reversion of the said amount to the Bureau of the Treasury would be made after the reconciliation process is completed.
c. Establish the amount of interest income accruing to the amount transferred to the Corporate Fund, as this amount forms part of the special project funds, and likewise remit the same to the Bureau of the Treasury.	Not implemented.  Management explained that the amount of interest income is not yet established.
16. The unexpended balance of foreign assisted project funds amounting to P5.140 million exclusive of interest earned which was previously deposited under Fund 102 account was subsequently transferred to Fund 501 contrary to the provisions of PD No. 1445. Moreover, this account was still being maintained by both Fund 501 and Fund 102 as of December 31, 2012.	
We recommended that Management:	
a. Close the Foreign Currency – Time Deposit PVB Account No. 61071 under Fund 501 and remit to the Bureau of the Treasury the amount of the unexpended balance of the foreign-assisted project funds inclusive of interest; and	Not implemented.  Management informed that reversion of the said amount to the Bureau of the Treasury would be made after reconciliation process is completed.
b. Ensure strict adherence to the provisions of Section 37 of PD No. 1177 and Section 4(3) of PD No. 1445.	Partially implemented.

Observations and Recommendations	Actions Taken/Comments
<p>17. Unrecorded withdrawals/disbursements prior to 1988 amounting to P151.656 million were treated as reconciling items in the Bank Reconciliation Statements. These disbursements were included in the list of checks issued and were encashed but have no covering disbursement vouchers or any supporting documents submitted to the Audit Team.</p>	
<p>We recommended that Management:</p>	
<p>a. Cause the immediate submission of the disbursement vouchers, copy of check register/report of checks issued containing the date/number of the checks, payee and amount together with all the necessary documents; and</p>	<p>Not implemented.</p> <p>The required documents were not yet submitted to the Audit Team.</p>
<p>b. Conduct a thorough investigation to identify persons liable for the unaccounted disbursements of P151,655,662, and file appropriate legal actions against the accountable/liable officials, if warranted.</p>	<p>Not implemented.</p> <p>Thorough investigation has not yet been conducted by Management.</p>
<p>18. The validity and accuracy of the account balances of completed projects included in the Balance Sheet of the Corporate Fund (F501) as of December 31, 2012 amounting to P5.174 billion could not be substantiated due to non-submission of supporting documents, financial statements and reports for review/verification. Likewise, the elimination entries reflected in the consolidated balance sheet lacked the necessary supporting documents.</p>	
<p>We recommended that Management:</p>	
<p>a. Assign a permanent employee to perform the analysis and validation of the accounts of the above completed projects included in the consolidation of account balances of all the regions and projects specifically the Office Supplies Inventory recorded under the BBMP, et al. amounting to P16.578 million;</p>	<p>Partially implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>b. Exhaust all possible means to locate the missing books of accounts, financial statements and reports pertaining to the completed projects and effect the necessary adjustments to reflect the correct balances of the affected accounts;</p>	<p>Partially implemented.</p> <p>Submission of financial statements, reports and supporting documents by Regional Offices is on-going.</p>
<p>c. Create a special team to undertake the physical inventory of all the Property, Plant and Equipment of the above completed projects to validate their actual existence, considering that the total value represented ninety per cent of the total asset account; and</p>	<p>Partially implemented.</p>
<p>d. Submit the Journal Entry Vouchers with supporting documents relative to the elimination entries appearing in the consolidated balance sheet.</p>	<p>Partially implemented.</p>
<p>19. The validity and accuracy of the balances of Government Equity and Retained Earnings accounts of P18.027 billion and P(10.030) billion, respectively, could not be ascertained due to the absence of documents to substantiate the balances of these accounts as shown in the Statement of Changes in Government Equity (SCGE).</p>	<p>Not implemented.</p> <p>Supporting documents of the Government Equity and Retained Earnings accounts were not yet submitted by Management.</p>
<p>We recommended that Management cause the immediate submission of the supporting documents of the Government Equity and Retained Earnings accounts with complete information as to the nature of adjustments included therein.</p>	
<p>20. The existence, validity and accuracy of the Due from National Government Agencies, Due from GOCCs and Other Receivables accounts could not be ascertained due to non-maintenance/improperly maintained subsidiary ledgers, existence of dormant accounts and accounts with abnormal balances. Likewise, the Statement of Balances lacked the necessary information such as complete name/address of the debtor, date when</p>	

Observations and Recommendations	Actions Taken/Comments
<p>the receivable was granted and the age of the account.</p>	
<p>Since these observations are reiteration of the previous years' audit findings, we strongly recommended that Management:</p>	
<p>a. Assign a permanent employee to perform the regular analysis and validation of the Due from NGAs/GOCCs and Other Receivable accounts specifically those dormant and abnormal accounts which continue to exist for more than 10 years now;</p>	<p>Partially implemented.</p> <p>A permanent employee was assigned to perform analysis, maintenance, and regular updating of subsidiary ledgers in the Central Office only.</p>
<p>b. Maintain and regularly update subsidiary ledgers for all accounts to support the general ledger balances; facilitate the early detection of errors, expedite adjustments, and determine if total of individual accounts reconcile with the general ledger;</p>	<p>Partially implemented.</p> <p>Subsidiary ledgers are now maintained and regularly updated. Analysis of accounts is on-going. Adjustments were already made on some accounts.</p>
<p>c. Create a special task force to enforce collection of past due accounts, and if warranted, impose legal sanctions to those whose accounts are material and remained in default for several years now; and</p>	<p>Not implemented.</p> <p>A special task force is not created yet.</p>
<p>d. Include in the Statement of Balances all the necessary information such as name, address of the debtor, date the receivable was granted and aging of the account.</p>	<p>Not implemented.</p> <p>Aging of receivables was not yet prepared.</p>
<p>21. Deficiencies and contraventions on the provisions of RA No. 9184, otherwise known as the "Government Procurement Reform Act" and the lease contract between NIA as the "lessor" and New Kanlaon Construction, Inc. as the "lessee" resulted in the understatement of bid security posted by participating bidders totalling P2.092 million and understatement of the total billed amount for rental for the period March 1, 2009 to February 28, 2012 amounting to P1.120 million.</p>	<p>Related discussion in Part II, Observation No. 4 of this report.</p>



Observations and Recommendations	Actions Taken/Comments
We recommended that Management:	
a. Exhaust all legal means to collect total amount due of P17,588,744 from the New Kanlaon Construction, Inc. representing all unpaid amount as of December 31, 2012; and	Partially implemented.  Legal means were exhausted but no collection was received.
b. As additional sanction, forfeit the cash deposit and collect all previous bills applied to the cash deposit as well as all current bills due from the New Kanlaon Construction, Inc.	Not implemented.  No sanction was imposed and the cash deposit was not forfeited.
22. The existence, validity and accuracy of the balance of Accounts Payable totaling P483.106 million could not be ascertained due to non-maintenance/improperly maintained subsidiary ledgers, and existence of undocumented/dormant accounts and accounts with abnormal balances. Likewise, the Schedule of Accounts Payable lacked the necessary information such as complete name/address of the creditor, date when the obligation was incurred and the age of the account.	
Considering that this is a reiteration of the previous years' audit observation, we strongly recommended the following:	
a. Assign a permanent employee to perform regular analysis and validation of the Accounts Payable specifically those dormant and abnormal accounts which continue to exist for more than 10 years now;	Not implemented.  No task force was created neither an employee was assigned to perform regular analysis and validation of accounts.
b. Include in the Schedule of Accounts Payable all the necessary information such as name, address of the creditor, date the obligation was incurred and aging of the account; and	Partially implemented.  The Schedule of Accounts Payable already included the necessary information but no aging of the accounts was provided.

Observations and Recommendations	Actions Taken/Comments
<p>c. Provide valid support document for the accounts payable that lacked documentation; otherwise, revert the same to government equity.</p>	<p>Not implemented.</p> <p>No valid supporting documents were submitted.</p>
<p>23. The accuracy and validity of the year-end balance of Other Liabilities account amounting to P1.335 billion remained doubtful due to lack of subsidiary records/documents and the inclusion of various accounts which remained dormant for more than 19 years now. Likewise, supporting schedules for the Performance/Bidders Bond Payable and Other Payable accounts to support the general ledger account balances were not prepared and submitted for audit.</p> <p>Since this is reiteration of the previous years' audit observation, we strongly recommended the following:</p>	
<p>a. Assign a permanent employee who will perform regular analysis, validation and reconciliation of the Other Liabilities account specifically those dormant and abnormal accounts which continue to exist for more than 19 years now;</p>	<p>Not implemented.</p> <p>No permanent employee was assigned to perform regular analysis, validation and reconciliation.</p>
<p>b. Maintain and regularly update subsidiary ledgers of the Other Liabilities accounts for proper monitoring and to support the general ledger balances; and</p>	<p>Not implemented.</p>
<p>c. Include in the Schedules all the necessary information such as complete name and address of the contractors, dates when the projects started/finished and aging/status of the accounts.</p>	<p>Not implemented.</p>
<p>24. Deficiencies in recording the advances made by the Bureau of the Treasury (BTr) to CE Casecan Water and Energy Company, Inc. (CECWE, Inc.) for NIA obligations covered by the Build, Operate and Transfer Contract resulted in a variance of P46.847 billion between BTr's records and NIA's records and</p>	

Observations and Recommendations	Actions Taken/Comments
understatement of liabilities and operating expenses.	
We reiterated our previous years' recommendations that Management:	
a. Exert extra effort to secure copies of JEVs from the BTr pertaining to its advances for the account of NIA to ensure proper recording in the books;	Partially implemented.  Copies of documents relative to the advances made by BTr to CE Casecan have been partially secured.
b. Record all transactions pertaining to the advances made by the BTr since these are valid obligations; and	Partially implemented.  Advances pertaining to water delivery fees and tax reimbursements had already been recorded in the books.
c. Prioritize the immediate reconciliation of the difference/variance existing between the records of the BTr and NIA to avoid reiteration of the same observation in the ensuing year.	Partially implemented.  Reconciliation of the difference/variance is on-going.
25. Deficiencies were noted in the payment for consultancy services amounting to P6.136 million.	
We recommended that Management:	
a. Ensure strict compliance with the provisions of RA No. 9184 and other government rules and regulations on the hiring of consultants;	Partially implemented.
b. Analyze the cost effectiveness of hiring consultants before a decision is made to engage their services;	Partially implemented.
c. Perform periodic monitoring/oversight in the use of consultants to determine the extent to which economy, efficiency and effectiveness have been achieved; and	Partially implemented.
d. Exercise prudence in the disbursement/disposition of government funds and limit expenses to that which are cost effective to the Corporation.	Partially implemented.  Management failed to observe prudence in the disbursement/disposition of its funds.

Observations and Recommendations	Actions Taken/Comments
<p>26. Non-recording of the withdrawals of diesel estimated at P5.410 million for CYs 2011 and 2012 casts doubt on the balance as of December 31, 2012 of the Other Prepaid Expenses - Gasoline, Oil and Lubricants account in the amount of P9.144 million. Likewise, government laws, rules and regulations pertaining to the use of government motor vehicles were not strictly observed by the agency.</p> <p>We recommended that Management:</p> <p>a. Assign a permanent employee to analyze the Gasoline, Oil and Lubricant Inventory account and see to it that all withdrawals of fuel made during the year are properly recorded in the books;</p> <p>b. Review the recommended fuel allocation embodied in Memorandum Circular (MC) No. 39 and revise the specific number of liters each office/official should be entitled to in accordance with the current needs of the office for proper monitoring and control; and</p> <p>c. Ensure strict compliance with the provisions of COA Circular No. 75-6 on the proper use of government vehicles.</p>	<p>Partially implemented.</p> <p>Partially implemented.</p> <p>Partially implemented.</p>

**Details of Unsettled Audit Disallowances, Suspensions and Charges**  
As of December 31, 2014  
(In Philippine Peso)

**I. Notices of Disallowances (NDs)**

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
<b>Central Office</b>				
2014-002-501(12)/ 05-30-14	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payee – C. Oliver Manabat	29,250.00	For issuance of Notice of Finality of Decision (NFD)
2014-002-501(12)/ 11-08-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payees – Employees of RATPLAN Yr 5	1,257,000.00	For issuance of Notice of Finality of Decision (NFD)
2013-118-501(11)/ 11-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Reynaldo Santos	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-117-501(11)/ 10-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Libertad Ortile	21,500.00	With pending appeal before the Director, CGS Cluster 5
2013-116-501(11)/ 10-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Leovita Alcantara	7,000.00	With pending appeal before the Director, CGS Cluster 5
2013-115-501(11)/ 10-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Florencia Saplan	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-114-501(11)/ 10-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Danilo Reyes	17,000.00	With pending appeal before the Director, CGS Cluster 5
2013-113-501(11)/ 10-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Carmelo Paderon	37,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-112-501(11)/ 10-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee –Adelaida Laureta	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-111-501(11)/ 10-25-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roman Bernal	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-110-501(11)/ 10-25-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Melchor Bautista	7,000.00	With pending appeal before the Director, CGS Cluster 5
2013-109-501(11)/ 10-25-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Leonor Fernandez	17,000.00	With pending appeal before the Director, CGS Cluster 5
2013-108-501(11)/ 10-25-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Conrado Carlos	17,000.00	With pending appeal before the Director, CGS Cluster 5
2013-107-501(11)/ 10-25-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – NIA-CARP Personnel	308,500.00	With pending appeal before the Director, CGS Cluster 5
2013-106-501(11)/ 10-24-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Public Affairs & Info Staff	74,000.00	With pending appeal before the Director, CGS Cluster 5
2013-105-501(11)/ 10-24-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Corazon Rugayan	14,000.00	With pending appeal before the Director, CGS Cluster 5
2013-104-501(11)/ 10-24-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Reinerio Irinco	5,000.00	With pending appeal before the Director, CGS Cluster 5
2013-103-501(11)/ 10-24-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Irene Ariola	5,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-102-501(11)/ 10-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Fortunata Labao	22,500.00	With pending appeal before the Director, CGS Cluster 5
2013-101-501(11)/ 10-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Rosalie Ranque	22,500.00	With pending appeal before the Director, CGS Cluster 5
2013-100-501(11)/ 10-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roger Allan King	15,000.00	With pending appeal before the Director, CGS Cluster 5
2013-099-501(11)/ 10-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Jerome Osias	6,000.00	With pending appeal before the Director, CGS Cluster 5
2013-098-501(11)/ 10-22-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Leovina Demesa	6,000.00	With pending appeal before the Director, CGS Cluster 5
2013-097-501(11)/ 10-22-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roxanne Garcia	7,500.00	With pending appeal before the Director, CGS Cluster 5
2013-096-501(11)/ 10-16-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Democratico P. Grana	25,830.00	With pending appeal before the Director, CGS Cluster 5
2013-095-501(11)/ 10-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Virginia Atienza	25,000.00	With pending appeal before the Director, CGS Cluster 5
2013-094-501(11)/ 10-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; Payees – Construction Management Division Personnel	296,000.00	With pending appeal before the Director, CGS Cluster 5
2013-093-501(11)/ 10-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Elizabeth Lopez	21,500.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-092-501(11)/ 10-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Human Resources Division Personnel	27,500.00	With pending appeal before the Director, CGS Cluster 5
2013-091-501(11)/ 10-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Jacel Delgado	5,000.00	With pending appeal before the Director, CGS Cluster 5
2013-090-501(11)/ 10-07-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Julita Rondon	7,000.00	With pending appeal before the Director, CGS Cluster 5
2013-089-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Human Resources Division Personnel	80,000.00	With pending appeal before the Director, CGS Cluster 5
2013-088-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Nieva Beguiras	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-087-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Design & Specifications Division Personnel	154,000.00	With pending appeal before the Director, CGS Cluster 5
2013-086-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Procurement and Property Division Personnel	148,000.00	With pending appeal before the Director, CGS Cluster 5
2013-085-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Accounting Division Personnel	210,000.00	With pending appeal before the Director, CGS Cluster 5
2013-084-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Glenn Ortega	6,000.00	With pending appeal before the Director, CGS Cluster 5
2013-083-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roxanne Garcia	14,000.00	With pending appeal before the Director, CGS Cluster 5



ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-082-501(11)/ 10-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Charlemagne Cordero	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-081-501(11)/ 10-03-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Internal Audit Services Personnel	111,000.00	With pending appeal before the Director, CGS Cluster 5
2013-080-501(11)/ 10-02-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – System Management Division Personnel	195,500.00	With pending appeal before the Director, CGS Cluster 5
2013-079-501(11)/ 09-30-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Equipment Management Division Personnel	111,000.00	With pending appeal before the Director, CGS Cluster 5
2013-078-501(11)/ 09-30-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Lea Surio	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-077-501(11)/ 09-30-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Budget and Revenue Division Personnel	74,000.00	With pending appeal before the Director, CGS Cluster 5
2013-076-501(11)/ 09-30-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Ruby Corpuz	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-075-501(11)/ 09-30-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Deputy Administrator-Admin and Finance	111,000.00	With pending appeal before the Director, CGS Cluster 5
2013-074-501(11)/ 09-27-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Project Planning Division Personnel	111,000.00	With pending appeal before the Director, CGS Cluster 5
2013-073-501(11)/ 09-27-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Teresa Mohhamed	37,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-073-501(11)/ 09-27-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – General Services Division Personnel	354,500.00	With pending appeal before the Director, CGS Cluster 5
2013-072-501(11)/ 09-20-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Medical and Dental Services Personnel	74,000.00	With pending appeal before the Director, CGS Cluster 5
2013-071-501(11)/ 09-20-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Retirees – Years 3 and 4	529,000.00	With pending appeal before the Director, CGS Cluster 5
2013-070-501(11)/ 09-13-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – SRIP-PMS SPS Personnel	885,000.00	With pending appeal before the Director, CGS Cluster 5
2013-069-501(11)/ 09-12-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Participatory Irrigation Development Project Personnel	465,500.00	With pending appeal before the Director, CGS Cluster 5
2013-068-501(11)/ 09-12-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees–Civil Security Affairs Personnel	148,000.00	With pending appeal before the Director, CGS Cluster 5
2013-067-501(11)/ 09-12-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Deputy Administrator-Administration and Finance	255,500.00	With pending appeal before the Director, CGS Cluster 5
2013-066-501(11)/ 09-11-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Rowena Francisco	17,000.00	With pending appeal before the Director, CGS Cluster 5
2013-065-501(11)/ 09-10-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roy Formejos	37,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-064-501(11)/ 09-11-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – SPISP 501 Trust Reserved Fund Personnel	296,000.00	With pending appeal before the Director, CGS Cluster 5
2013-063-501(11)/ 09-10-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Public Affairs and Information Staff	30,000.00	With pending appeal before the Director, CGS Cluster 5
2013-062-501(11)/ 09-09-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Equipment Management Division Personnel	27,500.00	With pending appeal before the Director, CGS Cluster 5
2013-061-501(11)/ 09-09-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Vera Ladion	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-060-501(11)/ 09-09-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Mel Rio Ann Rivera	7,500.00	With pending appeal before the Director, CGS Cluster 5
2013-059-501(11)/ 09-09-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Deputy Administrator, Engineering and Operations	222,000.00	With pending appeal before the Director, CGS Cluster 5
2013-058-501(11)/ 09-09-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Arnold Salazar	21,500.00	With pending appeal before the Director, CGS Cluster 5
2013-057-501(11)/ 09-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Carmelita Ocampo	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-056-501(11)/ 09-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Thelma Sales	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-055-501(11)/ 09-04-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Public Affairs and Information Staff	235,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-054-501(11)/ 09-02-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Project Planning Division Personnel	894,500.00	With pending appeal before the Director, CGS Cluster 5
2013-053-501(11)/ 09-03-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Accounting Division Personnel	925,000.00	With pending appeal before the Director, CGS Cluster 5
2013-052-501(11)/ 09-02-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roberto Pascual	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-051-501(11)/ 09-02-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – System Management Division Personnel	629,000.00	With pending appeal before the Director, CGS Cluster 5
2013-050-501(11)/ 09-02-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Procurement and Property Division Personnel	666,000.00	With pending appeal before the Director, CGS Cluster 5
2013-049-501(11)/ 09-02-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Corporate Secretary Personnel	74,000.00	With pending appeal before the Director, CGS Cluster 5
2013-047-501(11)/ 08-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Institutional Development Division Personnel	592,000.00	With pending appeal before the Director, CGS Cluster 5
2013-046-501(11)/ 08-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Equipment Management Division Personnel	592,000.00	With pending appeal before the Director, CGS Cluster 5
2013-045-501(11)/ 08-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Medical and Dental Services Personnel	111,000.00	With pending appeal before the Director, CGS Cluster 5
2013-044-501(11)/ 08-29-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – HRD Personnel	1,184,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-043-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – General Services Division Personnel	1,036,000.00	With pending appeal before the Director, CGS Cluster 5
2013-042-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – SRIP-PMO SPS Personnel	222,000.00	With pending appeal before the Director, CGS Cluster 5
2013-041-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Participatory Irrigation Development Project Personnel	259,000.00	With pending appeal before the Director, CGS Cluster 5
2013-040-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Agno River Irrigation Project Personnel	74,000.00	With pending appeal before the Director, CGS Cluster 5
2013-039-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Resto/Rehab of Existing NIA Assisted IS Personnel	185,000.00	With pending appeal before the Director, CGS Cluster 5
2013-038-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Corporate Planning Services Personnel	962,000.00	With pending appeal before the Director, CGS Cluster 5
2013-037-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Senior Deputy Administrator	111,000.00	With pending appeal before the Director, CGS Cluster 5
2013-036-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Administrator	185,000.00	With pending appeal before the Director, CGS Cluster 5
2013-035-501(11)/ 08-23-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Budget and Revenue Division Personnel	444,000.00	With pending appeal before the Director, CGS Cluster 5
2013-034-501(11)/ 08-22-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Design and	814,000.00	With pending appeal before the Director, CGS Cluster 5

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
Specification Division Personnel				
2013-033-501(11)/ 08-22-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Internal Audit Services Personnel	814,000.00	With pending appeal before the Director, CGS Cluster 5
2013-032-501(11)/ 08-22-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Construction Management Division Personnel	592,000.00	With pending appeal before the Director, CGS Cluster 5; With partial settlement dated 5/11/15
2013-031-501(11)/ 08-16-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Civil Security Affairs Personnel	555,000.00	With pending appeal before the Director, CGS Cluster 5
2013-030-501(11)/ 08-13-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Legal Services Personnel	296,000.00	With pending appeal before the Director, CGS Cluster 5
2013-029-501(11)/ 08-13-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Irrigation Engineering Center Personnel	518,000.00	With pending appeal before the Director, CGS Cluster 5
2013-028-501(11)/ 08-13-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Cash Division Personnel	370,000.00	With pending appeal before the Director, CGS Cluster 5
2013-027-501(11)/ 08-06-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Francisco Managhaya	37,000.00	With pending appeal before the Director, CGS Cluster 5
2013-024-501(12)/ 03-22-13	Overpayment of Representation and Transportation Allowance (RATA) for the period January 1 to December 31, 2012	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Pilipina P. Bermudez	24,000.00	Issued NFD dated May 19, 2015.
2013-017-501(11)/ 03-07-13	Overpayment of Representation Allowance (RA) for the months of November and December, 2012	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Mariano G. Dancel	2,000.00	Settled on March 16, 2015.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-014-501(12)/ 03-07-13	Overpayment of Representation Allowance (RA) for the month of January 2012	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Virginia R. Atienza	1,000.00	Issued NFD dated May 19, 2015
2013-012-501(11)/ 02-22-13	Overpayment of Representation Allowance (RA) for the period January to October 2011	Manager, Accounting Division; Acting Deputy Administrator for Administration and Finance; Officer-in-Charge, Administrative Department; Manager, Administrative Department; Manager, Cash Division; & Payee – Democratico P. Grana	8,000.00	For issuance of NFD
2013-008-501(11)/ 02-22-13	Overpayment of Representation Allowance (RA) for the period January to December 2011	Manager, Accounting Division; Acting Deputy Administrator for Administration and Finance; Officer-in-Charge, Administrative Department; Manager, Administrative Department; Manager, Cash Division; & Payee – Pilipina P. Bermudez	28,800.00	Issued NFD dated May 19, 2015
2013-006-501(11)/ 02-22-13	Overpayment of Representation Allowance (RA) for the period January to December 2011	Manager, Accounting Division; Acting Deputy Administrator for Administration and Finance; Officer-in-Charge, Administrative Department; Manager, Administrative Department; Manager, Cash Division; & Payee – Antonio A. Galvez	10,800.00	For issuance of NFD
2013-002-501(11)/ 02-14-13	Overpayment of Representation Allowance (RA) for the period January to December 2011	Manager, Accounting Division; Acting Deputy Administrator for Administration and Finance; OIC, Administrative Department; Manager, Administrative Department; Manager, Cash Division; & Payee – Virginia R. Atienza	16,800.00	Issued NFD dated May 19, 2015
12-002-501(12)/ 06-07-12	Overstatement in the computation of leave credits by 2.484 days as per audited daily time records for the period January 2003 to February 14, 2012	Acting Manager, Accounting Division; Acting Manager, PRMD; Acting Deputy Administrator for Administration and Finance; Acting Manager, Financial Management Department; Officer-in-Charge, Personnel Division; Manager, Cash Division & Payee – Jaime B. Lopez	3,361.00	For issuance of NFD
12-001-501(10)/ 06-07-12	Overstatement in the computation of leave credits by 6.246 days as per audited daily time records for the period January 1971 to September 19, 2011	Acting Accounting Manager; Manager PRMD; Deputy Administrator-Admin & Finance; Manager, FMD; Officer-in-Charge, Personnel Division; Manager, Cash Division; & Payee – Democratico P. Grana	13,028.35	For issuance of NFD

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
11-023-501(09)/ 07-26-11	Overstatement in the computation of leave credits by 4.285 days as per audited daily time records for the period January 1978 to December 31, 2008	Manager, Accounting Division; Acting Manager, PRMD; Acting Deputy Administrator for Administration and Finance; Acting Manager, Financial Management Department; Officer-in-Charge, Personnel Division; Manager, Cash Division; & Payee – Buenaventura Arcilla	2,480.03	For issuance of NFD
11-021-501(10)/ 07-19-11	Overstatement in the computation of leave credits by 1.004 days as per audited daily time records for the period October 1991 to December 31, 2008	Manager, Accounting Division; Acting Manager, PRMD; Acting Deputy Administrator for Administration and Finance; Acting Manager, Financial Management Department; Officer-in-Charge, Personnel Division; Manager, Cash Division; & Payee – Andres Candanido	531.36	For issuance of NFD
11-018-501(09)/ 04-13-11	Payment of CNA incentive for NIA managerial employees for the year 2009 in violation of DBM Budget Circular No. 2006-1 dated February 1, 2006	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Virginia R. Atienza	65,000.00	For issuance of NFD
11-017-501(09)/ 04-18-11	Payment of CNA incentive for NIA managerial employees for the year 2009 in violation of DBM Budget Circular No. 2006-1 dated February 1, 2006	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Various NIA Officials	250,000.00	Issued COE dated 2/17/15; With Partial settlement
11-016-501(09)/ 04-18-11	Payment of CNA incentive for NIA managerial employees for the year 2009 in violation of DBM Budget Circular No. 2006-1 dated February 1, 2006	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Various NIA Officials	282,000.00	Issued COE dated 2/17/15; With Partial settlement
11-015-501(10)/ 04-18-11	Payment of CNA incentive for NIA managerial employees for the year 2009 in violation of DBM Budget Circular No. 2006-1 dated February 1, 2006	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Various NIA Officials	135,000.00	Issued COE dated 2/17/15; With Partial settlement
11-012-501(10)/ 04-18-11	Overpayment of Representation Allowance (RA) for the period January to October 2010	Officer-in-Charge, Administrative Department; Manager, Administrative Department; Officer-in-Charge, Accounting Division; Manager, Cash Division; & Payee – Teodoro Velasco	19,000.00	For issuance of NFD
11-007-501(10)/ 04-18-11	Overpayment of Representation and Transportation Allowance (RATA) for the period January to October 2010	Acting Deputy Administrator; Officer-in-Charge, Administrative Department; Manager, Administrative Department; Officer-in-Charge, Accounting Division; Manager, Accounting Division; Manager, Cash Division; & Payee – Dominador Pascua	19,200.00	For issuance of NFD



ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
11-004-501(10)/ 04-18-11	Overpayment of Representation Allowance (RA) for the month of December 2010	Manager, Accounting Division; Manager, Cash Division; & Payee – Democrático P. Grana	800.00	For issuance of NFD
11-003-501(10)/ 04-18-11	Overpayment of Representation and Transportation Allowance (RATA) for the period January to December 2010	Acting Deputy Administrator; Officer-in-Charge, Administrative Department; Manager, Administrative Department; Officer-in-Charge, Accounting Division; Manager, Accounting Division; Manager, Cash Division; & Payee – Filipina P. Bermudez	19,200.00	For issuance of COE
11-001-501(10)/ 04-18-11	Overpayment of Representation and Transportation Allowance (RATA) for the period June to December 2010	Manager, Accounting Division; Officer-in-Charge, Administrative Department; Manager, Administrative Department; Manager, Cash Division; Payee – Virginia R. Atienza	10,400.00	Issued NFD dated May 19, 2015
10-016-501(09)/ 03-16-10	Payment of CNA incentive for NIA Contractual employees for the year 2009 not authorized due to their No employee-employer relationship	Acting Sr. Deputy Administrator; Acting Deputy Administrator for Administration and Finance; Manager, Accounting Division; Manager, Cash Division; & Payees – Various Contractual Employees	104,351.65	The amount was deducted from the employees' 2012 CNA incentive which is also for issuance of ND.
			<b>21,872,332.39</b>	
<b>Regions</b>				
<b>CAR</b>				
12-001-501-11/ 06-05-12	Grant of CNA Incentive for 2011 were in excess of P25,000.00 limitation prescribed by DBM BC No. 2011-5	Various	760,000.00	Under appeal; EDSE submitted to the Regional Office on January 14, 2013
12-003-501-10/ 06-27-12	Early payment of Collective Negotiation Agreement Incentive for 2010 not in accordance of DBM BC No. 2006-1	Various	2,350,000.00	Under appeal; EDSE submitted to the Regional Office on January 14, 2013
12-004-501-10/ 06-27-12	Early payment of Collective Negotiation Agreement Incentive for 2010 not in accordance of DBM BC No. 2006-1	Various	2,050,000.00	Under appeal; EDSE submitted to the Regional Office on January 14, 2013
12-005-501-10/ 06-27-12	Early payment of Collective Negotiation Agreement Incentive for 2010 not in accordance of DBM BC No. 2006-1	Various	500,000.00	Under appeal; EDSE submitted to the Regional Office on January 14, 2013
12-008-501-11/ 10-19-12	Unreasonable contract cost with a variance of 15.61% above the contract amount	Various	944,427.30	Under appeal; EDSE submitted to the Regional Office on June 24, 2013
12-009-501-10/ 11-26-12	Actual accomplishment on the project of only 97.49%	Various	123,762.90	With COA-CAR Decision No. 2015-007 dated March 13, 2015, denying the appeal of Management.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
13-001-501-12/ 01-16-14	Overpayment of CNA incentive for 2011	Various	1,843,750.00	On appeal, EDSE accomplished and submitted on January 15, 2015
13-002-501-12/ 01-17-14	Overpayment of CNA incentive for 2011	Various	3,045,000.00	On appeal, EDSE accomplished and submitted on January 15, 2015
13-003-501-12/ 01-17-14	Overpayment of CNA incentive for 2011	Various	320,000.00	On appeal, EDSE accomplished and submitted on January 15, 2015
			<b>11,936,940.20</b>	
<b><u>Region I</u></b>				
2011-05-001/ 05-06-11		John Celeste & 4 others	460,000.00	Under Appeal
2011-05-002/ 05-12-11		John Celeste & 4 others	72,000.00	Under Appeal
2011-08-003/ 08-16-11		John Celeste & 3 others	192,000.00	Under Appeal
2011-10-004/ 10-14-11		Ricky Aficial	162,440.00	Under Appeal
2012-07-001/ 07-25-12	Collective Negotiation Agreement	Various Payees	1,565,000.00	Under Appeal
NIA RO-2013-02-501/ 12-27-13		Remedios T. Tuliao, et al	1,730,750.00	Under Appeal
11-001-501(10)/ 05-11-11		Helsy S. Bermudez & Renato P. Millan	180,000.00	Under Appeal
12-001-501(11)/ 01-09-12		Helsy S. Bermudez	64,440.00	Under Appeal
PIMO-2013-01-501/ 12-27-13		Renato P. Millan, et al.	2,255,750.00	Under Appeal
11-001-501(10)/ 05-11-11		NIA-LUIMO Employees	115,000.00	Under Appeal
12-001-501(11)/ 01-31-12		NIA-LUIMO Employees	115,000.00	Under Appeal
12-002-501(12)/ 01-31-12		NIA-LUIMO Employees	216,000.00	Under Appeal
LUIMO-2013-01-501/ 02-11-14		Rhea M. Santiago, et al	654,000.00	Under Appeal
11-SM-001(11)/ 05-19-11		NIA ISIMO Employees	115,000.00	Under Appeal
SM-01-001-(12)/ 04-11-12		NIA ISIMO Employees	80,000.00	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
SM-12-003-(12)/ 03-08-13		NIA ISIMO Employees	480,000.00	Under Appeal
SM-12-002-(12)/ 02-22-13		NIA ISIMO Employees	882,000.00	Under Appeal
SM-12-001-(12)/ 03-08-13		NIA ISIMO Employees	360,000.00	Under Appeal
2011-001/ 05-20-11		Danilo V. Gomez	68,000.00	Under Appeal
2012-001-501-COB/ 08-31-12		NIA INIMO Employees	5,000.00	Under Appeal
2012-002-501-COB/ 08-31-12		NIA INIMO Employees	10,000.00	Under Appeal
2012-003-501-COB/ 08-31-12		NIA INIMO Employees	125,000.00	Under Appeal
2012-004-501-COB/ 08-31-12		NIA INIMO Employees	35,000.00	Under Appeal
			<b>9,942,380.00</b>	
<b>Region III</b>	No details submitted		<b>10,000.00</b>	
<b>CMIPP</b>				
2013-001-501(12)/ 04-19-13	Payment of travelling expenses	Chief Corporate Accountant– Teresita V. Ramos & Payee – Jaime Perez	160.00	
2013-002-501(12)/ 04-19-13	Payment of travelling expenses	Chief Corporate Accountant– Teresita V. Ramos & Payee – Jaime Perez	240.00	
2013-003-501(12)/ 04-19-13	Payment of travelling expenses	Chief Corporate Accountant– Teresita V. Ramos & Payees – Ludwig P. Rollolazo; Vicente Ducay; Jaime C. Perez; & Gerardo Bulaong	720.00	
2013-004-501(12)/ 12-02-13	Payment of CNA 2012	Chief Corporate Accountant– Teresita V. Ramos; Division Manager B – Francisco L. Mananghaya; Project Manager – Alexander G. Coloma; & All Payees	1,326,000.00	
			<b>1,327,120.00</b>	
<b>UPRIIS</b>				
11-12-501(09) DII/ 02-17-2011	Overpayment of fuel & oil	For adjustment (error in recording of settlement)	(0.08)	
12-54-501(12) DV/ 08-7-2012	Overpayment of TEV	Acting Head, Accounting – Nona Capuyon & Payee – Celso V. Galletes	2,140.00	
12-56-501(12) DV/ 08-7-2012	Overpayment of TEV	Acting Head, Accounting – Nona Capuyon & Payee – Juanito Ignacio	2,140.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-61A-501(10) DV/ 08-6-2012	Overpayment of TEV	Acting Head, Acctng – Nona Capuyon & Payee – Orlando C. Madrid	320.00	
12-63-501(12) OMS/ 10/11/2012	Liquidation of cash advance (annual convention)	Sr. Accounting Processor A–Rosalinda E. Soriano; Sr. Corp Accountant – Marcelina V. Laguimun; & Payee – Marife C. Peralta	3,150.00	
12-68-501(12) DI / 10-18-2012	Overpayment of TEV	Acting Admin. Officer – Melinda S. Ramos; Payee – Alejo S. Agbayani	400.00	
12-69-501(12) DI/ 10-18-2012	Overpayment of TEV	Acting Admin. Officer – Melinda S. Ramos & Payee – Alejo S. Agbayani	400.00	
12-70-501(12) DI/ 10-18-2012	Overpayment of TEV	Acting Admin. Officer – Melinda S. Ramos & Payee – Alejo S. Agbayani	400.00	
12-71-501(12) DI / 10-18-2012	Overpayment of TEV	Acting Admin. Officer – Melinda S. Ramos & Payee – Alejo S. Agbayani	400.00	
12-85-501(12) DI/ 10-18-2012	Overpayment of TEV	Acting Admin. Officer – Melinda S. Ramos & Payee – Eduardo Daypo	400.00	
12-86-501(12) DI / 10-18-2012	Overpayment of TEV	Acting Admin. Officer – Melinda S. Ramos & Payee – Eduardo Daypo	400.00	
12-87-501(12) DI/ 10-18-2012	Overpayment of TEV	Acting Admin Officer–Melinda S. Ramos & Payee – Eduardo Daypo	400.00	
12-88-501(12) DI / 10-18-2012	Overpayment of TEV	Acting Admin Officer–Melinda S. Ramos & Payee – Eduardo Daypo	400.00	
13-003-501 (12) DIII/ 01-09-2013	Over payment of TEV, July 16-17, 2012, chk# 77438 dtd 7-24-12	Acting Admin Officer–Melinda S. Ramos & Payee – Florencio Esteban	320.00	
13-009-501 (12) DV/ 01-10-2013	Over payment of TEV, June 2-22, 2012, chk# 494354 dtd 7-3-12	Admin. Officer – Gigi Geronimo & Payee – Orlando C. Madrid	560.00	
13-013-501 (12) DI/ 01-10-2013	Over payment of TEV, 6/1-27, 2012, BUR# 501-12-07-0522 dtd 7-31-12	Admin. Officer – Melinda S. Ramos & Payee – Nelia S. Garcia	960.00	
13-016-501 (12) DI/ 01-11-2013	Over payment of TEV, May 2-30, 2012, BUR# 501-12-07-0483, chk# 475334 dtd 7-19-12	Admin. Officer – Melinda S. Ramos & Payee – Eduardo Daypo	720.00	
13-31-501(12) DV/ 4-19-2013	Overpayment of TEV	Accounting Processor A – Nona U. Capuyon & Payee – Orlando C. Madrid	320.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
13-53-501(13) OMS/ 12-2-2013	Payment of CNA CY 2012	Chief Corp. Acct. B-Marcellina Laguimun; Sr Accounting Proc A – Rommel Rivera; Head, Acctg. Unit – Efren P. Maniego; Sr. Acctg. Proc A – Charina P. Mariano; Sr. Acctg. Proc A – Nona U. Capuyon; OIC, Acctg. Unit – Marife U. Panaligan; Manager, Finance – Jasmin Villanueva; Admin. Officer – Melinda Ramos; Admin. Officer – Isidore Sayson; Admin. Officer – Maximo V. Adriosula; Admin. Officer – Reynaldo G. Toribio; Admin. Officer – Gigi A. Geronimo; Admin. Officer – Melencia D. Ortiz; Dept. Manager – Josephine B. Salazar; Former Div. Manager-DRD – Freddie M. Toquero; Former Div. Manager-Div I – Santos B. Viernes; Former Div. Manager-Div II – Joselito M. Mangunay; Former Div. Manager-Div III – Cristino C. Castillo; Former Div. Manager-Div IV – Carlito M. Gapasin; Former Div. Manager-Div V – Eugenio O. Conde; & All Payees	19,206,000.00	
14-01-501(13)OMS/ 05-29-2014	Overpayment of Terminal Leave	Head Personnel & Records Unit – Nelia S. Garcia; Admin. Officer A – Melinda S. Ramos; ECSO B/Records – Gloria B. Roque; Sr. IRM Officer A – Mildred B. Castillo; & Payee – Grace G. Gonzales	8,095.73	
14-02-501(13)OMS/ 06-20-2014	Overpayment of Terminal Leave	Head Personnel & Records Unit – Nelia S. Garcia; Admin. Officer A – Melinda S. Ramos; ECSO B/Records – Gloria B. Roque; Sr. IRM Officer A – Mildred B. Castillo; & Payee – Lorenzo A. Costales	573.09	
14-03-501(13)OMS/ 06-20-2014	Overpayment of Terminal Leave	Sr. IRM Officer A – Mildred B. Castillo; Division Manager A – Jasmin D. Villanueva; ECSO B/Records – Gloria B. Roque; & Payee – Jose M. Puno, Jr.	6,575.44	
			<b>19,235,074.18</b>	
<b><u>Region IV-A</u></b>				
2013-001-501(12)/ Oct. 2013	Payment of CNA		5,744,250.00	Under Appeal
<b><u>Region IV-B</u></b>				
2013-001-501(12)/ 12-20-13	Excess CNA Payment		195,000.00	Under Appeal
2013-002-501 (12)/ 12-20-13	Excess CNA Payment		2,120,000.00	Under Appeal
			<b>2,315,000.00</b>	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
<b>Region V</b>	No details submitted		<b>43,942,500.00</b>	
<b>Region VI</b>				
09-002-501 (09)/ 11-6-2009	Payment of NIPAP	G. Abuzo, E. Lomigo, Paulina Silla	7,816.54	For issuance of NFD
09-001-501 (NDC)/ 11-13-2009	Claimed hotel expenses and per diems.	G. Abuzo, E. Lomigo, A. Lamzon	1,040.00	For issuance of NFD
2011-004-501 (10)/ 8-31-2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2009.	E. Lomigo, W. Garsulao, et al.	6,220,000.00	Under Appeal (From NS#11-002-501); For issuance of NFD
2011-005-501 (11)/ 2-7-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011.	G. Corsiga, M.A Gadong, et al.	1,770,000.00	Under Appeal
2011-006-501 (11)/ 12-29-2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010.	G. Corsiga, M.A Gadong, et al.	3,788,000.00	Under Appeal
2012-007-501 (11)/ 8-30-2012	Various expenses during 48th NIA Anniversary	G. Corsiga, A. Nangel, et al.	157,656.33	For issuance of NFD
13-009-501 (12)/ 01-10-2013	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2012.	G. Corsiga, M.A Gadong, et al.	8,989,750.00	Under Appeal
2011-001-501/ 3-30-2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010	F. Colorado, J. Villanueva, et al	465,000.00	Under Appeal
2011-001-501 (10) / 7-26-2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2009	F. Colorado, J. Villanueva, I. Melendez, et al.	6,990,000.00	Under Appeal
2012-001-501/ 10-15-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011	F. Colorado, J. Villanueva, et al	5,664,000.00	Under Appeal
2012-001-NDC/ 8-24-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010	F. Colorado, J. Villanueva, et al.	512,693.84	Under Appeal
2014-001-501 (12)/ 2-13-2014	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2012	All JRMP Personnel Concerned, M.A. Gadong, et al.	4,029,500.00	Under Appeal
2009-001-501 (09)/ 12-29-2009	Overpayment of Incentive Pay	Basilio T. Velasco	53,044.71	For issuance of NFD
2009-006-501 (09)/ 12-29-2009	Overpayment of Incentive Pay	Marcelino C. Amogod	271.42	For issuance of NFD
2011-001-501 (10)/ 3-8-2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010	Jose R. Oredina	50,000.00	Under Appeal
2011-002-501 (11)/ 11-3-2011	Honorarium as BAC Member.	Timoteo D. Acosta, Jr	1,800.00	For issuance of NFD

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2011-003-501 (11)/ 11-4-2011	Honorarium as BAC Member	Erma A. Calibjo	1,400.00	For issuance of NFD
2012-007-501 (12)/ 10-29-2012	Payment of CNA incentive for CY 2011	NIA Officers & Employees	373,000.00	Under Appeal
2012-008-501 (12)/ 10-29-2012	Payment of CNA incentive for CY 2011	NIA Officers & Employees	510,000.00	Under Appeal
2012-009-501 (12)/ 10-29-2012	Payment of CNA incentive for CY 2011	NIA Officers & Employees	757,500.00	Under Appeal
2013-004-501 (12)/ 1-4-2013	Payment of salaries and wages of casual employees charged to F501-BSGC	Joyme D. Fabuna, et. Al.	389,788.05	For issuance of NFD
2012-501-01(08&09)/ 8-16-2012	Payment of CNA incentive for CY 2008 & 2009	NIA Officers & Employees	2,370,000.00	Under Appeal
2012-501-02(09)/ 8-16-2012	Payment of CNA incentive for CY 2009	NIA Officers & Employees	1,800,000.00	Under Appeal
2012-501-03(09)/ 8-16-2012	Payment of CNA incentive for CY 2009	NIA Officers & Employees	570,000.00	Under Appeal
2012-501-04(09)/ 8-16-2012	Payment of CNA incentive for CY 2010	NIA Officers & Employees	1,800,000.00	Under Appeal
2012-501-05(09)/ 8-16-2012	Payment of CNA incentive for CY 2009	NIA Officers & Employees	648,000.00	Under Appeal
2012-501-06(09)/ 8-16-2012	Payment of CNA incentive for CY 2010	NIA Officers & Employees	1,680,000.00	Under Appeal
2012-501-07(09)/ 8-16-2012	Payment of CNA incentive for CY 2011	NIA Officers & Employees	1,050,000.00	Under Appeal
2014-001-501 (12)/ 4-15-2014	Payment of CNA incentive for CY 2012	Dionisio B. Asencio, et al.	480,000.00	Under Appeal
2014-002-501 (12)/ 4-15-2014	Payment of CNA incentive for CY 2012	Joel A. Basiao, et al.	576,000.00	Under Appeal
2014-003-501 (12)/ 4-15-2014	Payment of CNA incentive for CY 2012	Emelda E. Magbanua, et al.	160,000.00	Under Appeal
2014-004-501 (12)/ 4-15-2014	Payment of CNA incentive for CY 2012	Efren P. Posadas, et al.	272,000.00	Under Appeal
2014-005-501 (12)/ 4-15-2014	Payment of CNA incentive for CY 2012	Jimmy R. Paclibar	6,500.00	Under Appeal
2014-006-501 (12)/ 4-15-2014	Payment of CNA incentive for CY 2012	Edwin T. Octavio	17,000.00	Under Appeal
2014-001-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Joel A. Basiao, et al.	702,000.00	Under Appeal
2014-002-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Dionisio B. Asencio, et al.	585,000.00	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-003-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Emelda E. Magbanua, et al.	195,000.00	Under Appeal
2014-004-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Efren P. Posadas, et al.	507,000.00	Under Appeal
2014-005-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Maryflow F. Brillantes, et al.	507,000.00	Under Appeal
2014-006-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Michael John Gillesania, et al.	276,000.00	Under Appeal
2014-007-501 (13)/ 6-19-2014	Payment of CNA incentive for CY 2013	Jireh John P. Cardinal, et al	221,000.00	Under Appeal
			<b>55,154,760.89</b>	
<b>Region VII</b>	No details submitted		<b>249,068.28</b>	
<b>Region VIII</b>				
2012-001-F-501 COB-(10)/ 04-04-12	RATA 2010 - persons with disallowance have a salary grade below 24, contrary to NBC No. 2009-520 dtd 03/27/09	Fermina Aling, et al.	48,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	126,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	42,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	42,000.00	Under Appeal
2012-001-F-501 COB-(10)/ 04-04-12	-do-	Fermina Aling, et al.	35,000.00	Under Appeal
2014-001-501 (Region)2012/ 01-14-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Romeo G. Quiza, et al.	2,160,000.00	Under Appeal



ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-002-501 (Region) 2011/ 01-15-14	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Romeo G. Quiza, et al.	2,543,500.00	Under Appeal
2014-003-501 (Leyte) 2012/ 01-17-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Pedro Rubio, Jr., et al.	1,530,000.00	Under Appeal
2014-004-501 (Leyte) 2011/ 01-17-14	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Pedro Rubio, Jr., et al.	1,521,000.00	Under Appeal
2014-005-501 (NIS) 2012/ 02-06-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Cornelio M. Sevilla, et al.	2,700,000.00	Under Appeal
2014-006-501 (NIS)2011/ 02-12-14	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Cornelio M. Sevilla, et al.	3,452,500.00	Under Appeal
2014-007-501 (E. Samar)2012/ 01-14-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Edgar M. Mercado et al.	1,620,000.00	Under Appeal
2014-008-501 (E. Samar)2011/ 02-18-14	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Edgar M. Mercado et al.	1,554,000.00	Under Appeal
2014-009-501 (W. Samar)2011/ 02-20-14	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Alejandro C. Culibar, et al.	1,385,025.00	Under Appeal
2014-010-501 (N. Samar)2011/ 02-21-14	-do-	Paquita C. Acebuche, et al.	938,000.00	Under Appeal
2014-011-501 (N. Samar) 2012/ 02-21-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000; Additional incentive not approved the Board of Directors	Alejandro C. Culibar, et al.	1,062,500.00	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-012-501 (W. Samar)2012/ 02-24-14	-do-	Rizalina B. Gallarde, et al.	1,935,000.00	Under Appeal
2014-013-501 (Region)2012/ 02-26-14	-do-	Romeo G. Quiza, et al.	639,000.00	Under Appeal
2014-014-501 (Leyte)2012/ 02-26-14	-do-	Pedro C. Rubio Jr., et al.	450,000.00	Under Appeal
2014-015-501 (E. Samar)2012/ 02-26-14	-do-	Edgar M. Mercado, et al.	477,000.00	Under Appeal
2014-016-501 (N. Samar)2012/ 02-26-14	-do-	Alejandro C. Culibar, et al.	326,250.00	Under Appeal
2014-017-501 (N.I.S)2012/ 02-28-14	-do-	Fermina B. Aling, et al.	893,250.00	Under Appeal
			<b>25,768,025.00</b>	
<b>Region IX</b>	No details submitted		<b>10,240,183.53</b>	
<b>Region X</b>				
2014-001-501-(2013)/ 01-01-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00.	Engr. Felix M. Razo – Regional Manager A; Editha B. Abdon – Division Manager A – Administrative & Finance Division; Sharon Rose S. Sabenecio – Chief Corporate Accountant B and other NIA Region X employees	1,957,000.00	Under Appeal
2014-001-501-(2013)/ 01-13-14	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	Engr. Joecamine L. Gubat – Division Manager A; Alfredo C. Donque – Cashier B; Albina G. Arnoco – Senior Accounting Processor A and other NIA – LAMISCA IMO employees	4,613,472.00	No Appeal
			<b>6,570,472.00</b>	
<b>Region XI</b>				
09-02-F501-PNB/ 11-23-2009	Excess payment of overtime services	Payees - Dane delos Santos; Lourdes Ingay; Ceferina Mora Aida Jaron; & Elisa Aurel	507.20	No Appeal
09-03-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	1,832.97	No Appeal
09-04-F501-PNB/ 11-23-2009	Excess payment of overtime services	Virginia V. Reyes	1,519.60	No Appeal
09-05-F501-PNB/ 11-23-2009	Excess payment of overtime services	Caridad K. Sison	208.31	No Appeal
09-07-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	4,626.36	No Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-08-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	1,388.27	No Appeal
09-11-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	3,513.34	No Appeal
09-13-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	1,214.67	No Appeal
09-15-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et.al	1,003.07	No Appeal
09-16-F501-PNB/ 11-23-2009	Excess payment of overtime services	Caridad K. Sison	622.58	No Appeal
09-17-F501-PNB/ 11-23-2009	Excess payment of overtime services	Aida Jaron	519.49	No Appeal
09-18-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	1,631.63	No Appeal
09-19-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	2,239.16	No Appeal
09-20-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	2,664.61	No Appeal
09-21-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	1,773.96	No Appeal
09-22-F501-PNB/ 11- 24-2009	Excess payment of overtime services	Aida Jaron	149.83	No Appeal
09-23-F501-PNB/ 11-24-2009	Excess payment of overtime services	Estela Buenaventura, et al.	1,130.58	No Appeal
09-25-F501-PNB/ 11-24-2009	Excess payment of overtime services	Estela Buenaventura, et al.	2,451.02	No Appeal
09-26-F501-PNB 11-24-2009	Excess payment of overtime service	Estela Buenaventura, et al.	1,516.74	No Appeal
09-23-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Edgardo Salvado	26,238.39	No Appeal
09-28-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Helen L. Bernido	5,102.62	No Appeal
09-29-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Luis Losentes	9,050.03	No Appeal
09-33-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Genaro Dumas	6,818.40	No Appeal
09-34-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Eutemio Galurio	8,763.33	No Appeal
09-35-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Carlito Hiponia	14,866.29	No Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-36-F501-COB-LBP/ 11-16-2009	Overpayment of Terminal Leave	Carlito M. Ancog	14,136.07	No Appeal
09-37-F501-COB-LBP/ 11-17-2009	Overpayment of Terminal Leave	Asusenio Baclado	12,857.05	No Appeal
09-38-F501-COB-LBP/ 11-17-2009	Overpayment of Terminal Leave	Illuminado Maata	46,138.20	Deducted from claims in December 2014; For issuance of Notice of Settlement of Suspensions, Disallowances and Charges (NSSDC)
09-46-F501-COB-LBP/ 11-18-2009	Overpayment of Terminal Leave	Reynaldo Mendez	5,654.43	Deducted from claims in December 2014; For issuance of NSSDC
09-47-F501-COB-LBP/ 11-18-2009	Overpayment of Terminal Leave	Valerio Singson	9,841.73	For deduction from claims in CY 2015
09-48-F501-COB-LBP/ 11-18-2009	Overpayment of Terminal Leave	Rodolfo M. Malanguis	2,831.36	Deducted from claims in December 2014; For issuance of NSSDC
09-49-F501-COB-LBP/ 11-18-2009	Overpayment of Terminal Leave	Tito Bahena	1,249.31	For deduction from claims in CY 2015
09-50-F501-COB-LBP/ 11-18-2009	Overpayment of Terminal Leave	Oscar Tingson	1,250.40	For deduction from claims in CY 2015
09-54-F501-COB-LBP/ 12-28-2009	CNA Incentive for CY 2006	All Payees	1,615,000.00	Under Appeal
09-01-F501-LBP-LT/ 11-29-2009	Payroll	Estela Buenaventura	100,000.00	For deduction from claims in CY 2015
09-03-F501-LBP-LT/ 12-28-09	CNA Incentive for CY 2007 of LALIK RIS	Alejandro Alberca	375,000.00	Under Appeal
09-01-F501-PNB/ 11-18-2009	Overpayment of Terminal Leave	Joanne P. Vasquez Coll. Rep.; Manuel Rañeses - Prin. Engr.; Amado Serrano – Div. Mngr.; & Mario Brioniola – Payee	6,644.85	For deduction from claims in CY 2015
09-06-F501-PNB/ 11-23-2009	Payroll for salary differential not signed received by payees	Dane delos Santos, et al.	57.86	No Appeal
09-12-F501-PNB/ 11-23-2009	Payroll not signed by payee	Dane delos Santos	126.82	No Appeal; Payee already deceased
09-14-F501-PNB/ 11-23-2009	Payment of CNA Incentive for CY 2008	Dane delos Santos, et al.	35,000.00	No Appeal
09-24-F501-PNB/ 11-24-2009	Payment of CY 2009 CNA Incentive to Regional/ Division Managers in violation of AO#135	Estela Buenaventura, et al.	50,000.00	No Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-27-F501-PNB/ 11-24-2009	Payment of CY 2009 CNA Incentive to Regional/ Division Managers in violation of AO#135	Felix M. Razo; Caridad Sison; Encarnacion Soriano; Amado Serrano	100,000.00	No Appeal
09-28-F501-PNB/ 11-24-2009	Payment of CY 2009 CNA Incentive to Acting Division Manager	Carlito Carrasco	25,000.00	No Appeal
09-29-F501-PNB/ 11-24-2009	Excess payment of accounts payables	NIA XI, EMPCI, et al.	550.00	No Appeal
09-36-F501-PNB/ 11-24-2009	Payee not entitled to RATA & cellphone allowance	Manuel Raneses	2,400.00	No Appeal
09-37-F501-PNB/ 11-24-2009	Suspension which matured into disallowance-due to failure submit boarding pass	Alejandro Alberca/ M. Lim	40,000.00	No Appeal
09-38-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-due to failure to submit OR for rebooking fees	Luisa Antiga	20,729.34	No Appeal
09-39-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-due to failure to submit boarding pass of NIA HO personnel –Cesar Talampas & Reggie Labucay	Dane delos Santos	2,346.00	No Appeal
09-40-F501-PNB/ 12-28-2009	Suspension which matured into disallowance – due to non-submission of required documents	Ticketshoppe Travel; Cesar Talampas; & Reggie Labucay	8,608.00	No Appeal
09-41-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-due to failure to submit boarding pass of Marcelino Tugaoen & Reggie Labucay	Marcelino Tugaoen & Reggie Labucay	5,000.00	No Appeal
09-42-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-due to failure to submit proof of savings generated as required in the payment of CY 2007 CNA Incentive	Dane delos Santos, et al.	9,300.00	No Appeal
09-43-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-for failure to submit proof of savings generated as required in the payment of CY 2007 CNA Incentive	Dane delos Santos, et al.	1,565,000.00	Under Appeal
09-45-F501-PNB 12-28-2009	Suspension which matured into disallowance-for failure to submit proof of savings generated as required in the payment of CY 2007 CNA Incentive (balance)	Dane delos Santos, et al.	450,000.00	Under Appeal
09-46-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-due to purchase of fuel not included in Fuel Consumption Report	Davao Norte PIO-FT, et al.	1,135,000.00	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-47-F501-PNB/ 12-28-2009	-	Dane delos Santos	700.00	No Appeal
09-48-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-due to purchase of fuel not included in Fuel Consumption Report	Corazon P. Lirio	100.00	For deduction from claims in CY 2015
09-49-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-for failure to submit proof of savings generated as required in the payment of CY 2008 CNA Incentive (1st payment)	Dane delos Santos, et al.	1,510,000.00	Under Appeal
09-50-F501-PNB/ 12-28-2009	Suspension which matured into disallowance-for failure to submit proof of savings generated as required in the payment of CY 2007 CNA Incentive	Davao Norte PIO, et al.	1,135,000.00	Under Appeal
12-001-501-(11)/ 1-18-2012	Overpayment of CY 2011 CNA Incentive	Various NIA XI Employees	4,016.65	On - going payroll deduction
12-003-501(11)/ 1-18-2012	Overpayment of CY 2011 CNA Incentive	E. Buenaventura; Various NIA XI Employees (16 payees)	4,400.00	On - going payroll deduction
13-001-501-(11)/ 12-18-2013	Payment of CY 2011 CNA incentive in excess of DBM prescribed ceiling	Joel R. Soriano - Chief, Corp. Accountant; Julius Maquiling - RIM; & Various (93 payees)	2,693,250.00	Under Appeal
09-01-F501-Postal/ 12-28-2009	Suspension which matured into disallowance-for failure to submit boarding pass of several NIA personnel	Ticketshoppe Travel, et.al	75,679.53	Under Appeal
09-34-F501-COB/ 11-16-2009	Overpayment of Terminal Leave	Eutemio Galurio	8,763.33	
09-35-F501-COB/ 11-16-2009	Overpayment of Terminal Leave	Carlito Hiponia	14,866.29	
09-36-F501-COB/ 11-16-2009	Overpayment of Terminal Leave	Carlito Ancog	12,992.46	
2013-003-501(CV)-(12)/ 11-27-13	Payment of CY 2011 CNA Incentive in excess of prescribed ceiling of P25,000.00	Lina B. Halasan, et al.	868,000.00	
12-001-LALIK Trust (11)/ 7-6-2012	Overpayment of CNA for CY 2011 contrary to Sec. 3.5 of DBM Circular No. 2011-5 dated 12/26/11	Payroll- Acdal, et al.	240,000.00	Under Appeal
12-002-LI-(101)(11)/ 7-6-12	Overpayment of CNA for CY 2011 contrary to Sec. 3.5 of DBM Circular No. 2011-5 dated 12/26/11	Davis L./ Santarin S.	10,000.00	Under Appeal
12-003-SAUG TRUST(11)/ 7-6-12	- do -	Payroll - Apat DE, et al.	80,000.00	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-004(11)/ 12-28-12	Overpayment of CNA for CY 2011 contrary to Sec. 3.5 of DBM Circular No. 2011-5 dated 12/26/11	N. Alaba, et.al – payroll E. Acdal, et.al – payroll R. Guerra, et.al – payroll D. Apat, et.al – payroll L. Davis S. Santarin D. Apat, et.al – payroll; N. Alaba, et.al-payroll L. Permito R. Guerra, et.al-payroll E. Acdal, et.al – payroll	252,000.00 300,000.00 24,000.00 204,000.00 12,000.00 12,000.00  820,000.00   520,000.00	Under Appeal
12-004(11)/ 12-28-12	- do -	Payroll	160,785.43	
2013-001-501 DDS(12)/ 09-09-13	Payment of CY 2011 CNA Incentive in excess of prescribed ceiling of P25,000.00	Estrella B. Rañeses, et al.	1,563,250.00	Under Appeal
2013-002-501 DO-12/ 11-25-2013	Payment of CY 2011 CNA Incentive in excess of prescribed ceiling of 25,000.00	Rowena S. Blones, et al.	1,063,750.00	
			<b>17,330,627.56</b>	
<b>Region XII</b>	No details submitted		<b>14,373,570.00</b>	
<b>Region XIII</b>				
2004-002 to 035 (2002)/ 2-27-2004	Payment of honorarium		367,600.00	
2006-001 to 005 (2004)/ 1-6-2006	Monetization of personnel was charged to project funds.		238,239.92	
2006-006 (2003)/ 6-26-2006	Meal subsidy/ grocery allowance		1,139,200.00	
2007-001 (2005)/ 2-7-2007	Liquidated damages due to delayed completion of project, per RTSO Evaluation Report		679,447.47	
2007-002 (2002-2004)/ 4-16-2007	Excessive programmed quantities for Wawa Link Canal, Package 14 under NBS Construction was noted by RTSO per Evaluation Report dated 1/11/07, hence, an overpayment		1,037,650.34	
2003-001 to 018 (2002)/ 11-11-03	Payment of honorarium		196,900.00	
2004-001-010 (2003)/ 2-11-04			316,000.00	
2006-001 to 004 (03-04)/ 2-13-2006	Meal subsidy/grocery allowance		2,481,800.00	
2003-001 (2002)/ 4-23-2003	Payment of honorarium		30,300.00	
2006-001-003 (2003)/ 5-29-2005	Meal subsidy/grocery allowance		357,200.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2007-001 (2004)/ 1-12-2007	RATA of personnel charged against project funds		5,350.00	
2005-001(2003)/ 10-13-2005	Payment of meal subsidy/ grocery allowance		195,000.00	
2005-002 (2004)/ 10-12-2005	RATA charged against project funds		5,350.00	
2005-003 (2004)/ 10-18-2005	Monetization charged against project funds		64,955.35	
2005-004 (2004)/ 10-18-2005	Payment of additional cash gift		3,000.00	
2005-002 (2004)/ 10-13-2005	Monetization charged against project fund		5,285.00	
2005-003 (2004)/ 10-13-2005	RATA charged against project funds		16,050.00	
2004-001 (2002)/ 1-19-2004	Payment of honorarium		75,250.00	
2005-001 (2003)/ 9-28-2005	Monetization charged to project funds		45,362.70	
2005-001 (2004) 10-13-2005	Payment of meal subsidy & grocery allowance		222,800.00	
2006-001 (2002 SPISP)/ 1/19/2006	Payment of beers.		3,432.00	
2006-003 (02-04)/ 5-25-2006	Excessive payment of cell phone bills		32,052.50	
2006-004 (2003)/ 4-11-2006	Non-submission of Travel Order & Liquidation Report		5,000.00	
2007-001 (2005)/ 2-1-2007	NS No. 2005-001 (2004) dated 11/29/05 matured into ND, Re: NIA Projects w/o Program of Works		18,558.94	
2005-001 (2004)/ 10-17-2005	Monetization charged against project fund		195,516.93	
2006-001 (2003-2004)/ 9-8-2006	Meal subsidy or grocery allowance		960,000.00	
2006-005 (2004)/ 7-11-2006	Disallowed claim of contractor, re: construction of Aupagan lateral canals, Gemma Construction		81,247.59	
2005-001 (2004)/ 10-17-2005	Monetization charged against project funds.		54,005.25	
2006-001 to 004	Meal subsidy/ grocery allowance		594,533.19	



ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2005-001 (2003)/ 10-13-2005	Payment of meal subsidy / grocery allowance		414,700.00	
2006-002 (2002)/ 2-1-2006	Unreturned overpayment made to Balanghai Hotel in a form of imputed taxes		3,891.27	
2004-001 (2003)/ 9-8-2004	Payment of honorarium		1,600.00	
			<b>9,847,278.45</b>	
<b>TOTAL DISALLOWANCES</b>			<b>255,859,582.48</b>	

## II. Notices of Suspension (NS)

NS No./Date	Nature/Particulars	Persons Liable	Amount	Status
<b>Central Office</b>				
2014-002-501	Non-submission of documents necessary in the auditorial review of infrastructure project on the Advance payment for the Construction of Umayam Diversion Dam and its Appurtenant Structures for Umayam River Irrigation Project, Contract No. UMRIPD-C-1	Deputy Administrator for Engineering and Operations & BAC Chairman; Manager, Engineering Department; Acting Manager, Accounting Division; & Payee – Kyro Builders	25,955,496.92	Settled dated 1/26/15
2014-003-501	Non-submission of original documents necessary in the auditorial review of procurement of goods on the payment of spare parts	Deputy Administrator for Administrative and Finance; Acting Manager, Accounting Division; & Payee – Walco Motor Sales	74,490.00	Settled dated 3/21/15
			<b>26,029,986.92</b>	
<b>CAR</b>				
12-001-501-(11)/ 03- 12-2012	Lack of Legal basis to receive additional viability incentive		43,000.00	Issued final demand on January 16, 2014, but no action as at audit date; For issuance of ND
12-002-501-(10)/ 06- 27-2012	Inconsistencies in the texture of the concrete surfaces and some minor defects (honeycombs) on the surface of the upstream wing wall		12,496.18	
			<b>55,496.18</b>	
<b>MARIIS</b>			<b>4,982,376.39</b>	
<b>UPRIIS</b>				
13-03-501(13) DV/ 09-07-13	Payment of Advertisement	Jennifer Divina	1,000.00	
13-04-501(13) DIII/ 09-18-13	Payment of TEV	Joel Javier	3,115.00	
13-06-501(13) DIII/ 09-18-13	Lack of certification from the head of the agency (TEV)	Felix Teano Jr.	2,875.00	
13-07-501(13) OMS/ 10-07-13	Payment of VIG	Josephine B. Salazar & all Division Managers & Employee	42,168,590.68	

NS No./Date	Nature/Particulars	Persons Liable	Amount	Status
14-01-501(13) DI/ 10-09-14	Payment of First 30 days Relocation allowance	Freddie M. Toquero	24,000.00	
14-02-501(13) DI/ 10-09-14	Payment of First 30 days Relocation allowance	Arnel V. Tabilon	24,000.00	
			<b>42,223,580.68</b>	
<b>CMIPP</b>				
14-001-501(13)/ 10-03-14	Payment for the construction of Super Diversion Canal (sta. 33+080 - sta. 33+600)	LMG Construction, et al.	7,336,128.05	
14-002-501(13)/ 10-03-14	Payment for the construction of Super Diversion Canal sta. 34+040, Drainage Box Culvert sta. 33+860, Turnout structures (TO#28) @ sta. 33+620 & (TO#29) sta. 34+000, under Contract No: CMIPL-C-S5-5, Package VI-B	SPJ Construction, et al.	11,061,217.32	
14-003-501(13)/ 10-03-14	Payment for the construction of SDC (sta. 34+040 - sta. 34+320), Drainage Box Culvert @ sta. 34+180; 15.0M - Two Lane PSCG Road Bridge @ sta. 34+250 under Contract No: CMIPL-C-S5-5, Package VI-C	Gerra Construction, et al.	14,804,319.19	
14-004-501(13)/ 10-03-14	Payment for the construction of SDC (sta. 34+640 - sta. 35+800), Turnout Structures (TO#31) @ sta. 34+660 & TO#32) @ sta. 34+960 under Contract No: CMIPL-C-S5-5, Package No: VI-E	VRF Construction	20,583,800.80	
14-005-501(13)/ 10-03-14	Payment for the construction of SDC (sta. 35+200 - sta. 35+540); Drainage Box Culvert @ sta. 35+340; Combined Check and Headgate of Lateral "L" @ sta. 35+515 under Contract No: CMIPL-C-S5-5, Package No: VI-F	Lorenzo Construction & Development, et al.	12,593,926.04	
14-006-501(13)/ 10-03-14	Payment for the construction of SDC (sta. 35+540 - sta. 36+600), Concrete Lining, Road Crossing @ sta. 36+250 & Turnout Structure TO#33 sta. 35+600 Including Supply Delivery & Installation of Steel Gates under Contract No: CMIPL-C-S5-7, Package No. VIII-A	Atlas General Const. and Enterprises Corp., et al.	20,283,803.92	
14-007-501(13)/ 10-03-14	Payment for the construction of SDC (sta. 36+600 - sta. 37+200) concrete lining, Turnout Structures TO#34 @ sta. 37+100 and TO#35 sta. 37+150 Including Supply Delivery & Installation of Steel Gates under Contract No: CMIPL- C-S5-7, Package No. VIII-B	RM Pingol Construction & Development Corp., et al.	11,773,148.40	

NS No./Date	Nature/Particulars	Persons Liable	Amount	Status
14-008-501(13&14)/ 10-03-14	Payment for the construction of Concrete Lining along Sub-lateral "H-3" sta. 0+405 - sta. 0+795: sta. 0+810 - sta. 1+181: sta. 2+475 - sta. 2+745: sta. 2+755 - sta. 3+066 & sta. 3+076 - sta. 3+657 under Contrcat No: CMIPL-CIW-1, Package No: CL-4	CCF Earthmoving Corp., et al.	2,602,004.31	
			<b>101,038,348.03</b>	
<b>Region V</b>	No details		<b>9,668,929.48</b>	
<b>Region VI</b>	No details		<b>18,428,038.61</b>	
<b>Region VII</b>	No details		<b>1,158,000.00</b>	
<b>Region VIII</b>				
2012-013-F-501COB-(10)/ 09-11-13	VIG CY 2012		995,200.00	
2013-001-501COB(12) E. Samar/ 08-02-13	VIG CY 2012		164,297.50	
2013-002-501COB(12) W. Samar/ 09-05-13	VIG CY 2012		195,000.00	
2013-003-501COB(12)/ 09-05-13	VIG CY 2012		3,216,000.00	
2013-005-501COB(13)/ 09-11-13	VIG CY 2012		1,800,000.00	
2013-006-501COB(13) 09-11-13	VIG CY 2012		100,000.00	
2013-007-501COB(13)/ 09-11-13	VIG CY 2012		150,000.00	
2013-008-501COB(13)/ 09-11-13	VIG CY 2012		60,000.00	
2013-009-501COB(13)/ 09-11-13	VIG CY 2012		160,000.00	
2013-010-501COB(13)/ 09-11-13	VIG CY 2012		30,000.00	
2013-011-501COB(13)/ 09-11-13	VIG CY 2012		10,000.00	
			<b>6,880,497.50</b>	
<b>Region IX</b>				
ZDS-13-007	Liquidation report of the cash advance for miscellaneous expenses of Mr. Processo Carbonera, Cashier II, of ZSIMO, Labangan, Zambo. Del Sur intended for the Team Building Seminar	Processo S. Carbonera, Acting Cashier; Lynn Agno, Sr. IDO; Fedelina A. Suarez, Sr. Acctg. Proc A; Salvio B. Retes, Acting IMO Head; & Alejandro L. Alberca, Regional Manager	83,937.00	

NS No./Date	Nature/Particulars	Persons Liable	Amount	Status
ZDN-13-001	Total audit suspensions, disallowances and charges found in the audit of various transactions of the agency	Zardo M. Roa, Sr. Engineer A; Belen M. Rizon, Sr. Acctg. Processor B; Carlos A. Sabado, Acting IMO Head; & Various Payees, Various Contractor	14,662,542.69	
ZAMB-13-001	Liquidation report No. 06-13-43; 7/1/2013 of Engr. Benedicto Isagani O. Pulis Jr., IMO Head ZAMBASULTA, NIA, Zambo. City, for his cash advance for the "On the Spot Painting Contest" last April 15, 2013 at NIA, Zambo. City	Benedicto Isagani O. Pulis, Jr, IMO Head; Albine Dave V. Jubilado, Chief Corp Accountant B; Alejandro L. Alberca, Acting Regional Manager	72,400.00	
ZSIMO 13-004	Liquidation report of Melvin P. Maata, SWRFT of NIA ZDSIMO (SARIS), Labangan, ZDS, for his cash advance for the travelling expenses of 23 participants constituting DIPOLO IA Staff and NIA Staff attending Technology Environment Trip on Jan. 21-25, 2013 in NIA Central Office, Manila and UPRIIS, Region 4A	Melvin P. Maata	99,966.72	
RO-13-003(101)	Liquidation report No. 08-13-80 dtd 8/19/2013 of Lerry P. Pasilan, Admn. Service Chief A of NIA, RO9, Pagadian City, for her cash advance for the expenses on NIA-IA Technology Enhancement Trip on June 24-July 1, 2013 in UPRIIS and CAR	Lerry P. Pasilan, Admin Serv. Chief A; Albine Dave V. Jubilado, Chief Corp Accountant B; Cesario M. Ruizal, Div. Manager Admin & Finance; Alejandro L. Alberca, Acting Regional Manager	151,585.51	
ZSIMO 13-005	Liquidation report for travel to Boracay Island, Malay, Aklan attending Advocating Governance in the Agency (AGIAP) Seminar on Oct. 8-13, 2013	Various	15,405.00	
ZSIMO 13-006	Liquidation report #13-10-078 dated 10/23/13 of Ms. Maritez I. Soria of NIA-ZDSIMO, Labangan, ZDS of her travel to NIA Central Office, QC, attending the NIA Employees Asso. of the Phil. 2nd All Leaders Congress on Aug. 21-23, 2013	Fidelina A. Suarez, Sr. Acctg Processor A; Salvio B. Retes, Acting IMO Head; Alejandro L. Alberca, Regional Manager; & Maritez I. Soria, Engineer A	7,915.00	
ZSIMO 13-008	Liquidation report on the cash advance for miscellaneous expenses of Mr. Peter Elvis Galleto	Salvio B. Retes, Acting IMO Head; Fidelina A. Suarez, Sr. Acctg Processor A; & Peter Elvis Galleto, SWRFT	8,000.00	
RO-14-002(13)	Payment for travel to Boracay Island, Malay, Aklan for the AGIA Seminar	Various	176,055.92	
			<b>15,277,807.84</b>	
<b>Region X</b>	None		<b>0.00</b>	

NS No./Date	Nature/Particulars	Persons Liable	Amount	Status
<b>Region XI</b>				
09-01-F501-COB-LBP/ 11-18-09	Non-submission of leave cards	Bernardo Donillo	146,159.98	
09-01-F501-COB-LBP/ 11-18-09	Non-submission of leave cards	Catalino Alfar	130,887.99	
09-01-F501-COB-PNB/ 12-28-09	Non-submission of DVs	Dane delos Santos/Gloria delos Santos	1,750.56	
			<b>278,798.53</b>	
<b>Region XII</b>	No details submitted		<b>2,144,317.06</b>	
<b>Region XIII</b>	No details submitted		<b>2,856,472.31</b>	
<b>TOTAL SUSPENSIONS</b>			<b>231,022,649.53</b>	

### III. Notices of Charges (NC)

NC No./Date	Nature/Particulars	Persons Liable	Amount	Status
<b>Region VI</b>	No details submitted		<b>28,265.95</b>	
<b>Region XIII</b>	No details submitted		<b>2,745.00</b>	
<b>TOTAL CHARGES</b>			<b>31,010.95</b>	