

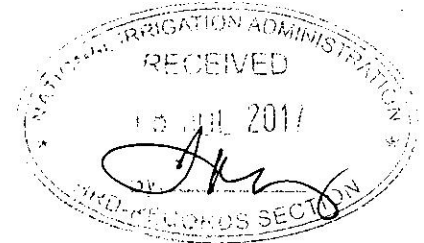


Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CORPORATE GOVERNMENT SECTOR
CLUSTER 5 – AGRICULTURAL AND NATURAL RESOURCES

July 17, 2017

GEN. RICARDO R. VISAYA (Ret.)
Administrator
National Irrigation Administration
EDSA, Diliman, Quezon City



Dear General Visaya:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree (PD) No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our Report on the results of the audit of the accounts and transactions of the **National Irrigation Administration (NIA)** for the year ended December 31, 2016.

The Report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, the Status of Implementation of Prior Years' Audit Recommendations and the Annexes.

We rendered a disclaimer of opinion on the fairness of the presentation of the financial statements of NIA for calendar year (CY) 2016, in view of the following:

1. The Prior Period Adjustments (PPAs) totaling P814.915 million and P2.653 billion in CYs 2015 and 2016, respectively, were directly presented in the Combined Statement of Changes in Net Assets/Equity instead of restating the affected accounts in which errors occurred, contrary to Philippine Public Sector Accounting Standards (PPSAS) 3. Likewise, these adjustments lacked the appropriate supporting documentation. Consequently, the fair presentation of the financial statements as a whole was adversely affected.

2. The accuracy, completeness, and reliability of Property, Plant and Equipment (PPE) account with carrying amount of P211.180 billion as at December 31, 2016 could not be established due to, among others, non-derecognition of the net carrying amount of the portion of the irrigation facilities that have undergone repairs/rehabilitations despite cost of repairs/rehabilitations already accumulated to P22.953 billion from CYs 2011 to 2016; non-reclassification of long completed irrigation projects amounting to P21.223 billion to proper asset account; insufficient provision for depreciation of depreciable assets valued at P28.290 billion; existence of variance of P13.342 billion between results of physical count and accounting records; incomplete documentations for the transfer of completed projects totaling P6.935 billion from Construction in Progress (CIP) account to appropriate PPE accounts; and inadequate accounting and property records to substantiate the P56.992 billion PPE accounts. Moreover, payments

totaling P18.004 billion made to Power Sector Assets and Liabilities Management Corporation (PSALM) for CYs 2013 to 2016 representing NIA's share in the debt service advances for the San Roque Multi-Purpose Project (SRMPP) Loan from Japan Bank for International Cooperation were recorded in the books under the PPE account without adequate documentation to confirm NIA's ownership over a tangible property.

3. The balance of the Accounts Payable account of P5.037 billion as at December 31, 2016 is doubtful due to, among others, inclusion of non-payable charges totaling P335.604 million; accounts totaling P2.381 billion have no Subsidiary Ledgers or supporting documents; and existence of accounts with abnormal balances amounting to P803.234 million.

We were unable to obtain sufficient appropriate audit evidence about the balances of the abovementioned accounts as well as other affected accounts, due to inadequacy of accounting records, schedules and working papers. Consequently, we were unable to determine whether adjustments to these accounts were necessary.

For the above-mentioned observations which caused the issuance of disclaimer of opinion, we recommended that Management:

1.1. Require the Accounting Division to:

- a. Strictly comply with PPSAS 3 in presenting correction of prior period errors by restating the comparative amounts for the period(s) presented in which errors occurred and provide adequate disclosure in the Notes to the Financial Statements; and
- b. Submit list/schedules showing the details of the PPAs supported with complete/appropriate documentation.

2.1 Instruct the Accounting Division/Section to:

- a.1 Comply with PPSAS 17 and recognize impairment of assets and devise policy guidelines relative thereto;
- a.2 Conduct analysis and inventory of the recorded irrigation systems under CIP or PPE account to determine the actual cost of the existing assets (net of the impairment);
- a.3 Provide depreciation for all assets capitalized;
- a.4 Maintain and regularly update Subsidiary Ledgers (SLs) for all PPE accounts, and conduct a continuous analysis of the accounts to ensure that the totals of the SLs and the balances of the corresponding controlling accounts are equal at all times;
- a.5 Require the Engineering and Operations Department (EOD) to regularly submit project completion report and turnover documents of all completed projects to the Accounting Division/Section for proper recording in the books;

- b. Direct the Project Management Office (PMO), Accounting Division/Section and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset account;
- c. Instruct the Inventory Team to conduct complete physical inventory of all properties and reconcile result thereof with the accounting records and thereafter, submit copy of the Report on the Physical Count of PPE (RPCPPE) to the respective auditors on or before January 31 of the ensuing year;
- d. Require both the Accounting Division/Section and Property Section to exhaust all efforts to unfailingly reconcile their records on a regular basis so that discrepancies thereon are immediately corrected;
- e. Secure from National Power Corporation (NPC)/PSALM complete documents to establish the extent of NIA's legal ownership over SRMPP to substantiate the booking of the payment as PPE-Public Infrastructure Irrigation, Canals, and Laterals, in compliance with PPSAS 17 on the recognition of property, plant and equipment and to ensure its legal rights over the asset; and
- f. Coordinate with the NPC relative to the legal rights/ownership over the dam facilities taking into consideration the following: (a) the facilities were built under Build-Operate-Transfer agreement covered by Power Purchase Agreement, b) the Memorandum of Agreement (MOA) provided that in exchange for the US\$400 million, the Consortium agreed to the early transfer of the dam and other structure to NPC, and (c) the NPC just advance the payments to the consortium which were later reimbursed by NIA, Department of Public Works and Highways (DPWH) and Department of Environment and Natural Resources (DENR).

3.1 Direct the concerned Accountants of the Central Office (CO) and Regional Offices (ROs) to:

- a. Analyze the transactions, review all pertinent documents, make the adjustments, where necessary and comply with the existing accounting rules and regulations on the recognition of Accounts Payable;
- b. Adhere to the guidelines and procedures on reversion of accounts payable without supporting schedule and/or has been outstanding for two years or more;
- c. Investigate the cause of the variance between the General Ledger (GL) and the schedule of Accounts Payable; and
- d. Make the necessary adjustment relative the erroneous recording of the settlement of Accounts Payable.

The other significant observations and recommendations that need immediate action are as follows:

4. Despite considerable amount of government funds provided for irrigation, the reported status of irrigation development is still relatively low as 1,272,649 hectares or 40.68 per cent out of the estimated total irrigable area of 3,128,631 hectares remain to be developed as of December 31, 2016. There was no significant increase in irrigable

areas developed as the generation of new areas for development was not given precedence in NIA's Irrigation Development Program aggravated by the shortfall in the accomplishments in the generation of new areas, thereby affecting the attainment of increasing agricultural productivity to improve the socio-economic welfare of farmer-beneficiaries.

4.1 We recommended that Management exert all efforts to achieve its target in the generation of new areas for irrigation development to increase agricultural production and productivity thereby improving the socio-economic welfare of farmer-beneficiaries.

5. Unsatisfactory performance of ineligible Contractors, inadequate planning, and inefficient execution of surveys, investigation and engineering design, resulted in significant delays, ranging from 11 to 1,438 days, in the implementation of 82 irrigation contracts/projects with total contract cost of P4,535.968 million. In addition, 25 contracts with total cost of P6.002 billion incurred negative slippages from 0.90 per cent to 62.80 per cent, while 5 contracts with total cost of P458.547 million were terminated due to, among others, fault of the contractors. Thus, the farmer-beneficiaries are not able to timely benefit from the said irrigation projects, and could result in wastage of government resources when the unfinished/uncompleted contracts would be terminated. Moreover, liquidated damages were not imposed on Contracts that incurred delays due to grant of contract time extensions, validity of which could not be ascertained due to inadequate evaluation and incomplete documentation.

5.1 We reiterated our previous year's recommendations that Management:

a. Require the Managers of the Implementing Units to:

a.1 Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;

a.2 Strictly comply with the provisions of the General Conditions of the Contract (GCC) and Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 in the grant of contract time extension;

a.3 Ensure that the grants of contract time extensions are completely supported with documents;

a.4 Immediately enforce liquidated damages for projects that incurred negative slippages without valid justification and approved time extensions;

b. Direct the Bids and Award Committee (BAC) and BAC Technical Working Group (TWG) to ensure that the requisites for the bidding of infrastructure contracts provided in Section 17.6 of the Revised IRR of RA No. 9184, such as the detailed engineering investigations, surveys and designs, including the acquisition of the Right-of-Way (ROW), are complied with to ensure that all the undertakings are economically and efficiently carried out to protect the interest of the government; and

c. Consider rescinding/terminating the contracts and forfeit the contractor's Performance Security for projects with negative slippages of more than 15 per cent resulting from contractor's fault or negligence.

5.2 We likewise recommended that Management require the Legal Department and the Internal Audit Services Department to: (a) conduct investigation to determine persons responsible for (i) not imposing liquidated damages, (ii) approving/ granting of contract time extensions without proper evaluation and documentation, and (iii) not terminating the contracts that incurred huge negative slippage due to Contractor's fault; and (b) file appropriate case, if warranted.

6. Full mobilization of equipment, actual deployment/replacement of key project personnel, and progress of projects' activities on site could not be ascertained in the implementation of 19 civil works contracts with total cost of P3.262 billion due to poor monitoring of contractors' compliance with the equipment and key personnel requirement of the contract and submission of reports required under the GCC, Special Conditions of the Contract (SCC) and Technical Specifications of the Contract (TSC), thereby contributing to the delay in the implementation of irrigation projects as potential problems that might occur might not be immediately identified and resolved.

6.1 We recommended that Management require:

a. The Construction Management Division (CMD) and the PMO to strictly comply with the GCC, SCC and TSC to ensure adequate supervision and monitoring of the implementation of the Contracts;

b. The Internal Audit Services Department in coordination with the concerned units of NIA to formulate policy guidelines on the supervision and monitoring of the contract to include, among others: (i) the responsible person, (ii) activities to be done, (iii) the timelines and (iv) the reports/documentation to be submitted covering all phases of the contract implementation; and

c. Require the Irrigation Management Office (IMO) and the PMO to submit to the Auditor for review the pre-final inspection report, punch list, final inspection report and final firmed up contract quantity and cost of the contracts reported to have been substantially completed.

7. Inadequate/poor execution of the validation procedures in the conduct of post qualification by the BAC and its TWG resulted in the award by NIA CO and NIA RO No. VIII of 32 contracts with total cost of P1.760 billion to bidders with the lowest calculated bid who did not pass the eligibility requirements as they have: a) no similar completed contracts to the Contract to be bid, b) questionable availability of pledged project personnel and equipment as these are likewise pledged to on-going projects with NIA and to contracts bid on the same date and with almost the same period of implementation, c) doubtful claimed similar work experiences, and d) deficient legal, technical and financial eligibility documents, contrary to the Revised IRR of RA No. 9184 and Government Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects.

7.1 We reiterated our previous year's recommendations that Management require the:

a. BAC and its TWG to ensure that the procedures in the Revised IRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure

Project in the conduct of post qualification are strictly followed so as to assure Contractor's compliance with the eligibility requirements;

b. BAC and the PMO to see to it that the Contracts are adequately covered by a Performance Security valid up to the final acceptance of the project;

c. Legal Department to:

c.1 Conduct investigation to determine liability of the Contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract;

c.2 Take appropriate action against Contractors found to be guilty of submitting eligibility requirements that contain false information and falsified documents that led to the awarding of the Contracts to them instead of disqualification and impose corresponding sanctions as provided in the Revised IRR of RA No. 9184, if warranted; and

d. Internal Audit Services and the Legal Department to conduct investigation to determine the extent of the participation of NIA officials, members of the BAC and its TWG in the award of Contracts to non-compliant Contractors and file appropriate charges, if warranted.

8. Claims for Progress Billings totaling P486.898 million were processed and paid without complete and reliable documentations, contrary to Section 4(6) of PD No. 1445 and casting doubt on the regularity and propriety of the expenditures.

8.1 We recommended that Management:

a. Require the Legal Department and the Internal Audit Services to conduct investigation to determine persons liable and file appropriate charges if warranted for:

a.1 Payment of Progress Billings without complete documents;

a.2 Reporting complete delivery of steel gates that were not actually delivered;

a.3 Payment of the overhaul without the required testing for the excavated materials, classified the excavated materials as 100 per cent waste materials that require hauling, and the non-evaluation of the actual volume of materials hauled;

a.4 Payment of the Reinforced Steel Bars (RSB) without the Mill Certificate;

a.5 Non-installation of RSB within the prescribed period; and

b. Consider revising the future Contracts to include in the cost of reinforced concrete pipes the supply and delivery of RSB, instead of a separate pay work-item to ensure that payment will not be made without its installation. This method is being adopted by the DPWH.

9. Increase in quantity of various items of work totalling P 23.811 million and decreases in quantity due to deletion of work totalling P18.761 million in two Participatory Irrigation Development Project (PIDP) Contracts were not covered with approved change orders/variation orders, contrary to the GCC, thus payment relative thereto are without legal basis. Moreover, Contract PIDP2-NVBISN-1R with revised contract amount of P79.364 million due to change in design to suit actual field condition resulted in an overrun amounting to P17.988 million, equivalent to 24.15 per cent of the original contract amount of P74.478 million, contrary to GCC 27 and 43 limiting the cumulative amount of variation orders to 10 per cent of the original contract cost.

9.1 We recommended that Management require the:

a. PIDP PMO to impose sanctions on the persons responsible for the preparation and approval of detailed engineering and designs of the Project due to cumulative variation orders exceeding more than 20 per cent of the contract amount; and

b. Legal Department and the Internal Audit Services to conduct investigations to determine persons liable and file appropriate charges, if warranted, for:

b.1. Implementing and payment of additional works/variation order of more than 20 per cent and without approved change order; and

b.2. Deletion of work items without evaluation and approval.

The other audit observations together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference conducted on June 23, 2017 are discussed in detail in Part II of the Report. We also invite your attention to the prior years' unimplemented and partially implemented audit recommendations embodied in Part III of the Report.

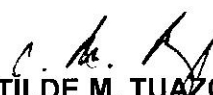
We respectfully request that the recommendations contained in Part II of the Report be implemented and that this Commission be informed of the actions taken thereon by accomplishing the Agency Action Plan and Status of Implementation Form (copy attached) and returning the same to us within 60 days from the date of receipt hereof.

We acknowledge the support and cooperation that Management extended to the Audit Team, thus facilitating the completion of the Report.

Very truly yours,

COMMISSION ON AUDIT

By:


CLEOTILDE M. TUAZON
Director IV
Cluster Director

Copy furnished:

The President of the Republic of the Philippines
The Vice President
The Speaker of the House of Representatives
The Chairperson – Senate Finance Committee
The Chairperson – Appropriations Committee
The Secretary of the Department of Budget and Management
The Governance Commission for Government-Owned or Controlled Corporations
The Presidential Management Staff, Office of the President
The UP Law Center
The National Library

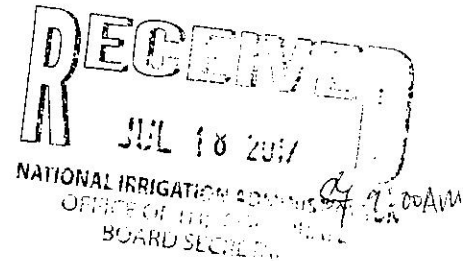


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July 17, 2017

THE BOARD OF DIRECTORS
National Irrigation Administration
EDSA, Diliman, Quezon City



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- f. Coordinate with the NPC relative to the legal rights/ownership over the dam facilities taking into consideration the following: (a) the facilities were built under Build-Operate-Transfer agreement covered by Power Purchase Agreement, b) the Memorandum of Agreement (MOA) provided that in exchange for the US\$400 million, the Consortium agreed to the early transfer of the dam and other structure to NPC, and (c) the NPC just advance the payments to the consortium which were later reimbursed by NIA, Department of Public Works and Highways (DPWH) and Department of Environment and Natural Resources (DENR).

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b. Direct the Bids and Award Committee (BAC) and BAC Technical Working Group (TWG) to ensure that the requisites for the bidding of infrastructure contracts provided in Section 17.6 of the Revised IRR of RA No. 9184, such as the detailed engineering investigations, surveys and designs, including the acquisition of the Right-of-Way (ROW), are complied with to ensure that all the undertakings are economically and efficiently carried out to protect the interest of the government; and

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Project in the conduct of post qualification are strictly followed so as to assure Contractor's compliance with the eligibility requirements;

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c.1 Conduct investigation to determine liability of the Contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract;

c.2 Take appropriate action against Contractors found to be guilty of submitting eligibility requirements that contain false information and falsified documents that led to the awarding of the Contracts to them instead of disqualification and impose corresponding sanctions as provided in the Revised IRR of RA No. 9184, if warranted; and

d. Internal Audit Services and the Legal Department to conduct investigation to determine the extent of the participation of NIA officials, members of the BAC and its TWG in the award of Contracts to non-compliant Contractors and file appropriate charges, if warranted.

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a.1 Payment of Progress Billings without complete documents;

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9.1 We recommended that Management require the:

a. PIDP PMO to impose sanctions on the persons responsible for the preparation and approval of detailed engineering and designs of the Project due to cumulative variation orders exceeding more than 20 per cent of the contract amount; and

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The other audit observations together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference conducted on June 23, 2017 are discussed in detail in Part II of the Report. We also invite your attention to the prior years' unimplemented and partially implemented audit recommendations embodied in Part III of the Report.

In our transmittal letter of even date, we request the Administrator of NIA to implement the recommendations contained in the Report and to inform this Commission of the actions taken thereon within 60 days from receipt of the Report.

We acknowledge the support and cooperation that Management extended to the Audit Team, thus facilitating the completion of the Report.

Very truly yours,

COMMISSION ON AUDIT

By:


CLEOTILDE M. TUAZON
Director IV
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Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

on the

**NATIONAL IRRIGATION ADMINISTRATION
(NIA)**

For the Year Ended December 31, 2016

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 calendar year (CY) 1974, under Presidential Decree (PD) No. 552, its 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 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, per Executive Order (EO) No. 165, s. 2014, the supervision over NIA together with the National Food Authority (NFA), Philippine Coconut Authority (PCA), and Fertilizer and Pesticide Authority has been transferred from DA to the Office of the Presidential Assistant for Food Security and Agricultural Modernization (OPAFSAM), in order to enhance and coordinate the efforts of these agencies in fulfilling their respective mandates. In view of the change in Administration in CY 2016, the OPAFSAM was abolished. Under EO No. 1, s. 2016 dated June 30, 2016, the supervision of NFA and PCA was placed under the Cabinet Secretary while the NIA was not included among the agencies listed under the supervision of the Cabinet Secretary. However, in a Memorandum dated November 3, 2016 of the Executive Secretary, the Cabinet Secretary was designated as the Acting Chairperson of the NIA Board of Directors.

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 Corporation 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 resources 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;

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 Offices (ROs), including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIS), 47 Irrigation Management Offices (IMOs), and 10 Project Management Offices (PMOs). The Corporation manages 285 National Irrigation Systems (NIS) nationwide with a total service area of 836,055 hectares with firm-up service area of 754,666 hectares. The total irrigated area was 560,052 hectares during the dry season (November to April) and 576,003 hectares during the wet season (May to October) and 89,847 hectares for the third crop (Quick Turn-Around program and Ratooning).

As of December 31, 2016, NIA had personnel complement of 6,700 composed of 3,799 monthly paid; 397 daily/contract of service/job order; and 2,504 project-based paid personnel.

The sources of funds of NIA are the General Fund, the Corporate Fund and the Special Fund.

General Fund is the collective name for funds 101, 102, 161 and 171. As NIA is the implementing arm of the Department of Agriculture for Irrigation Development Program, these funds, which are provided yearly by the National Government, foreign lending institutions and foreign organizations extending grants, are used to construct, repair/rehabilitate irrigation facilities nationwide. The following are the descriptions of the composition of the funds:

a. Fund 101 - This is provided by the National Government which is included in the national budget under Budgetary Support to Government Corporations – Other Executive Offices-NIA purposely for repair, rehabilitation and restoration of existing irrigation systems. Releases of the fund to NIA are made through the Department of Budget and Management (DBM).

b. Fund 102 - This is in the form of loans by the National Government with foreign banks used to finance the construction of irrigation facilities. The Bureau of the Treasury (BTr) releases the funds also through the DBM.

c. Fund 161 - This is a trust fund from the National Government specifically intended for the Mindanao Rural Development Project.

d. Fund 171 - This represents grants from the World Bank which the National Government negotiated for Irrigation Development Project.

Corporate 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.

Special Fund is a consolidation of funds received from the DBM for locally-funded projects and the Department of Agrarian Reform (DAR) for foreign-assisted projects under the Comprehensive Agrarian reform Program (CARP)-Irrigation Component.

STATUS OF IMPLEMENTATION OF NIA PROJECTS

NIA reported the following physical accomplishments of Irrigation Projects in CY 2016 funded under the General and Special Funds, expressed in terms of hectares irrigated:

I. CY 2016 Programs

A. Operations

Service Area	Target (In hectares)		Actual (In hectares)		Percentage of Accomplishment
	CY 2016	Carry-over Program	CY 2016	Carry-over Program	
Generation-New Area	7,633	373	1,697	559	28.18
Restoration	11,754	-	4,590	-	39.05
	19,387	373	6,287	559	34.65

B. Projects

B.1 Foreign-Assisted Projects

Service Area	Target (In hectares)		Actual (In hectares)		Percentage of Accomplishment
	CY 2016	Carry-over Program	CY 2016	Carry-over Program	
Generation-New Area	-	2,029	-	1,790	88.22
Restoration	2,769	9,861	-	1,345	10.65
	2,769	11,890	-	3,135	21.39

B.2 Locally-Funded Projects

Service Area	Target (In hectares)		Actual (in hectares)		Percentage of Accomplishment
	CY 2016	Carry-over Program	CY 2016	Carry-over Program	
Generation-New Area	12,027	12,887	3,406	5,996	37.74
Restoration	180	-	77	-	42.78
	12,207	12,887	3,483	5,996	37.77

II. Continuing Appropriations–Locally Funded

Service Area	Target	Actual	Percentage of Accomplishment	Actual to date (In hectares)
	In hectares			
Generation-New Area	14,481	5,546	38.30	114,233
Restored Area	15,136	9,318	61.56	91,324
Rehabilitated Area	4,254	559	13.14	217,718
	33,871	15,423	45.53	423,275

III. Convergence Projects

Service Area	Target	Actual	Percentage of Accomplishment	Actual to date (In hectares)
	In hectares			
Generation-New Area	-	517	-	5,828
Restored	-	-	-	848
Rehabilitated Area	-	58	-	5,596
	-	575	-	12,272

FINANCIAL HIGHLIGHTS (In Million Pesos)

I. Allotment Received and Obligations

CY 2016 Irrigation Program				
	Appropriation	Allotment	Release Cash/ Non Cash	Obligation
CY 2016 Irrigation Program				
A1. Programs for Operations	18,125.360	18,125.360	11,736.804	16,573.295
B1. Locally Funded Projects	10,860.750	10,860.750	2,662.057	5,515.035
B2. Foreign Assisted Projects	3,757.074	3,757.074	542.766	362.151
Total	32,743.184	32,743.184	14,941.627	22,450.481
Carry Over Funds				
	Unobligated Balance 2015	Release Cash/Non Cash	Obligation	
A1. Operations	164.349	144.049	163.145	
B1. Locally Funded	6,491.402	1,549.551	3,077.904	
B2. Foreign Assisted	1,755.307	3.717	563.901	
	8,411.058	1,697.317	3,804.950	
Continuing Appropriations	1,467.814	3,673.511	1,442.658	
Total	9,878.872	5,370.828	5,247.608	

II. Sources of Funds

	2016	2015
Subsidy Income from National Government-GAA	22,737.739	14,847.245
Revenue from Operations	2,381.761	2,646.168
	25,119.500	17,493.413

III. Uses of Funds

	2016	2015
Implementation of the Project	21,998.045	10,372.254
Capital Outlay	500.184	52.705
Personnel Services	1,788.260	1,650.979
Maintenance and Other Operating Expenses	953.979	789.744
Loan Repayment	1,498.870	1,588.557
	26,739.338	14,454.239

IV. Comparative Financial Condition

	2016	2015	Increase/ (Decrease)
Assets	324,978.811	300,824.933	24,153.878
Liabilities	120,602.977	114,712.924	5,890.053
Equity	204,375.834	186,112.009	18,263.825

V. Results of Operations

	2016	2015	Increase/ (Decrease)
Income (includes gain on foreign exchange)	25,119.520	17,496.766	7,622.754
Expenses (includes depreciation and loss on foreign exchange)	4,202.274	4,241.412	(39.138)
	20,917.246	13,255.354	7,661.892

SCOPE OF AUDIT

Our audit covered the operations of the NIA. 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 a disclaimer of opinion on the fairness of the presentation of the financial statements in view of the following:

1. The Prior Period Adjustments (PPAs) totaling P814.915 million and P2.653 billion in CYs 2015 and 2016, respectively, were directly presented in the Combined Statement of Changes in Net Assets/Equity instead of restating the affected accounts in which errors occurred, contrary to Philippine Public Sector Accounting Standards (PPSAS) 3. Likewise, these adjustments lacked the appropriate supporting documentation. Consequently, the fair presentation of the financial statements as a whole was adversely affected.

2. The accuracy, completeness, and reliability of Property, Plant and Equipment (PPE) account with carrying amount of P211.180 billion as at December 31, 2016 could not be established due to, among others, non-derecognition of the net carrying amount of the portion of the irrigation facilities that have undergone repairs/rehabilitations despite cost of repairs/rehabilitations already accumulated to P22.953 billion from CYs 2011 to 2016; non-reclassification of long completed irrigation projects amounting to P21.223 billion to proper asset account; insufficient provision for depreciation of depreciable assets valued at P28.290 billion; existence of variance of P13.342 billion between results of physical count and accounting records; incomplete documentations for the transfer of completed projects totaling P6.935 billion from Construction in Progress (CIP) account to appropriate PPE accounts; and inadequate accounting and property records to substantiate the P56.992 billion PPE accounts. Moreover, payments totaling P18.004 billion made to Power Sector Assets and Liabilities Management

Corporation (PSALM) for CYs 2013 to 2016 representing NIA's share in the debt service advances for the San Roque Multi-Purpose Project (SRMPP) Loan from Japan Bank for International Cooperation were recorded in the books under the PPE account without adequate documentation to confirm NIA's ownership over a tangible property.

3. The balance of the Accounts Payable account of P5.037 billion as at December 31, 2016 is doubtful due to, among others, inclusion of non-payable charges totaling P335.604 million; accounts totaling P2.381 billion have no Subsidiary Ledgers or supporting documents; and existence of accounts with abnormal balances amounting to P803.234 million.

We were unable to obtain sufficient appropriate audit evidence about the balances of the abovementioned accounts as well as other affected accounts, due to inadequacy of accounting records, schedules and working papers. Consequently, we were unable to determine whether adjustments to these accounts were necessary.

SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

For the above-mentioned observations which caused the issuance of disclaimer of opinion, we recommended that Management:

1.1. Require the Accounting Division to:

- a. Strictly comply with PPSAS 3 in presenting correction of prior period errors by restating the comparative amounts for the period(s) presented in which errors occurred and provide adequate disclosure in the Notes to the Financial Statements; and
- b. Submit list/schedules showing the details of the PPAs supported with complete/appropriate documentation.

2.1 Instruct the Accounting Division/Section to:

- a.1 Comply with PPSAS 17 and recognize impairment of assets and devise policy guidelines relative thereto;
- a.2 Conduct analysis and inventory of the recorded irrigation systems under CIP or PPE account to determine the actual cost of the existing assets (net of the impairment);
- a.3 Provide depreciation for all assets capitalized;
- a.4 Maintain and regularly update Subsidiary Ledgers (SLs) for all PPE accounts, and conduct a continuous analysis of the accounts to ensure that the totals of the SLs and the balances of the corresponding controlling accounts are equal at all times;
- a.5 Require the Engineering and Operations Department (EOD) to regularly submit project completion report and turnover documents of all completed projects to the Accounting Division/Section for proper recording in the books;

- b. Direct the Project Management Office (PMO), Accounting Division/Section and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset account;
- c. Instruct the Inventory Team to conduct complete physical inventory of all properties and reconcile result thereof with the accounting records and thereafter, submit copy of the Report on the Physical Count of PPE (RPCPPE) to the respective auditors on or before January 31 of the ensuing year;
- d. Require both the Accounting Division/Section and Property Section to exhaust all efforts to unfailingly reconcile their records on a regular basis so that discrepancies thereon are immediately corrected;
- e. Secure from National Power Corporation (NPC)/PSALM complete documents to establish the extent of NIA's legal ownership over SRMPP to substantiate the booking of the payment as PPE-Public Infrastructure Irrigation, Canals, and Laterals, in compliance with PPSAS 17 on the recognition of property, plant and equipment and to ensure its legal rights over the asset; and
- f. Coordinate with the NPC relative to the legal rights/ownership over the dam facilities taking into consideration the following: (a) the facilities were built under Build-Operate-Transfer agreement covered by Power Purchase Agreement, (b) the Memorandum of Agreement (MOA) provided that in exchange for the US\$400 million, the Consortium agreed to the early transfer of the dam and other structure to NPC, and (c) the NPC just advance the payments to the consortium which were later reimbursed by NIA, Department of Public Works and Highways (DPWH) and Department of Environment and Natural Resources (DENR).

3.1 Direct the concerned Accountants of the CO and ROs to:

- a. Analyze the transactions, review all pertinent documents, make the adjustments, where necessary and comply with the existing accounting rules and regulations on the recognition of Accounts Payable;
- b. Adhere to the guidelines and procedures on reversion of accounts payable without supporting schedule and/or has been outstanding for two years or more;
- c. Investigate the cause of the variance between the General Ledger (GL) and the schedule of Accounts Payable; and
- d. Make the necessary adjustment relative the erroneous recording of the settlement of Accounts Payable.

The other significant observations and recommendations that need immediate action are as follows:

- 4. Despite considerable amount of government funds provided for irrigation, the reported status of irrigation development is still relatively low as 1,272,649 hectares or 40.68 per cent out of the estimated total irrigable area of 3,128,631 hectares remain to be developed as of December 31, 2016. There was no significant increase in irrigable

areas developed as the generation of new areas for development was not given precedence in NIA's Irrigation Development Program aggravated by the shortfall in the accomplishments in the generation of new areas, thereby affecting the attainment of increasing agricultural productivity to improve the socio-economic welfare of farmer-beneficiaries.

4.1 We recommended that Management exert all efforts to achieve its target in the generation of new areas for irrigation development to increase agricultural production and productivity thereby improving the socio-economic welfare of farmer-beneficiaries.

IMPLEMENTATION OF PROJECTS/CONTRACTS

5. Unsatisfactory performance of ineligible Contractors, inadequate planning, and inefficient execution of surveys, investigation and engineering design, resulted in significant delays, ranging from 11 to 1,438 days, in the implementation of 82 irrigation contracts/projects with total contract cost of P4,535.968 million. In addition, 25 contracts with total cost of P6.002 billion incurred negative slippages from 0.90 per cent to 62.80 per cent, while 5 contracts with total cost of P458.547 million were terminated due to, among others, fault of the contractors. Thus, the farmer-beneficiaries are not able to timely benefit from the said irrigation projects, and could result in wastage of government resources when the unfinished/uncompleted contracts would be terminated. Moreover, liquidated damages were not imposed on Contracts that incurred delays due to grant of contract time extensions, validity of which could not be ascertained due to inadequate evaluation and incomplete documentation.

5.1 We reiterated our previous year's recommendations that Management:

a. Require the Managers of the Implementing Units to:

a.1 Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;

a.2 Strictly comply with the provisions of the General Conditions of the Contract (GCC) and Revised Implementing Rules and Regulations (IRR) of RA No. 9184 in the grant of contract time extension;

a.3 Ensure that the grants of contract time extensions are completely supported with documents;

a.4 Immediately enforce liquidated damages for projects that incurred negative slippages without valid justification and approved time extensions;

b. Direct the Bids and Award Committee (BAC) and BAC Technical Working Group (TWG) to ensure that the requisites for the bidding of infrastructure contracts provided in Section 17.6 of the Revised IRR of RA No. 9184, such as the detailed engineering investigations, surveys and designs, including the acquisition of the Right-of-Way (ROW), are complied with to ensure that all the undertakings are economically and efficiently carried out to protect the interest of the government; and

- c. Consider rescinding/terminating the contracts and forfeit the contractor's Performance Security for projects with negative slippages of more than 15 per cent resulting from contractor's fault or negligence.

5.2 We likewise recommended that Management require the Legal Department and the Internal Audit Services Department to: (a) conduct investigation to determine persons responsible for (i) not imposing liquidated damages, (ii) approving/ granting of contract time extensions without proper evaluation and documentation, and (iii) not terminating the contracts that incurred huge negative slippage due to Contractor's fault; and (b) file appropriate case, if warranted.

6. Full mobilization of equipment, actual deployment/replacement of key project personnel, and progress of projects' activities on site could not be ascertained in the implementation of 19 civil works contracts with total cost of P3.262 billion due to poor monitoring of contractors' compliance with the equipment and key personnel requirement of the contract and submission of reports required under the GCC, Special Conditions of the Contract (SCC) and Technical Specifications of the Contract (TSC), thereby contributing to the delay in the implementation of irrigation projects as potential problems that might occur might not be immediately identified and resolved.

6.1 We recommended that Management require:

- a. The Construction Management Division (CMD) and the PMO to strictly comply with the GCC, SCC and TSC to ensure adequate supervision and monitoring of the implementation of the Contracts;
- b. The Internal Audit Services Department in coordination with the concerned units of NIA to formulate policy guidelines on the supervision and monitoring of the contract to include, among others: (i) the responsible person, (ii) activities to be done, (iii) the timelines and (iv) the reports/documentation to be submitted covering all phases of the contract implementation; and
- c. Require the IMO and the PMO to submit to the Auditor for review the pre-final inspection report, punch list, final inspection report and final firmed up contract quantity and cost of the contracts reported to have been substantially completed.

7. Inadequate/poor execution of the validation procedures in the conduct of post qualification by the BAC and its TWG resulted in the award by NIA CO and NIA RO No. VIII of 32 contracts with total cost of P1.760 billion to bidders with the lowest calculated bid who did not pass the eligibility requirements as they have: a) no similar completed contracts to the Contract to be bid, b) questionable availability of pledged project personnel and equipment as these are likewise pledged to on-going projects with NIA and to contracts bid on the same date and with almost the same period of implementation, c) doubtful claimed similar work experiences, and d) deficient legal, technical and financial eligibility documents, contrary to the Revised IRR of RA No. 9184 and Government Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects.

7.1 We reiterated our previous year's recommendations that Management require the:

- a. BAC and its TWG to ensure that the procedures in the Revised IRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure Project in the conduct of post qualification are strictly followed so as to assure Contractor's compliance with the eligibility requirements;
- b. BAC and the PMO to see to it that the Contracts are adequately covered by a Performance Security valid up to the final acceptance of the project;
- c. Legal Department to:
 - c.1 Conduct investigation to determine liability of the Contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract;
 - c.2 Take appropriate action against Contractors found to be guilty of submitting eligibility requirements that contain false information and falsified documents that led to the awarding of the Contracts to them instead of disqualification and impose corresponding sanctions as provided in the Revised IRR of RA No. 9184, if warranted; and
- d. Internal Audit Services and the Legal Department to conduct investigation to determine the extent of the participation of NIA officials, members of the BAC and its TWG in the award of Contracts to non-compliant Contractors and file appropriate charges, if warranted.

8. Claims for Progress Billings totaling P486.898 million were processed and paid without complete and reliable documentations, contrary to Section 4(6) of PD No. 1445 and casting doubt on the regularity and propriety of the expenditures.

8.1 We recommended that Management:

- a. Require the Legal Department and the Internal Audit Services to conduct investigation to determine persons liable and file appropriate charges if warranted for:
 - a.1 Payment of Progress Billings without complete documents;
 - a.2 Reporting complete delivery of steel gates that were not actually delivered;
 - a.3 Payment of the overhaul without the required testing for the excavated materials, classified the excavated materials as 100 per cent waste materials that require hauling, and the non-evaluation of the actual volume of materials hauled;
 - a.4 Payment of the Reinforced Steel Bars (RSB) without the Mill Certificate;
 - a.5 Non-installation of RSB within the prescribed period; and

b. Consider revising the future Contracts to include in the cost of reinforced concrete pipes the supply and delivery of RSB, instead of a separate pay work-item to ensure that payment will not be made without its installation. This method is being adopted by the DPWH.

9. Increase in quantity of various items of work totalling P 23.811 million and decreases in quantity due to deletion of work totalling P18.761 million in two Participatory Irrigation Development Project (PIDP) Contracts were not covered with approved change orders/variation orders, contrary to the GCC, thus payment relative thereto are without legal basis. Moreover, Contract PIDP2-NVBISN-1R with revised contract amount of P79.364 million due to change in design to suit actual field condition resulted in an overrun amounting to P17.988 million, equivalent to 24.15 per cent of the original contract amount of P74.478 million, contrary to GCC 27 and 43 limiting the cumulative amount of variation orders to 10 per cent of the original contract cost.

9.1 We recommended that Management require the:

a. PIDP PMO to impose sanctions on the persons responsible for the preparation and approval of detailed engineering and designs of the Project due to cumulative variation orders exceeding more than 20 per cent of the contract amount; and

b. Legal Department and the Internal Audit Services to conduct investigations to determine persons liable and file appropriate charges, if warranted, for:

b.1. Implementing and payment of additional works/variation order of more than 20 per cent and without approved change order; and

b.2. Deletion of work items without evaluation and approval.

SUMMARY OF UNSETTLED SUSPENSIONS, DISALLOWANCES AND CHARGES

As of December 31, 2016, for all funds, i.e. General, Corporate and Special, unsettled audit disallowances amounted to P1.170 billion, audit charges totalled P1.440 million and audit suspensions of P1.599 billion and US\$3.864 million. The details and status are presented in Annexes A, B and C, Part IV of this Report.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 250 audit recommendations embodied in the previous years' Annual Audit Reports (AARs) on General Fund (F101, 102, 161 and 171), Corporate Fund (F501) and Special Funds (F158), 25 were fully implemented, 109 were partially implemented and 116 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 were mandated by the 1987 Philippine Constitution to audit the accompanying financial statements of the **National Irrigation Administration (NIA)**, which comprise the statement of financial position as at December 31, 2016, and the statement of financial performance, statement of changes in net assets/equity, statement of cash flows, and statement of comparison of budget and actual amount 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 generally accepted 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. Because of the matters described in the following paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Bases for Disclaimer of Opinion

The Prior Period Adjustments totaling P814.915 million and P2.653 billion in calendar years (CYs) 2015 and 2016, respectively, were directly presented in the Combined Statement of Changes in Net Assets/Equity instead of restating the affected accounts in which errors occurred, contrary to Philippine Public Sector Accounting Standards 3. Likewise, these adjustments lacked the appropriate supporting documentation. Consequently, the fair presentation of the financial statements as a whole was adversely affected.

Likewise, the accuracy, completeness, and reliability of Property, Plant and Equipment (PPE) account with carrying amount of P211.180 billion as at December 31, 2016 could not be established due to, among others, non-derecognition of the net carrying amount of the portion of the irrigation facilities that have undergone repairs/rehabilitations despite cost of repairs/rehabilitations already accumulated to P22.953 billion from CYs 2011 to 2016; non-reclassification of long completed irrigation projects amounting to P21.223 billion to proper asset account; insufficient provision for depreciation of depreciable assets valued at P28.290 billion; existence of variance of P13.342 billion between results of physical count and accounting records; incomplete documentations for the transfer of completed projects totaling P6.935 billion from Construction in Progress account to appropriate PPE accounts; and inadequate accounting and property records to substantiate the P56.992 billion PPE accounts. Moreover, payments totaling P18.004 billion made to Power Sector Assets and Liabilities Management Corporation for CYs 2013 to 2016 representing NIA's share in the debt service advances for the San Roque Multi-Purpose Project Loan from Japan Bank for International Cooperation were recorded in the books under the PPE account without adequate documentation to confirm NIA's ownership over a tangible property.

Further, the balance of the Accounts Payable account of P5.037 billion as at December 31, 2016 is doubtful due to, among others, inclusion of non-payable charges totaling P335.604 million; accounts totaling P2.381 billion have no Subsidiary Ledgers or supporting documents; and existence of accounts with abnormal balances amounting to P803.234 million.

We were unable to obtain sufficient appropriate audit evidence about the balances of the abovementioned accounts as well as other affected accounts, due to inadequacy of accounting records, schedules and working papers. Consequently, we were unable to determine whether adjustments to these accounts were necessary.

Disclaimer of Opinion

Because of the significance of the matters discussed in the Bases for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

COMMISSION ON AUDIT



ELENA L. AGUSTIN

Supervising Auditor

Audit Group B

Cluster 5–Agricultural and Natural Resources

Corporate Government Sector

June 23, 2017



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

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

NATIONAL IRRIGATION ADMINISTRATION

The management of **NATIONAL IRRIGATION ADMINISTRATION** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2016 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended under **ALL FUNDS (CONSOLIDATED)**. 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.


EDITHA D. MORALES

Acting Manager, Financial Management
Department


ESTRELLA E. ICASIANO

Deputy Administrator for Finance
and Administrative Sector


GEN. RICARDO R. VISAYA (Ret.)
Administrator

NATIONAL IRRIGATION ADMINISTRATION
STATEMENT OF FINANCIAL POSITION
December 31, 2016
(ALL FUNDS)
(In Philippine Peso)

	Note	2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	4	7,805,409,697	8,025,281,917
Receivables - net	5	36,904,892,768	35,488,455,500
Inventories - net	6	117,111,950	118,016,236
Other current assets	7	2,569,575,928	2,259,271,251
		47,396,990,343	45,891,024,904
Non-current assets			
Investments	8	66,401,148,202	60,905,604,063
Property, plant and equipment - net	9	211,180,125,044	193,970,078,066
Other non-current assets		547,909	58,226,590
		277,581,821,155	254,933,908,719
TOTAL ASSETS		324,978,811,498	300,824,933,623
LIABILITIES AND EQUITY			
Current liabilities			
Payables	10	6,906,765,198	6,084,670,914
Trust liabilities	11	771,831,473	1,170,268,988
Inter-agency payables	12	80,320,520,491	75,239,355,543
Intra-agency payables	13	478,622,940	534,263,929
		88,477,740,102	83,028,559,374
Non-current liabilities			
Long-term liabilities	14	9,556,340,534	10,531,340,534
Deferred credits	15	22,568,896,906	21,153,023,892
		32,125,237,440	31,684,364,426
		120,602,977,542	114,712,923,800
Equity		204,375,833,956	186,112,009,823
TOTAL LIABILITIES AND EQUITY		324,978,811,498	300,824,933,623

The Notes on pages 10 to 25 form part of these financial statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended December 31, 2016
(ALL FUNDS)
(In Philippine Peso)

	Note	2016	2015
REVENUE			
Operating income			
Irrigation service fees (ISF)		1,526,154,919	1,775,371,844
10% Discount on ISF		(91,166,229)	(103,513,957)
Loss on sale of palay		-	(128,000)
		1,434,988,690	1,671,729,887
Rent income		150,534,092	153,693,348
Fines and penalties-service income		41,515,794	53,161,728
		1,627,038,576	1,878,584,963
Non-operating income			
Management fees from subsidy income	16	71,803,977	121,390,000
CIP/CIS/RIS amortization and equity		188,767,489	202,091,053
Pump amortization and equity		46,776,179	23,850,241
Service fees		272,767,831	351,784,359
Energy delivery fees - National Power Corporation (NPC)		67,760,939	63,954,273
Interest income		17,272,068	23,822,120
Other fines and penalties		518,343	3,619,487
Income from grants and donations		-	936,133
Miscellaneous income	18	153,530,705	100,525,992
		819,197,531	891,973,658
TOTAL REVENUE		2,446,236,107	2,770,558,621
EXPENSES			
	19		
Personal services		1,788,260,052	1,650,978,636
Maintenance and other operating expenses (MOOE)		1,886,562,004	1,846,895,865
Financial expenses		527,432,158	741,011,583
		4,202,254,214	4,238,886,084
DEFICIT FROM CURRENT OPERATIONS		(1,756,018,107)	(1,468,327,463)
Gains		7,348,720	-
Losses		(19,499)	(2,173,508)
Net financial assistance/subsidy	16	22,665,935,253	14,725,854,796
		22,673,264,474	14,723,681,288
SURPLUS FOR THE PERIOD		20,917,246,367	13,255,353,825

The Notes on pages 10 to 25 form part of these financial statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the Year Ended December 31, 2016
ALL FUNDS
(In Philippine Peso)

	Accumulated Surplus Note 17	Capital Stock	Retained Earnings	Grand Total
Balance at January 1, 2015	175,019,658,385	5,559,191,864	(8,537,109,315)	172,041,740,934
Prior period adjustments	4,695,187,432	-	(3,880,272,368)	814,915,064
Surplus for the period	12,014,343,889	-	1,241,009,936	13,255,353,825
Balance at December 31, 2015	191,729,189,706	5,559,191,864	(11,176,371,747)	186,112,009,823
Prior period adjustments	(879,804,162)	-	(1,773,618,072)	(2,653,422,234)
Surplus for the period	19,479,133,970	-	1,438,112,397	20,917,246,367
Balance at December 31, 2016	210,328,519,514	5,559,191,864	(11,511,877,422)	204,375,833,956

The Notes on pages 10 to 25 form part of these financial statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
ALL FUNDS
(In Philippine Peso)

	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflows -			
Cash received from irrigation users and other customers		2,218,869,083	2,525,910,643
Receipt of subsidy from the national government		22,665,935,253	14,725,854,796
Receipt of subsidy/collection from national government agencies (NGAs)		-	128,486,179
Receipt of management fee		71,803,977	121,390,000
Cash received from other government-owned and/or controlled corporations (GOCCs)		61,826,366	51,231,484
Collection of receivables		58,594,614	203,817,599
Receipt of inter/intra-agency transfers		204,860,075	409,595,191
Refund of cash advances and disallowances		212,948,479	17,459,788
Interest on deposits		17,475,448	19,176,274
Trust deposits		1,061,780,051	3,535,224
Guaranty deposits/bidders' bond and other payables		168,913,636	182,517,677
		26,743,006,982	18,388,974,855
Cash outflows -			
Cash paid to suppliers, employees and others		2,194,861,040	2,085,226,142
Repair/rehabilitation of existing irrigation facilities		123,117,239	168,645,708
Remittances to BIR, GSIS, Pag-IBIG and PhilHealth		892,648,271	760,022,199
Remittances to National Treasury		-	87,341,484
Remittances to Central Office		57,138,873	-
Subsidy releases to Regional Offices		13,606,077	-
Cash advances granted to officers and employees		61,326,018	77,470,755
Advances/payments to NGAs		372,197,775	19,453,447
Advances/payments to LGUs		310,273	-
Inter/intra-agency transfers		6,468,883	313,699,502
Payment to other GOCCs		12,679,552	305,002,900
Payment of expenses		-	123,671,854
Payment of other payables		265,414,455	248,067,477
Payment of accounts payable		457,023,820	572,783,479
Refund of performance/bidders' bond		89,894,135	14,592,664
Refund of deposits		-	44,308,329
Advance payment to contractors		1,154,911,717	827,824,461
Dividends paid to Department of Finance		-	11,033,617
Other disbursements		-	236,111,011
Fund transfer to other funds/settlement		60,179,165	-
Adjustments		16,064	15,493,756
		5,761,793,357	5,910,748,785

	Note	2016	2015
NET CASH PROVIDED BY OPERATING ACTIVITIES		20,981,213,625	12,478,226,070
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows			
Proceeds from disposal of property and equipment		70,000	23,800
		70,000	23,800
Cash outflows			
Purchase of equipment		95,234,424	550,915,404
Office buildings		13,516,107	13,293,534
Construction in progress		19,598,180,065	13,670,592,015
		19,706,930,596	14,234,800,953
NET CASH USED IN INVESTING ACTIVITIES		(19,706,860,596)	(14,234,777,153)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflows			
Payment of principal - NDC loan		(975,000,000)	(975,000,000)
Payment of Interest - NDC loan		(523,870,000)	(613,557,000)
NET CASH USED IN FINANCING ACTIVITIES		(1,498,870,000)	(1,588,557,000)
NET DECREASE IN CASH		(224,516,971)	(3,345,108,083)
Effects of exchange rate changes on cash and cash equivalents		4,644,751	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		8,025,281,917	11,370,390,000
CASH AND CASH EQUIVALENTS, END OF YEAR	4	7,805,409,697	8,025,281,917

The Notes on pages 10 to 25 form part of these financial statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
For the Year Ended December 31, 2016
ALL FUNDS
(In Thousand Pesos)

	Budget		
	Original/Final	Actual	Difference
RECEIPTS			
Services and business income	3,243,618	2,453,585	790,033
Subsidy			
Continuing	8,123,565	2,411,763	5,711,802
Current	28,986,110	19,896,233	9,089,877
Loan proceeds			
Continuing	1,755,307	357,940	1,397,367
Current	3,757,074	-	3,757,074
Total receipts	45,865,674	25,119,521	20,746,153
PAYMENTS			
Personnel services	2,176,518	1,788,260	388,258
Maintenance and other operating expenses	2,325,167	953,979	1,371,188
Capital outlay			
COB	1,204,490	500,184	704,306
Continuing	5,247,668	3,635,615	1,612,053
Current	19,770,517	14,938,107	4,832,410
Financial expenses	523,870	527,432	(3,562)
Loan repayment	975,000	975,000	-
Others	-	932,602	(932,602)
Total payments	32,223,230	24,251,179	7,972,051
NET RECEIPTS AND PAYMENTS	13,642,444	868,342	12,774,102

The Notes on pages 10 to 25 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
ALL FUNDS**

(All amounts in Philippine Peso unless otherwise stated)

1. GENERAL/CORPORATE INFORMATION

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 calendar year (CY) 1974, under Presidential Decree (PD) No. 552, its capitalization was increased to P2 billion and, 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 Corporation was originally attached to both the Department of Public Works and Highways (DPWH) and the Department of Agriculture (DA), was later transferred to the Office of the President, and subsequently attached to DA under Administrative Order (AO) No. 17 dated October 14, 1992. On May 5, 2014, Executive Order (EO) No. 165, s. 2014 transferred NIA together with the National Food Authority (NFA), the Philippine Coconut Authority (PCA) and the Fertilizer and Pesticide Authority from DA to the Office of the President under the Office of the Presidential Assistant for Food Security and Agricultural Modernization (OPAFSAM). In view of the change in Administration in CY 2016, the OPAFSAM was abolished. Under EO No. 1, s. 2016 dated June 30, 2016, the supervision of NFA and PCA was placed under the Cabinet Secretary while the NIA was not included among the agencies listed under the supervision of the Cabinet Secretary. However, in a Memorandum dated November 3, 2016 of the Executive Secretary, the Cabinet Secretary was designated as the Acting Chairperson of the NIA Board of Directors.

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 Corporation 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 were significantly increased to cover the remaining 1.5 million unirrigated but irrigable hectares of land nationwide.

1.1 Personnel Profile and Organizational Structure

NIA is headed by an Administrator, assisted by a Senior Deputy Administrator and supported by Deputy Administrator for Administrative and Finance and Deputy Administrator for Engineering and Operations. The Corporation had 6,700 and 9,717 personnel in CYs 2015 and 2016, respectively. The breakdown is as follows:

	2016	2015
Monthly Paid - Rationalized		
Permanent – Corporate Operating Budget (COB) charged filled	3,799	3,409
Casual/Daily Paid		
COB charged	397	5,123
Project charged	2,504	1,185
	6,700	9,717

The NIA is composed of the Central Office (CO), 18 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). These are the offices that exist as a result of implementation of the Rationalization Plan. The Corporation manages 245 National Irrigation Systems (NISs) nationwide with a total service area of 836,055 hectares with firmed-up service area of 754,666 hectares. The total irrigated areas were 554,971 hectares during the dry season (November to April), 575,367 hectares during the wet season (May to October), and 7,149 hectares for the third crop (Quick Turn-Around program and Ratooning).

1.2 Projects and Operational Profile

For CY 2016, a total of 128 irrigation projects are presently undertaken by NIA consisting of 23 NIA's operation programs, four (4) foreign-assisted projects, 49 locally-funded projects, 51 continuing appropriation projects and one (1) convergence project - Comprehensive Agrarian Reform Program –Irrigation Component, Agrarian Reform Infrastructure Support Project III (CARP-ARISP III).

NIA targeted 49,430 hectares of new area generation; 39,700 hectares for restoration; and 4,254 hectares for rehabilitation. For CY 2016, these included targets of carry over Program from CYs 2012 to CY 2015. It was able to generate 18,081 hectares of new area, restored 15,530 hectares of existing area and rehabilitated 617 hectares for the year.

1.3 Allotments/Cash Allocations – from National Government

Funding sources for the implementation of NIA Irrigation Development Program were appropriated under the General Appropriations Act (GAA) of fiscal year (FY) 2015, RA No.10651 for the National Irrigation Administration (Section XXXV-Budgetary Support to Government Corporations, J.8 Other Executive Offices-NIA) , summarized as follows:

	CY 2016 Irrigation Program (In Thousand Pesos)			
	Appropriation	Allotment	Release Cash/ Non Cash	Obligation
CY 2016 Irrigation Program				
A1. Programs for Operations	18,125,360	18,125,360	11,736,804	16,573,295
B1. Locally-Funded Projects	10,860,750	10,860,750	2,662,057	5,515,035
B2. Foreign-Assisted Projects	3,757,074	3,757,074	542,766	362,151
Total	32,743,184	32,743,184	14,941,627	22,450,481

	Carry Over Funds (In Thousand Pesos)		
	Unobligated Balance 2015	Release Cash/ Non Cash	Obligation
A1. Operations	164,349	144,049	163,145
B1. Locally Funded	6,491,402	1,549,551	3,077,904
B2. Foreign Assisted	1,755,307	3,717	563,901
	8,411,058	1,697,317	3,804,950
Continuing Appropriations	1,467,814	3,673,511	1,442,658
Total	9,878,872	5,370,828	5,247,608

2. BASIS FOR REPORTING

The financial statements have been prepared in accordance with generally accepted State accounting principles. Accounts name and code conform with the Revised Chart of Accounts prescribed under COA Circular No. 2014-003 dated April 15, 2014.

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 of cost or net realizable value.

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.

The Construction Period Theory is applied in the costing of assets that are under construction. Related expenses incurred during the construction period are capitalized, while those incurred after the construction of the project form part of the operating cost.

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.

f. Expense Recognition

Accrual method of accounting is adopted where expenses are recognized when incurred regardless of when paid

g. Foreign Currencies transactions

Transactions in foreign currencies are recorded in Philippine Peso based on the Bangko Sentral ng Pilipinas (BSP) rate of exchange prevailing at the date of transactions. At the end of the year, these are revalued using the rate of exchange at balance sheet date. Foreign currency denominated monetary assets and liabilities at balance sheet date are restated based on BSP exchange rate at that date.

4. CASH AND CASH EQUIVALENTS

This account includes the following:

	2016	2015
Cash-collecting officers	79,306,474	116,387,013
Cash-disbursing officers	-	2,045,766
Working fund	-	16,336,057
Petty cash	2,331,926	2,304,424
Cash-treasury/agency deposit, regular	71,210	71,210
Cash in bank-national treasury, MDS	58,420	59,820
Cash in bank-local currency, current account	7,125,720,680	6,927,794,750
Cash in bank-local currency, savings account	156,350,725	426,454,980
Cash in bank-local currency, time deposit	369,656,007	380,506,414
Cash in bank- foreign currency savings account	35,724,463	114,043,379
Cash in bank- foreign currency time deposit	36,189,792	39,278,104
	7,805,409,697	8,025,281,917

Cash in Bank – Local Currency Current account includes the amount of cash deposited in current account by different regional and project offices nationwide with authorized government depository banks.

Cash in Bank - Foreign Currency Savings account represents amounts deposited with authorized government depository banks denominated in US dollars and Japanese yen. These constitute monies from foreign lending banks for the implementation of irrigation projects.

Cash, Treasury/Agency Deposit, Regular represents the balance from “Due from National Treasury” account before it was converted to conform with the Revised Chart of Accounts.

5. RECEIVABLES

This account consists of the following:

	2016	2015
Accounts receivable	22,387,818,603	20,939,330,299
Allowance for impairment	(1,289,453,589)	(1,220,438,866)
Net value-accounts receivable	21,098,365,014	19,718,891,433
Loans receivables-others	3,376,078	4,314,689
Inter-agency receivable	14,641,593,415	14,633,565,721
Intra-agency receivable	610,219,047	584,833,677
Other receivables	551,339,214	546,849,980
	36,904,892,768	35,488,455,500

5.1 Loans and Receivables Accounts

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. MC No. 62 dated December 5, 1977 and MC No. 62-A dated December 22, 1977 grant 10 per cent discount to farmers for payment of irrigation fees on or before due dates. The account also includes current installment receivables from amortization of irrigation pumps, communal irrigation systems and motorcycles. MC No. 54, s. of 2013 serves as a follow up to the Incentive Policy on the payment of Back Accounts (BA) since previous related MCs had lapsed on December 31, 2009. This policy covers all irrigation users of NISs with BA in ISF.

5.2 Inter-Agency Receivable

	2016	2015
Due from national government agencies (NGAs)	881,620,050	800,340,262
Due from local government units (LGUs)	298,375,372	360,246,263
Due from government-owned and/or controlled corporations (GOCCs)	13,461,597,993	13,472,979,196
	14,641,593,415	14,633,565,721

The account "Due from NGAs" includes the amounts of unliquidated advances/fund transfers to the: (a) Department of Environment and Natural Resources (DENR) and Department of Health (DOH) as partners in the implementation of the irrigation component under Environment and Health per loan package for Southern Philippines Irrigation Sector Project (SPISP) extended by the Asian Development Bank (ADB), (b) DPWH District Offices for the construction/rehabilitation of farm to market roads out of the National Development Company (NDC) loan proceeds, and (c) DPWH-Autonomous Region in Muslim Mindanao (ARMM) and Philippine Rice Research Institute (PhilRice).

The "Due from LGUs" account represents advances made as a result of Memoranda of Agreement (MOAs) between NIA and LGUs to implement repair and rehabilitation of irrigation facilities subject to liquidation after implementation of the projects. Also, this includes releases to LGUs out of loan proceeds from NDC, for the implementation of farm to market road projects.

The “Due from GOCCs” account includes receivables from the National Power Corporation (NPC) relative to the sale of electrical energy generated by the Casecnan Multi-Purpose Irrigation and Power Project (CMPIPP) per Power Purchase Agreement dated June 30, 1995 and Supplemental Agreement dated September 25, 2003. It also includes advances or borrowings from the General Fund to the Corporate Fund with repayment condition as soon as funds are available.

5.3 Intra-Agency Receivable

	2016	2015
Due from central office	20,615,356	34,009,956
Due from regional offices	495,679,204	492,905,750
Due from other funds	93,924,487	57,917,971
	610,219,047	584,833,677

Due from Regional Offices is the reciprocal account of Due to Central Office which are both closed at year-end during consolidation of financial statements. However, due to inadequate reconciliation, the account remains open as at December 31, 2016.

5.4 Other Receivables

	2016	2015
Other receivables	508,262,800	505,693,776
Receivables-disallowances/charges	30,450,152	25,944,571
Due from officers and employees	12,626,262	15,211,633
	551,339,214	546,849,980

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

6. INVENTORY HELD FOR CONSUMPTION

This account includes the following:

	2016	2015
Merchandise inventory	61,569,309	60,778,694
Allowance for impairment	(93,179)	(93,179)
	61,476,130	60,685,515
Office supplies inventory	47,686,036	47,983,020
Spare parts inventory	-	159,344
Fuel, oil and lubricants inventory	7,547,585	8,893,052
Construction materials inventory	30,497	30,497
Other supplies and materials inventory	371,702	264,808
	117,111,950	118,016,236

Merchandise Inventory represents carried over balance which has been dormant for several years now and under verification.

Office supplies, gasoline, oil and lubricants, spare parts and other supplies inventories are held for consumption.

7. OTHER CURRENT ASSETS

This account is composed of the following:

7.1 Advances

	2016	2015
Advances to officers and employees	26,492,655	23,605,193
Advances to special disbursing officers	19,152,021	1,083,810
Advances for payroll	12,815,109	8,004,064
Other current assets	-	23,234,089
	58,459,785	55,927,156

7.2 Prepayments

	2016	2015
Advances to contractors	2,472,792,995	2,163,331,311
Prepaid rent	7,550,561	7,547,861
Other prepayments	8,905,344	8,993,363
	2,489,248,900	2,179,872,535

7.3 Deposits

	2016	2015
Deposit on letters of credit	199,788	197,088
Guarantee deposits	21,667,455	23,274,472
	21,867,243	23,471,560

The account Advances to contractors represents the 15 per cent mobilization fees for the implementation of the projects subject for proportionate recoupment from the Contractors' Progress Billings.

Other prepayments account represents payments to Procurement Service under the Department of Budget and Management (DBM) and to Petron Philippines for the delivery of office supplies and gasoline, respectively.

8. INVESTMENTS

This account consists of:

	2016	2015
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 Casecnan	66,389,923,702	60,894,379,563
	66,401,148,202	60,905,604,063

Investment in stocks account comprises investment in NIAConsult, 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. As of to date, NIACI is on the process of winding up its operation. This account also includes investment in Gasifier and Equipment Manufacturing Corporation (GEMCOR) shares of stocks, 937 shares purchased in CY 1981 and another 250 shares acquired in CY 1984 both at P1,000 per share. In CY 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 account represents the cash advances made by the Bureau of the Treasury (BTr) to California Energy Casecnan Water Electric Company, Inc. (CECWECI) 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 CECWECI 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 NPC Luzon grid; and (iii) increase electrical energy generation at the existing Pantabangan and Masiway facilities.

On June 26, 1995, NIA and CECWECI 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 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 CECWECI 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 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 acknowledged that the failure or inability to prevent or reduce water spillage or wastage will increase both parties' energy and water delivery fees to CECWECI.

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

In a meeting called for by the DOF on June 6, 2012 among the representatives from the BTr, NIA and Commission on Audit (COA), it was agreed that NIA would book up the advances by debiting Other Investment - CE Casecan 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.

9. PROPERTY, PLANT AND EQUIPMENT

This account consists of:

	Infrastructure assets irrigation systems	Land and land improvement	Building and improvements	Machineries, equipment, furniture and fixtures	Construction in progress (CIP)	Total
Cost:						
January 1, 2016	48,122,724,168	43,603,491,164	1,543,454,943	3,638,057,311	111,307,476,195	208,215,203,781
Additions	15,434,965,134	130,483,863	12,320,735	275,083,759	4,480,074,859	20,332,928,350
CIP transfer to PPE account	142,256,439	-	94,542	-	(142,350,981)	-
Reclassification of PPE account	34,016,710	(29,208,948)	-	(4,807,762)	-	-
Adjustment	(1,708,544,518)	(767,721)	20,518,224	(29,177,642)	(576,212,879)	(2,294,184,536)
Cost						
December 31, 2016	62,025,417,933	43,703,998,358	1,576,388,444	3,879,155,666	115,068,987,194	226,253,947,595
Less: Accumulated depreciation:						
January 1, 2016	1,034,073,102	11,150,054,352	301,277,812	1,759,720,449	-	14,245,125,715
Depreciation charges	127,124,393	480,771,018	21,405,720	213,465,253	-	842,766,384
Adjustment	-	-	-	(14,069,548)	-	(14,069,548)
Accumulated depreciation						
December 31, 2016	1,161,197,495	11,630,825,370	322,683,532	1,959,116,154	-	15,073,822,551
Net, December 31, 2016	60,864,220,438	32,073,172,988	1,253,704,912	1,920,039,512	115,068,987,194	211,180,125,044
Net, December 31, 2015	47,088,651,066	32,453,436,812	1,242,177,131	1,878,336,862	111,307,476,195	193,970,078,066

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 CY 1990 until CY 1996.

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

10. PAYABLES

This account consists of:

	2016	2015
Accounts payable	5,036,684,638	4,990,427,560
Due to officers and employees	22,909,136	20,689,351
Notes payable	128,022	128,022
Other payables	1,847,043,402	1,073,425,981
	6,906,765,198	6,084,670,914

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

11. TRUST LIABILITIES

	2016	2015
Guarantee/security deposit payables	738,071,640	564,830,207
Performance/bidders/bail bonds	33,759,833	605,438,781
	771,831,473	1,170,268,988

Guaranty/Security Deposit Payables account represents "retention money" from claims of contractors implementing the Corporation's projects to cover for uncorrected discovered defects and third party liabilities.

12. INTER-AGENCY PAYABLES

	2016	2015
Due to National Treasury	65,381,343,171	61,210,406,189
Due to other NGAs	13,702,158,800	13,521,967,542
Due to other GOCCs	828,313,425	161,690,991
Due to Bureau of Internal Revenue	351,343,958	283,848,401
Due to Government Service Insurance System	22,183,228	27,182,329
Due to local government units	21,744,250	20,813,398
Due to PhilHealth	6,810,847	6,508,337
Due to Pag-IBIG fund	6,622,812	6,938,356
	80,320,520,491	75,239,355,543

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 NGAs account represents fund transfers received/trust receipts from national government agencies (i.e. DA, DAR, NAFC and DPWH) for the implementation of irrigation projects.

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

13. INTRA-AGENCY PAYABLES

	2016	2015
Due to central office	64,830,862	106,385,005
Due to regional offices	225,004,405	224,821,029
Due to other funds	188,787,673	203,057,895
	478,622,940	534,263,929

Due to Regional Offices account is the reciprocal account of Due from Central Office which represents balances in unfunded Advice of Sub-allotments (ASAs) of the Regional Offices in the Project Management Office (PMO) books at the time of conversion to New Government Accounting System (NGAS) which is subject for review and reconciliation by the PMO and Regional Offices.

14. LONG-TERM LIABILITIES

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

	2016	2015
Loans payable – domestic and advances payable– national government agencies		
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
Loans payable – NDC	2,925,000,000	3,900,000,000
Loans payable – foreign		
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
	9,556,340,534	10,531,340,534

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.

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 FY 2006 General Appropriations Act, the NIA Board of Directors authorized the then NIA 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, 2016, proceeds from the loan had a remaining balance of P14.607 million. Breakdown of the fund is shown below:

Funds Maintained in:	2016	2015
Cash in bank - CA	513,253	513,253
Cash in bank - SA	14,093,627	14,093,627
	14,606,880	14,606,880

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.

15. DEFERRED CREDITS

This account includes the following:

	2016	2015
Deferred credits	20,852,752,881	19,445,216,469
Other deferred credits	1,716,144,025	1,707,807,423
	22,568,896,906	21,153,023,892

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.

16. SUBSIDY INCOME FROM NATIONAL GOVERNMENT

This account represents the subsidy received from the National Government for the following:

	2016	2015
Corporate Fund		
Budgetary Support for NIA operations – PS, MOOE and Capital outlay	1,332,103,250	411,452,000
Payment of NDC Loan – principal and interest	1,498,870,000	1,588,557,000
Management fee	71,803,977	121,390,000
	2,902,777,227	2,121,399,000
General Fund		
Implementation of project – locally funded	13,333,951,068	7,906,315,913
Implementation of foreign assisted projects including grants	2,899,783,591	834,287,595
Payment to PSALM for NPC advances of NIA's share in the debt service for the loan from JBIC for the San Roque Multi-Purpose Project (SRMPP)	3,360,582,000	3,789,000,000
	19,594,316,659	12,529,603,508
Special Fund		
Implementation of Comprehensive Agrarian Reform Program (CARP) – Irrigation component (IC) – capital outlay	150,000,000	150,000,000
Operation of CARP IC Project Management Office	90,645,344	46,242,288
	240,645,344	196,242,288
	22,737,739,230	14,847,244,796

Payments to NDC and Power Sector Assets and Liabilities Management Corporation (PSALM) was released directly to NDC and PSALM through the BTr pursuant to Sections 5 and 6, respectively, of the Special Provisions of the General Appropriations Act (GAA) for FY 2016 to be used exclusively to cover the payment of the Agri-Agra Bonds issued by NDC in CYs 2006 and 2009 relative to the repair and rehabilitation of NIA existing irrigation systems and payment of non-power component-irrigation share cost of the San Roque Multi-purpose Project in CYs 1999 to 2014.

17. ACCUMULATED SURPLUS

This account includes: (a) capital invested by the National Government for various irrigation systems/projects implemented and maintained by NIA and (b) surplus/deficit from the operations.

18. MISCELLANEOUS INCOME

The account is detailed as follows:

	2016	2015
Bid documents	34,780,741	18,061,621
Sale of goods and materials	160,152	700
Disallowances	703,046	1,378,089
Scrap of property and equipment	517,771	560,158
Income from NIA Housing	29,957	136,400
Laboratory analysis – soil and water	404,410	447,921
Payment for lost items	13,282	2,678
Printing/photocopy/radio	61,100	11,123
Hauling/milling/drying fish	54,818	104,460
Income from National Home Mortgage Finance Corporation	968	1,192
Contract price adjustment	1,296,444	1,579,895
Other miscellaneous income	115,508,016	78,241,755
	153,530,705	100,525,992

Other miscellaneous income includes: (a) income derived from sale of electrical energy generated by the Casecnan Multi-Purpose Irrigation and Power Project per Power Purchase Agreement dated June 30, 1995; and (b) 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.

19. EXPENSES

The account consists of:

	2016	2015
Personal services		
Salaries and wages	971,721,332	967,760,277
Other bonuses and allowances	185,712,677	215,187,374
Year-end bonus	155,199,038	82,722,273
Terminal leave benefits	151,020,905	63,164,470
Life and retirement insurance contributions	117,987,246	112,653,541
Personnel economic relief allowance	93,385,140	90,173,797
Cash gift	26,604,066	18,959,249
Clothing/uniform allowance	19,320,500	17,951,000
PhilHealth contributions	10,602,993	10,752,731
Other personnel benefits	10,091,761	12,892,420
Representation allowance	9,106,325	8,652,750
Overtime and night pay	9,090,781	10,610,902
Transportation allowance	7,102,625	8,140,750
Pag-IBIG contributions	4,869,773	4,678,135
ECC contributions	4,724,187	4,550,524
Retirement benefits	4,141,185	7,102,965
Productivity incentive allowance	3,240,837	7,724,216
Honoraria	2,345,442	1,521,064
Longevity pay	1,992,689	2,695,000
Hazard pay	550	-
Additional compensation allowance	-	3,085,198
	1,788,260,052	1,650,978,636

	2016	2015
Maintenance and other operating expenses (MOOE)		
Depreciation	842,766,384	772,996,916
Irrigators' share	228,714,043	244,406,037
Electricity expenses	136,084,394	80,460,045
Impairment loss – loans and receivables	89,835,649	284,995,215
Other maintenance and operating expenses	80,105,464	86,268,327
Collection/viability bonus	70,951,639	4,935,181
Repairs and maintenance - motor vehicles	54,572,615	41,454,845
Gasoline, oil and lubricants	45,178,166	61,687,704
Auditing services	41,762,860	7,015,682
Taxes, duties and fees	40,587,244	20,898,356
Repairs and maintenance-irrigation, canals and laterals	38,196,061	35,653,265
Travelling expenses-local	30,435,502	29,851,536
Office supplies expense/supplies and materials	24,316,623	23,302,194
Miscellaneous expense	23,169,959	6,972,596
Repairs and maintenance – machineries and equipment	22,951,292	35,605,134
Other supplies and materials expense	18,069,387	15,657,421
Training expenses	17,960,096	13,991,841
Repairs and maintenance-buildings/structures	16,276,773	11,464,634
Telephone expenses - landline	11,518,535	7,480,246
Insurance expenses	6,885,286	6,205,339
Representation expenses	6,811,766	7,106,433
Janitorial services	5,148,766	10,015,602
Water expenses	5,067,344	5,029,624
Rent expenses	4,716,356	4,362,376
Internet expenses	3,388,781	2,125,277
Collection expenses	2,560,335	3,993,166
Fidelity bond premiums	2,372,092	2,484,102
Security services	2,223,500	3,173,840
Traveling expenses-foreign	2,031,986	326,876
Consulting services	1,975,000	2,690,000
Printing and binding expenses	1,161,875	1,623,279
Advertising, promotional and marketing expenses	1,141,262	859,119
Legal services	1,042,828	668,503
Cable, satellite, telegraph and radio expenses	859,194	1,446,652
Postage and courier services	836,281	511,172
Subscription expenses	743,660	139,367
Other professional services	692,884	454,383
Repairs and maintenance- other property, plant and equipment	499,950	-
Repairs and maintenance - land improvements	452,701	-
Accountable forms expenses	379,890	1,678,670
Transportation and delivery expenses	370,223	756,724
Motorcycle allowance	306,936	289,483
Drugs and medicines expenses	265,493	179,247
Extraordinary and miscellaneous expenses	264,069	335,955
Repairs and maintenance – furniture and fixtures and books	215,926	10,410
General services	214,578	306,665
Awards/rewards and indemnities	210,000	84,220
Food supplies expenses	97,740	-
Membership dues and contribution to organizations	62,136	136,093
Semi-expendable – machinery and equipment expenses	43,570	-
Donations	36,400	32,500
Medical, dental and laboratory supplies expenses	27,373	26,003
Textbooks and instructional materials expenses	3,137	(50,649)
Telephone expenses – mobile	-	3,968,765
Military and police supplies expenses	-	22,380
Repairs and maintenance – office equipment	-	7,350
Repairs and maintenance – other transportation equipment	-	23,279

	2016	2015
Repairs and maintenance-artesian wells, reservoirs, etc.	-	776,485
Repairs and maintenance	-	-
	1,886,562,004	1,846,895,865
Financial expenses		
Interest expense	527,407,220	740,829,780
Bank charges	24,938	181,803
	527,432,158	741,011,583
	4,202,254,214	4,238,886,084

20. COMPLIANCE WITH TAX LAWS

Remittances of taxes withheld by the NIA to the Bureau of Internal Revenue (BIR) for the procurement of goods, services and infrastructure contracts for the implementation of projects which were funded by the DBM under the Modified Disbursement Scheme is in accordance with the DOF, DBM and COA Joint Circular No. 1-2000 dated January 3, 2000 which provided the guidelines in the remittance of all taxes withheld using the Tax Remittance Advice.

For CY 2016, the Tax Remittance Advice filed by the Corporation to the DBM and BIR for the remittance of the taxes withheld amounted to P322,420,909.

Moreover, under its all funds, NIA remitted to the BIR the total amount of P151,662,305 representing taxes withheld from salaries and wages and suppliers/contractors for CY 2016.

PART II - OBSERVATIONS AND RECOMMENDATIONS

FINANCIAL OPERATIONS

1. The Prior Period Adjustments (PPAs) totaling P814.915 million and P2.653 billion in calendar years (CYs) 2015 and 2016, respectively, were directly presented in the Combined Statement of Changes in Net Assets/Equity (SCNA/E) instead of restating the affected accounts in which errors occurred, contrary to Philippine Public Sector Accounting Standards (PPSAS) 3. Likewise, the PPAs lacked the appropriate supporting documentation which precluded the verification of the accuracy of the amounts presented in the SCNA/E. Consequently, the fair presentation of the financial statements as a whole was adversely affected.

1.1. This is a reiteration of the audit observations contained in the Annual Audit Reports (AARs) for CYs 2014 and 2015 on Management's treatment of PPAs. It was recommended that the Accounting Division ensure compliance with PPSAS 3 in presenting correction of prior period errors by restating the comparative amounts for the period(s) presented in which errors occurred and provide adequate disclosure in the Notes to Financial Statements. However, these recommendations were not implemented in CY 2016.

1.2. Review of the Combined SCNA/E for the year ended December 31, 2016 disclosed that the PPAs of P814.915 million in CY 2015 was directly added to the Net Assets/Equity balance of P172.042 billion, while the PPAs in the amount of P2.653 billion in CY 2016 was deducted from the Equity balance of P186.112 billion. These adjustments made directly to the Net Assets/Equity without restating the affected accounts in which errors occurred were contrary to Paragraphs 47 and 54 of PPSAS 3 which require that:

47. Xxx, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

a. restating the comparative amounts for the period(s) presented in which error occurred; or

b. if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Xxxx

54. In applying paragraph 42, an entity shall disclose the following:

a. The nature of the prior period error;

b. For each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected:

c. The amount of the correction at the beginning of the earliest prior period presented.

1.3. The PPAs totaling P2.653 billion in CY 2016 deducted from the Equity balance of P186.112 billion composed of adjustments to Accumulated Surplus and Retained Earnings accounts in the amounts of P879.804 million and P1.773 billion, respectively. The adjustments lacked the appropriate supporting documentation, thereby precluding the Audit Team to verify the accuracy of these adjustments.

1.4. Non-compliance with PPSAS 3 and absence of complete/appropriate supporting documents cast doubt on the fair presentation of the SCNA/E.

1.5. We reiterated our previous years' recommendations that Management require the Accounting Division to:

a. Strictly comply with PPSAS 3 in presenting correction of prior period errors by restating the comparative amounts for the period(s) presented in which errors occurred and provide adequate disclosure in the Notes to the Financial Statements; and

b. Submit list/schedules showing the details of the PPAs supported with complete/appropriate documentation.

1.6. During the exit conference on June 23, 2017, Management assured that they will provide the Audit Team of the National Irrigation Administration (NIA) Special Fund with the detailed schedule/breakdown of PPAs.

1.7. As a rejoinder, Management was not able to provide the Audit Team of the detailed schedule/breakdown of PPAs during the finalization of this Report.

2. The accuracy, completeness, and reliability of Property, Plant and Equipment (PPE) account with carrying amount of P211.180 billion as at December 31, 2016 could not be established due to, among others, a) non-derecognition of the net carrying amount of the portion of the irrigation facilities that have undergone repairs/rehabilitations despite cost of repairs/rehabilitations already accumulated to P22.953 billion from CYs 2011 to 2016; b) non-reclassification of long completed irrigation projects amounting to P21.223 billion to proper asset account; c) insufficient provision for depreciation of depreciable assets valued at P28.290 billion; d) existence of variance of P13.342 billion between results of physical count and accounting records; e) incomplete documentations for the transfer of completed projects totaling P6.935 billion from Construction in Progress (CIP) account to appropriate PPE accounts; and f) inadequate accounting and property records to substantiate the P56.992 billion PPE accounts.

2.1. This is a reiteration with updates of previous years' audit observations.

2.2. Section 111 of Presidential Decree (PD) No. 1445 provides that the accounts of an agency shall be kept in such detail as necessary to meet the needs of the agency

and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.

2.3. The PPE account with carrying amount of P211.180 billion as at December 31, 2016 consists of sub-accounts shown in Table 1.

Table 1 – Composition of PPE

	Balance	Percentage
CIP	P 115,068,987,194	54.49
Infrastructure assets - irrigation systems	60,864,220,438	28.82
Land and land improvement	32,073,172,988	15.19
Machineries, equipment, furniture and fixtures	1,920,039,512	0.91
Building and improvements	1,253,704,912	0.59
	P 211,180,125,044	100.00

2.4. Examination of the PPE account disclosed deficiencies which were already noted and reported in previous years' audit reports, which included, among others, the following:

Non-derecognition of the net carrying amount of the portion of the irrigation facilities that have undergone repairs/rehabilitations despite cost of repairs/rehabilitations already accumulated to P22.953 billion from CYs 2011 to 2016

2.5. In the Central Office (CO) under the General Fund, NIA is continuously recording cost of repair, rehabilitation and restoration of existing irrigation systems under CIP account; however, it has not been derecognizing the cost of impaired assets contrary to PPSAS 17 which requires that the carrying amount of item of property, plant and equipment shall be derecognized: (a) on disposal; or (b) when no future economic benefits are expected from its use or disposal.

2.6. Due to the absence of subsidiary records and reports from the Engineering and Operations Division (EOD), the Accounting Department (AD) has no basis in derecognizing the cost of irrigation systems that have been impaired and replaced by the current repair works; as a result, the CIP account is overstated. The NIA's Year-end Report to the President and Financial Status of Irrigation Program showed that for the six-year period, CYs 2011 to 2016, the total cost of repair, restoration and rehabilitation of existing irrigation systems amounted to P22.953 billion which were recorded under CIP account. Despite this addition to the CIP account representing the cost of repairs of the damaged/rehabilitated irrigation facilities, no impairment of assets was recognized in the books.

2.7. In NIA Balog-Balog Multipurpose Project (BBMP), completed projects costing P2.362 billion had undergone subsequent repair and upgrading; however, the cost of impaired assets was not derecognized by the AD due to the absence of subsidiary records and reports from the EOD, which would have been the basis by the AD to derecognize the impaired irrigation systems which have been replaced by the current repair works, resulting in overstatement of the PPE account.

Non-reclassification of long completed irrigation projects amounting to P21.223 billion to proper asset account

2.8. The balance of the CIP account included completed irrigation projects in the current and prior years that were not adjusted to the proper PPE accounts, contrary to Section 8 (g), Chapter 10 of the Government Accounting Manual (GAM), Volume I, which states that: “xxx As soon as the construction is completed, the ‘Construction in Progress’ account shall be reclassified to the proper asset account xxx.” Additionally, the provisions of NIA Memorandum Circular (MC) Nos. 43 and 44, both dated July 20, 2007, which prescribe the guidelines, procedures and journal entries for the transfer of all completed projects to proper asset account, were not complied with. The project completion reports and the related documents to support thereof are the basic documents required in reclassifying CIP accounts to the proper PPE account.

2.9. However, due to the lack of coordination between the Irrigation Management Offices (IMOs) or Project Management Offices (PMOs), EOD and Accounting Division/Section, there have been delays in the submission of turn-over documents consisting of: (i) completion report (NIA Form No. C1R) submitted by the IMO or PMO, reviewed by the EOD of the Regional Office (RO), reviewed and certified by the Finance and Management Division as to the correctness of the financial aspects and approved by the Regional Manager; and (ii) physical inventory and inspection report of the completed project by EOD. These documents are the bases for reclassifying completed projects to proper asset accounts by the Accounting Division/Section.

2.10. The cost of completed projects and various items acquired which are not yet transferred to the appropriate asset account due to the absence of supporting documents amounted to approximately P21.223 billion, which comprised of: a) P19.267 billion in the CO, Regions II, III, IV-A and IV-B under the General Fund; b) P1.763 billion in Regions I, II, III, IV-B, Magat River Integrated Irrigation System (MARIIS) and Negros Island Region (NIR) under the Corporate Fund; and c) P0.193 billion in Regions I, III, IV-B and VI under the Special Fund.

Insufficient provision for depreciation of depreciable assets valued at P28.290 billion

2.11. Audit disclosed that depreciation was not provided on depreciable property and equipment valued at P28.290 billion, which consisted of: a) P27.694 billion in the CO, Regions III, VI, XIII and BBMP under the General Fund; b) P0.556 billion in Regions VI, XIII and BBMP under the Corporate Fund; and c) P0.040 billion in Region XIII under the Special Fund.

Variance of P13.342 billion between the results of physical count and accounting records

2.12. A total variance of P13.342 billion existed between the results of the physical count and accounting records, which consisted of: a) P10.085 billion in the CO, Regions II, III, IV-B, V, VIII, MARIIS and BBMP under the General Fund; b) P3.252 billion in the CO, Regions II, III, IV-B, VIII, MARIIS and BBMP under the Corporate Fund; and c) P5.432 million in Regions II, IV-B, VI, VIII and XIII under the Special Fund.

Incomplete documentations for the transfer of completed projects totaling P6.935 billion from CIP account to appropriate PPE account

2.13. In the CO under the General Fund, the transfer from CIP account to Water Supply Systems (WSS) account of the completed Southern Philippines Irrigation Sector Project (SPISP) and Agno River Integrated Irrigation Project (ARIIP) in the amounts of P2.307 billion and P4.628 billion, respectively, or a total of P6.935 billion was not supported with complete documentation; hence, the accountability over the assets turned over was not clearly established. Moreover, the recording of the transfer of CIP-SPISP resulted in abnormal/negative balance of the CIP account of P0.021 billion as the amount of P2.307 billion was transferred to WSS account while the book balance of CIP-SPISP before the transfer was only P2.286 billion.

2.14. In CARP PMO, the adjustment made to transfer the completed project from CIP account to WSS account in the amount of P0.685 million had no basis and inappropriate due to the absence of documents to support the completion of the project and the turnover to the concerned Irrigator's Association.

2.15. The recording of the transfer from CIP account to WSS account was only supported with the list of disbursements made for the implementation of the Project. As mentioned above, the NIA MC Nos. 43 and 44, both dated July 20, 2007, require that the recording of the transfer from CIP account to proper asset account shall be supported with turn-over documents, such as: (i) completion report (NIA Form No. C1R) submitted by the IMO or PMO, reviewed by the EOD of the RO, reviewed and certified by the Finance and Management Division as to the correctness of the financial aspects and approved by the Project Manager; and (ii) physical inventory and inspection report of the completed project by the Engineering Department.

Inadequate accounting and property records to substantiate the P56.992 billion PPE accounts

2.16. Appendix No. 6 of Volume II of the GAM requires the maintenance of Subsidiary Ledgers (SLs) which show details for each control account in the General Ledger (GL) which is maintained per account and fund cluster by the Accounting Division/Unit.

2.17. The Accounting Division/Section and Property Section records were not adequately maintained and if records were maintained, these were not updated to support the GL balances of PPE accounts totaling P56.992 billion, which comprised of: a) P54.893 billion in the CO, Regions II, III, IV-A, VI, X, MARIIS, NIR and BBMP under the General Fund; b) P1.930 billion in Regions II, VI, X and BBMP under the Corporate Fund; and c) P0.169 billion in Regions II and X under the Special Fund.

Other noted deficiencies on PPE account

2.18. The physical inventory of property as required under COA Circular No. 80-124 dated January 18, 1980 and Section 38, Chapter 10 of the GAM, Volume I was not undertaken or completely conducted for PPE totaling P46.243 billion composed of:

a) P42.949 billion in the CO, Regions II, V, VI and MARIIS under the General Fund; b) P3.244 billion in Regions II, V and VI under the Corporate Fund; and c) P0.050 billion in RO II under the Special Fund.

2.19. Various unserviceable properties were not yet disposed as of December 31, 2016 in the total amount of P65.447 million, composed of: a) P52.457 million in Regions I, VI, X and XIII under the Corporate Fund; b) P12.792 million in Regions II, III, X, XIII MARIIS, and BBMP under the General Fund; and c) P0.198 million in Regions I and X under the Special Fund, contrary to Section 79 of PD No. 1445.

2.20. Tangible items in the total amount of P18.087 million which are below the capitalization threshold of P15,000 are still included in the PPE account in Regions II, V, CAR and BBMP, contrary to Sections 10 and 11, Chapter 10 of the GAM, Volume I.

2.21. In Region VIII under the Special Fund, unreconciled balances existed between accounting records, such as, the Trial Balance *vis-a-vis* the SLs in the amount of P167.457 million. Moreover, an unreconciled balance in the amount of P83.246 million existed between the accounting records and EOD reports.

2.22. In view of the foregoing deficiencies, the accuracy, completeness, and reliability of PPE account with carrying amount of P211.180 billion as at December 31, 2016 could not be established.

2.23. **We reiterated our previous years' recommendations that Management:**

a. Instruct the Accounting Division/Section to:

a.1 Comply with PPSAS 17 and recognize impairment of assets and devise policy guidelines relative thereto;

a.2 Conduct analysis and inventory of the recorded irrigation systems under CIP or PPE account to determine the actual cost of the existing assets (net of the impairment);

a.3 Provide depreciation for all assets capitalized;

a.4 Maintain and regularly update SLs for all PPE accounts, and conduct a continuous analysis of the accounts to ensure that the totals of the SLs and the balances of the corresponding controlling accounts are equal at all times;

b. Require the EOD to regularly submit project completion report and turnover documents of all completed projects to the Accounting Division/Section for proper recording in the books;

c. Direct the PMO, Accounting Division/Section and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset account;

- d. Instruct the Inventory Team to conduct complete physical inventory of all properties and reconcile result thereof with the accounting records and thereafter, submit copy of the Report on the Physical Count of PPE (RPCPPE) to the respective auditors on or before January 31 of the ensuing year; and**
- e. Require both the Accounting Division/Section and Property Section to exhaust all efforts to unfailingly reconcile their records on a regular basis so that discrepancies thereon are immediately corrected.**

2.24. We further recommended that Management:

- f. Require the concerned Regional Irrigation Managers to create a Committee which would facilitate the proper disposal of unserviceable properties in accordance with Section 79 of PD No. 1445; and**
- g. Instruct the Accounting Division/Section to adopt the new threshold of P15,000.00 in the recognition of PPE in compliance with the provisions of the GAM and reclassify to appropriate account the items in the PPE which have unit acquisition cost of less than the capitalization threshold of P15,000.**

2.25. Management provided the following comments/justifications:

- a. In various NIA Finance Conferences participated in by field personnel, the latter were instructed and reminded to: a) maintain updated SLs for CIP, PPE Ledger Cards for asset and schedule for Land Accounts; and b) recognize impairment of assets. As an output of these Finance Conferences, an MC for derecognition/ revaluation/ appraisal of assets (completed projects) which covers long completed irrigation projects has been drafted and is now under review. The proposed MC also includes the procedures on recognition of impairment of assets.
- b. A reminder-memo to all concerned offices/personnel to comply with the guidelines and procedures of NIA MC No. 43 (Accounting Guidelines and Procedures on the transfer of properties from completed project to Regional Offices) will be issued.
- c. In CO, the preparation of Project completion reports is continuously undertaken, such that for the year 2016, NIA already transferred the completed CIP to proper PPE account in the amount P2.307 billion for SPISP, P15.804 million for PIDP and P8.854 million for Fund 101 under the General Fund; and P4.629 billion for the ARIIP and P4.221 billion for the MARIIS under the Corporate Fund.
- d. In Regions I, II, III, IV-A, IV-B, VI, MARIIS and NIR, they informed that they are already complying with the recommendations as to the proper recording of completed projects, SLs for CIP will be maintained, and the required documents will be submitted to COA.

e. In RO X, they commented during the exit conference that the national irrigation system and communal irrigation system projects were not yet transferred to Public Infrastructure account due to non-submission by the Field Offices of the Project Completion Report which is needed for the reclassification. Further, no data were available from year 2011 and below because the documents were washed out by Typhoon Sendong in CY 2011. They, however, committed to reconcile the CIP Account based on available records (CYs 2012-2016) by October 31, 2017.

f. The CO already prepared Journal Entry Vouchers (JEVs) to recognize annual Depreciation Expense as of December 31, 2016 in the amount of P664.458 million under the Corporate Fund, P177.241 million under the General Fund, and P1.068 million in the Special Fund.

g. In RO III, they informed that the Finance personnel of NIA had conducted meetings and created technical working groups to study and recommend actions that will be implemented by the whole Agency nationwide in the recognition of depreciation of assets under the General Fund.

h. In the CO, the physical inventory taking is being done annually by the Property Division and Accounting Division to reconcile the amount of discrepancies between the Physical Inventory and the amount recorded in the books. As of December 31, 2016, CO has reconciled the amount of P1.055 million under the Corporate Fund. Subsidiary Ledgers are being updated by the Accounting Division, and reconciliation is being done from time to time. The Accounting Division will also meet with the Property Division to thresh out the issues and concerns raised by COA. Management will abide with the audit recommendations.

i. In RO VIII, they commented that they would need additional manpower in reconciling the PPE accounts. They also explained that the posting in the PPE Ledger Cards is as of CY 2010 only, and still in the process of reconciling the physical count with the financial records.

j. In MARIIS, they commented that for those pertaining to the years CY 2010 onwards they were able to reconcile figures which reduced the unreconciled balance to P1.048 billion as of December 31, 2015 from the previous balance of P1.164 billion, and the reconciliation of the remaining discrepancy is ongoing.

k. In RO IV-B, they commented that various discrepancies of balances per book and inventory records were due to transferred items to IMOs, sold items and others. Since PPSAS has recently been adopted, there is a need to fully understand the process of recording, reclassifying, depreciating and establishment of PPE in the books. All recommendations will be taken into consideration.

l. In BBMP, they committed to start maintaining the required Ledgers.

m. In NIR, they commented that they had officially requested NIA Regional Office Nos. VI and VII for the Subsidiary Ledgers of the Schedules of the accounts transferred to NIA NIR, however, the requested copies of SLs and schedules were not furnished as of audit date.

n. In Region II, they informed that they created an inventory team to conduct the physical count in the RO and all IMOS, and in the process of reconciliation and updating of PPE accounts during the CY 2017.

o. In RO XIII, they informed that the Chief of the Property Section was already directed to revisit the delegated authority in the disposal of unserviceable property so that those within their limit of authority can be acted accordingly.

p. An MC will be issued regarding the P15,000 threshold on PPE as required under Chapters 8 and 10 of the GAM, Volume I.

q. Regions II, V and CAR acceded to the recommended courses of action and committed to reclassify the capitalized items which did not meet the threshold to appropriate account.

2.26. As a rejoinder, we acknowledge Management's efforts to comply with the audit recommendations. However, Management's actions to resolve the audit issues on PPE will be monitored and validated in CY 2017.

3. Payments totaling P18.004 billion made to Power Sector Assets and Liabilities Management Corporation (PSALM) for CYs 2013 to 2016 representing NIA's share in the debt service advances for the San Roque Multi-Purpose Project (SRMPP) Loan from Japan Bank for International Cooperation (JBIC) were recorded in the books under the PPE account without adequate documentation to confirm its ownership over a tangible property.

3.1. This is a reiteration with updates of audit observation since CY 2014.

3.2. As discussed in CYs 2014 and 2015 AARs, the SRMPP located in San Manuel, at the Lower Agno River in Pangasinan, is a project serving several purposes: a) generation annually of about 1,000 Gigawatt hours (Gwh) energy from an installation of 345 megawatts (MW); b) irrigation of about 87,000 hectares service areas in Pangasinan; c) downstream of the project site; d) the provision of storage for floodwaters which otherwise would have flooded the Pangasinan plains; and e) the improvement of water quality of the Agno River, which otherwise will be polluting the river downstream because of mine tailings. The SRMPP was approved by the Investment Coordination Committee of the National Economic and Development Authority (NEDA) as one of the projects for development by the Government.

3.3. The upstream development of SRMPP (less the irrigation canals and laterals and the re-regulating structure) was bid out by the National Power Corporation (NPC), on a Build-Operate-Transfer (BOT) basis. NPC entered into a Power Purchase Agreement (PPA), as amended, with the "Consortium," the lone complying bidder, constituted by Marubeni Corporation, an affiliate of Sithe Philippine Holdings, Limited, and Italian Thai

Development Public Company, Limited. This Consortium shall construct and operate the SRMPP upon the terms and subject to the conditions in the PPA.

3.4. The overall development of the SRMPP has two components, namely: Power Component, NPC with an allocated cost of US\$391.09 million; and Non-Power Component, composed of the Department of Agriculture (DA), NIA, Department of Environment and Natural Resources (DENR), and Department of Public Works and Highways (DPWH) with an allocated cost of US\$400 million.

3.5. To ensure that the obligations of the other agencies are met in regard to the implementation of the SRMPP and the terms of the PPA, a Memorandum of Agreement (MOA), was executed in CY 1998 (copy given to COA provided only the year), by and between the Department of Finance (DOF), Department of Budget and Management (DBM), DENR, DPWH, NIA and NPC, with the latter as the lead agency with respect to the development, operation and maintenance of SRMPP and the facilities involved therein (including the reservoir and the dam). The amended MOA defines the responsibilities of the parties involved, which are quoted hereunder, in part:

V.1 DOF shall on behalf of DA, NIA, DENR and DPWH secure the full government guarantee for the NPC financing of the US\$400 million non-power cost component of SRMPP in accordance with the PPA Disbursement Schedule as amended

V.2 In coordination with DBM and the BTr, the DOF shall reimburse to NPC the advance made by NPC in accordance with the following schedule xxx.

<u>CY</u>	<u>Amount</u>	
1999	US\$17.42	} a total of US\$629.24
to	to	
2014	39.71	

VI.2 From 1999 to 2014, the DA and NIA shall cause the inclusion in the annual budget of the NIA, the irrigation share of costs for SRMPP for reimbursement to NPC in accordance with the following schedule:

<u>CY</u>	<u>Amount</u>	
1999	US\$12.59	} a total of US\$454.67
to	to	
2014	28.61	

4. NIA shall fund and implement the downstream irrigation facilities including the re-regulating structure with the view to commissioning these by the beginning of 2004.

Xxxx

IX. NPC

1. NPC shall, in accordance with the terms of the PPA, disburse to the Consortium the US\$400 million non-power component funding xxx:

Xxxx

8. The Consortium shall cause the **early transfer of the dam and other structures in exchange for the US\$400 million to NPC** and therefore the insurance for such structures shall become the obligation of NPC during the Cooperation Period (as defined in the PPA).

9. The disbursement of the US\$400 million becomes the obligation of NPC, being the lead agency and only signatory to the PPA.

3.6. Starting CY 2013, provision for non-power component of the SRMPP for NPC/PSALM, including payment for prior years' unbooked obligations was included in the General Appropriations Act (GAA). In CYs 2013 and 2014, NIA paid PSALM the total amount of P10.218 billion upon receipt of the Notices of Cash Allocations (NCAs) and corresponding cash; while in CY 2015, cash amounting to P3.789 billion was released directly to PSALM through the Bureau of the Treasury (BTr) pursuant to the GAA Special Provision for Budgetary Support to Corporation-NIA, which states that:

The amount of Three Billion Seven Hundred Eighty Nine Million Pesos (P3,789,000,000) appropriated herein shall be used exclusively to cover the payment of the Non-Power Component – Irrigation share cost for the dam of San Roque Multipurpose project payable to PSALM in FY 1999-2014. Said amount shall be released directly to the PSALM through the BTr, subject to reconciliation of the amount payable by NIA to PSALM and validation by DOF.

3.7. Likewise, in CY 2016, cash amounting to P3.361 billion was released directly to PSALM pursuant to Section 6 of Special Provision for Budgetary Support to Corporation – No. k.9 – NIA, GAA Fiscal Year (FY) 2016, which states that:

The amount of Three Billion Three Hundred Sixty Million Five Hundred Eighty Two Thousand Pesos (P3,360,582,000) appropriated herein shall be used to cover the payment of the Non-Power Component – Irrigation share cost for the dam of San Roque Multipurpose project payable to PSALM in FY 1999-2014.

Release of funds shall be made directly to the Power Sector Asset and Liabilities Management Corporation, based on the validated amount by DOF.

3.8. As of December 31, 2016, the total payments made to PSALM amounted to P18.004 billion, details shown in Table 2.

Table 2 - Payments to PSALM

GAA FY	Allocated amount per GAA	Amount Paid to PSALM
2001	P 636,000,000	P 636,000,000
2013	5,138,000,000	5,138,000,000
2014	5,080,000,000	5,080,000,000
2015	3,789,000,000	3,789,000,000
2016	3,360,582,000	3,360,582,000
	P 18,003,582,000	P 18,003,582,000

3.9. There was no statement of account as of December 31, 2016 provided by NIA Management for audit purposes. However, the Audit Team computed the balance of Payable to PSALM as of December 31, 2016 based on available records, as presented in Table 3.

Table 3 – Payable to PSALM as of December 31, 2016

Particulars	Amount
Principal (Advances CYs 2004 to 2014)	P 14,175,734,985
Interest (CYs 2000 to 2014)	3,779,580,361
Other Charges (CYs 2000 to 2014)	48,266,598
	18,003,581,944
Less: Payment (CYs 2000 to 2016)	18,003,582,000
	(56)
Interest on Advances (CYs 2000 to 2017)	4,105,895,219
Balance as of December 31, 2016	P 4,105,895,163

Note: Figures were taken from the Statement of Account issued by PSALM as of 12/31/2014 except for payment and interest on advances which were obtained from the letter dated 2/6/1997 of the Officer-in-Charge of PSALM

3.10. The payments of NIA to PSALM for CYs 2013 to 2016 in the total amount of P17.368 billion [P18.004 billion total payments – P0.636 billion payment in CY 2001], representing its share on the non-power costs of SRMPP, were recorded in the books by debiting the account, Public Infrastructure – Irrigation, Canals, and Laterals and reported under account PPE- Water Systems in the Trial Balance, while the payment of P0.636 million was recorded as Land Improvement.

3.11. Perusal of the MOA, however, showed that it did not categorically state the transfer of asset to NIA. The MOA only provided that: “*The Consortium shall cause the early transfer of the dam and other structures in exchange for the US\$400 million to NPC.*” Further, there were no documents that would show any agreement between NPC and NIA on the utilization of or rights over the asset.

3.12. Recognizing the payments representing NIA’s share in the debt service advances for the SRMPP Loan from JBIC as asset and recording the same under the PPE account without adequate documentation to confirm its ownership over a tangible property is not in accordance with PPSAS 17 which states that: “*Property, Plant and Equipment are tangible items that are:*

- (a) *purchased, constructed, developed or otherwise acquired*
- (b) *held by an enterprise for use in the production or supply of goods or services xxx.*

Criteria for Recognition

Xxxx

(c) *beneficial ownership and control clearly rest with the government.*

3.13. The submitted documents for audit purposes were insufficient to establish validity of the amount of the share being paid by NIA and the extent of whatever ownership it may have on the said project.

3.14. **We recommended that Management:**

a. **Secure from NPC/PSALM complete documents to establish the extent of NIA's legal ownership over SRMPP to substantiate the booking of the payment as PPE-Public Infrastructure Irrigation, Canals, and Laterals, in compliance with PPSAS 17 on the recognition of property, plant and equipment and to ensure its legal rights over the asset; and**

b. **Coordinate with the NPC relative to the legal rights/ownership over the dam facilities taking into consideration the following: (a) the facilities were built under BOT agreement covered by PPA, (b) the MOA provided that in exchange for the US\$400 million, the Consortium agreed to the early transfer of the dam and other structure to NPC, and (c) the NPC just advance the payments to the consortium which were later reimbursed by NIA, DPWH and DENR.**

4. **The reliability of the year-end balances of the Cash In Bank (CIB) account totaling P2.434 billion is doubtful due to, among others: a) non-preparation of Bank Reconciliation Statements (BRSS) for accounts totaling P363.393 million; b) variances totaling P130.622 million between books and bank statements, trial balance (TB) and SLs, records of the IMO and the RO, and records of Accounting and Cashier Units; c) existence of unsupported, improperly identified, and long-outstanding reconciling items on bank accounts in net amount of P59.702 million; d) bank accounts aggregating P78.210 million with no supporting documents or SLs; e) existence of negative balances and dormant accounts totaling P93.097 million; and f) understatement of P2.461 million in CIB account as the foreign currency deposit was not translated using the closing rate while unreleased checks at year-end were not restored to cash balance. In addition, CIB accounts were maintained with unauthorized depository banks, contrary to Item 5.2 of Department of Finance (DOF) - Department Circular (DC) No. 001-2015 dated June 1, 2015.**

4.1. Section 58 of PD No. 1445 provides 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 records; ascertaining if the assets were utilized economically, efficiently and effectively; and evaluating the adequacy of controls over the accounts.

4.2. Moreover, Paragraph 29 of PPSAS 1 requires an entity to present information, including accounting policies, in a manner that meets a number of qualitative characteristics. Qualitative characteristics are the attributes that make the information provided in financial statements useful to users. These include reliability.

4.3. Reliable information is free from material error and bias, and can be depended on by users to represent faithfully that which it purports to represent or could reasonably be expected to represent. It must be accurate and can be checked, reviewed and verified with evidence such as original copies of documents and updated records.

4.4. As at December 31, 2016, the balance of the CIB account for all funds of NIA amounted to P7.724 billion. Out of the total balance, audit of the P2.434 billion disclosed several deficiencies as discussed in the succeeding paragraphs.

*Non-preparation of BRSs for accounts
totaling P363.393 million*

4.5. The following Sections of Chapter 21 of the GAM, Volume I, provide that:

Sec. 3. Objectives. The Bank Reconciliation Statement (BRS) shall be prepared in order to:

- a. check correctness of both the bank's and agency's/entity's records,*
- b. serve as a deterrent to fraud, and*
- c. enable the agency/entity or bank to take up charges or credits recognized by the bank or agency/entity but not yet known to the agency/entity or bank.*

Sec. 4. Method of Bank Reconciliation. The monthly BRS shall be prepared by the Chief Accountant/designated staff for each of the bank accounts maintained by the agency/entity using the Adjusted Balance Method. Under this method, the book balance and the bank balance are brought to an adjusted cash balance that must appear on the Statement of Financial Position.

Sec. 5. Preparation of the Bank Reconciliation Statement. The Chief Accountant/Designated Staff shall within ten days from receipt of the monthly Bank Statement (BS) together with the paid checks, original copies of Debit Memoranda (DM)/Credit Memoranda (CM) from the GSB, reconcile the BS with the GL and prepare the BRS in four copies.

Sec. 6. Recognition of Adjustments. The Chief Accountant/Designated Staff shall prepare a JEV to recognize all reconciling items that require adjustment and correction in the books of accounts.

This shall be used in the reconciliation of bank and treasury accounts maintained with Government Servicing Bank (GSB).

4.6. Further, Section 74 of PD No. 1445 also provides that at the close of each month, depositories shall report to the agency head, in such form as he may direct, the condition of the agency account standing in their books. The head of the agency shall see to it that reconciliation is made between the balance shown in the reports and the balance found in the books.

4.7. Audit disclosed that eight ROs failed to prepare complete BRSs for their cash in bank accounts as shown in Table 4.

Table 4 - NIA ROs without complete BRS for CIB Accounts

Region	Fund	Year-end balances
I	CF	P 6,907,374
III	CF, GF, SF	(27,381,759)
IV-A	CF	28,123,696
IV-B	CF	215,463,448
VI	CF, SF	18,083,104
XI	CF, SF	3,549,676
XIII	CF, GF	86,373,963
Negros Island Region (NIR)	CF, GF, SF	32,273,948
		P 363,393,450

CF-Corporate Fund; GF-General Fund; SF-Special Fund

4.8. According to Management, the non-preparation of BRSs is attributed to, among others, failure to maintain or update SLs of the CIB accounts; failure to secure bank statements and the supporting debit/credit memos from the depository banks; and lack of personnel.

Variances of P130.622 million between books and bank statements, TB and SLs, records of the IMO and the RO, and records of Accounting and Cashier Units

Books vis-à-vis bank balances

4.9. In the absence of BRSs, Management failed to identify errors or items requiring adjustment in the books or by the banks resulting in absolute variance of P96.862 million in the balances between Agency's books and depository banks as shown in Table 5.

Table 5 - Variance in Balances between Agency's Books and Depository Banks

Region	Fund	Amount		Variance (absolute figure)
		Per books	Per bank statement	
I, LUIMO	CF	P 6,907,374	P 11,983,256	P 5,075,882
I, LUIMO	GF	483,752	496,728	12,976
III	CF	(31,914,055)	8,079,547	39,993,602
IV-B ^A	CF	21,689,904	30,327,502	8,637,598
IV-B ^{AA}	CF	193,773,544	155,224,416	38,549,128
IV-B ^{AA}	GF	151,853,765	156,255,316	4,401,551
XI	GF	1,591,564	1,543,411	48,153
XI	SF	949,162	806,266	142,896
				P 96,861,786

^AReported in the FS of RO as CIB-LCCA, RO;

^{AA}Reported in the FS of RO as CIB-LCCA, Field Office. Balance per bank statement was provided by respective IMO

4.10. Management of La Union IMO (LUIMO), RO No. I, explained that discrepancies between the bank and book balances represent the unrecorded fund transfers and outstanding checks.

4.11. In RO No. IV-B, the balance per book is the sum of funds for Corporate Operating Budget (COB) and Locally Funded Projects (LFPs) which are intended for different purposes. The Audit Team noted that these funds were maintained in a single bank account which caused the difficulty in identifying items or transactions pertaining to each fund to establish the actual cash balance per fund. Additionally, the Accounting Division of RO only maintained SL per IMO instead of per bank account of IMO. Had the Accounting Division of RO maintained SL per bank account of IMO, the reconciliation of balances between bank and book records could have been facilitated.

4.12. In RO No. XI, the Accounting Personnel of the Davao del Sur IMO, informed that they did not submit the monthly BRSs pertaining to the seven cash in bank accounts to the RO; thus, reconciling items were not properly taken up in the books of the Region. The Audit Team further noted that the same reconciling items were repeatedly carried over in the monthly BRSs of the IMOs.

TB vis-a-vis SL

4.13. In RO No. III, the Audit Team noted a discrepancy totaling P10.185 million between the TB and the SL balances under the Corporate Fund as shown in Table 6.

Table 6 – Discrepancy of Balances between TB and SL

Bank/ Account No.	Balance per		Variance
	TB	SL	
LBP CA#0102-1026-01	P 17,121,097	P 16,084,148	P 1,036,949
LBP CA#0102-1096-19	26,609,389	17,461,025	9,148,364
			P 10,185,313

LBP – Land Bank of the Philippines

IMO vis-a-vis RO

4.14. In RO No. XI, discrepancies totaling P4.870 million were also noted between the cashier's records of the IMO and the GL balances maintained in the RO as shown in Table 7.

Table 7- Discrepancies between Cashier's records of the IMO and GL Balances of the RO

Fund	Account	Per IMO	Per RO	Variance
		Cashier's CDB	GL Balance	(absolute figure)
CF	LBP CA#0332-1068-99	P 248,360	P (1,192,830)	P 1,441,190
CF	LBP CA#0332-1055-15	(100,452)	(1,913,380)	1,812,928
CF	LBP CA#0332-1058-84	609,286	-	609,286
SF	LBP CA#0332-1074-53	554,745	998,966	444,221
SF	LBP CA#0332-1080-42	988,665	592,598	396,067
SF	LBP CA#0332-1071-43	137,211	150,216	13,005
SF	LBP CA#0332-1079-76	31,206	19,517	11,689
SF	LBP CA#0332-1031-56	572,092	713,673	141,581
				P 4,869,967

CDB-Check Disbursement Book

Accounting vis-à-vis Cashier's Records

4.15. In RO No. XI, the Audit Team noted a discrepancy of P18.705 million between the records of the Accounting and the Cashier of the Davao del Sur IMO, under the Corporate Fund.

4.16. Verification of the JEVs drawn to record total monthly disbursements of the IMO showed that total disbursements for CY 2016 amounted to P67.413 million while total disbursements for the year per Monthly Cash Disbursement Record maintained by the Cashier's Office amounted to P48.708 million, or a difference of P18.705 million.

Existence of unsupported, improperly identified, and long-outstanding reconciling items on bank accounts in net amount P59.702 million

4.17. The BRSs of six ROs and CO included reconciling items which were not properly identified and/or without supporting documents as shown in Table 8.

Table 8 - Not Properly Identified/Unsupported Reconciling Items

Office/Region	Fund	Add/ (Deduct) to cashbook balance
I	CF	P (97,307)
III-Balog-Balog Multipurpose Project	CF	463,808
V	CF	(13,630,803)
V	GF	(3,207,819)
XI-Davao Del Sur IMO	CF	3,554,504
NIR-Negros Occidental IMO	CF	45,797
NIA Central Office	CF	(47,239,636)
NIA Central Office	CF	4,452,443
Net Amount		P (55,659,013)

4.18. Review of the BRSs of NIA CO Philippine National Bank (PNB) Current Account No. 268-840058-1(Old)/ 137432900017 (New) as of December 31, 2016 disclosed that the amount of P47.240 million is net of unrecorded withdrawals/disbursements prior to CY 1988 amounting to P151.656 million with the related adjustments of P104.416 million.

4.19. The validity of the withdrawals could not be determined due to the absence of Disbursement Vouchers (DVs), contrary to Section 4(6) of PD No. 1445 which requires that, *"Claims against government funds shall be supported with complete documentation."*

4.20. Meanwhile, it was noted that the amount of P4.452 million includes unidentified deposits amounting to P3.809 million with the LBP CA No. 1872-1005-94. Collection of rentals and utility bills from lessees of NIA premises amounting to P0.643 million was made without issuing Official Receipts, in violation of Section 68 of PD No. 1445 which states that *"No payment of any nature shall be received by a collecting officer without immediately issuing an official receipt in acknowledgement thereof."*

4.21. In addition, transaction amounting to P55,000 in the account of Comprehensive Agrarian Reform Program – Irrigation Component (CARP-IC) PMO was neither recorded

nor documented. A check was deposited on December 22, 2016 to Agrarian Reform Infrastructure Support Project (ARISP) II Bank Account No. 1872-1022-10 amounting to P55,000 which was eventually debited against the bank account on the same day through a Debit Memo (DM). The Audit Team could not verify the transaction since it was not recorded in the books of NIA CARP-IC and no supporting documents were provided to the Audit Team to support the entries in the bank statement.

4.22. Moreover, verification disclosed the existence of various transactions and reconciling items in net amount of P4.043 million which remained unrecorded or not yet adjusted in the books for several months to over one year which either overstated or understated the CIB account balance at year-end, details shown in Table 9.

Table 9 - Unrecorded/Unadjusted Reconciling Items

Office/Region	Fund	Particular	Add/ (Deduct) to cashbook balance
CAR	CF	Stale checks	P 6,598
CAR	GF	Stale checks	10,626
III	GF	Various reconciling items including stale checks	1,430,852
IV-B	CF	Unrecorded disbursements	(1,942,433)
V	GF	Stale checks	57,954
XI, RO	CF	Fund transfers to IMO and various reconciling items	(8,402,759)
XI, RO	CF	Fund transfers to IMO recorded twice in the books	3,905,840
XI, RO	CF	Unrecorded fund transfer to IMO	(123,946)
XI, RO	SF	Various unrecorded transactions	997,293
NIR-Negros Occidental IMO	CF	Debit memos for various stubs of checkbooks	(12,710)
NIA CO	CF	Stale checks	46,348
NIA CO	CF	Fund transfers to PIDP	(16,397)
Net Amount			P (4,042,734)

PIDP – Participatory Irrigation Development Project

Bank accounts aggregating P78.210 million with no supporting documents or SLs

4.23. Subsidiary ledgers were not maintained and/or updated and/or balances were not supported with documents for CIB accounts with aggregate balance of P78.210 million, hence, verification on the accuracy of these accounts could not be performed. List of ROs with CIB accounts without SLs and/or supporting documents is shown in Table 10.

Table 10 - ROs with Cash in Bank accounts without SLs and Supporting Documents

Region	Fund	Amount
CAR	GF	P 557,299
III	GF	3,346,990
III	SF	6,004,395
IV-A	CF	(7,929,351)
V	CF	(35,494,511)
VI	CF	9,134,000
VI	SF	8,949,104
XI	GF	5,729,051
XI	SF	1,539,280
XIII	CF	15,789,882
XIII	GF	55,277,311
XIII	SF	15,306,770
Net Amount		P 78,210,220

4.24. In RO No. XI, the bank accounts under the Special Fund pertain to accounts maintained by its field offices. Verification made from the personnel in charge in the Finance Section disclosed that these bank accounts do not belong to RO No. XI; however, no adjustments were made due to absence of any document that would support the withdrawal or transfer of said accounts.

Existence of negative balances and dormant accounts totaling P93.097 million

4.25. The Audit Team noted the existence of abnormal/negative SL balances of P88.509 million caused by improper maintenance of SLs and leniency in keeping of the accounts by the accounting personnel, as shown in Table 11.

Table 11 - Abnormal/Negative Balances

Office/Region	Fund	Amount of Negative Balance
III	CF	P 35,772,518
III	GF	8,332,089
IV-B	SF	709,879
VI	SF	611,597
XI	GF	13,461,458
NIR	CF	29,567,728
NIA CO	CF	54,071
		P 88,509,340

4.26. Likewise, review of CIB accounts disclosed existence of various dormant accounts totaling P4.588 million, as shown in Table 12.

Table 12 – Dormant Bank Accounts

Office	Fund	Amount
III	GF	P 1,472,099*
XI	GF	451,411
XI	SF	79,673
CO	SF	2,584,543
Net amount		P 4,587,726

*Negative balance

4.27. In RO No. XI, it was noted that there were no documents to support the dormant CIB accounts.

4.28. In the CO-CARP-IC PMO, the amount of P2.584 million pertains to unexpended balances of completed projects which the CARP-PMO did not return to the Source Agency (SA) as required under Item 6.7 of COA Circular No. 94-013.

Understatement of P2.461 million in CIB account as the foreign currency deposit was not translated using the closing rate while unreleased checks at year-end were not restored to cash balance

4.29. Further, there was an understatement of the CIB amounting to P2.461 million due to the following:

a. The Philippine Veterans Bank (PVB) Foreign Currency Time Deposit Certificate Nos. 68748 (\$737,978.86) and 68749 (\$29,306.91) were reflected in the subsidiary/general ledger (SL/GL) of the CO under the Corporate Fund as P34.807 million and P1.382 million, respectively, or total of P36.189 million instead of P36.761 million and P1.460 million, or total of P38.221 million using the closing rate as of December 31, 2016 of P49.8130:US\$1.00. This contravenes Paragraph 29 of PPSAS 4 – Reporting at Subsequent Reporting dates, which provides that, *“Foreign Currency monetary items shall be translated using the closing rate.”* As a result, the CIB account was understated by P2.032 million [P38.221 million – P36.189 million] as at December 31, 2016.

b. Unreleased checks of CARP-IC PMO amounting to P429,837 was not restored to cash balance at year-end contrary to Section 10, Chapter 6 of GAM, Volume I which provides that, *“Xxx At the end of the year, a Schedule of Unreleased Commercial Checks shall be prepared by the cashier for submission to the Accounting Unit. Xxx.”* The schedule is the basis of the Accountant to prepare the JEV and record the restoration of cash equivalent to the unreleased checks and recognition of the appropriate payable/liability accounts. Consequently, the CIB account was also understated by P429,837.

CIB accounts were maintained with unauthorized depository banks, contrary to Section 5.2 of DOF - DC No. 001-2015 dated June 1, 2015

4.30. The concerned Audit Teams noted that various CIB accounts were maintained with unauthorized depository banks, contrary to Item 5.2 of DOF-DC No. 001-2015 dated June 1, 2015, which provides: *“that all NGAs, GOCCs, and LGUs specifically allowed by law, rules and regulations to retain income and/or for operations and/or working balances shall deposit and maintain accounts with [Government Financial Institutions] GFIs with a universal bank license and a CAMELS [Capital adequacy, Asset quality, Management, Earnings, Liquidity, Sensitivity] rating of at least ‘3’.”* Maintenance of bank accounts with banks other than GFIs may be allowed as provided in Section 5.4 of the same DC, under the following circumstances:

5.4.4 *Where the GFIs referred under Section 5.2 cannot provide the necessary banking products and services;*

5.4.5 *Where there are no accessible (within the twenty (20) kilometer radius GFIs, as referred under Section 5.2, or its collection facility. Xxx;*

5.4.6 *Where security and safety are the reasons for opening and maintaining an account in a (proposed) bank. Xxx.*

4.31. The CIB accounts maintained with unauthorized depository banks are presented in Table 13.

Table 13 - CIB Accounts Maintained with Unauthorized Depository Banks

Office	Fund	Bank/Account No.	Balance
III, PAMBAT IMO	GF	UCPB****	P 2,545,179
III, TARZAM IMO	GF	UCPB CA#202-01000151-8	3,347,192
III, TARZAM IMO**	GF	PNB CA#449-8500-86	27,625
III, BANE IMO*	GF	UCPB CA#244-001538-1	(2,211,192)
III, PAMBAT IMO*	GF	PNB 4844-7690-0018	(709,127)
III, PAMBAT IMO**	GF	PNB CA#393-8500095	(2,645,631)
III, PAMBAT IMO**	GF	PNB CA#393-85002-65	(7,021)
III, TARZAM IMO**	GF	UCPB CA#201-002475-3	(12,657)
III, TARZAM IMO**	GF	PNB CA#678-85006-94	(1,041,307)
III-RO	SF	PNB	985,767
IV-A, QUIPOT	GF	UCPB CA#202050002182	10,851,370
IV-A, NISRIP	GF	UCPB CA#202050002868	1,266,407
IV-A, NISRIP	GF	UCPB CA#202050002870	562,073
IV-A, PIDP	GF	PNB CA#394999000019	282,762
IV-A, PIDP	GF	PNB CA#394999000027	213,454
IV-B, Palawan IMO	CF	PNB SA#223-090-0000-16	17,587
IV-B, Palawan IMO	CF	PNB SA#486-969-4000-14	210,794
NIA Central Office	CF	PNB SA#1373-97600011	114,743
NIA Central Office	CF	PVB Time Deposit Certificate No. 68748 and 68749	36,189,791
NIA Central Office	CF	UCPB SA#10-1560000020-6	1,191,468
Net amount of accounts maintained with unauthorized depository banks			P 51,179,277

*Also included in the list of accounts with negative balances

**Also included in the list of Dormant Accounts

UCPB-United Coconut Planters Bank

4.32. We recommended that Management:

a. Require the Accounting Division/Section of CO and ROs to:

a.1 Set a timeframe within which to prepare the BRSs on a monthly basis for all bank accounts to determine the causes of discrepancies between the book and bank balances. Recognize the need to adjust the books for identified reconciling items;

a.2 Ensure that submitted BRSs to the COA Office are accompanied by original copy of bank statements, cleared checks, debit and credit memos, updated SL/GL and other related documents that will support amounts presented in the Statement;

a.3 Exert all efforts to reconcile records among Accounting and Cashiering Office from CO down to the ROs and IMOs. As far as practicable, do not close books from one office unless reconciled with the records or books of another office;

a.4 Make a thorough review of all available reports and records to identify transactions that might have caused the existence of unidentified reconciling items. Review entries posted in the GL/SL and bank statements;

a.5 Scrutinize all available records such as Cash/Check Disbursement Journals, Cash Receipt Journals and General Journals and trace transactions posted in the SL/GL to identify errors or items

that might have caused the existence of negative cashbook balance and unaccounted accounts;

a.6 Exert effort to secure relevant documents to facilitate a detailed analysis of transactions relative to dormant accounts with negative balances;

a.7 Translate the amount of Foreign Currency Deposit using the closing rate at year-end;

a.8 Coordinate with the Cash Division in the submission of the schedule of unreleased checks at year-end, as basis to prepare the JEV and record the restoration in the CIB account of cash equivalent to the unreleased checks and recognition of the appropriate payable/liability account;

b. Instruct the Regional Irrigation Manager of RO No. IV-B to: (i) open a separate bank accounts for the COB and the Corporate Fund LFPs and (ii) require the concerned Accountant to maintain separate SL for each bank account for efficient monitoring of transactions and balances; and

c. Ensure the transfer of all bank balances maintained in unauthorized depository banks to Authorized Government Depository Banks (AGDBs) pursuant to DOF- DC No. 001-2015 dated June 1, 2015.

4.33. Management gave the following comments:

a. The concerned ROs committed to prepare BRSs regularly and submit the same to the Office of the Auditor as recommended. In Regions with minimal number of personnel such as NIR, overtime works will be rendered so as to comply with the audit recommendation.

b. In RO No. III, they informed that the unreconciled balance between TB and the SLs was already addressed and the SLs were revised. They further informed that the bank accounts maintained in unauthorized depository banks under General Fund were already closed. The remaining balances that appear on the SL are only books balances that need to be adjusted. The accounts with UCPB and PNB were closed in compliance with the recommendation.

c. In RO No. IV-A, they explained that UCPB accounts were already transferred while PNB accounts will be closed in CY 2017.

d. In RO No. IV-B, they already requested assistance from CO and asked for a copy of Board Resolution for opening a new bank account for Corporate Fund LFPs.

e. In RO No. VI, they explained that the reconciliation for the CIB for ARISP 1 and ARISP 2 is remotely possible due to lack/unavailability of supporting documents and other pertinent records to support the various bank accounts especially of those from the field offices. Under Special Fund ARISP 1, these are

all closed accounts, no bank reconciliation and other supporting documents were found to reconcile the said balances. This is also true with inactive accounts under Special Fund CARP that make reconciliation burdensome.

f. In NIR, they commented that the existence of negative balances in CIB accounts was because the beginning balances were not yet taken up in the books and there was no turn-over of balances from Region VI.

4.34. As a rejoinder, we recognize Management's efforts to comply with the audit recommendations. Management's actions to resolve the audit issues will be monitored and validated in CY 2017.

5. In Region VIII, delays ranging from one to 76 days in the remittance of collections totaling P5.366 million exposed the funds to high risk of misuse or misappropriation. In Region XI, collections in January 2017 totaling P2.011 million were recorded as collections in the month of December 2016, thereby overstating the Cash Collecting Officer account as at December 31, 2016 by the same amount.

5.1. Section 69 of PD No. 1445 provides, viz.:

Public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amounts so received and collected by them to the treasury of the agency concerned and credited to the particular accounts to which the said moneys belong. Xxx.

Xxxx

(4) The respective treasuries of these agencies shall in turn deposit with proper government depository the full amount of the collections not later than the following banking day.

5.2. In RO No. VIII, review of the collections and remittances of all Temporary Bill Collectors showed delays, ranging from one to 76 days, in the remittance of their collections to their respective Collection Representatives, as shown in Table 14.

Table 14 - Delay in Remittance of Collections by Temporary Bill Collectors

IMO / River Irrigation System (RIS)	No. of Temporary Bill Collectors	No. of Days Delayed	Collections
Northern Samar Interim Management Office	2	1-32	P 99, 418
Bito-Hindang-Hilongos-Das-ay	17	1-12	2, 969, 985
Daguitan-Guinarona-Marabong	15	1-3	4, 945
Bao	10	1-2	60, 679
Binahaan-Tibak	47	1-76	901, 193
Mainit Pongso	17	1-9	47, 785
Balire-Ibawon-Gibuga	10	1-4	32, 065
	118	1-76	P 4, 116, 070

5.3. Also, in RO No. VIII, remittances of collections by all Collection Representatives to the Cashier were delayed ranging from one to 13 days, as presented in Table 15.

Table 15 – No. of Days Delayed in the Remittance of Collections by Collection Representatives

IMO / RIS	Name of Collection Representative	No. of Days Delayed	Collections
Bito-Hindang-Hilongos-Das-ay	Rafaelita M. Acaban	1-4	P 425,782
Daquitan-Guinarona-Marabona	Rafaelita M. Acaban	1-13	196,098
Bao	Amy A. Ergina	1-4	5,145
Binahaan-Tibak	Betsy Lou Barredo	1-5	365,568
Mainit Pongso	Amy A. Ergina	1-7	117,066
Balire-Ibawon-Gibuqa	Rafaelita M. Acaban	1-5	140,668
			P 1,250,327

5.4. The delay in the remittance of collections exposes the funds to high risk of possible misuse or misappropriation. Moreover, the Agency incurred opportunity loss in terms of foregone interest income on the undeposited collections.

5.5. In RO No. XI, verification of accounting records and financial reports disclosed that collections on January 17, 2017 totaling P 2.011 million, as itemized in Table 16, were reported and recorded in the books as collections at the end of CY 2016, thereby overstating the Cash-Collecting Officer account by the same amount as at December 31, 2016.

Table 16 - Collections in January 2017 Reported as collections in CY 2016

Official Receipt No.	Date	Particulars	Check #/ Date of Payment	Amount
1114537	01.17.17	Equipment Rental	#2511515 / 1.17.17	P 200,895
1114538	01.17.17	Equipment Rental	#2511516 / 1.17.17	369,124
1114539	01.17.17	Equipment Rental	#2511517 / 1.17.17	77,322
1114530	01.17.17	Equipment Rental	#2511518 / 1.17.17	358,392
1114531	01.17.17	Equipment Rental	#0856140 / 1.17.17	1,005,747
				P 2,011,480

5.6. **We recommended that Management require the:**

a. **Regional Irrigation Manager of RO No. VIII to direct the concerned Field Collectors/Collection Representatives to remit their collections daily and intact in accordance with Section 69 of PD No. 1445; and**

b. **Regional Irrigation Manager of RO No. XI to instruct the Chief Accountant of the Region to effect the necessary adjustments in the books of accounts to reflect the correct balances of the Cash-Collecting Officer in the Financial Statements.**

6. **The reliability of the balances of Inter/Intra-Agency Receivables and Other Receivables accounts totaling P15.183 billion are adversely affected due to: a) the existence of dormant/inactive accounts in the books for five to more than 44 years totaling P743.866 million; b) receivables totaling P715.189 million have either no SLs or details are not indicated in the SLs and no supporting documents to substantiate the balances of the accounts; and c) the balance of the Due from National Government Agencies (NGAs) in the CO is P8.732 million more than the**

balances confirmed by the National Printing Office (NPO), Procurement Services (PS) and the Bureau of Fisheries and Aquatic Resources (BFAR), thereby casting doubt on the accuracy and reliability of the balances of the accounts as at December 31, 2016.

6.1. The accounts Inter/Intra Agency and Other Receivables account of P15.183 billion as at December 31, 2016 include, among others, the following:

- a. Due from government-owned and/or controlled corporations (GOCCs) of P13.462 billion includes receivables from the National Power Corporation (NPC) and from other government agencies.
- b. Due from NGAs of P881.620 million represents releases to the DPWH District Offices for the construction/rehabilitation of farm to market roads out of the National Development Company (NDC) loan proceeds and from other national government agencies.
- c. Due from LGUs of P298.375 million comprises releases to local government units, also out of the loan proceeds from NDC for the implementation of farm to market road projects.
- d. Other receivables account of P551.339 million includes claims from accountable officers for cash shortages, claims for dishonored checks and other miscellaneous contingent assets.

6.2. Under Item 5.4 of COA Circular No. 2016-005 dated December 19, 2016, re: "Guidelines and Procedures on the Write-off of Dormant Receivable Accounts, Unliquidated Cash Advances, and Fund Transfers of National Government Agencies (NGAs), Local Government Units (LGUs) and Government - Owned and Controlled Corporations (GOCCs)," Dormant Receivable Accounts is defined as:

5.4 Dormant Receivable Accounts - accounts which balances remained inactive or non-moving in the books of accounts for ten (10) years or more and where settlement/ collectability could no longer be ascertained.

6.3. Likewise, Item 5.9 thereof provides that write-off of dormant accounts is:

5.9 The process of derecognizing the asset account and the corresponding allowance for impairment from the books of accounts and transferring the same to the Registry of Accounts Written off (RAWO). This does not mean condoning/extinguishing the obligation of the accountable officer/debtor.

6.4. Analysis of the Inter-Agency/Intra-Agency Receivables and Other Receivables disclosed that accounts totalling P743.866 million in the books of the CO and six ROs and Projects remained dormant/inactive for 5 years to more than 44 years, as itemized in Table 17.

Table 17 - Dormant/Inactive - Inter/Intra-Agency and Other Receivables

Region/Office	Account Name	Balance	Remarks
Corporate Fund			
CO	Due from GOCCs	P 642,837,419	Dormant for more than 37 years
III	Due from GOCCs	7,573,434	Dormant for more than 5 years
V	Due from GOCCs	440,991	Dormant for more than 10 years
XIII	Due from GOCCs	10,700	Dormant for more than 7 years
UPRIIS	Due from GOCCs	197,096	Dormant for more than 10 years
		651,059,640	
CO	Due from NGAs	9,032,620	Dormant for more than 37 years
III	Due from NGAs	878,235	Dormant for more than 5 years
V	Due from NGAs	71,714	Dormant for more than 10 years
IX	Due from NGAs	25,959,220	Dormant for more than 5 years
XIII	Due from NGAs	183,666	Dormant for more than 8 years
CAR	Due from NGAs	1,115,295	Dormant for more than 10 years
		37,240,750	
V	Due from LGUs	6,060	Dormant for more than 10 years
IX	Due from LGUs	503,151	Dormant for more than 5 years
		509,211	
CO	Other receivables	40,163,732	Dormant for more than 44 years
CAR	Other receivables	1,670,616	Dormant for more than 10 years
		41,834,348	
BBMP	Due from officers and employees	791,615	Dormant for more than 25 years
		791,615	
Total for Corporate Fund		731,435,564	
General Fund			
III	Other receivables	2,082,211	Dormant for more than 5 years
CAR	Other receivables	251,302	Dormant for more than 9 years
CAR	Other receivables	461,833	Dormant for more than 9 years
		2,795,346	
III	Due from CO	7,067,500	Dormant for more than 5 years
CAR	Due from officers and employees	95,465	Dormant for more than 9 years
		7,162,965	
UPRIIS	Due to LGUs	96,131	Dormant for more than 5 years
		96,131	
Total for General Fund		10,054,442	
Special Fund			
III	Other Receivables	2,376,000	
Total for Special Fund		2,376,000	
Total All Funds		P 743,866,006	

CAR – Cordillera Administrative Region; UPRIIS – Upper Pampanga River Integrated Irrigation System

6.5. In the CO for Corporate Fund, analysis of the Due from GOCCs, Due from NGAs and Other Receivables accounts disclosed that the amount of P692.034 million

remained dormant and inactive in the books for five years to more than 44 years. Also, the accounting records lacked SLs to support the GL balances and the supporting documents cannot be located.

6.6. In CAR for Corporate Fund, the Due from NGAs and Other Receivables accounts with a year-end balance of P2.786 million remained outstanding and dormant since CY 1998, but were still recognized in the financial statements. The only existing document supporting the said receivables is the GL; the absence of SLs precluded the accounting personnel to determine its composition.

6.7. In RO No. III, the dormant accounts for Funds 501, 101 and 102 totalling P17.601 million were not supported by schedules/details, since the exact dates when these were recorded in the books were not available and the present personnel of the Accounting Section have no knowledge as to the nature of the transactions recorded under the accounts. Thus, the accounts became dormant and no further action was undertaken by Management to establish the existence and validity of the accounts and the accuracy of the balances. As a result, these are doubtful and the balances of the accounts appearing in the financial statements are not fairly presented. Also for Special Fund, the SLs of the Other Receivables account amounting to P2.376 million have no details and no documents to support the balance.

6.8. In RO No. V for Corporate Fund, inter-agency receivables in the amount of P0.519 million have been dormant for over 10 years.

6.9. In RO No. XIII for Corporate Fund, audit disclosed no evidence that the Accounting Unit exerted efforts to verify, analyze and validate the existence of the dormant accounts totalling P194,366. The concerned accounting personnel informed that the non-moving accounts pertain to those maintained/recorded by previous Accountants in RO No. X.

6.10. In UPRIS for Corporate Fund, the receivable account of P197,096 could no longer be traced and reconciled in the absence of records or documents to validate/support the claim. Also, the balance of Due from LGUs of P96,131 represents fund transfers that remained outstanding for more than five years.

6.11. In BBMP for Corporate Fund, the collectability of the Due from Officers and Employees account amounting to P0.792 million representing cost of lost/cannibalized Komatsu Bulldozer D-155 is uncertain because it has remained dormant in the books for more than 25 years and the concerned person accountable/liable had already retired from the service.

6.12. In the CO for Corporate Fund, the Due from NGAs account includes various receivables arising from purchase of supplies/forms and others to/from NGAs and office/dormitory/space rental and utilities usage.

6.13. Verification of the SLs of PS and NPO disclosed that it took two to seven months before the Liquidation Report of Agency Procurement Request is prepared by the Property Department together with other pertinent supporting documents to be submitted to the Accounting Department, hence the recording of the same is also delayed, which resulted in having outstanding accounts balances of P1.169 million and P3.754 million for NPO and PS, respectively.

6.14. To establish the validity, existence and accuracy of the Due from NGAs account, confirmation letters were sent on various dates to NPO, PS and BFAR. The balances per books for accounts Due from NPO, PS and BFAR as at December 31, 2016 totalled P9.820 million, which is more than the confirmed balances of P1.088 million only or a variance of P8.732 million.

6.15. The variance of P8.732 million was attributed to, among others, delays in the preparation of the Liquidation Report of Agency Procurement Request by the Property Department and in the recognition of the receipt of supplies/forms in the books.

6.16. Further, the Due from NGA-BFAR account balance of P4.897 million, consisting of various receivables for office/dormitory/space rental and utilities usage, is more than the BFAR's confirmed balance of only P6,000, which indicates that there were delays in the recording of payments made by BFAR by the Accounting Department. Further analysis of the account revealed that there are outstanding balances from CYs 2010 to 2016 which are either overbilled or unpaid, the reliability of which could not be ascertained due to lack of reconciliation of the account particularly identification which among the bills/statement of accounts sent to BFAR are not yet paid.

6.17. The discrepancies between the balances of the books and results of confirmation resulted in the overstatement of the Due from NGAs account and understatement of the Supplies Expense/Supplies Inventory and Equity accounts.

6.18. In addition, the SLs lacked details and transactions not systematically recorded and monitored in CO and RO No. XIII, which is contrary to Section 114 of PD No. 1445, which requires that the government accounting system shall be on a double entry basis with a GL in which all financial transactions are recorded and subsidiary records shall be kept where necessary.

6.19. In view of the foregoing deficiencies, the accuracy and reliability of the balances of the Inter/Intra-Agency Receivables and Other Receivables accounts are doubtful.

6.20. **We recommended that Management:**

a. Require the Accounting Department/Section in CO and ROs to:

a.1 Prioritize the analysis of the dormant and inactive accounts and effect the necessary adjustments;

a.2 Request for authority to write-off the dormant receivable accounts following the guidelines provided under COA Circular No. 2016-005 dated December 19, 2016;

a.3 Maintain and update SLs for all receivable accounts;

a.4 Hasten the recording of all liquidations made by the NPO and PS, reconcile the discrepancy with the records and effect adjustments, if warranted;

a.5 Give priority on the retrieval of related information/details/documents pertaining to the dormant accounts;

a.6 Review and analyze all bills/statement of accounts sent to BFAR and determine which among these are already paid to facilitate the recording of all payments made by BFAR;

b. Instruct the Property Department in the CO to:

b.1 Immediately submit to the Accounting Department all reports and supporting documents necessary for the timely recording of the liquidations to the NPO and PS accounts; and

b.2 Prepare the Liquidation Report of Agency Procurement Request with supporting documents and submit immediately to the Accounting Department to avoid delay in the recording of the same.

6.21. Management submitted the following comments/justifications:

a. In Region III, they commented that the retrieval of the documents pertaining to the dormant accounts is a great challenge for the existing personnel of the Finance Section. The option of requesting for write-off or adjustments of these accounts will be considered. Regarding the dormant accounts, they would need more time to trace the specific entries of the accounts and locate the files to verify the nature and purpose of the accounts and to make the necessary adjustments needed.

b. In Region V, they informed that the dormant accounts have been in the books sometime in 1983; however, the description as to the nature of transactions cannot be established since at that time, JEVs were not yet used and transactions were directly recorded in the General Journals without any explanation. Also, most of the old records were infested with termites and retrieval of the same is quite a problem. Reconciliation of accounts is, likewise, difficult due to voluminous financial reports coupled with lack of manpower. However, they assured that with the issuance of the COA Circular No. 2016-005, they will comply with the guidelines and procedures on the write-off of dormant accounts.

c. In CAR, during the exit conference, they committed to comply with the audit recommendations. They assured to prepare the documents needed for the request for writing off of dormant receivables to be submitted to COA for proper disposition.

d. In UPRIIS, they commented that a demand letter shall be issued after the revalidation of documents and records on the correctness of data pertaining to the excess funds transferred to LGU of Candaba.

6.22. As a rejoinder, we reiterate that Management exert earnest efforts in retrieving the documents to establish the existence, validity and accuracy of the inter/intra agency and other receivable accounts and to allocate time for such activity. Actions taken by concerned Regions to address the audit issues raised will be monitored and validated in CY 2017.

7. The correctness of balance of Accounts Receivable - Irrigation Service Fees (AR-ISF) and Pump/CIP/Communal Irrigation System (CIS) account of P22.388 billion as at December 31, 2016 could not be ascertained due to: a) no serious efforts to reconcile the GL and SLs of the AR-ISF account with a variance of P155.891 million; b) discrepancy of P73.971 million between the SLs and Irrigation Fee Register; c) subsidiary records were not maintained/updated for accounts totalling P2.817 billion; d) unsupported adjustment of receivables of P16.833 million; e) undocumented deductions on receivables of P126.468 million; f) no allowance for doubtful accounts was provided for AR-Pump/CIP/CIS account amounting to P109.132 million; and g) existence of dormant accounts of P2.786 million.

7.1. Section 111 of 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.”*

7.2. Analysis of the AR-ISF and Pump/CIP/CIS account with a balance of P22.388 billion as at December 31, 2016 showed several deficiencies as discussed hereunder.

Variance of P155.891 million between GL and SLs

7.3. In Regions II, III, VI IX and MARIIS, the GL and SL balances for AR-ISF account were not reconciled, wherein the total of the SLs/Schedule of P5.224 billion is greater than the GL balance of P5.068 billion or a total difference of P155.891 million, as shown in Table 18.

Table 18 - AR-ISF - Unreconciled GL and SL Balances

Region	Balance per GL	Balance per SL	Variance
II	P 487,827,081	P 467,444,062	P 20,383,019
III	1,529,436,660	1,624,515,912	(95,079,252)
VI	962,764,364	699,881,819	262,882,545
IX	436,302,954	531,655,973	(95,353,019)
MARIIS	1,651,764,388	1,900,488,652	(248,724,264)
	P 5,068,095,447	P 5,223,986,418	P (155,890,971)

7.4. In RO No. II, the bulk of the variance amounting to P18.000 million out of the total variance of P20.383 million was of the Isabela IMO where only partial data was submitted to the RO. The remaining variance was of the Nueva Vizcaya IMO. The RO informed that the issue on the variance lies in the segregation by the field offices' billing clerks of amounts for principal, interests and penalties since the RO records only receivables based on the principal amount.

7.5. In MARIIS, for those accounts from CY 2009 and below, reconciliation efforts made on a per farmer basis are ongoing for the remaining variance of P248.724 million from the previous year's variance of P286.000 million. Management informed that the

effect of the price difference for collections in kind, or GSP for unhusked rice, between the time of billing and subsequent collection will be taken into consideration since no revaluation is recognized in the books.

7.6. The discrepancy of P262.883 million noted in Region VI was attributed to the inability of the Accounting Section to conduct a periodic reconciliation of the receivables account between accounting records; inadequate maintenance of SLs; and the absence of reconciliation, on a regular basis, between the Accounting and Billing Sections. Periodic reconciliation could have readily detected and corrected the discrepancies and prevented such from accumulating to staggering amount. Moreover, the data and records of the Billing Section have not yet been fully updated and restored after the computer program crashed some time in the past.

7.7. These observations have been noted for several years now, but, to date, the variances remained unresolved and no serious efforts to reconcile the GL and SLs balances have been undertaken.

*Discrepancy of P73.971 million between the
SLs and Irrigation Fee Register*

7.8. In UPRIIS, the balances of AR per SLs maintained by the Administration and Finance Office differed from the Irrigation Fee Register/Statement of Accounts maintained by the five Division Offices. The total discrepancy of P73.971 million between the two records was noted as at December 31, 2016.

*Subsidiary records were not maintained/
updated for accounts totalling P2.817 billion*

7.9. SLs for AR-ISF and Pump/CIP/CIS account were not maintained and updated in Regions III, XVI, and XIII with balances as at December 31, 2016 of P1.639 billion, P342.585 million and P835.693 million, respectively, which resulted in the inability to monitor and reconcile the balances of the receivables with the different field offices. In the CO, the SLs lacked details and not systematically recorded and monitored. Also, prescribed reports such as the Aging of Receivables and detailed schedule of quarterly accounts receivable were not prepared and submitted to the Audit Teams.

*Unsupported adjustment of receivables of
P16.833 million*

7.10. In Region III, an adjustment was made to take up additional AR-ISF amounting to P16.833 million without supporting documents or schedules to establish the validity of said adjustment.

*Undocumented deductions on receivables
of P126.468 million*

7.11. In Region III, there were undocumented deductions on receivables totaling P126.468 million in CY 2015 from three field offices (Disalit Creek, Angat-Maasim and Bucao), which would tantamount to write-off of receivables from the books of accounts. Upon inquiry, the concerned Accounting personnel from the RO were not aware of the deductions since they relied only on the Aging of Receivables submitted by the field

offices at the end of the year. In addition, the non-maintenance of SLs by the Accounting Section resulted in the inability to monitor and reconcile the balances of the receivables with the different field offices; thus, adjustments like these were not given proper and immediate action. These adjustments, if not properly investigated and resolved could result in huge losses of government income/resources. Verification of the CY 2016 transactions revealed that no adjustment was made to correct the deductions on receivables made in CY 2015.

No allowance for doubtful accounts was provided for AR-Pump/CIP/CIS account amounting to P109.132 million

7.12. Based on the Notes to Financial Statements, 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.

7.13. In Region III, no allowance for doubtful accounts was provided for AR-Pump/CIP/CIS account amounting to P109.132 million to bring the balance of the account to its net realizable value.

Dormant accounts of P2.786 million

7.14. In CAR, review revealed that receivable accounts totalling P2.786 million, which remained inactive for more than a decade and are rendered dormant were still recognized in the financial statements. This observation was given emphasis in the previous year's audit report wherein a preparation of a request for authority to write-off was recommended but no action was made by the Management. Confirmation with Management in prior years' disclosed that the aforementioned amounts were dormant and due for reconciliation since CY 1998. Management said that they did not request for authority to write-off said dormant accounts because of its failure to come up with a reconciled balance. Further, it had been noted that the only existing document supporting the said receivables is the GL. The absence of any valid document rendered the inability of the accounting personnel to determine its composition.

7.15. We recommended that Management require the Regional Irrigation Managers of the concerned ROs to:

- a. Direct the Accounting Section to maintain/update SLs for all receivable accounts, periodically reconcile the SLs balances with the GL and records of the RO and the IMOs/field offices, and update the recording/posting of transactions at all times;**
- b. Conduct immediate investigation on the reduction/deduction made by the different IMOs on their accounts receivables and require the Accounting Section to make necessary adjustments in the books of accounts, if warranted;**

c. Intensify collection activities to avoid accumulation of long overdue receivables accounts; and

d. Request for authority to write-off dormant receivables following the guidelines set forth in COA Circular No. 2016-005 dated December 19, 2016.

7.16. Management gave the following comments/explanations:

a. In Region II, they promised to exhaust all efforts to reconcile the accounts in CY 2017.

b. In Region III, they informed that due to lack of personnel in the Accounting Office to prepare and maintain SLs, they relied on the records maintained by the IMOs. They also informed that the SLs of AR-ISF are maintained in the Billing Unit of the IMO per individual farmer and per Irrigator's Association; thus, the RO does not maintain individual SL for receivables. The reconciliation of balances with the IMO records was likewise not undertaken. As to the collection activities, the Agency was following the order of the present administration on the free irrigation for farmers and will not be collecting irrigation fee for the current year. This pronouncement will also have a considerable impact on the collection of the ISF back accounts.

c. For those accounts from CY 2009 and below, reconciliation efforts made on a per framer basis are ongoing. The effect of the price difference for collections in kind or GSP for unhusked rice, between the time of billing and subsequent collection will be taken into consideration since no revaluation is recognized in the books.

d. In UPRIIS, they commented that the unreconciled balances pertain to prior years when the Billing Section of each Division was still maintaining the Irrigation Fee Register (IFR). In the adoption of the computerized billing system in CY 2013, a regular reconciliation is already being done between the Office of Management and Staff (OMS) and the Division Offices for a more reliable data on reporting of accounts receivables on back accounts of ISF.

e. In Region VI, the Billing Section and the RO Accounting Section are now trying to reconcile the difference noted in AR-ISF accounts.

f. In Region IX, they commented that in line with the declaration of the NO ISF POLICY, per NIA MC No. 13, Series of 2016, they conducted a review of the A/R-ISF account and are already in the process of updating and reconciling Field Office records against RO books to be able to come up with the actual liabilities of the IAs/farmers for the purpose of submitting the same to the Office of the Solicitor General and Office of the Government Corporate Counsel, for collection.

Likewise, the concerned billing clerks responsible in preparing the billing statements were already instructed to: i) fast track the updating of the Irrigation Fee Registers, reflecting therein the payments made and exemptions granted and the receivable balances, and; ii) assist the concerned accounting personnel in the reconciliation of records.

g. In Region XIII, they committed that the SLs for A/R will be submitted. Separate ledgers will be filed and maintained at RO and IMOs.

7.17. As a rejoinder, in view of the NO ISF POLICY, per NIA MC No. 13, Series of 2016, we **further recommended that Management study the possibility of increasing the provision for doubtful accounts.**

8. Only P3.786 billion or 71.23 per cent was collected on AR-ISF/Pump/CIP/CIS during the year out of the Agency's collection target of P5.315 billion. Likewise, the collection target set in CY 2016 was only 25.38 per cent of last year's outstanding balance of P20.939 billion, resulting in the accumulation of outstanding AR – ISF/Pump/CIP/CIS aggregating P22.388 billion as at December 31, 2016 of which P12.038 billion or 53.77 per cent are already past due for one to more than 15 years primarily due to lack of stringent measures in enforcing collection, wanting of workable strategies to address collection problem, and the pronouncement of the current administration of free irrigation, thereby depriving the Corporation of much needed funds in the pursuit of its mandate.

8.1. The AR-ISF/Pump/CIP/CIS account of P22.388 billion, with a net realizable value of P21.098 billion, comprises the significant portion of the total receivables of P36.905 billion (net of all allowances). The account also includes current installment receivables from amortization of irrigation pumps, communal irrigation systems and motorcycles. Considering that the AR-ISF/Pump/CIP/CIS account comprised more than 50 per cent of the total receivables, collection efficiency is of utmost importance as it will greatly affect the Agency's liquidity.

8.2. Section 1, Paragraph B of PD No. 552 states, viz.:

The NIA shall have the following powers and objectives: xxx (b) To charge and collect from the beneficiaries of the water from all irrigation systems constructed by or under its administration, such fees or administrative charges as may be necessary to cover the costs of operation, maintenance, and to recover the cost of construction within a reasonable period of time to the extent consistent with government policy.

8.3. The lifeline source of funds for 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 from the National Irrigation Systems (NIS) in support to the production of rice and corn crops. Pump amortizations and River/Communal Irrigation amortizations are collections of chargeable costs to the beneficiaries of pumps and irrigation systems.

8.4. The Schedule of Collections submitted by the Accounting Division of CO showed total collections from AR-ISF/Pump/CIP/CIS for CY 2016 of only P3.786 billion or 71.23 per cent of the targeted collections of P5.315 billion, as shown in Table 19.

**Table 19 - Actual Collections vis-a-vis Targets on AR-ISF/Pump/CIP/CIS
In CY 2016**

Region	Collection Target	Actual Collection	Percentage of Collection Performance
IV-A	P 147,282,981	P 133,039,851	90.33
IX	139,946,657	124,466,480	88.94
VIII	183,194,336	158,958,598	86.77
X	207,506,470	170,967,367	82.39
VII	116,650,000	89,653,825	76.86
XII	531,081,117	430,753,930	81.11
CAR	135,391,680	102,362,672	75.60
XI	241,980,750	182,294,373	75.33
UPRIIS	919,047,662	661,488,221	71.98
IV-B	143,599,036	105,254,668	73.30
I	229,653,115	163,120,319	71.03
MARIIS	894,175,725	609,465,330	68.16
III	289,677,326	193,828,076	66.91
II	457,488,339	300,976,830	65.79
V	158,187,644	88,202,714	55.76
XIII	208,282,887	105,622,703	50.71
VI	311,767,987	155,763,040	49.96
NIR	-	9,792,727	-
	P 5,314,913,712	P 3,786 011, 724	71.23

8.5. Based on the collection target for the year, Region IV-A has the highest collection performance rate of 90.33 per cent followed by Regions IX and VIII. Region VI has the lowest collection rate of only 49.96 per cent.

8.6. The foregoing may indicate that collection strategies were not properly observed, and no concrete action was taken to address the issues, such as analysis of accounts, the determination of their actual status, and the investigation of whereabouts of farmer-beneficiaries/Irrigator's Associations (IAs).

8.7. Further, it was noted that the collection target in CY 2016 of P5.315 billion was only 25.38 per cent of last year's outstanding balance of P20.939 billion.

8.8. With only P3.786 billion collected during the year, the outstanding AR – ISF/Pump/CIP/CIS had accumulated to P22.388 billion as at December 31, 2016, primarily due to lack of stringent measures in enforcing collection, wanting of workable strategies to address collection problem, and the pronouncement of the current administration of free irrigation, thus depriving the Corporation of much needed funds in the pursuit of its mandate.

8.9. The summary of past-due accounts of AR-ISF/Pump/CIP/CIS per schedule prepared by the different ROs showed that out of the total recorded receivables of P22.388 billion, 53.77 per cent or P12.038 billion represents past due accounts as at December 31, 2016, as summarized in Table 20.

**Table 20 - AR-ISF/Pump/CIP/CIS Past Due Accounts
As of December 31, 2016**

Region/Office	Total Receivables Per Books	Total Past Due Per ROs Schedules	Percentage
III	P 1,645,788,013	P 1,565,706,071	95.13
MARIIS	1,651,764,388	1,559,957,094	94.44
UPRIIS	2,989,558,288	2,761,673,431	92.38
IV-B	765,847,611	554,550,916	72.41
X	784,521,611	530,162,980	67.58
I	1,153,657,834	694,421,781	60.19
IV-A	786,825,749	449,673,829	57.15
CAR	379,234,040	208,592,219	55.00
II	802,564,113	434,224,053	54.10
VI	1,601,133,824	798,825,254	49.89
V	1,117,547,993	458,068,239	40.99
XII	2,528,554,670	959,897,188	37.96
XIII	835,693,313	232,734,153	27.85
XI	764,627,774	206,649,118	27.03
IX	1,166,822,039	315,141,410	27.01
VIII	1,695,655,869	224,225,617	13.22
VII	1,534,829,539	85,304,829	5.56
NIR	74,854,936	(1,365,618)	(1.82)
CO	48,670,675	-	-
CARP	7,900	-	-
Account 142 & 421	59,450,665	-	-
	P 22,387,610,844	P 12,038,442,564	53.77

8.10. Based on Table 20, Region III has the highest past due receivables with 95.13 per cent, followed by MARIIS and UPRIIS, while Region VII has the lowest past due accounts with 5.56 per cent. The NIR on the other hand had no past due accounts from its outstanding receivables of P74.855 million as at December 31, 2016.

8.11. NIA MC No. 54 dated December 4, 2013, which took effect in January 2014 was issued to sustain gains from the implementation of the previous guidelines on the payment of ISF back accounts. On February 18, 2016, the extension of the avallment period under MC No. 54 for another two years from January 1, 2016 to December 31, 2017 was approved by the NIA Board of Directors through Resolution No. 8266-16.

8.12. As of December 31, 2016, NIA continuously implemented MC No. 54, as amended by MC No. 14, s. 2016, extending the avallment period until December 31, 2017, the main purpose of which is to increase collections and improve NIA's financial standing. With the implementation of the said MC records/accounts are to be updated to facilitate determination/discovery of causes of discrepancies.

8.13. NIA's top Management introduced and came up with strategies/programs such as the Modified Incentive Policy in payment of ISF back accounts in NIS that is - when the back account becomes due and payable before July 1, 2000, only the principal amount shall be paid by the user to the Agency. However, when it becomes due and payable on July 1, 2000 to December 31, 2013, the principal and the applicable penalty

shall be paid. However, in spite of this incentive, many of the farmers-irrigators are still not paying their respective ISF obligations to NIA.

8.14. In addition, the pronouncement of the current administration of free irrigation has given the farmers misconception, resulting in some of the farmers stopped paying their ISF obligation.

8.15. **We recommended that Management require the concerned ROs to:**

a. Focus on intensifying the collection of long outstanding receivables to generate revenue, especially that the 'NO ISF POLICY' per NIA MC No. 13, Series of 2016 will take effect starting CY 2017;

b. Exert effort to inform the farmer-beneficiaries of the NIA's policies on the payment of ISF back accounts embodied in MC No. 54, Series of 2013 as amended by MC No. 14, s. 2016; and

8.16. **We also reiterated our previous year's recommendation that Management consider providing allowance for doubtful accounts based on collectability of the receivable balances and evaluation of such factors as aging of the accounts and identified doubtful accounts.**

8.17. Management provided the following comments/justifications:

a. In Region III, they commented that they are following the order of the administration on the free irrigation for farmers and will not be collecting irrigation fee for the current year. This pronouncement will also have a considerable impact on the collection of the ISF back accounts.

b. In Region V, they averred that they have exerted all efforts to boost their collection of ISF. However, due to lack of necessary manpower they were unable to attain a very good output. They also added that in connection with the President's declaration to stop the collection of ISF from farmers, they will have to wait for the guidelines on the proper treatment of the ISF receivables.

c. In Region VI, they commented that the recommendation is well taken and proper instruction was already given to personnel concerned.

d. In Region VIII, the Accounting and Finance Division Manager reiterated that under the present Administration, there is no more collection of current ISF accounts starting January 2017. They will have an agreement with the IAs in the collection of back accounts. Likewise, based on experience, despite several demands, filing of cases, and sessions conducted there are farmers who cannot pay because of their incapacity. On the other hand, they already presented the proposal to increase the provision for doubtful accounts, but top Management said that this shall be deferred because of the recent development of no current ISF collections.

e. In Region X, they commented that the NIA Bukidnon IMO and its employees has put their best effort to collect current and even back accounts in order to reach the Agency's target. However, due to the El Niño which resulted

in damaged crops, infestation of rice black bug insects and stem borer, there was sudden drop on the prices of rice per kilo, hence, the farmers were not able to pay the ISF. Also, the pronouncement of the free irrigation caused a very big misconception from the side of the farmers, stopping some of the farmers in paying the ISF. The Agency will put in their best effort and strategize approaches to effectively collect back accounts from the farmer-clientele and perform desired tasks genuinely.

f. In Region XII, they commented that the revenue generation in CY 2016 indeed decreased dramatically. What attributed to the low performance was the increase in exempted area due to crop damages. During dry season, the area damaged mostly due to El Niño was 16,546.57 hectares while during wet season, damaged area was 9,038.57 hectares mostly due to flooding and infestation. Likewise, the early pronouncement of “NO ISF Policy” of the government has somehow affected the collection performance of the NIS.

g. In UPRIIS, they commented that with the current Administration’s confirmation of free irrigation for the country’s millions of rice farmers starting the first planting season in CY 2017, they are now having difficulty of collecting the ISF back accounts, which contributed to the low collection of the outstanding receivables from farmers.

9. The balance of the Accounts Payable account of P5.037 billion as at December 31, 2016 is doubtful due to, among others: a) inclusion of non-payable charges totaling P335.604 million; b) accounts totaling P2.381 billion have no SLs or supporting documents; c) existence of accounts with abnormal balances amounting to P803.234 million; d) unreconciled difference of P4.819 million between the GL balance vis-à-vis balance per schedule; e) non-moving accounts ranging from over two to 15 years and f) erroneous recording of payment amounting to P1.069 million.

9.1. As at December 31, 2016, the Accounts Payable account had a balance of P5.037 billion. Audit disclosed several deficiencies which rendered the balance doubtful as discussed hereunder.

*Inclusion of non-payable charges totaling
P335.604 million*

9.2. The Audit Team noted that allowances, such as ENERCON, Collective Negotiation Agreement (CNA), benefits and overtime pay of officers and employees totalling P198.017 million were recorded under Accounts Payable account instead of Due to Officers and Employees account.

9.3. In addition, the costs of incomplete portion of the projects with aggregate amount of P136.623 million, as shown Table 21, were inappropriately recorded as accounts payable. The practice of recording the contract cost in full once the project has been awarded is contrary to Item 6.1.2 of Revenue Memorandum Circular No. 25-2014 dated March 17, 2014, which provides that:

6.1.2 *Obligations for which goods/services/projects have not yet been delivered/rendered/completed by the creditor and accepted by the NGA/OU, shall not be recorded as [Accounts Payable] A/Ps at the end of the year. These obligations shall only be recognized as A/Ps on the date of delivery/rendition/completion and acceptance of the goods/services/projects, regardless of the year of incurrence of such obligation.*

Table 21 - Costs of Incomplete Portion of the Projects Included in Accounts Payable

Fund	Project	Amount
Corporate Fund (CF)	Upper Pampanga River Integrated Irrigation Systems (UPRIIS)	P 25,695,800
	Casacnan Multipurpose Irrigation and Power Project (CMIPP)	81,319,642
General Fund (GF)	CMIPP	29,607,422
		P 136,622,864

9.4. Moreover, project firmed down costs amounting to P53,096 and P910,745 for UPRIIS and CMIPP, respectively, or a total of P963,841 were not deducted from the full contract cost, hence, still included in the Accounts Payable account.

9.5. Considering the foregoing, the Accounts Payable was overstated by P335.604 million.

Accounts totaling P2.381 billion have no SLs or supporting documents

9.6. Accounts payable totaling P2.381 billion, as shown in Table 22, in the CO and various ROs could not be verified/validated due to non-maintenance of complete SLs and absence of documents to support the validity of the accounts recorded.

Table 22 - Accounts Payable not Supported with SLs

Fund	Office/Region	Amount
GF	CO (102)	P 2,235,806,176√
	CO (101)	15,478,978√
	XIII	100,622,431
		2,351,907,585
CF	CO	12,769,370
	XIII	796,112
	UPRIIS	690,438
	CMIPP	4,490,990
		18,746,910
SF	XIII	10,594,069
		P 2,381,248,564

√- Included accounts which have been dormant or non-moving for over two to 15 years

9.7. In the CO, under General Fund, the Accounts Payable totaling P2.236 billion without supporting documents included projects that have been completed several years ago.

9.8. Section 4(6) of PD No. 1445 states that: *“Claims against government funds shall be supported with complete documentation.”*

9.9. Section 98 of the same PD states that:

Reversion of unliquidated balances of accounts payable. The Commission upon notice to the head of the agency concerned may revert to the unappropriated surplus of the general fund of the national government, any unliquidated balance of accounts payable in the books of the national government, which has been outstanding for two years or more xxx.

9.10. Likewise, DBM-COA Joint Circular No. 99-6 dated November 13, 1999 states that:

3.3 All undocumented A/Ps, regardless of the year incurred, shall immediately be reverted to the Cumulative Results of Operations-Unappropriated (Accumulated Surplus/Deficit).

Existence of accounts with abnormal balances amounting to P803.234 million

9.11. The existence of abnormal balances aggregating P803.234 million, as shown in Table 23, in the CO and various ROs rendered the year-end balance of the Accounts Payable doubtful, details as follows

Table 23 - Accounts Payable with Abnormal (Debit) Balances

Fund	Office/Region	Amount
GF	CO (102)	P 793,866,995
	CO (101)	724,576
	IV-B	274,300
		<u>794,865,871</u>
CF	IV-B	4,707,749
	VI	2,649,857
	IX	1,010,551
		<u>8,368,157</u>
		<u>P 803,234,028</u>

Unreconciled difference of P4.819 million between the GL balance vis-à-vis balance per schedule

9.12. Under the General Fund, the Casecnan Multi-purpose Integrated Power Project (CMIPP) recorded accounts payable did not agree with the schedule submitted to the Audit Team. The variance noted amounted to P4.819 million.

Non-moving accounts ranging from over 2 to 15 years

9.13. Verification disclosed non-moving accounts for over 2 to 15 years totaling P2.352 billion, as shown in Table 24. It bears to emphasize that the non-moving accounts in the

CO under the General Fund were also included in the accounts without supporting documents.

Table 24 - Accounts Payable with Abnormal (Debit) Balances

Fund	Office/Region	Amount
GF	CO (102)	P 2,235,806,176
	CO (101	15,478,978
	UPRIIS	90,585,577
		2,341,870,731
CF	UPRIIS	9,861,554
		P 2,351,732,285

Erroneous recording of payment amounting to P1.069 million

9.14. In the CO, under the Corporate Fund, the Audit Team noted an erroneous recording of payment of accounts payable amounting to P1.069 million. The payment of Accounts Payable (AP) was debited to expenses instead of AP account, thereby overstating the AP and understating the Retained Earnings account.

9.15. **We recommended that Management direct the concerned Accountants of the CO and ROs to:**

- a. Analyze the transactions, review all pertinent documents, make the adjustments, where necessary and comply with the existing accounting rules and regulations on the recognition of Accounts Payable;**
- b. Adhere to the guidelines and procedures on reversion of accounts payable without supporting schedule and/or has been outstanding for two years or more;**
- c. Investigate the cause of the variance between the GL and the schedule of Accounts Payable;**
- d. Make the necessary adjustment relative the erroneous recording of the settlement of Accounts Payable.**

9.16. Management gave the following comments:

- a. In CO, they admitted that it was their practice to obligate the contract cost in full once the project has been awarded even if not yet completed particularly for the projects with Advice of Sub-Allotment (ASA) that will lapse soon. They also reiterated their commitment that the cashier and accounting head will be instructed to regularly reconcile the ASA and funding check received so as to fully utilize the allocated project funds for the office and proper coordination with the Engineering Section will be observed.
- b. In RO No. IV-B, they agreed to determine the cause of the existence of abnormal balances. They further explained that negative balances were due to separation of Region IV and they already sought the assistance from RO No.

IV-A for the breakdown of transferred account balances. The preparers also guarantee that proper diligence is applied in preparing financial reports and assure all recommendations will be taken into consideration.

c. In RO No. VI, they commented that they already instructed the Accounting Section to reconcile the negative balances reflected in the SLs of Accounts Payable and update the recording and posting of transactions.

d. In RO No. IX, they commented during the Exit Conference that the negative balance of Accounts Payable appearing in the financial statement represents claims of CNA pursuant to MC No. 27, s of 2013, which to date, they did not receive the JEV from the CO transferring Accounts Payable to RO. They assured that they will make a follow up on the matter.

e. In RO No. XIII, they committed to submit the SLs for Accounts Payable. They also informed that separate ledgers will be filed and maintained at the RO and IMOs.

10. Existence of unreconciled variance totalling P430.431 million as at December 31, 2016 between the records of NIA and the Source Agencies (SAs), dormant accounts of P6.212 million without supporting schedules/related documents, and negative (debit) balance of P392,279 cast doubts on the accuracy and completeness of Due to National Government Agencies (NGAs) account.

10.1. This is a reiteration of the previous years' audit observation as Management is still unable to address the variance between the records of NIA and the SAs.

10.2. The results of confirmation with the SAs pertaining to Due to NGAs account disclosed a total variance of P430.431 million as at December 31, 2016, as shown in the Table 25.

Table 25 - Result of Confirmation of Due to NGAs account Books vis-à-vis SAs

Fund/SAs	Balances as of December 31, 2016		Variance
	Per NIA Books	NGAs (SAs) Books	
General Fund			
NAFC	P 971,839	P 15,320,028	P 14,348,189
DPWH-OSEC	789,225	303,448,680	302,659,455
	1,761,064	318,768,708	317,007,644
Special Fund			
DAR	159,754,251	273,177,684	113,423,433
	P 161,515,315	P 591,946,392	P 430,431,077

NAFC – National Agricultural and Fishery Council (formerly National Agricultural and Food Council); DPWH-OSEC – Department of Public Works and Highways – Office of the Secretary; DAR – Department of Agrarian Reform

10.3. The unreconciled variance of P317.008 million under the General Fund was attributed mainly to the improper accounting treatment of fund transfers to the ROs of the funds received by the CO from the SAs, as these were recorded as debit to Due to NGAs account instead of Due from ROs account; hence, the balance of the Due to NGAs account was reduced upon cash transfers. Also, the Regional Accountants could not obtain/secure audited liquidation reports as these were not supported with relevant

documents which precluded the COA Auditors in verifying the disbursements/fund utilizations. On the other hand, the SAs did not record the utilization of the fund by NIA due to latter's failure to submit to the SAs the liquidation reports/Statements of Disbursement duly approved by the Head of Agency and audited by the concerned auditor as required under COA Circular No. 94-013.

10.4. The issue on unreconciled variance of P113.423 million between the records of NIA and DAR under the Special Fund has been raised in the previous audits since CY 2010.

10.5. In RO No. III, the balances of the Due to NGAs account of P6.171 million and P40,710 under the Corporate Fund and General Fund, respectively, have been dormant for more than five years.

10.6. The dormant account under the Corporate Fund was not supported with schedules and/or details since the exact dates when these accounts were recorded in the books are not available and the present personnel of the Accounting Section have no knowledge on the nature of the transactions pertaining to this account. On the other hand, the dormant account under the General Fund still exists, since no adjustments were made either to correct or close the balance of the account.

10.7. Additionally, the Audit Team noted that the ARISP II year-end balance of P3.027 million included total abnormal (debit) balance of P392,279 recorded in the books of the Project Management Office (PMO) and RO No. VI in the amounts of P341,817 and P50,462, respectively. In previous year's audit, the concerned PMO officer informed that the abnormal balance was carried forward since prior years.

10.8. Considering the significant amount of the variance and the existence of the dormant accounts as well as negative balances, the accuracy and completeness of the Due to NGAs account are doubtful and adversely affected the fair presentation of the account in the financial statements.

10.9. **We reiterated our previous years' recommendations that Management:**

a. Require the Accountants in the CO and ROs to:

a.1 Analyze the Due to NGAs account and adjust the entries made during transfer of funds to the ROs, and henceforth, treat these fund transfers as advances for the implementation of projects using the Due from ROs account for monitoring purposes, and close said account upon submission of duly approved and audited liquidation reports by the ROs;

a.2 Use reciprocal account Due to CO account for receipt of funds and to close the account upon submission of duly approved liquidation reports to the CO;

a.3 Prepare/submit the duly approved and liquidation reports to the CO, as basis in recording the utilized funds and for submission to the SAs;

a.4 Periodically reconcile records with the concerned NGAs and submit to the latter the duly approved Liquidation Reports/Statements of Disbursements by the Head of Agency;

b. Refund immediately any unused funds to the NGAs, in compliance with COA Circular No. 94-013 dated December 13, 1994.

c. Require the CO Accounting Division to coordinate with the SAs to determine the details of the funds transfers that remained unliquidated in their books and require the concerned Regional Accountants to submit immediately liquidation reports and supporting documents; and

d. Require the CO Finance Department to seek advice from the SAs on what course of action to be taken to warrant the recording of the liquidation in the SAs' books in the absence of supporting documents.

10.10. In Region III, they informed that they need more time in the retrieval of the documents. The options of requesting for write-off or adjustments of the subject account will be considered.

11. Existence of discrepancy of P204.389 million between the year-end balances of reciprocal accounts, i.e. Due to Regional Offices (ROs) and Due from Central Office (CO) of P225.004 million and P20.615 million, respectively, thus affecting the accuracy of the balances of the Intra-agency Payables of P478.623 million and Intra-agency Receivable of P610.219 million as at December 31, 2016.

11.1. This observation on the elimination of reciprocal accounts has been raised in previous years' AARs since CY 2006.

11.2. The Due to RO and Due from CO accounts are used to record transfer of funds from the CO to ROs, and other transactions between the two offices; and in the consolidated financial statements, all reciprocal accounts should have zero balances as at year-end.

11.3. As discussed in the previous' years AARs, Management informed that there was no proper turn-over of the books and pertinent source documents from the previous Accounting personnel; thus, the difficulty for the current personnel to analyze the accounts. The Accounting Section further informed that in CY 2015 they have already located the SL for the Due to ROs account with balance amounting to P222.140 million.

11.4. However, as at December 31, 2016, the Due to ROs account still has a balance of P225.004 million while the Due from CO account has a balance of P20.615 million, or a discrepancy of P204.389 million. Compared with last year's discrepancy of P188.130 million, it is noted that the variance had increased by P16.259 million.

11.5. It is noteworthy to mention that in Region XIII, the Audit Team thereat noted the existence of Due from CO account in the amount of P4.640 million. The account has been dormant for more than eight years. The concerned accounting personnel explained that the non-moving account already existed prior to their assumption to office.

11.6. The existence of the discrepancy on reciprocal accounts indicates the lack of periodic reconciliation between the CO and the ROs while the increase in the amount of discrepancy would signify that little effort has been exerted by both offices to eliminate the variance between the reciprocal accounts.

11.7. As a result, the accuracy of the balances of the accounts Intra-agency Payables of P478.623 million and Intra-agency Receivable of P610.219 million as at December 31, 2016 is affected.

11.8. We reiterated our previous years' audit recommendation that Management require the:

a. CO Accounting Division to provide the concerned ROs with copy of the SL for the Due to ROs account together with supporting documents to assist the ROs in the reconciliation process;

b. Require the concerned ROs Accountants to submit the statement of reconciliation of reciprocal accounts to CO Accounting Division for the latter to effect the necessary adjustments in the books of accounts; and

c. Set a timeline within which all the concerned officials and personnel complete the analysis of the reciprocal accounts with the end in view of eliminating the variance of P204.389 million.

11.9. We further recommended that Management require the CO and ROs Accountants to periodically reconcile the reciprocal accounts to prevent accumulation of variances.

STATUS OF IRRIGATION DEVELOPMENT

12. Despite considerable amount of government funds provided for irrigation, the reported status of irrigation development is still relatively low as 1,272,649 hectares or 40.68 per cent out of the estimated total irrigable area of 3,128,631 hectares remain to be developed as of December 31, 2016. There was no significant increase in irrigable areas developed as the generation of new areas for development was not given precedence in NIA's Irrigation Development Program aggravated by the shortfall in the accomplishments in the generation of new areas, thereby affecting the attainment of increasing agricultural productivity to improve the socio-economic welfare of farmer-beneficiaries.

12.1. The Philippines reportedly has approximately 10.3 million hectares agricultural lands of which 3.1 million hectares are considered irrigable and primarily devoted to rice and corn and up to three per cent slope.

12.2. It was noted from the Agency Performance Report as of December 31, 2016 that out of the estimated potential irrigable area of 3,128,631 hectares, the total firmed-up service area was 1,855,982 hectares or 59.32 per cent. The service area is the number of hectares provided with irrigation distribution facilities. Over time, the service areas decreased as residential, industrial and commercial areas, roads and other infrastructure were developed due to increasing population and urbanization. The decreased service

area is called firmed-up service area. Review of Year-end Reports and Agency Performance Reports from CYs 2012 to 2016 on the status of irrigation development revealed a minimal increase in irrigable areas developed, details shown in Table 26.

Table 26–Status of Irrigation Development (in hectares)

Year	Estimated Total Irrigable Area	Total Firmed-up Service Area	Converted and Permanently Non- Restorable Area	Total	% of Irrigation Development	% of Increase From Previous Year	Remaining Potential Area to be Developed
2016	3,128,631	1,855,982	-	1,855,982	59.32	1.99	1,272,649
2015	3,019,609	1,731,128	-	1,731,128	57.33	0.76	1,288,481
2014	3,019,609	1,708,063	-	1,708,063	56.57	0.98	1,311,546
2013	3,019,609	1,678,595	-	1,678,595	55.59	1.99	1,341,014
2012	3,126,340	1,570,926	104,810	1,675,736	53.60	3.49	1,450,604

12.3. The level of irrigation development is reflected in terms of firmed-up service area over the estimated potential irrigable area. Table 26 presented the state of irrigation development which is still relatively low in CY 2016 at 59.32 per cent with no significant increases from previous years ranging from 0.76 to 3.49 per cent.

Accomplishments vis-a-vis Targets

12.4. Irrigation development or implementation of irrigation projects involves the following activities:

- a. Generation of new areas - refers to the construction of facilities and structures for the provision of irrigation and drainage services to presently rain-fed areas, idle lands, and other identified potential irrigable areas;
- b. Restoration works - aim to bring back into operation the non-functioning service areas in National Irrigation System (NIS) and Communal Irrigation System (CIS). These entail reconstruction of facilities and provision of additional structures; and
- c. Rehabilitation and improvement of irrigation systems - increases efficiency and effectiveness of water delivery to currently irrigated areas. This addresses the wear and tear of facilities and structures.

12.5. Further, review of Year-end Reports and Agency Performance Reports from CYs 2012 to 2016 on the status of irrigation development revealed that NIA accomplished 37 (18,081 has.) to 54 (58,632 has.) per cent of its targets for generation of new areas; 39 (15,330 has.) to 67 (45,950 has.) per cent of its targets for restoration; and 14 (617 has.) to 3,442 (80,310 has.) per cent for rehabilitation.

12.6. It was apparent that the generation of new areas for development was not given precedence in NIA's Irrigation Development Program instead Management's utmost efforts were devoted to the rehabilitation of existing irrigation systems when it should have prioritized the construction of facilities and structures for the provision of irrigation

and drainage services to potential irrigable areas to increase agricultural productivity thereby improving the socio-economic welfare of farmer-beneficiaries.

12.7. It was also observed that such condition was aggravated by shortfall in accomplishments in the generation of new areas ranging from 45 (45,494 has.) to 63 (31,349 has.) per cent.

12.8. Additionally, it was noted from the Year-end Reports and Agency Performance Reports from CYs 2012 to 2016 that substantial government funds were provided for irrigation development. Despite considerable investment in irrigation, the reported status of irrigation development is still relatively low. The reported total available allotment for the irrigation projects including cash/non-cash support and the obligations incurred from CYs 2012 to 2016 are presented in Table 27.

Table 27 – Financial Status – Irrigation Projects, CYs 2012 to 2016
(In Thousand Pesos)

Year	Total Available Allotment	Cash/Non-Cash Support	Obligation
2016	42,622,056	20,312,455	27,698,089
2015	34,115,127	13,628,659	22,285,575
2014	22,742,888	16,764,059	16,956,650
2013	34,350,589	30,935,540	32,734,407
2012	27,803,100	19,915,140	24,218,282

12.9. It was observed that there is no disaggregated financial data on obligations incurred for new irrigation systems, and those for restoration and rehabilitation.

12.10. We recommended that Management exert all efforts to achieve its target in the generation of new areas for irrigation development to increase agricultural production and productivity thereby improving the socio-economic welfare of farmer-beneficiaries.

12.11. Management commented that they are performing due diligence in ensuring the attainment of the generation of new areas. Policies and guidelines have been in place to address shortfall in physical accomplishments of projects that subsequently affects the generation of new areas. These policies include MC No. 40, Series of 2017 on Administrative Actions on Contracts with Negative Slippage”; MC No. 67, Series of 2016 on the “*Guidelines in the implementation of the 3-Strike Policy in the Procurement of Contracts for Infrastructure Works, Goods and Consulting Services*”, etc. To ensure achievement of target, monitoring and supervision of irrigation projects were also improved, including adoption of online monitoring system. The afore-mentioned remedial measures are made to arrest the relatively low increase in irrigation development and achieve the target in the generation of new areas.

12.12. As a rejoinder, the Audit Team took note of the efforts being undertaken by Management to address the low increase in irrigation development. However, the Team would continuously monitor the Agency’s accomplishments in the succeeding years.

IMPLEMENTATION OF PROJECTS/CONTRACTS

13. Unsatisfactory performance of ineligible Contractors, inadequate planning, and inefficient execution of surveys, investigation and engineering design, resulted in significant delays, ranging from 11 to 1,438 days, in the implementation of 82 irrigation contracts/projects with total contract cost of P4,535.968 million. In addition, 25 contracts with total cost of P6.002 billion incurred negative slippages from 0.90 per cent to 62.80 per cent, while 5 contracts with total cost of P458.547 million were terminated due to, among others, fault of the contractors. Thus, the farmer-beneficiaries are not able to timely benefit from the said irrigation projects, and could result in wastage of government resources when the unfinished/uncompleted contracts would be terminated. Moreover, liquidated damages were not imposed on Contracts that incurred delays due to grant of contract time extensions, validity of which could not be ascertained due to inadequate evaluation and incomplete documentation.

13.1 The NIA is mandated to contribute to the country's program on rice self-sufficiency and alleviation of poverty through irrigation development. It is tasked to develop and manage water resources for irrigation and provide necessary services on a sustainable basis consistent with the agricultural development program of the government.

13.2 One consideration of the government for entering into a contract is the completion of infrastructure projects based on approved contracts to achieve the intended benefits on a timely manner. The contracting parties are bound to adhere faithfully to the agreed terms and conditions of the contract.

13.3 Records showed that implementation of NIA projects have been incurring considerable delays. The delayed implementation of projects has been a recurring issue raised in the AARs since CY 2012 which the Agency failed to address. As of December 31, 2016, implementation of 82 contracts with total cost of P4,535.968 million have been incurring delays, ranging from 11 to 1,438 calendar days (cd), as shown in Table 28; implementation of 25 contracts costing P6.002 billion incurred negative slippages of 0.90 per cent to 62.80 per cent, as presented in Table 29; and five contracts with total cost of P458.547 million were terminated due to, among others, fault of the contractors as shown in Table 30.

**Table 28 – Projects/Contracts Targeted to be Completed in CYs 2012 to 2016
vis-a-vis Status of Implementation as of December 31, 2016**

Projects/No. of Contracts Area covered	Amount	No of days delay as of 12/31/2016/ Status of Project
<u>NIA Central Office</u>		
Participatory Irrigation Development Project (PIDP)		316 to 939 calendar days (cd) delayed
11 contracts 42,072 hectares (has.)	P 1,459.095 million	Six contracts that should have been completed in CYs 2015 and 2016 are still on-going with reported accomplishment of 42.26 per cent to 99.23 per cent completed.
		Five contracts reported to be 100% completed from May 2015 to October 2015 do not have pre-final inspection and final inspection report.

Projects/No. of Contracts Area covered	Amount	No of days delay as of 12/31/2016/ Status of Project
Jalaur River Multi-purpose Project (JRMP) II 1 contract Rehab 22,340 has. New 9,500 has.	230.587 million	386 cd The Project should have been completed on February 25, 2016, but only 35.24 per cent completed; with two work suspension orders. No reported accomplishment for the months of August to December 2016.
QUIPOT 3 contracts 3,500 has.	337.154. million	340 to 460 cd 1 contract that should have been completed on the revised completion date of August 27, 2016 after the grant of 214 cd contract time extension was only 63.80 per cent completed.
Help for Catubig Agricultural Advancement Project (HCAAP) 4 contracts 4,550 hectares	575.721 million	721 to 1,438 cd Several work suspensions were issued due to unworkable site condition. Despite the grant of contract time extension of 122 to 935 cd, the projects were not completed within the revised completion date. Three contracts do not have accomplishment in CY 2016; with reported accomplishment of 24.93 per cent to 81.35 per cent. One contract was reported 23.31 per cent accomplished for the three-month period, but was stopped starting May 2016.
Umayam River Irrigation Project (UMRIP) 3 contracts New 7,029 has	677.759 million	73 to 170 cd The three contracts should have been completed in CY 2016. Despite contract time extension of 103 to 159 cd; the contracts were not completed within the revised completion date. The reported accomplishments ranged from 31.62 per cent to 68.35 per cent.
Talakag Irrigation Project 1 contract 2,500 has	165.965 million	432 cd The contract should have been completed on Nov. 26, 2015 and was granted contract time extension of 355 cd. The revised completion date was Nov. 15, 2016, but the project was only 87 per cent completed.
Region VIII 25 contracts	482.300 million	21 to 1,312 cd Several contract time extensions were granted due to: (a) unworkable site conditions, (b) unavailability of construction materials, (c) ROW problem, (d) revision of construction plans, (e) conflict with farmers scheduled activities such as standing crops and water delivery, and (f) on-going construction of provincial roads.
Region XVIII 6 projects 5 projects	92.371 million 55.248 million	Temporarily suspended due to ROW problem. Implemented by the Provincial Government of Negros Occidental but was not completed within the completion dates due to: (a) fault of the contractor, (b) the target location of the system fall under strictly protected zone, (c) relocation of dam axis and canal re-routing, (d) contractors are not financially capable to prosecute the project, and (e) ROW problem.
Region XI 23 projects 2,681 has	459.768 million	11 to 1,337 cd Projects were not completed within the target date in CY 2016. Delay was due to ROW problem and work suspension due to conflict with scheduled water delivery.
82 contracts/ projects	P 4,535.968 million	

Table 29 - On-going Contracts that are still within the Completion Date but Incurred Negative Slippage

Projects/ No. of Contracts/ Area covered	Amount	Status of Project as of 12/31/2016
National Irrigation Sector Rehabilitation and Improvement Project (NISRIIP) 12 contracts 1 contract Rehab 34,233 has	P 1.691 billion 112.239 million	Negative slippage of 0.90 per cent to 36.20 per cent 1 contract was not yet procured due to 3 times failed bidding
Small Reservoir Irrigation Project(SRIIP) 6 contracts	2.486 billion	Negative slippage of 4.2 per cent to 61.83 per cent despite the grant of contract time extensions of 71 cd, 160cd and 378 cd to three contracts
Casacnan Multi-purpose Irrigation and Power Project (CMIPP) 4 contracts New 20,321 has. Rehab 40,000 has.	1.228 billion	Negative slippage of 11.09 per cent to 62.80 per cent; with time extension granted of 211 to 303 cd from the original 300 to 360 days.
Balog-Balog Multi-purpose Project (BBMP) 2 contracts	485.321 million	Negative slippage of 13.94 per cent to 15.94 per cent
25 contracts	P 6.002 billion	

Table 30 – Terminated Contracts

Projects/ No. of Contracts/ Area covered	Amount	Status of Project as of 12/31/2016
Region XI 2 contracts	P 13.903 million	Two Contracts were terminated and currently implemented thru Force Account Works.
Region XIII 2 contracts	19.650 million	Terminated due to peace and order situation.
PIDP 1 contract	424.994 million	Terminated due to fault of Contractor with reported accomplishment of 53.63 per cent.
5 contracts	P 458.547 million	

Unsatisfactory performance of ineligible Contractors

13.4 In NIA CO, the delayed implementation of the project could be attributed to the unsatisfactory performance of six Contractors who were awarded 23 Contracts costing P6.600 billion, as presented in Table 31, despite their failure to pass the technical eligibility requirements due to, among others: (a) no similar completed contract; (b) lacked work experience of key project personnel; (c) non-disclosure of more than 15 per cent negative slippage on its on-going contract; and (d) pledged the same set of equipment in other contracts.

Table 31 –Status of the Contracts Awarded to Ineligible Contractors

Contract No.	Contract Amount	Status
Oscar Sarmiento Construction, Inc. (OSCI)		
SRIPD-C- 20	P 454,831,302	Negative slippage of 61.83%; with contract time extension granted of 38 cd.
SRIPD-C- 21	313,650,372	Negative slippage of 7.42%.
SRIPD-C- 23	720,607,069	Negative slippage of 28.45 %; with contract time extension granted of 29 cd.
SRIPD-C -24	339,272,524	Negative slippage of 15.72%.
SRIPD-C- 26	359,979,634	Negative slippage of 22.3%; 5.01% accomplishment.
CMIPP2/NCB-C-S4-1	349,459,514	Negative slippage of 62.80% with granted contract time extension of 234 cd.
6 contracts	2,537,800,415	
Kyro Builders/Kyro Builders, Inc.		
CMIPP2/NCB-C-S6-2	186,740,069	Should have been completed on 4/03/2015 but granted with contract time extension of 303 days in addition to the original 300 days but reported to be 88.91 % completed.
PIDP2-C-MRISN-1R	70,128,423	Should have been completed on 5/17/2015 but granted with contract time extension of 456 days over the original 350 days. Reported to be 99% completed but no pre-final and final inspection report.
R6-JRMPII-NCB-C-1	230,586,954	Should have been completed on 12/11/2015 but granted with contract time extension of 344 days over the original 270 days. Only 35.24% completed as of 12/31/2016.
UMRIPD-C-2R	258,142,034	Should have been completed on 10/19/2016; granted with contract time extension of 114 days over the 450 day original project duration. Reported to be 31.625 completed as of 12/31/2016.
UMRIPD-C-1	173,036,646	Should have been completed on 7/14/2016; granted with contract time extension of 103 days. Reported to be 68.35% completed as of December 31, 2016
5 contracts	918,634,126	
Tokwing Construction Corporation (TCC)/ Fambik Construction and Equipment Co., Inc. (FCECI) Joint Venture		
R10-TIPD-C-1	165,965,548	Should have been completed on 11/26/2015; granted contract time extension of 355 days over the original 360 days. Reported to be 87% completed as of 12/31/2016.
1 contract		
Markbilt Construction		
PIDPC-C-WAASI-1	255,389,836	Should have been completed on 4/16/2015, granted contract time extension of 157 days. Reported to be 72.71 % completed as of 12/31/2016.
PIDPC-C-UCRISI-1	424,994,301	Should have been completed in the revised completion date of 6/2/2016 but was reported to be 53.63 % when the contract was terminated due to fault of Contractor.
PIDP2-C-ZRISI-1R	202,580,961	Should have been completed on 11/12/2015 but was reported to be 42.26% as of 12/31/2016. No accomplishment for the months of September to December 2016.
PIDP-C-EAAISI-1R	286,231,768	Should have been completed on 10/31/2015; granted with 2 contract time extensions for a total of 316 cd. Reported to be completed within the revised completion date of August 2016; however, to date, no final inspection report yet.
4 contracts	1,169,196,866	
Equi-Parco Construction Company		
PIDP11-C-BRISN-1	76,046,784	Reported to have been completed within the revised completion date of April 2015, after the grant of 3 contract time extensions for a total of 357 days but to date no final inspection report submitted.

Contract No.	Contract Amount	Status
PIDP11-C-BRSIN-2	76,325,281	Reported to have been completed within the revised completion date of April 2015 after the grant of 3 contract time extensions for a total of 237 days, but to date no final inspection report.
PIDP11-C-BRISN-3	80,501,395	Reported to have been completed within the revised completion date of October 2015 after the grant of 2 contract time extensions for a total of 435 days, but to date no final inspection report.
3 contracts	232,873,460	
Northern Builders		
R1-ARISPED-C-1	10,997,353	Negative slippage of 6.86%
R3-BBMPID-C-1-R	140,063,690	Negative slippage of 13.94%
R3-BBMPID-C-2R	897,111,000	To date no available reports for CY 2017 and no Monthly Statistical Report
R3-BBMPID-C-4	527,357,159	
4 contracts	1,575,529,202	
23 contracts	P 6,599,999,617	

Inadequate planning, inefficient execution of surveys and investigations and problem on the acquisition of ROW

13.5 In Region XVIII - NIR, the cause of delay in the implementation of three contracts with total contract amount of P36.344 million was due to Right of Way (ROW) problem wherein one contract was mutually terminated and two contracts were suspended pending the filing of ROW case. The terminated contract costing P6.477 million was 80.38 per cent completed with total disbursements of P5.206 million when it was discovered that the source of water supply is different from the original plan; hence, NIA is still working on the acquisition of ROW.

13.6 In Region VIII, 14 projects with total cost of P366.820 million were suspended due to ROW problem. Out of the 14 projects, 2 contracts should have been completed in CY 2014 and one contract in CY 2015, but as at audit date, are not yet started, while 11 contracts with target dates of completion from March 2016 to May 2017 were reported to be 0.34 to 5.28 per cent completed. Mobilization fees of 7.5 per cent to 15 per cent of the contract cost have been paid to the Contractors.

13.7 The ROW problem and the erroneous identification of the source of water were among the reasons causing the delay in the implementation of the projects/contracts. These were already noted in the previous years' audit where we recommended that Management adhere strictly to the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, particularly the following provisions:

Section 17.6 Annex E - No bidding and award of contract for infrastructure projects shall be made unless the detailed engineering investigations, surveys and designs, including the acquisition of the ROW, for the project have been sufficiently carried out and duly approved in accordance with the standards and specifications prescribed by the Head of the Procuring Entity concerned or his duly authorized representative, and in accordance with the provisions of Annex "A" of this IRR.

Annex "A" Detailed Engineering for the Procurement of Infrastructure projects of the Revised IRR of RA No. 9184 - xxx *The findings contained in*

the feasibility study, if undertaken for the project, shall be examined. If, in the course of this exercise, it is found that changes would be desirable in the design standards of principal features, as proposed, specific recommendations for such changes shall be supported by detailed justifications for such changes, including their effects on the cost, and (if necessary) the economic justification.

13.8 Further, the delayed implementation of the projects/contracts was aggravated by poor supervision and monitoring which is discussed in Paragraph 14 of this report.

Non-imposition of Liquidated Damages and non-termination of contracts

13.9 Table 32 presents the contracts/projects that were not completed within the revised completion date in CY 2016.

Table 32 - Contracts that were not Completed within the Revised Completion Date

Contract No.	Amount	Original contract duration	Contract Time Extension Granted	Revised Completion Date	% completion as of 12/31/2016*
PIDPC-C-WAASI	P 255,398,836	800	514	9/11/2016	72.71%
PIDP10-C-MARRISN	105,911,586	350	456	8/15/2016	99.23%
PIDP5-THIRISN-1R	87,524,235	700	505	11/10/2016	70.24%
PIDP2-C-NVBISN-1R	74,477,736	800	460	10/27/2016	87.78%
PIDP2-C-ZRISI-1R	202,580,961	800		11/12/2015	42.26%
PIDP2-C-EAISI-1R	286,231,768	800	316	9/11/2016	100%
PIDP2-C-MRISN-1R	70,128,423	800	449	8/13/2016	84.26%
QIPD-C-1	121,790,798	365	99	12/10/2015	Completed in Sept. 2016
QIPD-C-2	127,222,463	365	35	1/26/2016	97.66%
QIPD-C-3	96,872,341	365	214	8/27/2016	63.80%
R10-TIPD-C-1	165,965,547	242		7/25/2016	87%
UMRIPD-C-1	173,036,646	848	103	10/25/2016	68.35%
HCAAPD-C-1	231,888,880	935	832	5/3/2015	81.35%
HCAAPD-C-2	172,722,996	874	860	6/7/2016	65.85%
HCAAPD-C-3	66,120,798	650	122	12/11/2014	24.93%
HCAAPD-C-4	104,988,055	800	472	4/24/2016	70.065%
P 2,342,862,069					

*Taken from Implementation Status of on-going civil works contract prepared by the NIA Engineering Department

13.10 It was reported in the Implementation Status of On-going Civil Works Contracts (ISOGCWC) that the Projects continue to incur delay as the negative slippage increased in April 2017. For the NISRIP Projects, the Contractors were directed to prepare catch up plans or measures to recover from the delays encountered in the earlier periods. Further, the ISOGCWC showed that for the Contracts that were irregularly awarded to OSCI, evaluation of request for contract time extensions are on-going.

13.11 Also, on-going contracts with total cost of P4.406 billion, as shown in Table 33, which are to be completed in CYs 2017 and 2018 incurred negative slippage of more than 15 per cent due to Contractor's fault, but were neither considered for termination nor imposed with liquidated damages.

Table 33 - On-going Contracts with Negative Slippage of more than 15 Per cent

Contract No.	Contract Amount	Target Completion Date	Slippage12/31/2016
UMRIPD-C-2R	P 258,142,034	2/10/2017	(31.65)
UMRIPD-C-3	246,399,967	4/23/2017	(28.02)
NISRIIPD-C-1	99,974,504	8/24/2017	(36.20)
NISRIIPD-C-2	189,363,679	8/24/2017	(23.30)
NISRIIPD-C-3R2	92,791,582	10/15/2017	(26.50)
NISRIIPD-C-4	133,850,154	9/10/2017	(15.90)
NISRIIPD-C-5	179,806,711	8/31/2017	(14.90)
NISRIIPD-C-6	171,973,176	10/29/2017	(24.90)
NISRIIPD-C-7	104,294,599	10/16/2017	(17.90)
SRIP-26	359,979,634	2/3/2018	(23.67)
R3-BBMPIID-C-3	345,257,602	1/26/2018	(15.94)
CMIPP2/NCB-C-S4-1	349,459,514	1/22/2017	(59.25)
SRIPD-C-20	454,831,302	7/9/2017	(61.83)
SRIPD-C-23	720,607,069	8/3/2017	(28.45)
SRIPD-C-24	339,272,524	2/4/2018	(15.72)
SRIPD-C-26	359,979,634	4/9/2018	(22.54)
P 4,405,983,685			

13.12 However, despite the foregoing conditions, liquidated damages were neither imposed against the defaulting contractors nor contracts were terminated or rescinded on projects with negative slippages of more than 10 per cent due to the contractor's fault or negligence, contrary to Sections 8.1 and 8.4 of Annex "E" of the Revised IRR of RA No. 9184 which provide that:

Section 8.1 - Where the contractor refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the contractor shall pay the procuring entity for liquidated damages, and not by way of penalty, an amount, as provided in the conditions of contract, equal to at least one tenth (1/10) of one (1) percent of the cost of the unperformed portion of the works for every day of delay.

Section 8.4 - In case that the delay in the completion of work exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the contractor, the procuring entity concerned may rescind the contract, forfeit the contractor's performance security and takeover the prosecution of the project or award the same to a qualified contractor through negotiated contract.

Inadequate evaluation and incomplete documentation to support the granting of contract time extensions

13.13 As observed in the previous years' audit, contracts that were incurring delay due to various causes were granted contract time extensions, hence the non-imposition of liquidated damages. However, audit disclosed that the evaluation made by the Agency in granting contract time extensions to various Contractors was not adequate and not fully supported with documentations; hence, the propriety of the contract time extension granted specifically its compliance with Clauses 26, 30, 45 and 47 of the General Conditions of the Contract (GCC); Item 3 of Appendix 1 of the World Bank Procurement

Guidelines and Section 10, Annex E of the Revised IRR of RA No. 9184 could not be ascertained.

13.14 Review disclosed that the contract time extensions granted were not supported with complete documents, as enumerated in Table 34.

Table 34 Lacking Documents to Support Contract Time Extension

Contracts	Contract of Time Extension in cd	Cause/Lacking documents
All cases:		
a. NIA Daily Inspector's Report		
b. Monthly Statistical Report including Weather Chart (colored), Manpower Schedule and Equipment Utilization Report		
c. Evaluation of the IMO that the affected activities fall within the critical path with copy of PERT CPM		
d. Computation of Contract time duration (original)		
PIDPC-C-UCRISI-1	21	Additional documents for
PIDPC-C-WAASI	177	Unworkable days due to heavy rains/bad weather conditions
PIDP5-THIRISN-1R	38	e. Pictures showing the site unworkable condition
PIDP2-C-NVBISN-1R	66	f. Certified true copy of PAG-ASA Report.
UMRIPD-C-2R	114	g. Basis of additional CTE granted by PMO (for PIDPC-C-UCRISI-1 and
PIDP2-C-MRISN-1R	62	
QIPD-C-3	64	
PIDP5-THIRISN-1R	469	Work suspension to give way to IAs' request of water delivery during cropping season/standing crops:
PIDP2-C-NVBISN-1R	304	h. IAs letter/resolution
PIDP11-C-BRISN-1	358	i. Work Suspension Order
PIDP11-C-BRISN-2	358	j. Work Resumption Order
PIDP11-C-BRISN-3	237	k. Schedule of Water delivery/cropping activities issued by NIA and
PIDP2-C-MRISN	285	concur by the IAs
CMIPP2/NCB-C-S4-1	93	
PIDP5-C-THIRISN-1R	469	
CMIPP2/NCB-C-S6-2	142	
PIDPC-C-UCRISI-1	7	Late water cut off
		a. NIA's Inspection and Evaluation Report relative to the actual situation that prevent the prosecution of work or require additional time
		b. computation of additional time
PIDPC-C-UCRISI-1	3	Peace and Order Problem
		a. Certified True Copy of Police Reports
PIDPC-C-UCRISI-1	60	ROW Problem
		a. ROW Plans including schedule of acquisition
		b. NIA's evaluation of affected work prosecution due to ROW problem showing:
		• Location
		• Activities affected and the corresponding target date of prosecution
		• Reason for the ROW problem
		• Owner
		c. Status of ROW acquisition prior to award
		d. Documents supporting the ROW problem such as communication, reports, minutes of meetings, etc.
PIDPC-C-UCRISI-1	64	Additional Works/Extra Work Order
PIDP2-C-NVBISN-1R	88	a. Approved Extra Work Order with supporting plans/drawings and computations
		b. NIA's inspection and evaluation report on the necessity of the additional work
		c. Computation of number of days to prosecute the additional works with reference to the computed original contract time
		d. Basis for the additional CTE granted by PMO
SRIP 22	160	Unresolved issues with the LGUs
PIDP2-C-EAASI - R	316	Cause of delay was not indicated in the ISOGCWC no documents submitted and evaluation conducted.

*Deficient evaluation on the grant of contract
time extensions*

13.15 It was observed that the Contractors for the seven Contracts, i.e., PIDPC-C-WAASI, PIDP5-THIRISN-1R, UMRIPD-C-2R, QIPD-C-3, PIDP2-C-NVBISN-1R, PIDP2-C-MRISN-1R, and PIDPC-C-UCRISI-1, did not immediately notify NIA of the unworkable site condition as it happens, as required under Clause 47.1 of the GCC which states that the Contractor shall deliver to the procuring entity notices of the circumstances leading to such claim to enable NIA to investigate the same. Thus, the requests for contract time extensions due to unworkable site condition caused by bad weather/heavy rain fall were not supported with NIA's investigations.

13.16 A case in point was the contract time extension granted for Contract PIDP2-C-NVBISN -1R of 159 days, but based on the PAGASA Report, the rainfall measuring 10 mm and above only occurred for 122 days for the period May 2013 to July 2015, hence, the contract time extension granted by NIA was in excess of the 37 cd.

13.17 Further, it was observed that the Notice of Work Suspension (NWS) was either issued by the IMO or PMO. Generally, the NWS is issued by the IMO with or without the request from the Contractor. However, the NSW for Contract PIDP2-NVBISN -1R was issued by the PIDP PMO without the request and recommendation from the IMO. For check and balance, the issuance of NSW should be recommended by the IMO and approved by the PMO.

13.18 In Contract PIDP11-C-BRISN-1, the IMO did not take into account the original contract time which included provision for the work suspension due to cropping season as stated in the Local Condition of the Contract No. LC-01 Paragraph, which states, viz.:

Irrigation water distribution in the system follows a regular cropping calendar for two (2) cropping seasons in the whole year round. Release of water for wet cropping season is every 16th of May and terminal drainage starts from the 3rd week of September up to 1st week of October while for dry cropping season release of water is every 16th of November and terminal drainage starts from the 2nd week of March up to 1st week of April.

Construction period will be every terminal drainage between dry and wet season which is March to May and September to November respectively. But since said period is too short for the construction per package, it will be adjusted to give one cropping schedule for every package. Construction will be maximum of nine months including time extension from September to May and March to November.

13.19 The original contract time was computed to be 354 days equivalent to 11.8 months which was more than the nine months maximum time for construction, this means that the additional three months were already provided for the work suspension due to water delivery during the cropping season. The PMO did not evaluate the activities that would be affected by water delivery, instead full work suspension was ordered on January 31, 2014, four months before the target completion date of June 5, 2014.

13.20 It was further observed that the Contract reported additional accomplishment during the alleged work suspension which would indicate that there was no actual work suspension; hence, no contract time extension should have been granted. Details shown in Table 35.

Table 35 – Work Suspension Granted for Contract PIDP11-C-BRISN-1

Period of Work Suspension	Reported additional accomplishment	Remarks
December 31, 2013 to March 31, 2014	10.1 per cent	Equivalent to P7.681 million; Majority pertained to concrete lining
June 1 to September 30, 2014	27.76 per cent	
December 1, 2014 to March 31, 2015	25.30 per cent	

13.21 In Contract PIDP2-C-NVBISN-1R, the NWS and Notice of Resumption were issued after the effectivity dates of the work suspension/resumption, casting doubt on the validity of such Notices.

13.22 Moreover, for all contracts granted with time extensions due to work suspension, the IMO did not evaluate the actual accomplishment against the target accomplishment for each work item to determine whether the unperformed activities would be affected by the work suspension had the Contractor completed the activity within the target time.

13.23 The time extension of 75 days granted to Contract PIDP2-NVBISN-1R due to additional work was computed based on the increase in quantity of each work item necessary in the additional work of concreting the canals. However, there was no adjustment made in the contract time corresponding to the deleted works which have material changes. Since the additional contract time was provided based on the increase in quantity corresponding to the additional work, the corresponding reduction in the contract time should have also been provided to cover the deleted works.

13.24 We reiterated our previous year's recommendations that Management:

a. Require the Managers of the Implementing Units to:

a.1 Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;

a.2 Strictly comply with the provisions of the GCC and Revised IRR of RA No. 9184 in the grant of contract time extension;

a.3 Ensure that the grants of contract time extensions are completely supported with documents;

a.4 Immediately enforce liquidated damages for projects that incurred negative slippages without valid justification and approved time extensions;

b. Direct the Bids and Award Committee (BAC) and BAC Technical Working Group (TWG) to ensure that the requisites for the bidding of infrastructure contracts provided in Section 17.6 of the Revised IRR of

RA No. 9184, such as the detailed engineering investigations, surveys and designs, including the acquisition of the ROW, are complied with to ensure that all the undertakings are economically and efficiently carried out to protect the interest of the government; and

c. Consider rescinding/terminating the contracts and forfeit the contractor's Performance Security for projects with negative slippages of more than 15 per cent resulting from contractor's fault or negligence.

13.25 We likewise recommended that Management require the Legal Department and the Internal Audit Services Department to: (a) conduct investigation to determine persons responsible for (i) not imposing liquidated damages, (ii) approving/ granting of contract time extensions without proper evaluation and documentation, and (iii) not terminating the contracts that incurred huge negative slippage due to Contractor's fault; and (b) file appropriate case, if warranted.

13.26 After the Exit Conference conducted on June 23, 2017, Management submitted additional documents and gave the following comments/justifications:

a. With regard to the irregular awarding of the Contract UMRIPD-C-2 R, the BAC imposed upon the Contractor the administrative penalty of suspension from participating in the public bidding in the NIA for a period of one year. The negative slippage incurred was due to ROW problem and unfavorable condition, a contract time extension of 114 days was granted.

b. The approved time extensions granted to 12 PIDP contracts were valid and meritorious. Seven contracts were already completed and two were terminated due to fault of Contractor.

c. The Contract Termination and Review Committee (CTRC) was already organized. The Contracts ZRISI-1R and UCRIS-1 were already terminated. Contracts PIDPC-C-WAASI, PIDP5-C-THIRISN-1R, JRMP-II-NCB-C-1, SRIPD-C-24, SRIPD-C-20 and SRIPD-C-18 were recommended by the CTRC for termination due to fault of Contractor. The termination of the Contract HCAAPD-C-1 was already approved by the NIA Board.

d. The two contract packages for the Quipot Irrigation Project were completed: QIPD-C-1 – December 10, 2015, QIPD-C-2 – substantially completed as of December 31, 2016. The Contract QIPD-C-3 incurred negative slippage due to unfavorable weather condition and work stoppage order by the Department of Labor and Employment (DOLE) with pending request for contract time extension.

e. NIA conducted a meeting with the Contractors of the three Contracts of Umayam River Irrigation Project (URIP) on June 22, 2017 and discussed with them the catch up plan that could address their delay.

f. Liquidated damages would be imposed to the Contractor of R10TIPD-C-1 Construction of Talakag Main Canal 2 (Sta 0+010.71 – Sta 7 +062) Laterals A, C and Sub Laterals B-1, B-2 and Appurtenant Structures under Talakag Irrigation Project, Bukidnon.

g. The termination of Contract SRIPD-C-23 was deferred because of improved performance of the Contractor while Contract SRIPD-C-26 has pending request for time extension due to late issuance of cutting permit for almost six months.

13.27 The following are the audit rejoinders of the Team to the above comments of Management:

a. It is emphasized that majority of the documents submitted were already in the custody of COA and have been considered in audit/evaluation. However, Management has not submitted yet the basic vital documents that would establish the site condition as basis in the grant of time extension, such as, the NIA Daily Inspector Report, the Monthly Statistical Report, and the computation of the original contract time. The submitted NIA Daily Inspector Report for Ibato Iraan Project pertained only to the days the work was suspended instead of for the whole duration of the project implementation.

b. The additional documents submitted by NIA to support the final inspection conducted would be reviewed/evaluated upon presentation of the original copies and the annexes.

c. With regard to the termination of the Contracts, we reiterate that Management strictly comply with Annex E and Appendix B of the Revised IRR of RA No. 9184 and immediately forfeit the Performance Security.

d. Since huge government fund was already spent on the contracts that are soon to be terminated, we further recommend that Management strategize to ensure that the terminated contracts would be completed as soon as possible.

e. The completion of the seven PIDP contracts would not extinguish the Contractors' liability on the payment of liquidated damages for the delayed completion of the Projects.

14. Full mobilization of equipment, actual deployment/replacement of key project personnel, and progress of projects' activities on site could not be ascertained in the implementation of 19 civil works contracts with total cost of P3.262 billion due to poor monitoring of contractors' compliance with the equipment and key personnel requirement of the contract and submission of reports required under the General Conditions of the Contract (GCC), Special Conditions of the Contract (SCC) and Technical Specifications of the Contract (TSC), thereby contributing to the delay in the implementation of irrigation projects as potential problems that might occur might not be immediately identified and resolved.

14.1. Records showed that the NIA CO procured 19 civil works contracts with total contract cost of P3.262 billion for which payment for advance mobilization fees and progress billings amounted to P746.764 million as of December 31, 2016, details shown in Table 36.

Table 36 - Civil Works Contracts procured by NIA CO

Contract No.	Contract Amount	Advance Mobilization Fees and Progress Billings	Total Payment made as of 12/31/2016
PIDPC-C-UCRISI-1	P 424,994,301	PB 1 to 4 and 7.5% adv	P 201,272,895
PIDP11-C-BRISN-1	76,046,784	PB 1 to 5 – 5/9/2015	75,883,625
PIDP11-C-BRISN-2	76,325,281	PB 1 to 5 – 5/9/2015	75,044,826
PIDP11-BRISN-3	80,501,395	PB 1 to 3 – 4/30/2015	61,974,837
PIDP2-NVBISN -1R	74,477,666	PB 1 to 2 -4/30/2015	63,184,824
NISRIPD-C-1	99,974,504	7.5% advance	7,498,088
NISRIPD-C-2	189,363,679	15% advance	28,404,552
NISRIPD-3R2	92,791,582	7.5% advance	6,959,369
NISRIPD-C-4	133,850,154	15% advance	20,077,523
NISRIPD-C-5	179,806,711	7.5% advance	13,485,503
NISRIPD-C-6	171,973,176	GOP 7.5% advance	2,418,373
NISRIPD-C-7	104,294,599	GOP 7.5% advance	2,507,978
NISRIPD-C-8	139,759,328	7.5% advance	10,481,950
NISRIPD-C-10	92,790,077	15% advance	13,918,512
NISRIPD-C-13	40,713,440	GOP 7.5% advance	2,270,008
R1-ARISEPD-C-1	210,997,353	7.5% advance	15,824,801
UMRIPD-C-2R	258,142,034	7.5% advance	19,360,652
SRIPD-C-20	454,831,302	PB 1 - June 30, 2015	99,197,420
SRIPD-C-26	359,979,634	7.5% mobilization	26,998,472
	P 3,261,613,000		P 746,764,208

14.2. Quoted hereunder are the pertinent provisions of the GCC.

GCC Clause 39.1 for the advance payment -

The amount of the advance payment is 15% of the Contract Price and to be recouped every progress billing, to be made as per herein schedule.

a) First (1st) Installment – 7.5% of the Contract Price- upon submission to and acceptance by NIA of an Irrevocable Standby Letter of Credit of equivalent value issued by a commercial bank, a bank guarantee or surety bond, callable upon demand, issued by a surety or Insurance Commission and confirmed by NIA.

b) Second (2nd) Installment – 7.5% of the Contract Price – upon submission to and acceptance by NIA of an Irrevocable Standby Letter of Credit of equivalent value issued by a commercial bank, a bank guarantee or surety bond, callable upon demand, issued by a surety or Insurance Commission and confirmed by NIA (if amount is not included in the first installment) and after Contractor has fully mobilized the initial equipment requirement and key personnel indicated in its approved Manpower Utilization Schedule as specified in the Bid Documents.

Item 9.1, Section VII – General Condition of the Contract -

The Contractor shall employ the key personnel and use the equipment identified in its Bid to carry out the works or other personnel and

equipment approved by the Project Manager. The Project Manager shall approve any proposed replacement of key personnel and equipment only if their relevant qualifications or characteristics are substantially equal to or better than those proposed in the Bid.

Section 44 of the GCC) -

Once the project reaches an accomplishment of ninety five per cent (95%) of the total contract amount, the Procuring entity may create an inspectorate team to make preliminary inspection and submit a punch list to the Contractor in preparation of the final turnover of the of the project.

14.3. Clause 31.7 of the SCC provides:

The Contractor is required to submit a Monthly Statistical Report within seven calendar days after the end of each month or reporting period, without cost to the Procuring Entity, consisting of the following information:

Xxxx

II Progress of Contract Implementation

Daily activities of contractor in tabulated form

Physical Progress for the month or period and estimated progress for the succeeding month or period

Overall Implementation Schedule (target, actual) based on the Program of Work duly approved by the Procuring Entity's Representative

A tabulation of Employees showing the supervisory staff and the number of the several classes of labor employed by the Contractor during the month or period. Daily manpower Utilization Report

List of the equipment utilized for the performance of the Contract Work during the month or period

Daily Equipment Utilization Report

14.4. The TSC provides for each work item: (a) the standards, (b) the quality testing requirement, (c) basis of payment, (d) method of Construction, (e) method of measurement, and (f) basis of payment, among others.

14.5. The TSC also states that:

*The Contractor shall mobilize and move into the Project site within **20 calendar days** after receipt of Notice to Proceed the required initial equipment requirement as listed under the Bid Data Sheet. Notwithstanding the mobilization of the initial equipment requirements, the Contractor shall mobilize to the site the **additional equipment requirement within 20 calendar days upon receipt of the approved***

Equipment Moving-in and Utilization Schedule. Xxx Failure to mobilize the required construction equipment within the same period will be ground for contract rescission.

Xxxx

The [NIA] Engineer shall check and verify the number type and actual condition of the equipment moved into the Project Site. Xxx Periodic check-up of the Contractor's equipment moved-in for the Contract work shall be conducted by NIA." [Emphasis supplied]

14.6. Review of the payments of Advance Mobilization Fees and Progress Billings disclosed NIA's poor/inadequate monitoring of the contractors' compliance with the equipment and key personnel requirement of the contract and submission of reports required under the GCC, SCC and TSC, as illustrated in the following paragraphs:

Non/Delayed submission of inspection report on the Mobilization of equipment and Replacement of Equipment were not approved by NIA

14.7. The PMO and the Construction Management Division (CMD) failed to monitor the mobilization of equipment and key project personnel as the Contractor did not claim the remaining 50 per cent advance mobilization fees. In consonance with the GCC Clause 39, NIA requires the submission of inspection report of the initial equipment mobilized to support the remaining 50 per cent of the advance mobilization fees. Since there is no claim from the contractor, there was no inspection report of the mobilized equipment submitted. This precluded the effective and timely monitoring by PIDP PMO of Contractor's compliance with the mobilization of equipment initial requirement.

14.8. It was observed that the Contractors of 12 Contracts, i.e., PIDPC-UCRISI-1, NISRIPD-C-1, NISRIPD-3R2, NISRIPD-C-5, NISRIPD-C-6, NISRIPD-C-7, NISRIPD-C-8, NISRIPD-C-13, R1-ARISEPD-C-1, UMRIPD-C-2R and PIDP-BRISN-1 did not claim the remaining 50 per cent advance mobilization fees and claims for the first progress billings were made one year after the mobilization. These Contractors were incurring delays in the implementation of the Contracts reportedly due to lack of equipment and key project personnel.

14.9. It is the practice of the oversight unit of NIA, i.e., the PMO and the CMD, to monitor the implementation of the Project upon review of the claims of the contractors submitted by the IMO. Hence, monitoring of the Contractor's compliance with the mobilization of the equipment required in the Contract was not made on a timely basis.

14.10. Despite that the subject contracts were reported to be incurring delays, and there was no claim on the remaining advance payment, the PMO/CMD still did not request for the submission of the reports provided in the SCC and comprehensive report on the implementation of the Contract from the IMO to verify whether the lack of equipment was the cause of delay.

14.11. The submitted List of Equipment and Equipment Mobilization Record in Contracts PIDPC-C-UCRISI-1 and PIDP-C-BRISN-1 supporting the mobilized equipment

attached to the 1st Progress Billing did not show the required inspection and verification made by NIA to determine compliance with the mobilization of the equipment requirement of the contract.

14.12. Replacements of equipment in Contracts PIDPC-C-UCRISI-1 and SRIPD-C-20 were made without the evaluation and approval of the concerned PMOs, contrary to the GCC. In Contract SRIPD-C-20, the required equipment were not completely mobilized despite the lapse of more than one year from the receipt of Notice to Proceed (NTP) and no penalty was imposed contrary to the GCC which requires mobilization of the complete equipment within 20 days from receipt of NTP. Also, the equipment pledged in the Bidding documents was replaced with other equipment without NIA's approval. Review disclosed that some of the equipment were found to be of inferior capacity.

Non submission of reports on the key project personnel and non-evaluation/non-approval of Replacement of key Project Personnel by PMO

14.13. NIA is not requiring reports from the IMO of the actual key project personnel deployed in the Project to support the claim for advance payment. The NIA Daily Inspector's Reports (NDIRs) that would provide information on the deployment of key project personnel and manpower were not submitted to the PMO, hence monitoring on the compliance of the Contractor on the key project personnel of the Contract was not made. In Contracts PIDPC-C-UCRISI-1 and PIDP11-C-BRISN-1, key project personnel pledged in the technical bidding documents differed from the Project Managers and Project Engineers signing the reports of accomplishment. The replacement was neither reported by the IMO nor evaluated and approved by the PIDP PMO, contrary to Item 9.1 Section VII – GCC. It was noted that in Contract PIDPC-C-UCRISI-1, the key project personnel replacements were made several times.

14.14. The Consultant in its Monthly Progress Report conveyed to the NISRIP PMO that Contract No. NISRIPD-C-7 lacked the key project personnel reporting regularly in the site; however, this information was not reported in the Monthly Progress Report of the Implementation of the NISRIP submitted by the PMO to CMD.

14.15. In Contract SRIPD-C-20 (Construction of Ibato-Iraan Earthfill Dam and its Appurtenant Structures under the Small River Irrigation Project), the absence of the key personnel in the project site was not reported immediately by the Resident Engineer due to non-preparation of the NDIR to be submitted to the Palawan IMO Manager for appropriate action. Due to the absence of NDIR and Monthly Statistical Report (MSR), the CMD and the PMO could not ascertain how long the project was prosecuted without the key project personnel supervising the Construction. Moreover, PMO's action requiring the submission of request for the replacement of the key project personnel when there were no Project Manager and engineers manning the prosecution of the Contract is considered gross dereliction of duty of NIA officials. The PMO should have directed the immediate deployment of the key project personnel; otherwise, the Contract should have been terminated due to fault of the Contractor.

Non-submission of the NDIR and the MSR

14.16. The NDIR and MSR are not religiously prepared or referred to by the PMO and CMD in their review of the Progress Billings as these reports are not available in the CO. NIA failed to submit these reports despite Audit Team's request to Management conveyed through Audit Observation Memorandum (AOM) and Notice of Suspension (NS). The NDIR would provide information of all the activities taking place in the site on a daily basis, including the: (a) description of the activities/items of work executed/performed, (b) equipment utilized, (c) key project personnel present, (d) manpower, (e) weather condition, (f) site condition and (g) any reportable incidence. The report to be reviewed by the IMO/PMO/CMD is useful in validating the MSR submitted by the Contractor. It is worthy to mention that all the Contracts reviewed by the Audit Team were not supported with NDIR and MSR.

Late preparation of Implementation Status of On-Going Civil Works Contracts (ISOGCWC) Report and absence of monitoring mechanism to communicate/convey the variations/deficiencies noted for immediate disposition/resolution

14.17. The ISOGCWC Report prepared by the CMD is a management tool in monitoring the status of implementation of the Projects, for it provides information on the performance of the Projects implemented. The reported Project accomplishments summarized in this Report are based on the MSR submitted by the Contractor and validated/approved by the IMO. However, the Reports are not submitted on time. The monthly ISOGCWC Reports were issued three to six months late due to delayed submission of the MSR. It was also observed that the Report did not serve its purpose since reported huge negative slippages incurred by the Contracts were not communicated by the CMD to the concerned IMO/PMO for the latter to address the issues/problems that are causing the delay and thereafter submit feed-back of the action taken. There were instances that the actual accomplishment of the Contractor and the cause of delay were not reported due to non-submission of the MSR which showed that no effort was made to monitor the Project.

Delayed/non-conduct of preliminary inspection and delayed preparation of Final Firmed Up Contract Quantity and Cost (FFUCQC)

14.18. Delayed/non-conduct of preliminary inspection and non-preparation of Final Firmed Up Contract Quantity and Cost (FFUCQC) for the seven contracts with total contract amount of P1,143.755 million reported as substantially completed in CYs 2015 and 2016 indicate poor supervision and monitoring which cast doubts on the veracity of the completion of the Contract within the revised completion date.

14.19. Based on the ISOGCWC Report prepared by the NIA Engineering Department, the Contracts were substantially completed; however, the conduct of pre-final inspection could not be ascertained due to non-submission of the Report of the Inspectorate Team despite the Audit Team's requests as noted in previous year's AOM. Moreover, the delay of one year in the submission of the progress billings covering the accomplishment of

the reported 95 per cent also precluded the timely validation of the actual accomplishments.

14.20. We recommended that Management require:

- a. The CMD and the PMO to strictly comply with the GCC, SCC and TSC to ensure adequate supervision and monitoring of the implementation of the Contracts;**
- b. The Internal Audit Services Department in coordination with the concerned units of NIA to formulate policy guidelines on the supervision and monitoring of the contract to include, among others: (i) the responsible person, (ii) activities to be done, (iii) the timelines and (iv) the reports/documentation to be submitted covering all phases of the contract implementation; and**
- c. Require the IMO and the PMO to submit to the Auditor for review the pre-final inspection report, punch list, final inspection report and final firmed up contract quantity and cost of the contracts reported to have been substantially completed.**

14.21. On June 28, 2017, Management submitted sets of photocopied documents, such as, the punch list-Action Taken Report Final Inspection, Resolution of final Inspection and Completion (without the Annexes mentioned) to substantiate the conduct of final inspection and completion of the projects/contracts, namely: PIDP2-C-BRISN-1, PIDP2-C-BRISN-2, PIDP2-C-BRISN-3, PIDP2-C-BCISN-1R and PIDP2-C-NVBISN-1R.

14.22. The NISRIP PMO furnished COA photocopy of the warning letter sent to the Contractors implementing the five NISRIP Contracts.

14.23. However, the additional documents submitted by Management to support the final inspection conducted will be reviewed/evaluated by the Audit Team upon presentation of the original copies and the annexes thereof. The ISOGCWC Report as of April 30, 2017 disclosed that Contracts NISRIPD-C-1 and NISRIPD-C-5 incurred negative slippage of 66.22 per cent of 55.38 per cent, respectively, and due for termination. The Termination of the Contract entails serious management plan of action to minimize the delay of the implementation of project, immediate forfeiture of the performance security and enforcement of applicable sanctions to the Contractors.

15. Inadequate/poor execution of the validation procedures in the conduct of post qualification by the BAC and its TWG resulted in the award by NIA CO and NIA RO No. VIII of 32 contracts with total cost of P1.760 billion to bidders with the lowest calculated bid who did not pass the eligibility requirements as they have: a) no similar completed contracts to the Contract to be bid, b) questionable availability of pledged project personnel and equipment as these are likewise pledged to on-going projects with NIA and to contracts bidded on the same date and with almost the same period of implementation, c) doubtful claimed similar work experiences, and d) deficient legal, technical and financial eligibility documents, contrary to the Revised IRR of RA No. 9184 and Government

Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects.

15.1 To determine the veracity of all statements made and documents submitted by the bidder with the Lowest Calculated Bid, Section 34.3 of the Revised IRR of RA No. 9184 provides the criteria in post qualification, which shall not be limited to the following:

- a. *Legal Requirements. To verify, validate, and ascertain licenses, certificates, permits, and agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in xxx;*
- b. *Technical Requirements. To determine compliance of the goods, infrastructure projects, or xxx offered with the requirements specified in the Bidding Documents including where applicable:*
 - i. *Verification and validation of the bidder's stated competence and experience, and the competence and experience of the bidder's key personnel to be assigned to the project for the procurement xxx;*
 - ii. *Verification of availability and commitment, and/or inspection and testing for the required capacities and operating conditions, of equipment units to be owned/ leased/ under purchase by the bidder for use in the contract under bidding, xxx checking the performance of the bidder in its ongoing government and private contracts (if any of these on-going contracts shows a reported negative slippage of at least fifteen percent (15%), or substandard quality of work xxx, or unsatisfactory performance xxx, at the time of inspection, and if the BAC verifies any of these deficiencies to be due to the contractor's fault or negligence, the agency shall disqualify the contractor xxx), for the procurement of infrastructure projects;*

Xxxx

15.2 Also the GPPB Manual of Procedures for the Procurement of Infrastructure Projects prescribes steps in the conduct of post-qualification, which include, among others, the following:

Verification of availability and commitment, and/or inspection and testing of equipment units to be owned or leased by the bidder, as well as checking the performance of the bidder in its ongoing government and private contracts, examination of the Construction Schedule, Construction Methods, Equipment Units and Equipment Utilization Schedule, List of Projects that are on-going, completed and to be started, CPES rating sheet; Statement on similar projects to ensure that these meet the minimum requirement.

In verifying the information contained in such documents, the TWG may make inquiries about the bidder's performance in relation with other contracts/transactions as indicated in its eligibility statement.

The use of other means of verification and validation of such documents may be resorted to by the TWG, such as the Internet and other research methods that yield the same results.

15.3 In NIA CO, records showed that it awarded seven contracts with total cost of P1.402 billion to two contractors, details shown in Table 37.

Table 37 – Contracts Awarded to Two Contractors by NIA CO

Contract No./Description	Contract Amount	Date of Notice of Award
<u>Equi-Parco Construyction Company (EPCC)</u>		
PIDP11-C-BRISN-1 Rehabilitation of Diversion Works, Main Canal East, Lateral A-1, East including Repair of Service Roads, Appurtenant Structures including Supply, Delivery, Installation and Commissioning for Batutu River Irrigation System	P 76,046,784	04/15/2013
PIDP11-C-BRSIN-2 Rehabilitation of Laterals Canals East Side (A-Extra, A,B, B-1, C, D and E) including Repair of Service Roads, Appurtenant Structures including Supply, Delivery, Installation and Commissioning of Steel Gates for Batutu River Irrigation System	76,325,281	04/26/2013
PIDP11-C-BRISN-3 Rehabilitation of West Area and Construction of West Extension Area including Appurtenant Structures and Supply, Delivery and Installation of Steel Gates for Batutu River Irrigation System (Joint Venture Agreement with Newington Builders)	80,501,395	07/18/ 2013
3 contracts	232,873,460	
<u>Markbilt Construction</u>		
PIDPC-C-WAASI-1 Rehabilitation/Restoration of West Apayao-Abulug Irrigation System Including Supply, Delivery, Installation and Commissioning of Steel Gates (Joint venture Agreement with Tokwing Construction Corporation)	255,389,836	12/17/2012
PIDPC-C-UCRISI-1 Rehabilitation/Restoration of Upper Chico River Irrigation System Including Supply, Delivery, Installation and Commissioning of Steel Gates (Joint Venture Agreement with R.D. Policarpio and Co., Inc.)	424,994,301	06/17/2013
PIDP-C-EAASI-1R Rehabilitation/Restoration of East Apayao-Abulug River Irrigation System Including Supply, Delivery, Installation and Commissioning of Steel Gates (Joint Venture Agreement with Tokwing Construction Corporation)	286,231,768	06/17/2013
PIDP2-C-ZRISI-1R Rehabilitation/Restoration & Extension of Zinandungan River Irrigation System	202,580,961	06/17/ 2013
4 contracts	1,169,196,866	
7 contracts	P 1,402,070,326	

15.4 Review of the post-qualification/evaluation report prepared by the BAC and its TWG for the afore-mentioned Contracts revealed that validation of the eligibility documents submitted to determine their veracity were inadequate or poorly conducted. While the validation procedures in the Revised IRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure Projects during post-qualification require verification and validation of, among others, bidder's stated competence and experience, and the competence and experience of the bidder's key personnel to be assigned to the project for the procurement, availability and commitment of equipment

for use in the contract, and checking the performance of the bidder on its ongoing government and private contracts, it was observed that the validation conducted by the BAC and its TWG was merely comparison of submitted documents against the original copies presented. The validation did not go beyond the documents submitted by the bidders and making inquiries concerning the bidders submitted eligibility statements.

15.5 The non-adherence by the BAC and its TWG with the prescribed procedures for the conduct of post qualification which resulted in the award of Contracts to non-compliant Contractors was already noted in CYs 2014 and 2015 audits.

15.6 Contracting with non-eligible Contractors adversely affects the implementation of the project. The Contractor who has no experience of having completed a contract similar to the contract to be bid might not be capable of performing the whole scope of the Contract. Moreover, a Contractor who has insufficient equipment and manpower resources might delay the implementation of the project.

15.7 Audit Team's verification disclosed that the two above-mentioned bidders/contractors did not pass the eligibility requirements for the award of the Contracts as discussed in the subsequent paragraphs.

No similar completed contracts to the Contract to be bid

15.8 GPPB Resolution No. 11-2012 dated June 1, 2012 and Clause 5.4(a) of Instruction to Bidders (ITB) provides that, *"The prospective bidder must have an experience of having completed at least one (1) contract that is similar to the contract to be bid, and whose value, adjusted to current prices using the [National Statistics Office] NSO consumer prices indices, must be at least fifty percent (50%) of the [Approved Budget for the Contract] ABC to be bid xxx."*

15.9 The Bid Data Sheets (BDS) of the Invitation for Bid (IFB) of the Contracts provide further the similar specific experience requirement, details shown in Table 38.

Table 38 – Similar Specific Experience Requirement in the BDS

Contract No.	Similar Experience Requirement in BDS
PIDP11-C-BRISN-1 PIDP11-BRISN-2 PIDP11-BRISN-3	<p>To be considered eligible and qualified, a Bidder must have a successful experience as prime contractor in the construction of at least one (1) work of nature and complexity equivalent to the Works generally in the last five (5) years (to comply with this requirement, single works cited should be at least 80% of value of estimated contract cost; xxx)</p> <p>For this purpose, similar contracts shall refer to construction of either dam (reservoir, storage or diversion), irrigation facilities or flood control projects</p>
PIDPC-C-WAASI – 1	
PIDPC-C-UCRISI-1	
PIDP-C-EAAISI-1R	Participation as contractor, management contractor, or subcontractor, in at least One (1) contract within the last TEN (10) years, each with a value of at least Php288,000,000, that have been successfully and substantially completed and that are similar to the proposed Works.
PIDP2-C-ZRISI-1R	Participation as contractor, management contractor, or subcontractor, in at least Two (2) contracts within the last TEN (10) years, each with a value of at least Php163,000,000, that have been successfully and substantially completed and that are similar to the proposed Works.

Non-compliant with the equipment and personnel requirements

15.10 Evaluation of Technical Proposal of Markbilt Construction on the four Contracts revealed that Markbilt Construction pledged the same set of equipment in the bidding of four Contracts and the same set of key personnel in two contracts. Tokwing Construction, partner in the Joint Venture in Contract PIDP-C-EAASI-1R pledged the same Equipment in other NIA Projects that were still on-going at the time of the bidding and award.

15.11 In NIA RO No. VIII, records showed that 10 infrastructure projects costing P79.161 million bearing almost the same period of project implementation were awarded to four contractors. The bids tendered for the infrastructure projects were supported with set of documents showing the same key personnel and equipment pledged to the contract with the same period of manpower and equipment utilization. This condition was highly improbable for Aronanga Communal Irrigation Project (CIP) and Balangiga CIP wherein the contractor pledged the same personnel and equipment despite the huge distance between Dolores and Balangiga, which are located in the opposite sides of the Province of Eastern Samar.

15.12 Pledging the same key personnel and equipment to contracts with the same period of project implementation renders the availability and commitment of the key personnel and equipment doubtful and uncertain.

Doubtful claimed similar work experiences

15.13 Furthermore, the Revised IRR of RA No. 9184 states that:

Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial eligibility documents by any of the joint venture partners constitutes compliance.

15.14 Except for one contract, the other contracts disclosed in the Specific Experience, Form EXP-2.4(a), submitted by the bidders to support compliance with specific experience requirement were non-complying. Verification disclosed that the contract was not awarded to Markbilt Construction but to BMWAD Joint Venture (JV) where Markbilt was one of the four partners of the JV whose participation was only 16.22 per cent while the contracts submitted by EPCC were that of a sub-contractor instead of prime contractor, details shown in Table 39.

Table 39 – Non-Compliance with Similar Contract Requirements

Contractor/Contract Awarded	Completed Contract indicated in the Specific Experience submitted	Results of Audit Team's Verification
Markbilt Construction PIDPC-C-WAASI – 1 PIDPC-C-UCRISI-1 PIDP-C-EAASI-1R PIDP2-C-ZRISI-1R	Contract with the Department of Public Works and Highways (DPWH) for the Construction of the Remaining Works in the Kamanava Area Flood Control and Drainage System Improvement Project in the amount of P498.159 million.	From the DPWH website (News 2009), the Contract was awarded to BMWAD Joint Venture. The Joint Venture Agreement of BMWAD for the Improvement of Kamanava Area Flood Control and Drainage System Project dated March 30, 2009, obtained from the Bid documents for ITB No. UMRIPD-C-2 attached to the Motion for

Contractor/Contract Awarded	Completed Contract indicated in the Specific Experience submitted	Results of Audit Team's Verification
		<p>Reconsideration of Werr Corporation International, disclosed that the participation of the partners are as follows :</p> <ul style="list-style-type: none"> a. Markbilt Construction - 16.22 per cent or an amount of P80.801 million for the Polder Dike and Longos Drainage Channel Improvement. b. AKN Construction Corporation – 33.66 per cent or an amount of P167.680 million for the Polder Dike Pinagkabalian Section and Catmon Creek Drainage Channel Improvement and Northern Catmon Drainage Facilities. c. DL Cervantes Construction – 17.39 per cent or an amount of P86.630 million for the Estero de Maypajo Drainage Improvement d. WERR Corporation International – 32.73% or an amount of P163.047 million. <p>The Certificate of Completion submitted pertained only to the Polder Dike and Longos Drainage Channel Improvement and not for the whole Kamanava Contract.</p> <p>Copy of the Contract submitted is not clear. Date the contract was notarized and the Date of Contract Agreement are not readable.</p>
EPCC PIDP11-C-BRISN-1 PIDP11-C-BRISN-2 PIDP11-C-BRISN-3	Five (5) sub-contracts between Kajima Corporation and EPCC for the DPWH Project - Construction of Lower Agusan Development Project (LADP) Stage I, Phase II, Package IV – Masao River Improvement and Construction of Urban Drainage System in Butuan City with total amount of P446.408 million completed on April 26, 2010.	<p>Examination of the Contracts and its supporting documents submitted by the EPCC to comply with the similar contract experience requirement showed that EPCC is not a prime contractor of a single contract and the claimed sub-contract was not recognized by the contract owner (DPWH).</p> <p>Confirmation from the DPWH, the contract owner, disclosed that the Contract was awarded to Kojima Corporation and that DPWH has no participation to such agreement between Kojima Corporation and EPCC</p> <p>The Construction of Lower Agusan Development Project (LADP) Stage I, Phase II, Package IV – Masao River Improvement and Construction of Urban Drainage System in Butuan City is funded thru a loan granted by the Japan International Cooperation Agency (JICA) to the Government of the Philippines. The implementation of the Project was covered by JICA Procurement Guidelines which prescribe the standard condition of the Contract that require approval of the sub-contracting by the DPWH. Hence, the existence of the Contract, showing the experience requirement, is doubtful.</p>

Deficient legal, technical and financial eligibility documents

15.15 In NIA RO No. VIII, the legal, technical and financial documents submitted by eight bidders for 15 contracts costing P278.483 million were either incomplete or the documentary requirements submitted after post-qualification were not valid resulting in the award of the contracts to unqualified bidders. Review of the related post-qualification and other documents submitted showed that the eight bidders should not have been awarded with the 15 contracts due to their failure to submit the required documents for post-qualification such as tax clearance, plans and drawings, Philippine Government Electronic Procurement System (PHILGEPS) Certificate and/or for submitting expired documents. Documents which expired during the procurement process such as the Tax Clearance and PHILGEPS Certificate should have been renewed and correspondingly replaced either prior to the award of the contract or during contract implementation.

15.16 The responsibility of the Bidder on the documents submitted is provided in Clause 6.2(f) of the ITB which states that the Bidder is responsible for the following:

- (f) *Ensuring that each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct; xxx*

15.17 Likewise the afore-mentioned statement of such responsibility was included in the Omnibus Sworn Statement issued by the Bidder which forms part of its bidding documents.

15.18 In addition to the above observations, the following deficiencies were also noted in the award of contract:

The actual performance of the Contractor on its on-going Contracts with NIA with more than 15 per cent negative slippage was not disclosed in the Statement of On-going Contracts submitted for the bid and was not considered by the BAC in the post qualification

15.19 Examination of the Physical Status Report as of May 31, 2016 prepared by the Project Monitoring Group, DPWH of On-going Projects with Northern Builders disclosed that the latter's two contracts with DPWH had incurred negative slippage of more than 15 per cent due to fault of Contractor. The BAC was furnished with a copy of the said Report by the Project Monitoring Group, DPWH in reply to the letter-request dated June 3, 2016 of the Chairman of the NIA BAC for the status of on-going projects of DPWH with Northern Builders.

15.20 Despite the result of inquiry obtained from the DPWH during the conduct of post qualification for Contracts ARISEPD-C-1 and R3-BBMPIID-C-1-R, these were still awarded to Northern Builders.

15.21 Moreover, the NIA awarded Contracts R3-BBMPIID-C-2-R and R3-BBMPIID-C-4 to a JV bidder where both partners incurred negative slippage of more than 15 per cent on their on-going contracts with NIA and DPWH. The BAC failed to consider the poor performance of one partner of the JV bidder on its on-going Contract SRIP-D-C-18 with NIA.

*Incomplete disclosure of on-going projects
in the Statement of On-going Government
and Private Contracts (SOGPC)*

15.22 Likewise, examination of the Physical Status Report as of May 31, 2016 prepared by the Project Monitoring Group, DPWH of On-going Projects with Northern Builders disclosed that 12 out of 26 on-going projects of the Contractor with DPWH with estimated value of outstanding works of P358.086 million showed negative slippages ranging from 5 to 54 per cent, but were not disclosed in the SOGPC of Northern Builders with DPWH that was submitted to NIA.

15.23 The incurrence of more than 15 per cent negative slippage in the on-going contracts of Northern Builders with DPWH and incomplete disclosure of its on-going contracts are grounds for disqualification pursuant to the pertinent provisions of RA No. 9184 and the GPPB Manual Volume 3, which the BAC should have considered and post disqualified Northern Builders in the award of Contract.

*Contracts were not covered with Performance
Security with validity period of up to final
acceptance*

15.24 The validity periods of the Performance Securities for the three contracts awarded to EPCC with total cost of P232.873 million were not up to the issuance of the final acceptance of the Projects. Two Performance Securities already expired, one on June 30, 2013 and the other on July 18, 2014.

*Eligibility Criteria for similar work experience
which should be at least 80 per cent of
value of estimated contract cost of works
set by NIA BAC was way above the
established 50 per cent requirement thus
curtailing competitiveness which is contrary
to the Loan Agreement*

15.25 NIA's requirement for similar contract for procurement of infrastructure, whether foreign or locally funded has always been 50 per cent. The 80 per cent requirement for the procurement of three contracts is considered stringent which may curtail competitiveness. The biddings conducted resulted in low turn-out of prospective bidders. It was also noted that four old Contractors who have on-going/completed Contracts with NIA bought the documents, but did not submit bids.

Non-preparation of Post-qualification reports

15.26 In RO No. VIII, it was also observed that the TWG did not prepare the Post-Qualification Report for 20 contracts costing P236.450 million. The absence of the Post-

Qualification Report and Notice of Post-Qualification rendered the bidding process incomplete.

15.27 Had the TWG conducted the post-qualification, it could have prepared a Post-qualification Report to be submitted to the BAC containing, among others, the activities undertaken with regard to the post-qualification process, feedback from inquiries conducted, and the results of any tests conducted, where applicable. The absence of the said Report likewise casts doubt whether the TWG had adequately checked and observed the mandatory requirements.

15.28 In view of the foregoing deficiencies noted in audit, the Audit Team is of the opinion that the BAC and its TWG did not exercise due prudence or diligence of a good father of a family required of a government official in performing their duties as they did not validate/confirm the alleged completed contracts considering the huge amount of the civil works to be procured. Such validation/confirmation could have uncovered any misrepresentation made in the eligibility statements submitted by the two Contractors. The aforementioned acts are grounds for disciplinary action against negligent officials and employees under Executive Order (EO) No. 292.

15.29 We reiterated our previous year's recommendations that Management require the:

- a. BAC and its TWG to ensure that the procedures in the Revised IRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure Project in the conduct of post qualification are strictly followed so as to assure Contractor's compliance with the eligibility requirements;**
- b. BAC and the PMO to see to it that the Contracts are adequately covered by a Performance Security valid up to the final acceptance of the project;**
- c. Legal Department to:**
 - c.1 Conduct investigation to determine liability of the Contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract;**
 - c.2 Take appropriate action against Contractors found to be guilty of submitting eligibility requirements that contain false information and falsified documents that led to the awarding of the Contracts to them instead of disqualification and impose corresponding sanctions as provided in the Revised IRR of RA No. 9184, if warranted; and**
- d. Internal Audit Services and the Legal Department to conduct investigation to determine the extent of the participation of NIA officials, members of the BAC and its TWG in the award of Contracts to non-compliant Contractors and file appropriate charges, if warranted.**

15.30 Management gave the following comments/justifications:

a. In CO, they committed to adhere to the recommendation of the Audit Team to thoroughly investigate the Contractors' liability by ensuring submission of the required documents during the bidding. As a preventive action, NIA issued: (i) MC No. 67, s. 2016, on the Guidelines in the implementation of the 3-Strike Policy in Procurement of Contract for Infrastructure Works, Goods and Consulting Services; (ii) MC No. 10, s. 2017 – Non participation in the procurement of Civil Works of Contractors with negative slippages on its Ongoing Contract/s with NIA; (iii) MC No. 11, s. 2017 – Strict adherence to the Revised Implementing Rules and Regulations of RA No. 9184 and Existing Memoranda on the Procurement of Infrastructure Projects, Goods and Consultancy Services; and (d) MC No. 40, s. 2017 – Administrative Sanctions on Contracts with Negative Slippages.

b. In RO No. VIII, they explained that during Post-Qualification, all Tax Clearance and PHILGEPS Certificate were within their validity period, but no follow-up has been made with regard to expiration of these documents during the period of implementation. Henceforth, they will put emphasis on reminding the contractors on the dates of expiration of these documents even after post-qualification and/or during implementation period. Plans and Drawings will be submitted soon. No award for winning bidders who fails to submit incomplete/invalid documents.

c. Further, RO No. VIII, they justified that for Latorre Builders & Construction and RV Construction who were the winning bidders for the Pologon contracts, their projects were situated in the same area. For the construction projects at Aroganga CIP and Balangiga CIP, they explained that they considered the competence and experience of the contractors selected to undertake the projects.

15.31 The Audit Team in RO No. VIII found the justification of Management not acceptable. The competence and experience of the contractors including their technical and financial capability to undertake the projects should have been thoroughly evaluated prior to the award of any contract. The non-compliance with any of the technical eligibility requirement is a ground for the disqualification of the award of the Contract.

15.32 As a rejoinder, the Audit Team in NIA CO acknowledged the commitment of Management to adhere to the audit recommendations, particularly on the conduct of investigation as regards the Contractors' liability. The Team, however, requests that it be furnished with the results of investigation, for audit purposes.

16. Claims for Progress Billings totaling P486.898 million were processed and paid without complete and reliable documentations, contrary to Section 4(6) of PD No. 1445 and casting doubt on the regularity and propriety of the expenditures.

16.1. Section 4(6) of PD No. 1445 states that, *"Claims against government funds shall be supported with complete documentation."*

16.2. Likewise, COA Circular No. 2012-001 prescribes the basic documents for each type of government disbursements.

16.3. As in previous years' audit, poor documentation and record keeping have been consistent concerns in the review of payments of Progress Billings. In some cases, although Notices of Suspension (NS) were issued, some vital supporting documents were still not submitted casting doubt on whether these documents actually exist.

16.4. Review of the payments of advance mobilization fees and Progress Billings made by the NIA CO showed that these were without complete documentation as exemplified in Table 40.

Table 40 – Lacking Documents to Support Progress Billings – NIA CO

Contract No./ Contract Title/ Contract Amount	Particulars/Project Documentation Deficiencies	Amount Involved (In Millions)
Contract PIDPC-C-UCRISI-1 for the Rehabilitation/ Restoration of Upper Chico River Irrigation System, including supply and delivery, installation and commissioning of Steel gates under the Participatory Irrigation Development Project with a contract amount of P424.994 million.	<p>Full payment was made for the supply and delivery of 11 steel gates without documents to support the delivery, receipt, inspection and quality testing conducted on the items delivered. Moreover, only two gate assemblies out of the 11 gate assemblies were reportedly installed a year after the reported delivery leaving nine gate assemblies uninstalled to date.</p> <p>Payment of the Progress Billing Nos. 1 to 4 were not supported with documents such as: (a) Delivery Receipts showing the delivery of materials on site duly received by NIA, (b) inspection report of NIA on the work items accomplished, and (c) results of quality assurance testing conducted. Other observations are as follows:</p> <p>a. Delivery Receipts of Reinforced Steel Bars (RSB) submitted are mere photocopies which showed that the RSB were picked up instead of delivered. The Delivery Receipts have no entry in the Customer Name and no acknowledgement of receipt of the RSB by the NIA Project personnel.</p> <p>b. There was no document showing NIA's testing of the steel bars in the manufacturer's stockyard for the RSB lot covered by the Mill Certificate prior to the delivery in the site.</p> <p>This is required to ensure that the RSB accepted in the project site conform to the required standard as manifested in the Mill Certificate. However, in this particular case, the RSB was picked up by the Contractor, and considering that the Contractor has multiple civil works contracts being implemented, there was no assurance that the RSB delivered were the ones covered by the Mill Certificate submitted.</p> <p>c. Some of the Mill Certificates for the RSB had no information on Customer Name, Delivery Receipt No. Certificate No., were unsigned and Supplier's copy.</p> <p>d. The Reports of Testing for concrete samples and for embankment materials testing conducted were short as to the frequency/number of test and type of test that should have been conducted. There was no evaluation made by NIA relative to the completeness of reports supporting the required testing.</p> <p>e. Only photocopies of DPWH testing for concrete samples were submitted. Some showed different signatures over the name of DPWH personnel.</p>	<p>P 20.068</p> <p>169.398</p>
-do-	<p>NIA processed and paid the advance mobilization fee without complete documentation. Although a Notice of Suspension (NS) was issued, some vital supporting documents were still not submitted casting doubt on whether these documents actually exist.</p> <p>Evaluation of the documents submitted in compliance with the NS disclosed that the following essential documents were still not submitted:</p>	31.875

Contract No./ Contract Title/ Contract Amount	Particulars/Project Documentation Deficiencies	Amount Involved (In Millions)
	<p>a. Clear certified true copy of Performance Security effective until final acceptance of the project (copy attached to the Progress Billings is not readable);</p> <p>b. Detailed Breakdown of Approved Budget for the Contract (ABC);</p> <p>c. Detailed computations of contract time supporting the PERT/CPM Network Diagram;</p> <p>d. Copy of the complete set of approved plans/drawings in numbered pages 80 to 117; 132 to 140; and</p> <p>e. Approved Safety and Health Program/Environmental Plan from the Department of Labor and Employment (DOLE).</p> <p>Considering the time that has elapsed since the issuance of the NS up to the present, the existence of these documents is doubtful as the lacking documents were not submitted.</p>	
Contract SRIPD-C-20 for the Construction of Ibato-Iraan Earthfill Dam and its Appurtenant Structures under the Small River Irrigation Project (SRIP) with contract amount of P454.831 million	<p>NIA paid Item 101 - Equipment Temporary Works, Construction Plant, Mobilization of Construction Equipment and Demobilization Work despite non-compliance with the GCC and without the imposition of liquidated damages despite the Contractor's failure to completely mobilize the required construction equipment within 20 calendar days from the receipt of the Notice to Proceed.</p> <p>Based on the Contract, payment for Item No. 101 should have not been made to the Contractor for Progress Billing No. 1, for the following reasons:</p> <p>a. The Approved Plan was not supported with bill of materials and detailed breakdown and estimates. The Detailed Breakdown of Estimates of this Item was also in lump sum amount. The temporary facilities constructed were not supported with NIA official's inspection report and pictures showing the constructed facilities. Thus, the evaluation of the compliance of the accomplished temporary facilities with the approved plan could not be practically made by the Palawan IMO.</p> <p>b. The temporary works should only be paid upon its completion. As shown in the Statement of Work Accomplishment as of June 30, 2015 for Progress Billing No. 1, the temporary facilities were still not completed after one year from the date the NTP was received by the Contractor which was on April 2, 2014. It should have been completed on April 30, 2014 per Bar/Gantt Chart and S Curve of the Project.</p> <p>c. The Progress Billing was not supported with the required approved Equipment Moving – in and Utilization schedule.</p> <p>d. The equipment requirements were not completely mobilized despite the lapse of more than one year from the receipt of NTP and no liquidated damages were imposed. The Contract requires mobilization of the complete equipment within 20 days from receipt of NTP.</p> <p>Payment for various work Items were without complete and reliable documentations:</p> <p>a. Work Item Nos. 104, 114 and 127 (Excavation) and Nos. 105,115 and 128 (Hauling of Waste Materials) were paid without the following documents supporting NIA's evaluation of the accomplishments to determine compliance with the Contract:</p> <p>a.1. Written Certificate duly certified correct by the Engineer- in –Charge of the actual disposal sites with corresponding hauling distances from the Dam Area and Outlet Works (LC-04);</p> <p>a.2. Location of the approved disposal area is not indicated in any of the contract documents and progress billing;</p> <p>a.3. Approved Equipment Utilization Report indicating number of trips per dump truck;</p> <p>a.4. Mass Diagram showing the quantity of materials moved from average and free haul</p>	1.241
		93.858

Contract No./ Contract Title/ Contract Amount	Particulars/Project Documentation Deficiencies	Amount Involved (In Millions)
	distance;	
	a.5 NIA Daily Inspector's Report; and	
	a.6 Monthly Statistical Report complete with Charts and schedules.	
	b. The method of measurement in the detailed estimates of the Contract and Progress Billing Statement is inconsistent with the Technical Specification of the Contract (TSC). Payment for Item 110(b)-Stand Pipes was made despite non-conformance with the TSC and without materials testing report, casting doubt on compliance of the installed pipe to the design requirement.	
	c. Delivered reinforcing steel bars do not have Mill Certificates; thus, its compliance with the TSC was not properly validated.	
Contract PIDP2-NVBISN -1R for the Rehabilitation/ Restoration and Extension of Nueva Vizcaya - Bagabag Irrigation System including supply and delivery, installation and commissioning of Steel gates and construction of Gatekeeper's Quarter under the Participatory Irrigation Development Project in the revised contract amount of P79.364 million	Progress Billing Nos. 1 to 3 were not supported with complete and reliable documents such: (a) approved equipment moving in utilization report, (b) non- deduction in unit price for the deviation in mass for Reinforcing Steel Bars, (c) Net End Area versus Stationing Diagram and Mass Diagram for the overhaul of excavated materials for each lateral or canal duly approved by the Administrator, and (d) the area of Free haul distance. The Contract and TSC prescribes the Method of Measurement, the quality control testing required and the basis of payment for each work item of the Contract. There were no Reports, i.e., Monthly Statistical Report, Monthly Progress Report and Daily NIA Inspectors Report showing the monitoring and supervision undertaken by the NIA Nueva Vizcaya IMO submitted for evaluation of the PIDP PMO before payment of the Progress Billing. There are no documents to support accomplishment for each work item.	63.185
		379.625

16.5. In NIA RO No. VIII, payments for 18 projects with a total contract cost of P107.273 million were not supported with complete documents, contrary to Section 4(6) of PD No. 1445 and RA No. 9184 and its Revised IRR.

16.6. We recommended that Management:

a. Require the Legal Department and the Internal Audit Services to conduct investigation to determine persons liable and file appropriate charges if warranted for:

a.1 Payment of Progress Billings without complete documents;

a.2 Reporting complete delivery of steel gates that were not actually delivered;

a.3 Payment of the overhaul without the required testing for the excavated materials, classified the excavated materials as 100 per cent waste materials that require hauling, and the non-evaluation of the actual volume of materials hauled;

a.4 Payment of the Reinforced Steel Bars (RSB) without the Mill Certificate;

a.5 Non-installation of RSB within the prescribed period; and

b. Consider revising the future Contracts to include in the cost of reinforced concrete pipes the supply and delivery of RSB, instead of a separate pay work-item to ensure that payment will not be made without its installation. This method is being adopted by the DPWH.

16.7. Management commented that liquidated damages will be effected on the next Progress Billing.

16.8. As a rejoinder, the Audit Team would monitor in CY 2017 Agency's compliance with the audit recommendations specifically on imposing liquidated damages against defaulting Contractors.

17. Increase in quantity of various items of work totalling P 23.811 million and decreases in quantity due to deletion of work totalling P18.761 million in two Participatory Irrigation Development Project (PIDP) Contracts were not covered with approved change orders/variation orders, contrary to the General Conditions of the Contract (GCC), thus payment relative thereto are without legal basis. Moreover, Contract PIDP2-NVBISN-1R with revised contract amount of P79.364 million due to change in design to suit actual field condition resulted in an overrun amounting to P17.988 million, equivalent to 24.15 per cent of the original contract amount of P74.478 million, contrary to GCC 27 and 43 limiting the cumulative amount of variation orders to 10 per cent of the original contract cost.

A. Contract No. PIDP2-NVBISN -1R for the Rehabilitation/Restoration and Extension of Nueva Vizcaya - Bagabag Irrigation System (NVBIS) including supply and delivery, installation and commissioning of Steel gates and construction of Gatekeeper's Quarter under PIDP

17.1. Records showed that the approved First Revised Contract Quantities and Cost (FRCQC) of the Contract resulted from increase in quantity due to additional work items in the amount of P17.988 million and decrease in quantity due to deletion of work items of P13.102 million.

17.2. However, there were no documents detailing the particular scope of work deleted or added. Only the increase and decrease in quantity of each item of work were shown. Additionally, there was no evaluation made on the necessity of the deletion and addition of work. Based on the Statement of Work Accomplishment (SWA), the addition and deletion of work may be attributed to the following:

Addition

A. Request of the IAs

a. Construction of turn-out with pipeline at Sta. 14+338 main Canal of NVBIS

b. Construction of Concrete Hollow Blocks (CHB) canal lining for sub-lateral canals for five laterals

B. Suit the site condition (as stated in the FRCQC no evaluation submitted)

a. Solid Rock Excavation of the main canal for the construction of settling basis

b. Installation of High Density Polyethylene (HDPE) pipes

Deletion

Request of IAs

a. Deletion of long crested weirs at various station along main canal

b. Deletion of Drainage Structure/Crossing at Sta. 1+772 considering that the existing road is private owned

c. Deletion of grouted rip rap at various station

17.3. On the other hand, underrun amounting to P13.102 million was offset against the cumulative cost of overrun to show a positive variation order lesser than 10 per cent of the original contract cost.

17.4. The overrun or increase in the quantity of works amounting to P17.989 million representing 26.89 per cent of the original contract cost of P66.894 million net of deleted items is contrary to GCC 27 and 43, which provide the following:

GCC 27

27.1 The Procuring Entity's Representative with the prior approval of the Procuring Entity may instruct Variations, up to a maximum cumulative amount of ten percent (10%) of the original contract cost.

GCC 43 Variation Order

Xxxx

43.4 Variation orders may be issued by the Procuring Entity to cover any increase/decrease in quantities, including the introduction of new work items that are not included in the original contract or reclassification of work items that are not included in the original contract or reclassification of work items that are either due to change of plans, design or alignment to suit actual field conditions resulting in disparity between the pre-construction plans used for purposes of bidding and the "as staked plans" or construction drawings prepared after a joint survey by the Contractor and the Procuring Entity after award of the contract, provided that the cumulative amount of the variation order does not exceed ten percent (10%) of the original project cost. The addition/deletion of works should be within the general scope of the project as bid and awarded. The scope of works shall not be reduced so

as to accommodate a positive variation order. A variation order may either be in the form of a Change Order or Extra Work Order.

*43.5 Any cumulative Variation Order beyond ten percent (10%) shall be subject of another contract to be bid out if the works are separable from the original contract. In exceptional cases where it is urgently necessary to complete the original scope of work, **the Head of the Procuring Entity may authorize a positive Variation Order go beyond ten percent (10%) but not more than twenty percent (20%) of the original contract price**, subject to the guidelines to be determined by the GPPB: Provided, however, That **appropriate sanctions shall be imposed on the designer, consultant or official responsible for the original detailed engineering design** which failed to consider the Variation Order beyond ten percent (10%). [Emphasis supplied]*

17.5. Likewise, the Manual of Procedures for the Procurement of Infrastructure Projects provides that all quantities shall be computed to a reasonable accuracy of plus or minus ten per cent (10%).

17.6. The overrun amounting to P17.988 million representing 26.89 percent of the original contract cost of P66.894 million net of deleted work items is contrary to the afore-cited provision of GCC 43.5 which states that any cumulative Variation Order beyond ten per cent shall be the subject of another contract to be bid out. This also indicates poor engineering design and planning. Based on the original Bill of Quantities (BOQ), the construction of concrete lining which was requested by the Irrigators' Associations (IAs) is already included, but later on deleted in the revised BOQ that was subjected in the bidding. The reason for the deletion was not discussed in any document of the Project. It is stressed that NIA can authorize a Variation Order beyond ten per cent but not more than 20 per cent on the grounds that to date the GPBB has not rendered the guideline on the matter (GPPB-Non-Policy Matter 2015-10-07).

17.7. Management justified that the increase and decrease in quantity were due to change in design to suit actual field condition owing to the gap between the pre-engineering activities (2009) and implementation of the project (Bid out in CY 2012) and the request of farmer-beneficiaries of additional HDPE Pipes to irrigate additional 11 hectares of land. Among the reasons and justifications stated in the approved FRCQC are: i) the changes in the cross sections between the original plans and firmed up against the "staked plans" attributed to the time elapsed from pre-engineering to actual implementation of the project; ii) additional Class A concrete which was omitted in the original Bill of Quantity; iii) decrease in quantity due to changes in plan and design to suit the actual field; iv) introduction of new items due to the changes of plan and design to suit actual field conditions specifically the construction of intake works and settling basin; and v) deletion of Steel sheet piles due to changes of plan and design specifically at the modification of intake structure.

17.8. The long implementation of the project (2009-2016), revision in quantity of various items of work is an indication of Nueva Vizcaya IMO and the PIDP-PMO's poor planning, inefficient execution of feasibility study and detailed engineering and designs. Had the Nueva Vizcaya IMO and PIDP-PMO updated the detailed engineering and designs before the start of procurement activity and consulted the IAs, delays and cost overrun could have been abated.

17.9. Notwithstanding the non-compliance of the significant increases/decreases of quantity and cost to the GCC, the NIA Board of Directors approved the FRCQC under Board Resolution No. 8203-15, s. 2015 dated September 29, 2015 in the total amount of P79.364 million or 6.56 per cent higher [P79.364 million – P74.478 million = P4.886 million/P74.478 million] than the original contract amount of P74.478 million, instead of issuing an approved variation order due to increase in quantity and Extra Work Order, contrary to the GCC.

B. Contract No. PIDP11-C-BRISN-1, for the Rehabilitation of Diversion Works, Main Canal East, Lateral A-1 East, including Repair of Service Roads, Appurtenant Structures and Supply, Delivery, Installation and Commissioning of Steel Gates for Batutu River Irrigation System under the PIDP with a Contract Amount of P76.047 million

17.10. Review of the SWA of the final billing disclosed an increase in quantity in the amount of P5.823 million and decrease in quantity in the amount of P5.660 million or a net increase of P162,656.

17.11. The Contractor did not secure an approved change order from NIA before it commences work covering changes to the original work items, contrary to Section 3.1 of the Revised IRR, Annex “E” of RA No. 9184, which states that:

Under no circumstances shall a contractor proceed to commence work under any Change Order or Extra Work Order unless it has been approved by the Head of the Procuring Entity or his duly authorized representative.

17.12. Without the approved Change Order, the Contractor is not authorized to perform any work deviating from the original contract. The increase or decrease in quantities of the original work items undertaken by the Contractor is not valid, and therefore, irregular.

17.13. The increase in quantity and cost pertained to Clearing and Grubbing, Canal Excavation, Gravel Blanket Structure Backfill, common, Embankment, Construction and Compaction Road surfacing. The quantity and amounts were material which means that the increase did not result from discrepancy in estimates but from additional stations to undergo rehabilitation works in addition to stations covered by the original contract. The decrease in quantities and cost pertained to deletion of concrete canal lining works on some stations and non-installation of geo textile fabric.

17.14. Both the addition and deletion of work items should have been covered by an approved change order and supported with the documents required under Annex “B” of COA Memorandum No. 2005-027 dated February 28, 2005, as follows:

- a. Copy of the Approved Change Order (CO);

- b. Copy of the approved original plans indicating the affected portion(s) of the project and duly revised plans and specifications, if applicable, indicating the changes made which shall be color coded;
- c. Copy of the agency's report establishing the necessity/justification(s) for the need of such CO which shall include:
 - c.1. the computation as to the quantities of the additional works involved per item indicating the specific stations where such works are needed;
 - c.2. the date of inspection conducted and the results of such inspection;
 - c.3. a detailed estimate of the unit cost of such items of work for new unit cost, including those expressed in volume/area/lump-sum/lot;
- d. Copy of the approved/revised PERT/CPM Network Diagram which shall be color coded, reflecting the effect of additional/ deductive time on the contract period and the corresponding detailed computations for the additional/deductive time for the subject CO; and
- e. Copy of the approved detailed breakdown of contract cost for the variation order.

17.15. It was noted that NIA did not obtain a "No Objection Letter" from the World Bank (WB) regarding the increase and decrease to the contract, contrary to WB Guidelines on the Procurement of Goods, Works and Non-Consulting Services, Item No. 3 of Appendix 1, which states:

*Modifications of the signed contract. In case of contracts subject to prior review, before agreeing to (a) a material extension of the stipulated time for performance of a contract; or (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; or (c) **any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15% (fifteen percent);** or (d) the proposed termination of the contract, the Borrower shall seek the Bank's no objection.*

17.16. The absence of approved variation orders and their supporting documents rendered the payment of final Progress Billing irregular for non-compliance with the GCC.

17.17. **We recommended that Management require the:**

- a. **PIDP PMO to impose sanctions on the persons responsible for the preparation and approval of detailed engineering and designs of the Project due to cumulative variation orders exceeding more than 20 per cent of the contract amount; and**

b. Legal Department and the Internal Audit Services to conduct investigations to determine persons liable and file appropriate charges, if warranted, for:

b.1. Implementing and payment of additional works/variation order of more than 20 per cent and without approved change order; and

b.2. Deletion of work items without evaluation and approval.

17.18. Management did not submit any comment on this issue.

18. Insurable properties totaling P4.411 billion were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS), contrary to Administrative Order (AO) No. 33 dated August 25, 1987 and COA Circular No. 92-390 dated November 11, 1992, thus exposing the Agency of not being indemnified for any damage or loss of uninsured properties due to fortuitous event, such as, flood, typhoon, hurricane, volcanic eruption, earthquake, and other convulsions of nature.

18.1. RA No. 656, as amended by PD No. 245 dated July 13, 1973, provides that:

All departments, bureaus, offices, agencies and instrumentalities of the government, including government owned and controlled corporations are directed to insure against insurable risk all property and assets belonging to the government, its agencies and political subdivisions with the GIF of the GSIS.

18.2. This requirement of law aims to conserve and protect the resources of the government.

18.3. AO No. 33 issued on August 25, 1987, prescribe the guidelines for the insurance of all properties, contracts, rights of action and other insurance risks of the government, including those in which the government has an insurable interest, with the GIF of the GSIS.

18.4. In addition to AO No. 33, COA Circular No. 92-390 dated November 11, 1992 was issued to assist the GSIS in ensuring that all insurable assets and properties of the government are adequately covered/insured with the GIF of the GSIS.

18.5. The said Circular reminds all heads of the national agencies, local government units and government-owned or controlled corporations to prepare and submit inventory of all insurable physical assets using the formats indicated in the Circular. It also states that the latest inventory report, preferably as of December 31 shall be submitted not later than October 31 of the following year and the inventory undertaken every year thereafter shall be submitted not later than October 31 of the ensuing year.

18.6. The foregoing provisions emphasize Management's responsibility to diligently safeguard all its government assets from any loss and wastage.

18.7. Results of the audit on the GSIS insurance premiums paid by the Agency to the GSIS with regard to the insurance of all its insurable assets and properties disclosed that insurable properties totaling P4.411 billion in Regions I, II, IV-A, VII, XI and MARIIS under the Corporate Fund and P0.146 million in Region VII under the Special Fund, were not insured with the GIF of the GSIS, contrary to AO No. 33 dated August 25, 1987 and COA Circular No. 92-390 dated November 11, 1992.

18.8. The non-insurance of properties exposed the Agency to the risk of non-indemnification or non-compensation in case of damage to or loss of these properties due to any fortuitous events such as flood, typhoon, hurricane, volcanic eruption, earthquake, and other convulsions of nature.

18.9. We recommended that Management require the Regional Irrigation Managers of the concerned ROs to:

a. Ensure that all insurable assets and properties are adequately insured with the GIF of the GSIS to protect the Agency and government properties in the event of fire, earthquake, typhoon, flood and any other calamities; and

b. Prepare and submit inventory reports of all insurable properties to the GIF of the GSIS, copy furnished COA.

18.10. Management gave the following comments:

a. In RO No. I, they commented that as for the non-insuring of the said properties, the Ilocos Sur IMO informed that the building be abandoned due to soil failure and that there was a directive from the NIA CO Geologist that the building must be abandoned immediately to avoid risk of life, since there is no guarantee of staying there at.

b. In RO Nos. II, VII, XI and MARIIS, they informed that they have already started complying with the audit recommendation and committed to insure the properties with the GSIS for the CY 2017. In addition, they commented that the Division IV Property Office/Warehouse has already been insured with the GSIS GIF for the period December 8, 2016 to December 8, 2017. They are also keen on studying the need to insure the dam structures and facilities and plans to propose the matter with the NIA CO, as it would entail millions in insurance premiums and possibly raise the negotiated rates of water service fees charged to power concessionaire-producer SNAP-Magat to recover costs incurred in the construction of the dam infrastructure. They commented that this could be an issue of national importance.

c. In RO No. IV-A, they agreed with the recommendations and committed to pursue the insurance of the IMO's insurable properties as soon as possible.

d. In RO No. VI, they commented that the only one building was insured with the GSIS as properties of Aklan-Capiz IMO were not insured due to non-recording of these assets in the books.

COMPLIANCE

19. Lapses in the granting, utilization and liquidation of cash advances such as: a) delayed liquidation of cash advances for travel totaling P1.380 million ranging from 31 to 460 days and for special activities totaling P2.117 million ranging 31 to 1,095 days; b) granting of additional cash advances although previous ones are not yet settled; c) allowing the grant of special cash advance to undesignated/not bonded disbursing officers totaling P1.713 million; and d) expenses amounting to P3.211 million incurred out of the cash advances were not supported with appropriate documents, all in contrary to pertinent law, rules and regulations, resulting in overstatement of Advances to Officers and Employees account and understatement of expense accounts and exposed government funds to possible misuse.

19.1. The grant, utilization and liquidation of cash advances are governed by the following law, rules and regulations:

- a. On the settlement of cash advances, Section 89 of PD No. 1445, requires that:

Xxxx

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

c. No additional cash advance 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.

- b. Section 5.8 of COA Circular No. 97-002 dated February 10, 1997, provides that:

All cash advances shall be fully liquidated at the end of each year. Except for Petty Cash Fund, the accountable officers shall refund any unexpended balance to the Cashier/Collecting Officer who will issue the necessary official receipt.

- c. On the recourse in case of non-settlement of cash advances, Section 5.1.3 of COA Circular No. 97-002 dated February 10, 1997, provides, viz.:

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 institution of other sanctions as provided for under paragraphs 9.2 and 9.3 hereof.

- d. On the period within which to liquidate cash advances on travel, the following are clearly stated under Executive Order (EO) No. 248, as amended by EO No. 298 dated March 23, 2004 and COA Circular No. 2012-001 dated June 14, 2002:

Section 14 of EO No. 298 – Rendition on Cash Advances – Within sixty (60) days after his return to the Philippines, in the case of official travel abroad, or within thirty (30) days of his return to his permanent official station in the case of official local travel xxx.

Item 1.2 of COA Circular No. 2012-001 – Traveling Expenses – within 30 days after the return to his official station for local travel and within 60 days after the return of the official/employee concerned to the Philippines in the case of foreign travel.

e. On the granting of cash advances to duly designated disbursing officers or employees, Item 3.2 of COA Circular No. 97-002 dated February 10, 1997, states that:

3.2 Special cash advances are those granted on the explicit authority of the Head of the Agency only to duly designated disbursing officers or employees for other legally authorized purposes, xxx.

f. On the refund of cash advances, Item 3.1.23 of COA Circular No. 96-004 dated April 19, 1996 provides that:

Where a trip is cancelled, the amount paid in advance shall be refunded in full. Xxx. These refunds shall be made immediately upon the cancellation or termination of the trip. It shall be the primary duty of agency head to enforce promptly the refund.

19.2. Likewise, on the submission of complete documentation, Section 4 (6) of PD No. 1445 states that:

Claims against government funds shall be supported with complete documentation.

Unliquidated cash advances amounting to P8.413 million and delays in the liquidation of cash advances for travel and special activities/purpose of P1.380 million and P2.117 million, respectively

19.3. In RO Nos. VI, X, XI, XII, XIII, and Jalaur River Multipurpose Project Stage II (JRMP II), cash advances for all funds totaling P8.413 million granted to officers and employees were not liquidated as of December 31, 2016, contrary to Section 89 of PD No. 1445 and Sections 5.1.3 and 5.8 of COA Circular No. 97-002 dated February 10, 1997.

19.4. It was also noted that there were delays in the liquidation of cash advances for travels totaling P1.380 million, ranging from 31 to 460 days and cash advances for special purpose/activities totaling P2.117 million, ranging from 31 to 1,095 days, despite the purposes for which these were granted have been served.

19.5. The delay in the liquidation and the non-liquidation of cash advances which may be attributed to the non-monitoring of the accounts as required by regulations resulted in the non-recording of expenses in the period these were incurred, hence overstating the Advances to Officers and Employees account and understating the expense accounts and exposed government funds to possible misuse. This further resulted in the accumulation of cash advances. There are also cash advances for special purposes that remained unliquidated although the purpose for which these were given had already been served.

Granting of additional cash advance although previous ones were not yet settled/liquidated

19.6. In RO No. X, the Bukidnon IMO, LAMISCA IMO, Davao del Norte and Compostela Valley IMOs under the Corporate Fund, review of the cash advances revealed that additional cash advances were granted despite failure on the part of the officers and employees concerned to liquidate their previous cash advances, resulting in undue accumulation of unliquidated cash advances at the end of the year.

Granting of special cash advances totaling P1.713 million to undesignated/not bonded disbursing officers

19.7. In Bukidnon IMO, RO No. X, under the Corporate Fund, review of the cash advances granted to officers and employees disclosed that 34 cash advances aggregating P1.713 million were granted to undesignated/not bonded disbursing officers and employees. It was also noted that these cash advances were mostly for special purpose such as cultural and athletic activities, human resource and development program and other similar programs and activities.

Expenses totaling P3.211 million incurred out of cash advances were either not supported with appropriate documentations or lacked sufficient information

19.8. In CO, Aklan-Capiz IMO-Region VI, and Region XVI under the Corporate Fund and in Region XVIII under the Special Fund, review of the liquidation vouchers disclosed that expenses totaling P3.211 million incurred out of cash advances for travels, salaries and wages, and for other miscellaneous expenses were either not supported with appropriate documentations or lacked sufficient information, contrary to Section 4(6) of PD No. 1445.

19.9. **We recommended that Management:**

- a. Strictly enforce compliance with existing law, rules and regulations and prescribed guidelines on cash advances to avoid accumulation of unsettled accounts as at year end;**
- b. Ensure proper monitoring of cash advances granted and the liquidations thereof. No additional cash advance must be granted unless the previous ones have been fully liquidated;**

- c. **Send demand letters to the concerned officers and employees who have long outstanding cash advances;**
- d. **Withhold the salaries of officers or employees who refuse to liquidate their cash advances after the issuance and receipt of demand letters;**
- e. **Grant only to the duly bonded disbursing officer/employee the cash advances for special purpose or time bound activity; and**
- f. **Remind all accountable officers to submit liquidation reports with complete documentation.**

19.10. Management gave the following comments:

- a. In CO, they commented that when processing a cash advance, the Accounting Division attaches a memo reminding the official or employee concerned to liquidate within the prescribed period and to attach the needed documents.
- b. In Regions VI, X, XI and XIII, they informed that personnel granted with cash advances were advised to liquidate them on time. Demand letters will be sent to Accountable Officers with outstanding cash advances. Further, they already sent office memorandum to employees with unliquidated cash advances.
- c. In JRMP II, they commented that the recommendations are well taken. Demand letters are being sent out monthly with the condition that salary will be withheld upon issuance of the second demand. The Accountable Officers are amenable to liquidate their respective cash advances, and liquidation reports are currently being checked by the Finance Section; however, due to some lacking documents, the cash advances are unliquidated as of December 31, 2016.
- d. In Region X, they acknowledged the lapses in granting of cash advances. The accountant was already instructed to monitor closely the granting and settlement of cash advances and that no additional cash advances will be granted to any official/employee when his/her previous cash advances are not yet liquidated/settled. In Bukidnon IMO, they have already designated a duly bonded disbursing officer to perform regular disbursement functions.

19.11. As a rejoinder, the Audit Team observed that although the Accounting Division attaches memo-reminders on timely liquidation of cash advances, the accountable officers were still unable to liquidate their cash advance on time due to incomplete supporting documents. The delays in the liquidation of the cash advance were between 31 to 460 days from due date. **We further recommended that sanctions be imposed for failure to liquidate the cash advance such as withholding of salaries or develop more stringent measures to ensure timely liquidation thereof.**

GENDER AND DEVELOPMENT (GAD)

20. The NIA's GAD Budget for Fiscal Year (FY) 2016 was not fully utilized resulting in limited GAD programs/activities/projects (PAPs) while one RO did not receive any funding for the implementation of their GAD activities; hence, the intended beneficiaries, especially women, were denied of the benefits that could have been derived therefrom. In addition, there are ROs with GAD budget far below the mandated amount of at least five per cent of their total appropriation and three ROs/Projects with no GAD Plan and Budget (GPB), indicating a low degree of commitment to gender mainstreaming. Further, NIA's GPB was not approved by the Philippine Commission of Women.

20.1. Section 2.3 of the Philippine Commission on Women-National Economic and Development Authority-Department of Budget and Management (PCW-NEDA-DBM) Joint Circular No. 2012-01 dated August 22, 2012, states that:

Pursuant to the Magna Carta for Women (MCW) and the General Appropriations Act (GAA), all government departments, including their attached agencies, offices, bureaus, state universities and colleges (SUCs), government-owned and controlled corporations (GOCCs), local government units (LGUs) and other government instrumentalities shall formulate their annual [GAD Plan and Budgets] GPBs within the context of their mandates to mainstream gender perspectives in their policies, programs and projects. GAD planning shall be integrated in the regular activities of the agencies, the cost of implementation of which shall be at least five (5%) of their total budgets.

20.2. The Joint Circular emphasizes that agencies should give preference to client-focused GAD activities than the organization-focused GAD activities. It also stresses that agencies should formulate their Annual GPB premised on the agency's mandate and targets to achieve the goals identified in the Plan.

20.3. The client-focused activities dwell particularly on gender issues and concerns specifically on GAD mainstreaming in all aspects of the irrigation project development process to capacitate the officers, employees of the Agency, as well as the Irrigators' Associations (IAs) on GAD concepts and principles. Whereas, the organization-focused programs and activities dwell particularly on gender issues and concerns.

20.4. Review of NIA's GAD plans and programs *vis-a-vis* Accomplishment Report for FY 2016 showed the following:

a. In the CO, client-focused activities and organization-focused programs and activities were undertaken with total expenses of P26.199 million or 62.27 per cent was expended out of the P42.075 million allocated budget. However, because of the inability of Management to fully utilize the GAD budget of P42.075 million, the implementation of more GAD programs/projects/activities was limited and as such, the intended beneficiaries, especially women were denied of the expected benefits derived from the partially and unimplemented GAD activities.

- b. In RO No. III, Management was unable to implement all the targeted PAPs identified in its GPB and to utilize the amount of P2.590 million allocated for the purpose. Also, the GPB did not include PAPs that will directly contribute to poverty alleviation, economic empowerment especially of marginalized women as mandated in the FY 2016 General Appropriations Act (GAA). The Agency was not likewise able to show in the GPB that at least 5 per cent of the budget was allocated to GAD related PAPs.
- c. In RO No. IV-A, the Agency allotted a total budget of P49.946 million during the year. However, it did not prepare a separate GAD Plan but included GAD related programs/projects in the regular budget.
- d. In RO No. IV-B, the GPB was not approved by the PCW and not in accordance with PCW- NEDA-DBM Joint Circular No. 2012-01 dated August 22, 2012 and non-establishment of GAD database due to inadequate awareness on GAD by GAD Focal Point System.
- e. In CAR, RO Nos. VI, XIII, XVI, UPRIIS, Negros Occidental IMO, the appropriated budget for GAD was far below the mandated amount of at least five per cent of their total appropriation, thus indicating a low degree of commitment to gender mainstreaming.
- f. In CAR, the Agency has no written policy on GAD Mainstreaming; hence, the failure to properly address GAD issues and concerns, particularly in irrigation project planning to implementation and GPB formulation. In the absence of a written policy, the Focal Person had formulated the CY 2016 GPB based only on her observations and not through gender analysis of major programs and consultations with women's group. Also, in the identification of gender issues, input from the technical division was also not considered. And, there was no actual assessment of whether the irrigation projects facilitated the desired GAD effect, or how these affected the women's group as a beneficiary. Likewise, its GPB was not endorsed by the PCW, thus casts doubt on the validity of the programmed PAPs.
- g. In RO No. XVI-Negros Oriental Satellite Office, the Agency was not able to undertake any GAD programs/activities in CY 2016, contrary to the provisions of DBM/NEDA/PCW Joint Circular No. 2012-01, thus depriving the supposed beneficiaries of the opportunity to avail of the benefits that such programs/activities could have offered.
- h. In RO No. IX, they did not develop GAD capacity development programs that support continuing gender education, updating and enhancing skills customized according to the functions of the GAD Focal Point System (GFPS) of the Agency or conducted periodic monitoring and evaluation of its GFPS, which resulted in failure of the GFPS to conduct gender analysis and collect/generate sex-disaggregated data and statistics in support of the Magna Carta for Women, contrary to PCW MC Nos. 2011-01.
- i. In CMIPP, the Agency did not have GPB for CY 2016 and it failed to allocate five per cent of its budget for the implementation of GAD programs, contrary to Section 35 of GAA, depriving employees of the benefits under the

law. This could be attributed to Management's lack of sincere efforts to comply with the mandate of the law.

j. In RO No. VII, they did not receive any funding for implementation of its GAD activities.

k. In RO No. XIII, the budget allocated for GAD only amounted to P0.230 million instead of five per cent of the Agency's total budget and the corresponding reported GAD fund utilization was only P0.284 million. Moreover, the Agency did not attribute to its GAD budget a portion or a whole of the budget of its major programs/projects nor was there any gender mainstreaming for increased gender responsiveness due to poor planning and absence of application of gender analysis tools, contrary to Section 36 of RA No. 9710 and DBM-NEDA-PCW Joint Circular No. 2012-01.

20.5. On the other hand, GAD programs/activities were properly implemented in the following Regions:

a. In RO No. I, the gender issues and concerns were properly addressed due to the implementation of the GAD activities as required under Section 2.2 of the PCW- NEDA-DBM Joint Circular No. 2012-01.

b. In RO No. V, the Agency was able to exceed the mandated amount of at least five per cent of its total budget that must be allocated for activities, programs and projects related to GAD, pursuant to Section 6.1 of Joint Circular No. 2012-01 of the PCW, NEDA and the DBM and Section 35 of the GAA for FY 2016.

c. In Region X, in line with the mandate of the government to institutionalize GAD, the RO, LAMISCA IMO and Bukidnon IMO have actively advocated and supported the GAD programs of the national government by implementing various GAD related PAPs.

d. The Umayam River Irrigation Project (URIP) had a budget of P26.309 million for GAD activities and was able to address its identified gender issues by integrating into its mandated functions and spent P25.823 million for the accomplishment of the GAD Plan for the year.

20.6. **We recommended that Management:**

a. **In CO, continue to implement more GAD client and organization-focused PAPs appropriate with Agency's mandate and within the approved plan and budget;**

b. **In concerned ROs:**

b.1. Formulate a more comprehensive GPB that includes PAPs, which are aligned with the GAA and will result in tangible, visible and quantifiable results;

b.2. Allocate at least five per cent of the approved budget for GAD related PAPs;

b.3. Ensure the full implementation of the PAPs presented in the GAD Plan and the maximization of the utilization of the GAD budget; and

b.4. Strictly adhere to the Policy Guidelines of Joint Circular No. 2012-01 of the PCW, NEDA, and DBM in the preparation of annual GPB and Accomplishment Report.

20.7. Management gave the following comments:

a. In CO, they assured a much better implementation of GAD Client and Organization-Focused activities/programs and projects derived from attribution process this FY 2017 and succeeding years. Also, a nationwide 3-day seminar-workshop was conducted on February 27 to March 1, 2017, on the preparation of GPB for FY 2018 to enable them to know the proper way of budget preparation and its implementation.

b. In RO No. III, they informed that due to unavailability of participants and demands for other trainings of IAS, some client-focused GAD activities did not materialize. Moreover, in the Agency's GPB and Accomplishment Report, attribution was not yet fully implemented but in their FY 2018 GPB, they will attribute GAD related expenses. Hence, five per cent of the total budget will be allocated for GAD related PAPs.

c. In RO No. IV-A, they commented that the unaccomplished targets/programs will be carried over in CY 2017.

d. In RO No. IV-B, they commented that NIA GAD GFPS of MIMAROPA has undergone Basic Orientation on GAD Planning and Budgeting in CY 2016. The Agency is continuously capacitating its GFPS with various orientation seminars and trainings to be conducted in CYs 2017 and 2018.

e. In RO No. VI, they have appointed and created a new GFPS in October 2016 to catalyze and facilitate the institutionalization of gender mainstreaming and women's empowerment within the Agency. They have come up with its GPB for FY 2018 as well as FY 2016 GAD Accomplishment Report, for consolidation and submission in accordance with PCW Memorandum Circular No. 2016-05. With regard to GPB for FY 2017, a copy shall be provided to COA. The GPB included Attributable Projects subject to PCW MC No. 2016-05 Section 1.5 – GAD Budget Attribution.

f. In RO No. IX, they commented that they will be implementing the GAD GFPS in CY 2017.

g. In RO No. XVI, they commented that an enhanced CY 2017 GPB which is equivalent to at least five per cent of the total GAA proposed allocation was submitted to the CO for consideration. GAD will be fully implemented in CY 2017, since the RO has already knowledge on its implementation after the GAD Planning and Budgeting conducted at the CO.

h. In RO No. XIII, they commented that through the GFPS, they will monitor and evaluate the whole region in terms of its success in influencing the gender responsive implementation of the Agency's programs and activities. Management will also give capability building to the members of GFPS for gradual increase of level of awareness in gender responsive and to front liners in the field to enable them to become more gender-sensitive employees and the Agency as a whole.

i. In UPRIIS, they admitted the lapses in the implementation of GAD program. But this time, they committed to seriously take into consideration to adopt the GAD Focal System in accordance with the guidelines coming from the PCW.

j. In CMIPP, they admitted that they still lack awareness on GAD and have not grasped the full essence of GAD implementation within the workplace until now. Nonetheless, they committed to actively pursue programs and activities that are attributable to GAD this CY 2017, especially now that they are aware of the consequences if they fail to comply with the law.

COMPLIANCE WITH TAX LAWS

21. Withheld taxes for over 21 years totaling P38.370 million in NIA CO and five ROs have not been remitted contrary to Bureau of Internal Revenue (BIR) regulations. Also, in Region III for General Fund, the balance of Due to BIR account amounting to P5.705 million was not adjusted. In Region IV-B for Corporate and Special Funds, abnormal/negative SL balances exist in the Due to BIR account totaling P10,326.

21.1. Section 2.8 of BIR Revenue Regulation (RR) No. 2-98 as amended by Section 5 of BIR RR No. 10-2008 states that:

In general, the employer shall be responsible for the withholding and remittance of the correct amount of tax required by deducting and withholding from the compensation income of his employees. If the employer fails to withhold and remit the correct amount of tax, such tax shall be collected from the employer together with the penalties or additions to the tax otherwise applicable.

21.2. Revenue Memorandum No. 23-2012 dated February 14, 2012 reminds all government withholding agents, particularly their accountable officers, of their responsibility for the correct withholding of taxes and reiterates the penalties that will be imposed for violation thereof.

21.3. The requirements of the BIR regulations on the withholding of taxes and remittance to the BIR were substantially complied with in ROs and IMOs, except for the following:

a. In NIA CO, Regions V, VI, CAR and UPRIIS for Corporate Fund; Regions IV-A, V, CAR, UPRIIS and CMIPP for General Fund; and Region III for Special Fund have unremitted taxes totalling P38.370 million as of December 31, 2016,

thus depriving the BIR, in particular and the National Government in general on the beneficial use of the revenues had it been promptly remitted.

b. In RO No. IV-A, under the Corporate Fund, the amount of P1.833 million under Due to BIR account has been in the books since CY 2008 or more than eight years as reconciling items. Also, all offices have one or more than one accounts with abnormal outstanding balances. The concerned Accounting personnel explained that the said balances were not supported with either SLs or any detailed schedule and were already in the books when they assumed their posts. As such, they were in a quandary as to where to begin the reconciliation of the said accounts.

c. In RO No. VI, for the Corporate Fund, SLs were not maintained to support the GL account balances affecting the fair presentation of the accounts in the financial statements.

d. In UPRIIS, the amount of P1.080 million pertained to dormant accounts under Corporate Fund, and the remaining balance comprises of prior periods' unremitted withholding taxes which had accumulated over the years that Management until now have not yet traced back and reconciled. Management explained that the unremitted taxes at year end pertains to the Division Office's remittances not yet taken up in the books due to late submission of documents needed to record the same.

e. In CMIPP, under the Corporate Fund, the taxes withheld but not remitted totaled P0.179 million.

f. In RO No. III, under the General Fund, the balance of the Due to BIR account amounting to P5.705 million was not yet adjusted and the corresponding income was not recorded under Subsidy income from National Government (NG), which resulted in the overstatement of Due to BIR account and understatement of Subsidy Income from NG account by the same amount. The account consists of taxes withheld on salaries and payment to suppliers and contractors by the RO and the different IMOs. It was noted that the copy of Tax Remittance Advice for the taxes withheld by the different offices were not submitted by the concerned employees of the collecting offices; hence, the RO Accounting Section was unable to prepare the JEVs and record the necessary adjustments in the Due to BIR account amounting to P5.705 million. As a result, the balance of Due to BIR and Subsidy Income from Government accounts were overstated and understated, respectively, by the same amount. The same observation had been noted in our prior year's audit report; however, the deficiency still existed as of year-end.

g. In Region V, under the General Fund, the Due to BIR account includes unremitted taxes amounting to P2.473 million contrary to Section 2.8 of the BIR RR No. 2-98 dated May 17, 1998 and BIR RR No. 10-2008, thereby depriving the NG of funds for its operations. The Agency stated that the unreconciled balance arises due to non-submission of Tax Remittance Advice by the field offices.

h. In UPRIIS, under the General Fund, analysis of the account showed that the remaining balance of P4.556 million comprises of prior periods' unremitted

withholding taxes which had accumulated over the years that Management until now have not yet traced back and reconciled.

i. In RO No. IV-B, under the Special Fund, existence of abnormal/negative SL balances totaling P10,326 has been caused by improper maintenance of SLs and leniency in keeping of accounts.

21.4. Non-observance of the above cited BIR regulations may subject those concerned to the corresponding penalties imposed, while non-remittance of taxes hampered the immediate use of funds by the government for its various programs and projects.

21.5. **We recommended that Management:**

a. In CO, require the Accountant to: (i) analyze the unremitted balances and cause the immediate remittance to BIR to avoid unnecessary interest, surcharges and penalties on delayed remittances; and (ii) designate personnel to prepare an aging schedule of the unremitted balance to monitor the number of days incurred for late remittance;

b. In concerned ROs to:

b.1. Create a task force that will concentrate solely on tracking down the origin of all the abnormal balances of the Due to BIR account, the location of related records/source documents pertinent to the said accounts, and adjustments of the substantial reconciling items and abnormal balances;

b.2. Designate a person to review prior years' transactions to determine the accuracy of the prior years' balances, and effect the adjustments, if warranted;

b.3. Require the Accounting Section to maintain SLs or records and monitor the withholding and remittances of taxes on a monthly basis;

b.4. Direct the Accountant to immediately remit the outstanding balance if determined to be unremitted taxes of prior years; and

b.5. Ensure that penalties due to late remittances shall be borne by responsible officials of the Agency and not by the government;

21.6. Management gave the following comments:

a. In UPRIIS, the Officers of the Division Offices commented that they were not remiss of their duties in the remittance of taxes duly withheld by them and withholding taxes were remitted promptly to the BIR. The OMS' accounting personnel, for their part stated that the significant material amount of the unremitted taxes at year end pertains to the Division Office's remittances not yet taken up in UPRIIS' books due to late submission of documents needed to record the same.

- b. In RO No. IV-A, they are amenable to the audit recommendations and committed to create a Task Force for payable accounts and will send memo to field offices regarding reconciling items and abnormal balances.
- c. In RO No. V, they informed that the delay in booking up was due to the late submission of BIR electronic payment system (EPS) reports by the field offices.
- d. In CAR, they committed to comply with the audit recommendation. A thorough review by the finance personnel of tax remittances in prior years' is ongoing to address the issue. They also informed that a Memorandum was issued to concerned offices to submit the copies of TRAs for the recording of the remittances of taxes to the BIR. The schedule of Due to BIR account was also prepared by the Accounting Section to monitor the unsubmitted TRAs of the IMOs.
- e. In RO No. III, they informed that they need to make a reconciliation of the payables before any adjustments can be effected in the books.
- f. In RO No. IV-B, they are amenable that there is a need for reconciliation, thus the financial statements preparers were advised to trace the possible reason/s of negative balances. They further explained that negative balances were due to separation of Region IV and they already sought the assistance from Region IV-A for the breakdown of transferred account balances. The preparers also guarantee that proper diligence is applied in preparing financial reports and assure all recommendations will be taken into consideration.

21.7. The UPRIIS Audit Team emphasized to Management to be mindful of their responsibility as trustee/collecting agent of government in raising revenues, thus they are duty bound to fully turnover to the BIR all taxes withheld.

COMPLIANCE WITH GSIS REGULATIONS

22. Payroll deductions for GSIS loans totalling P2.293 million representing prior years' balances remained unremitted as of December 31, 2016, thus exposing NIA to risk of paying interest and penalty charges and likewise disadvantageous to the concerned GSIS members. Moreover, the Due to GSIS account has SL accounts with abnormal balances totalling P1.543 million and dormant accounts totalling P2.360 million, rendering the balance of the account doubtful.

22.1. Item 5 of the GSIS Consolidated Loan (Conso-Loan) Terms and Conditions states that:

Due Date of Monthly Amortizations. The first monthly amortization shall be due on the 10th day of the 3rd calendar month following the grant of the loan, and every tenth (10th) of the succeeding month thereafter xxx.

22.2. Likewise, Section 7 of RA No. 8291 provides that:

Section 7. Interest on Delayed Remittances. – Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not less than two percent (2%) simple interest per month. Such interest shall be paid by the employers concerned.

22.3. Audit of the Due to GSIS account disclosed that there were payroll deductions for salary loan in the CO and CAR amounting to P2.094 million and P0.199 million, respectively, or a total of P2.293 million representing prior years' balances which remain unremitted as of December 31, 2016.

22.4. Item 8 of the GSIS Conso-Loan Terms and Conditions provides that:

PENALTY CHARGES. Arrearages on the amount due for the month shall be charged 1% per month, compounded monthly, until the arrears are paid. xxxx

22.5. The non-remittance of the withheld amount of P2.293 million on prescribed due dates would make NIA pay interests and penalties, as well as the paying members to be possibly charged by the GSIS with interest and penalties too.

22.6. Audit further disclosed that in the CO the Due to GSIS account has SL accounts with abnormal balances totalling P1.543 million and dormant accounts totalling P2.360 million, rendering the account balance doubtful.

22.7. Section 59 of PD No. 1445 states that in the audit of liabilities, the objective is to: *“establish that all obligations of the agency have been accurately recorded; only bonafide obligations of the agency have been included; the obligations incurred are properly authorized; all provisions of trust indentures or mortgages are complied with; and mortgages and other encumbrances are fully disclosed.”*

22.8. **We recommended that Management:**

a. Instruct the CO Accountant to:

a.1. Strictly comply with the prescribed guidelines on remittances of withheld payroll deductions to avoid unnecessary interest and/or penalties imposed on delayed remittances especially on the part of the concerned GSIS members;

a.2. Exert effort in analyzing, reviewing and reconciling the balances of inactive/dormant accounts; and

b. Direct the Regional Irrigation Manager in CAR to require the Accounting Section to monitor the withholding and remittances of payroll deductions on a monthly basis.

SUMMARY OF UNSETTLED AUDIT DISALLOWANCES, CHARGES AND SUSPENSIONS

23. As of December 31, 2016, for all funds, i.e. General, Corporate and Special, unsettled audit disallowances amounted to P1.170 billion, audit charges totalled P1.440 million and audit suspensions of P1.599 billion and US\$3.864 million. The details and status are presented in Annexes A, B and C, Part IV of this Report.

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

Of the 250 audit recommendations embodied in the previous years' Annual Audit Reports (AARs) on General Fund (F101, 102, 161 and 171), Corporate Fund (F501) and Special Funds (F158), 25 were fully implemented, 109 were partially implemented and 116 were not implemented. The summary is shown below.

Observations and Recommendations	Actions Taken/Comments
I. GENERAL FUND	
<u>CY 2015 AAR</u>	
<p>1. The Prior Period Adjustments totaling P23.802 billion and P747.120 million in calendar years (CYs) 2014 and 2015, respectively, were directly presented in the Statement of Changes in Net Assets/Equity (SCNA/E) instead of restating the affected accounts in which errors occurred, contrary to Philippine Public Sector Accounting Standards (PPSAS) 3 and impaired the fair presentation of the financial statements as a whole.</p>	
<p>We reiterated our previous year's recommendations that Management require the Accounting Division (AD) to:</p>	
<p>a. Ensure compliance with PPSAS 3 in presenting correction of prior period errors by restating the comparative amounts for the period(s) presented in which errors occurred and provide adequate disclosure in the Notes to the Financial Statements; and</p>	<p>Partially Implemented.</p> <p>The affected accounts are restated; however, the financial statements prepared for all NIA funds are not presented with comparative figures.</p>
<p>b. Submit list/schedules of the reclassified IAIS showing the details of the assets, such as description (dams, canal, laterals), location, date constructed and the costs.</p>	<p>Not Implemented.</p> <p>The preparation of list/schedules is still on-going.</p>
<p>2. The balance of Property, Plant and Equipment (PPE) account with net book value (NBV) of P161.875 billion could not be relied upon due to, among others, non-adjustment of long</p>	<p>The observation was updated and reiterated in Part II, Observation and Recommendation No. 2 of this Report.</p>

Observations and Recommendations	Actions Taken/Comments
<p>completed irrigation projects to appropriate asset accounts amounting to P35.515 billion, non-derecognition of the net carrying amount of the portion of the irrigation facilities that have undergone repair/rehabilitation despite cost of repairs already accumulated to P19.492 billion from CYs 2011 to 2015, existence of variance of P5.875 billion between physical count and accounting records, inadequate records to substantiate the account balance and insufficient provision for depreciation of depreciable assets.</p>	
<p>We reiterated our previous years' recommendations that Management:</p>	
<p>a. Require the EOD to regularly submit project completion report and turnover documents of all completed projects to the Accounting Division/Section for proper recording in the books;</p>	Partially Implemented.
<p>b. Instruct the Accounting Division/Section to:</p>	
<p>b.1 Maintain and regularly update SLs for all PPE accounts, and conduct a continuous analysis of the accounts to ensure that the totals of the SLs and the balances of the corresponding controlling accounts are equal at all times;</p>	Partially Implemented.
<p>b.2 Provide depreciation for all the depreciable assets;</p>	Partially Implemented.
<p>b.3 Conduct analysis and inventory of the recorded irrigation systems under CIP or PPE account to determine the actual cost of the existing assets (net of the impairment);</p>	Partially Implemented.
<p>c. Ensure compliance with PPSAS 17 and recognize impairment of assets and devise policy guidelines relative thereto;</p>	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
d. Direct the PMO, Accounting Division/Section and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper PPE account;	Partially Implemented.
e. Instruct the Inventory Team to conduct complete physical inventory of all property and reconcile result thereof with the accounting records and thereafter, submit copy of this report to the respective auditors on or before January 31 of the ensuing year; and	Not Implemented.
f. Require both the Accounting Division/Section and Property Section to exhaust all efforts to unfailingly reconcile their records on a regular basis so that discrepancies thereon are immediately corrected.	Not Implemented.
3. Payments totaling P14.643 billion made to Power Sector Assets and Liabilities Management Corporation (PSALM) for CYs 2013 to 2015 representing the share of NIA in the debt service advances for the San Roque Multi-Purpose Project (SRMPP) Loan from Japan Bank for International Cooperation (JBIC) were recorded under the PPE account without adequate documentation to establish ownership over the tangible property for it to be recognized as an asset.	The observation was updated and reiterated in Part II, Observation and Recommendation No. 3 of this Report.
We recommended that Management submit the complete documents to establish the extent of NIA's legal ownership over SRMPP to warrant the booking of the payment as PPE-Public Infrastructure Irrigation, Canals, and Laterals, in compliance with PPSAS 17 on the recognition of property, plant and equipment.	Not Implemented.
We further recommended that Management coordinate with the NPC relative to the legal rights/ownership over the dam facilities taking into	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>consideration the following: (a) the facilities were built under BOT agreement covered by PPA, (b) the MOA provided that in exchange for the US\$400 million, the Consortium agreed to the early transfer of the dam and other structure to NPC, and (c) the NPC just advance the payments to the consortium which were later reimbursed by NIA, DPWH and DENR.</p>	
<p>4. The year-end balance of Due to National Government Agencies (NGAs) account of P225.698 million remained doubtful due to Management's inability to address the variance in the amount of P317.008 million between records of NIA and the Source Agencies (SAs), brought about, among others, by inappropriate accounting treatment of fund transfers to ROs, non-submission of liquidation reports and failure to return unused funds of P1.761 million to the SAs.</p>	<p>The observation was updated and reiterated in Part II, Observation and Recommendation No. 10 of this Report.</p>
<p>We reiterated our previous years' recommendations that Management:</p>	
<p>a. Require the Accountants in the CO and ROs to:</p>	
<p>a.1 Analyze the Due to NGAs account and adjust the entries made during transfer of funds to the ROs, and henceforth, treat these fund transfers as advances for the implementation of projects using the Due from ROs account for monitoring purposes, and close said account upon submission of duly approved and audited liquidation reports by the ROs;</p>	<p>Not Implemented.</p>
<p>a.2 Use reciprocal account Due to CO account for receipt of funds and to close the account upon submission of duly approved and audited liquidation reports to the CO;</p>	<p>Fully Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
a.3 Prepare/submit the duly approved and audited liquidation reports to the CO, as basis in recording the utilized funds and for submission to the SAs;	Not Implemented.
a.4 Periodically reconcile records with the concerned NGAs and submit to the latter the duly approved Liquidation Reports/Statements of Disbursements by the Head of Agency and verified by the Auditor; and	Not Implemented.
b. Refund immediately any unused funds to the NGAs, in compliance with COA Circular No. 94-013 dated December 13, 1994.	Not Implemented.
We further recommended that Management:	
a. Require the CO Accounting Division to coordinate with the SAs to determine the details of the funds transfers that remained unliquidated in their books and require the concerned Regional Accountants to submit immediately liquidation reports and supporting documents to COA Auditors; and	Not Implemented.
b. Require the CO Finance Department to seek advice from the SAs on what course of action to be taken to warrant the recording of the liquidation in the SAs' books in the absence of verified liquidation reports due to the absence of supporting documents.	Not Implemented.
5. The accuracy and reliability of the balances of Cash in Bank (CIB) account in four ROs and one IMO with a total balance of P1.071 billion cannot be ascertained due to non-preparation or delayed preparation of bank reconciliation statements (BRSs) for	The observation was updated and reiterated in Part II, Observation and Recommendation No. 4 of this Report.

Observations and Recommendations	Actions Taken/Comments
<p>accounts with net balance of P871.586 million, the existence of long outstanding reconciling items of P1.959 million and absence of SLs to support the year-end balance of P168.154 million.</p>	
<p>We reiterated our previous years' recommendations that Management require the concerned Accounting Section to:</p>	
<p>a. Comply with pertinent provisions of PD No. 1445 and ensure the timely preparation of BRS to facilitate early detection and correction of errors in the book balances. Prepare BRS immediately after the end of each month and submit to the COA Auditor with complete supporting documents to account Agency's cash accountability and establish accuracy of the account balance;</p>	Partially Implemented.
<p>b. Maintain updated SLs to support the GL balance of the CIB account pursuant to GAM; and</p>	Partially Implemented.
<p>c. Secure documents supporting the long outstanding reconciling items and PDDP account, conduct a detailed analysis of the closed bank accounts with negative balances and make the necessary adjustments to reflect the correct balance of the CIB account.</p>	Not Implemented.
<p>6. The Payables account of the CO includes long outstanding payable of P2.360 billion and abnormal (debit) balance of P0.833 billion which rendered the net balance of the account of P1.527 billion doubtful while in Region XIII, the payables totalling P8.642 million are without supporting documents, thus, affecting the fair presentation of the Payables account in the financial statements.</p>	<p>The observation was updated and reiterated in Part II, Observation and Recommendation No. 9 of this Report.</p>

Observations and Recommendations	Actions Taken/Comments
<p>We reiterated the previous years' recommendation that Management require the Accounting Division to analyze the Payable accounts, to adjust the abnormal balance and revert the undocumented payables to Accumulated Surplus in accordance with the DBM-COA Joint Circular No. 99-6 dated November 13, 1999 or reverse the entry made in setting up the payables, whichever is applicable.</p>	Not Implemented.
<p>7. Cash received under the Modified Disbursement System (MDS) account for the implementation of the projects were transferred to the CIB – LCCA accounts of the IMOs, contrary to Section 80 of the GAA for Fiscal Year (FY) 2015 and DBM National Budget Circular (NBC) No. 556. The slow/delayed implementation of projects and NIA's reporting of fund transfers to ROs as actual disbursements in its Monthly Disbursement Program (MDP) submitted to the DBM resulted in the accumulation of unutilized cash which as at year-end totalled to P5.484 billion accounted under CIB-LCCA account; thereby defeating the government's thrust of promoting greater budget efficiency.</p>	
<p>We reiterated our previous year's recommendations that Management:</p>	
<p>a. Ensure strict compliance with the directive in the utilization of allocations under the MDS, and refrain from transferring cash from the MDS to CIB-LCCA;</p>	Not Implemented.
<p>b. Strategize to fast track implementation of scheduled project activities as committed in the MDP; and</p>	Not Implemented.
<p>c. Prepare MDP taking into consideration the available cash, the actual disbursement and other factors such as existing manpower complement</p>	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>to ensure that cash requirement released are utilized as planned to avoid accumulation of huge amount of unutilized cash.</p>	
<p>We further recommended that Management devise policy guidelines, such that disbursements are processed and approved by the IMOs and submitted to RO for payment using the latter's MDS bank account or take appropriate action to meet the requirements set by DBM relative to the classification of IMOs as implementing/operating units in order for them to maintain MDS bank accounts.</p>	Not Implemented.
<p>8. Cash in the total amount of P46.281 million were transferred by two ROs to their respective IMOs without adequate documentation casting doubt on the propriety of these fund transfers. These fund transfers were not duly authorized and in one instance, on the basis of a mere verbal instruction, an amount of P7 million was deposited to the bank account of a contractor for payment of progress billings.</p>	
<p>We recommended that the:</p>	
<p>a. Regional Managers of RO Nos. XI and XIII, who are primarily responsible for all government funds and property under their jurisdiction, ensure compliance with existing law, rules and regulations in the disbursement of government funds;</p>	Partially Implemented.
<p>b. Cashiers and the Regional Accountants ensure that all fund transfers are completely documented and authorized;</p>	Partially Implemented.
<p>c. Regional Accountant of RO No. XIII submit to the Office of the Auditor documents to support the P1.128 million fund transfers, i.e., approved request for fund transfers supported with details,</p>	Fully Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>schedule of payable or cash requirement stating the purpose, among others;</p>	
<p>d. Regional Accountant of RO No. XI submit: (i) duly signed ADA and bank Debit Memo for the P45 million fund transfers, (ii) documents required under COA Circular No. 2012-001 to support the P7 million fund transfer to the account of the Contractor for payment of project progress billings; and</p>	Fully Implemented.
<p>e. Regional Manager of RO No. XI submit explanation or basis for transferring the MDS cash in the total amount of P38 million to its LCCA account.</p>	<p>Fully Implemented.</p> <p>A justification was submitted to COA-COMVAL on April 4, 2016, disclosing that the P30 million was transferred to RIO per Memorandum from RIO; that the concerned Accountant verbally instructed to transfer P7 million to RIO account; and P8 million was transferred to COMVAL IMO trust account.</p>
<p>9. Inadequate planning, inefficient execution of surveys and investigation and engineering design, and poor project supervision resulted in several time extensions granted which significantly delayed from 119 days to 39 months the implementation of 183 irrigation contracts/projects with a total contract amount of P8.236 billion including two suspended contracts with a total cost of P633.122 million, with paid mobilization fee of P67.969 million. Thus, farmer-beneficiaries are not able to timely benefit from the said projects, and could also result in wastage of government resources when the unfinished/uncompleted contract is terminated.</p>	<p>The observation was updated and reiterated in Part II, Observation and Recommendation No. 13 of this Report.</p>
<p>We reiterated previous year's recommendations that Management:</p>	
<p>a. Require the Managers of the Implementing Units to:</p>	

Observations and Recommendations	Actions Taken/Comments
a.1 Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;	Not Implemented.
a.2 Ensure strict compliance with the provisions of the GCC and Revised IRR of RA No. 9184 in the grant of time extensions and variation orders and submit complete supporting documents for the grant of time extensions and variation orders for audit purposes;	Not Implemented.
a.3 Ensure strict observance of the contract period as stipulated in the Contract and Notice to Proceed and strictly adhere to prescribed rules and regulations regarding delay in completion of projects;	Not Implemented.
a.4 Immediately enforce liquidated damages for projects that incurred negative slippages without valid justification and approved time extensions;	Not Implemented.
b. Consider rescinding/terminating the contracts and forfeit the contractor's performance security for projects with negative slippages of more than 15 per cent resulting from contractor's fault or negligence;	Partially Implemented.
c. Instruct the Project Managers of PIDP and SRIP and Construction Division of CO to submit the Final Inspection Report and supporting documents relative to the completed projects to COA for review;	Partially Implemented.
d. Direct the Bids and Award Committee (BAC) and BAC Technical Working Group (TWG) to ensure that the requisites for the bidding of infrastructure contracts provided in Section 17.6 of the Revised IRR of RA No. 9184, such as the detailed engineering investigations, surveys and	Partially Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>designs, including the acquisition of the ROW, are complied with to ensure that all the undertakings are economically and efficiently carried out to protect the interest of the government; and</p>	
<p>e. Require the Project Managers of SRIP to submit status and management action plan/action taken relative to the suspended Contracts without accomplishment yet but with advance payment made, namely: SRIPD-C-19, Barbar Earth Fill Dam Project and SRIPD-C-26, Sulvec Earth Fill Dam Project.</p>	Partially Implemented.
<p>10. Defaulting Contractors in RO No. XIII with terminated contracts as of December 31, 2015 in the aggregate amount of P3.360 billion were not blacklisted, thus erring contractors were not disqualified from participating in subsequent procurement of the Agency thereby exposing the government not only to the risk of delay in prosecution of contracts but likewise to potential loss due to unsatisfactory project implementation.</p>	
<p>We recommended that Management:</p>	
<p>a. Issue immediately the Blacklisting Order to the defaulting contractors in accordance with the GPPB Uniform Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and Consultants;</p>	Not Implemented.
<p>b. Require the Legal Department to take appropriate action to collect damages from the contractors or forfeit the performance security;</p>	Partially Implemented.
<p>c. Require the Legal and the Internal Audit Services to conduct investigation to determine persons responsible in awarding succeeding Contracts to the defaulting Contractors, for not immediately terminating the Contracts</p>	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>which did not comply with the terms and conditions of the contract due to fault of the contractor and for failure to forfeit the Performance Security; and</p>	
<p>d. File appropriate charges against persons responsible, if warranted.</p>	Not Implemented.
<p>11. A total of 145 completed Communal Irrigation System (CIS) projects implemented by RO No. XIII with total contract amount of P1.643 billion were not yet turned over to the IAs; thus, the cost to be amortized and assumption of the responsibility over the maintenance and operation of the CIS was not yet established or recognized. Moreover, ocular inspection of the completed projects disclosed that seven projects implemented by two IMO's in the total amount of P77.356 million were not yet operational due to, among others, water pumps were not yet installed, water line is blocked by boulder, and erosions.</p>	
We recommended that the:	
<p>a. RO No. XIII immediately turn over the afore-mentioned completed projects that are operational to the concerned IAs;</p>	<p>Partially Implemented. 112 projects were turned over to IAs as of December 31, 2016.</p>
<p>b. Concerned IMO's act with dispatch in undertaking necessary works to put the projects operational and ready for turn-over to IAs and the RO to subsequently turn over these projects to the concerned IAs;</p>	Partially Implemented.
<p>c. Internal Audit Service and the Legal Department conduct investigation to determine NIA personnel's liability on the completed projects that are not operational relative to the acceptance of defective project, non-rectification by the Contractors of the defects and failure to turn over the projects to IAs upon completion;</p>	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
d. Management file appropriate charges against erring NIA personnel, if warranted; and	Not Implemented.
e. Henceforth, IMOs ensure that contracts are satisfactorily undertaken before final payment and damage covered by warranty period rectified by the Contractor and the Regional Office to immediately turn over the completed projects to the IAs.	Partially Implemented.
12. Laxity by the BAC and its TWG in the conduct of post qualification resulted in the award of 13 contracts for projects with a total contract costs of P3.725 billion to three non-compliant Contractors as they have no similar completed contracts to the contract to be bid, claimed false work experiences of project personnel, no Special Philippine Contractors Accreditation Board (PCAB) License for Joint Venture, and incurred more than 15 per cent negative slippage on their on-going contracts with NIA, among others, contrary to the Revised IRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure Projects.	The observation was updated and reiterated in Part II, Observation and Recommendation No. 15 of this Report.
We recommended that Management require the:	
a. BAC and its TWG to ensure that the procedures in the Revised IRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure Project in the conduct of post qualification are strictly followed so as to assure Contractor's compliance with the eligibility requirements;	Not Implemented.
b. BAC and the PMO to see to it that the Contracts are adequately covered by a Performance Security valid up to the final acceptance of the project;	Fully Implemented.

Observations and Recommendations	Actions Taken/Comments
c. Legal Department to:	
c.1 Conduct investigation to determine liability of the Contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract, i.e., (i) non-existent similar contract, (ii) documents supporting the work experience of the proposed key personnel that contained false information, (iii) list of equipment that included those which were being used by other projects and still pledge in the bid, and (iv) Statement of On-going Contracts that did not completely disclose its on-going Contract;	Not Implemented.
c.2 Take appropriate action against Contractors found to be guilty of submitting eligibility requirements that contain false information and falsified documents that led to the awarding of the Contracts to them instead of disqualification and impose corresponding sanctions as provided in the Revised IRR of RA No. 9184, if warranted; and	Partially Implemented. Management recommended to the Executive Directors of Philippine Construction Association Board and Government Procurement Policy Board the suspension of license and ban in participating government bidding of Kyo Builders effective Feb. 1, 2017 to Jan. 31, 2018.
d. Internal Audit Services and the Legal Department to conduct investigation to determine the extent of the participation of NIA officials, members of the BAC and its TWG in the award of Contracts to non-compliant Contractors and file appropriate charges, if warranted.	Not Implemented.
13. The contracts for the procurement of various heavy equipment for the National Irrigation Sector Rehabilitation and Improvement Project (NISRIP) in the amount of P82.115 million arbitrarily awarded to a bidder and the flawed post-qualification of the contracts, attributed to the leniency by the BAC in the conduct of bid evaluation and post-	

Observations and Recommendations	Actions Taken/Comments
<p>qualification were contrary to the Revised IRR of RA No. 9184 and GPPB Manual on Procedures for the Procurement of Goods and Services. Moreover, penalties were not imposed and performance securities were not forfeited for the delay in the delivery or non-delivery of the goods, to the disadvantage of the government. There were also delays in the period of procurement activities, as these were not conducted within the period prescribed by the Revised IRR of RA No. 9184.</p>	
<p>We recommended that Management require the:</p>	
<p>a. NISRIIP PMO to ensure compliance with GPPB Manual on Procedures for the Procurement of Goods (GMPPGS) in the determination of the ABC by exercising due prudence required of a government official in its determination by conducting comprehensive survey of the current market price taking into consideration volume discounts that could be availed of, and to impose liquidated damages for the 264 days delay incurred in the delivery of Contract No. NISRIIPD-S-3, Items 2 & 3;</p>	Not Implemented.
<p>b. BAC and TWG to ensure strict compliance with revised IRR of RA No. 9184 and GMPPGS by following the procedures in the conduct of bid evaluation and post qualification and to evaluate eligibility documents both technical and financial in accordance with the contract requirements specified in the ITB consistently/uniformly applied to all bids;</p>	Not Implemented.
<p>c. BAC to ensure that all contracts awarded are covered by Performance Security up to the final acceptance of the goods and that its meetings are presided by Chairman or in his absence,</p>	<p>Fully Implemented.</p> <p>The concerned Contractor posted new Performance Security in the form of Bank Guarantee valid until January 27,</p>

Observations and Recommendations	Actions Taken/Comments
the Vice Chairman at which there is a quorum and the BAC Resolutions duly signed by the members present in the meeting to be valid and binding as an act of the BAC;	2018 for Contract Nos. NISRIPD-S-3R. and NISRIPD-S-3.
d. NISRIP PMO and Legal Department to rescind the remaining two Contract Nos. NISRIPD-S-3, Item 1 and NISRIPD-S-3R, Item 2, collect/forfeit performance security and blacklist the Contractor; and	Not Implemented.
e. Internal Audit Services and Legal Department to conduct investigation to determine the liability of the concerned NIA officials in the: (i) award of Contract to non-complying bidder; (ii) the award of Contract without valid performance security up to the final acceptance of the goods; (iii) non-imposition of liquidated damages and non-forfeiture of the performance security; (iv) delay in the issuance of Notice to Proceed; (v) deficient preparation of ABC due to non-conduct of proper market survey, and to file appropriate charges if warranted.	Partially Implemented. Liquidated damages imposed to the Contractor for the delivery of 2 units Hydraulic excavator-crawler under Contract No. NISRIPD-S-3 is short by P0.998 million.
Likewise, we recommended that Management act with dispatch to fast track the acquisition of the heavy equipment needed in the execution of the irrigation projects in order to deliver the benefits from the completed facilities to the intended farmer-beneficiaries taking into consideration the unavailability of CMI's heavy equipment and the incurrence of Commitment Charge.	Fully Implemented. Management informed that the equipment was completely delivered as of December 31, 2016.
14. The procurement of civil works contracts for the Pulangui and Manupali River Irrigation Systems (RIS) Projects through a negotiated contract between Region X and L-Beths Construction in the total amount of P40.626 million was of doubtful regularity due to non-adherence to Section 53 of the Revised IRR of RA No. 9184 and GPPB	

Observations and Recommendations	Actions Taken/Comments
Resolution No. 013-2005 dated August 5, 2005.	
We recommended that Management instruct Region X to:	
a. Ensure compliance with Section 53.2 of the Revised IRR of RA No. 9184 and GPPB Resolution No. 013-2005 in the procurement of Infrastructure Projects under the Negotiated Procurement specifically meeting the conditions set forth for an emergency negotiated procurement and following the selection and posting procedures; and	Not Implemented. Awaiting fraud audit report by COA Region X.
b. Submit contracts and supporting documents within five working days upon perfection thereof and submit complete documents to support progress billings to the Audit Team for audit purposes.	Not Implemented.
15. In RO No. XI, construction of canal and canal structures at Ceboza (Badagoy Extension) Small Irrigation Project (SIP) at Matanao, Davao del Sur with a project cost of P50 million through administration was not in accordance with the DPWH-approved Program of Work (POW). Moreover, construction materials in the amount of P15.914 million were procured through shopping with variation in quantities not covered by approved variation order and labor services of P17.710 million were procured through “pakyaw” Contract where “pakyaw” labor contracts for the project had exceeded the limit of P500,000 per “pakyaw” group, contrary to the Revised IRR of RA No. 9184, thereby rendering the disbursements therefor irregular.	
We recommended that Management:	
a. Henceforth, ensure strict compliance with RA No. 9184 and	Partially Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>adhere to the principles of transparency, accountability, equity, efficiency and economy by undergoing public bidding in the procurement of infrastructure projects and adopting alternative mode of procurement only when the circumstances/conditions are met; and</p>	
<p>b. Submit the following documents to the Audit Team, for audit purposes:</p>	
<p>b.1 Revised POW duly approved by DPWH and its supporting documents such as but not limited to Bill of Materials, plans and drawings; and</p>	Partially Implemented.
<p>b.2 Documents required for the procurement of “pakyaw” contract pursuant to Section 4.0 of Appendix 11 of the Revised IRR of RA No. 9184.</p>	Partially Implemented.
<p>16. Contract No. R10-TIPD-C-1 Construction of Talakag Main Canal was not supported with the Department of Labor and Employment (DOLE)–approved Construction Safety and Health Program as required under DOLE Department Order (DO) No. 13, series of 1998 and by the standard Philippine Bidding Documents prescribed under RA No. 9184 to form part of the Contract.</p>	
<p>Henceforth, require the BAC to ensure that all required bidding documents are submitted by the bidders; otherwise, consider imposing administrative disciplinary action against the BAC for not disqualifying the Contractor with insufficient submitted bidding documents.</p>	Not Implemented.
<p>17. Results of COA Technical Inspection and Evaluation on Irrigation Systems Projects implemented by RO Nos. IV-A, X and XI disclosed a total payment of P5.979 million for either</p>	

Observations and Recommendations	Actions Taken/Comments
unaccomplished or defectively constructed work items.	
We recommended that Management require the:	
a. Concerned project engineers and other Agency personnel involved in the implementation of the project to perform their tasks with utmost efficiency and commitment to ensure that the projects completed conform with the approved plans and provisions of the Contract;	Fully Implemented.
b. Project engineer/manager to ensure that only satisfactorily accomplished work items and supported with complete documents are certified and accepted for payment; and	Fully Implemented.
c. Concerned Contractor to refund the amount of unaccomplished work items paid or rectify the deficiencies noted.	Partially Implemented. Not all concerned Regions fully implemented the audit recommendation.
18. Progress Billing No. 1 in the amount of P42.589 million for Contract No. R10-TIPD-C-1 was processed and paid by the NIA CO despite incomplete documentation and violations to the provisions of the Contract. Moreover, payment of P250,696 was made for unaccomplished work items.	
We recommended that Management require the:	
a. IMO and the CMD to diligently conduct review of the SWA to ensure compliance with the provisions of the Contract to prevent (i) overpayment or payment of unaccomplished work item, (ii) payment of accomplishments without complete documentations; (iii) payment of accomplishments that do not conform with the technical specifications;	Fully Implemented.

Observations and Recommendations	Actions Taken/Comments
b. IMO to review/verify the Monthly Statistical Report and all the statements supporting it for monitoring purposes and effect revisions to address the deficiencies observed by the Audit Team; and	Partially Implemented.
c. IMO to submit action taken on the 10 mm RSB delivered that are sub-standard.	Fully Implemented.
We further recommended that the PMO submit report on the utilization of the sub-standard 10 mm RSB and the evaluation made on the effect of the deviation on the worthiness of the structure. Relative to the material testing, we likewise recommended that PMO strategize to ensure that only materials that passed the contract's standard be allowed to be accepted on site.	Fully Implemented.

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19. Unutilized cash balances amounting to P7.657 million and US\$9,309 for the implementation of foreign-assisted and locally-funded projects were not returned to the Bureau of the Treasury (BTr) and DPWH when the projects were completed, contrary to COA Circular No. 94-013 dated December 13, 1994. Moreover, some of the unutilized cash were transferred to the bank accounts under the Corporate Fund without recognizing such transfer and receipt in the respective books of accounts, posing risk that the cash may be misappropriated.

We reiterated our previous years' recommendation that Management remit to the BTr and DPWH the unutilized cash in the total amount of P7.657 million and US\$9,309.

Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>20. The status of irrigation development is relatively low as 1,311,546 hectares or 43.43 per cent out of the estimated total irrigable area of 3,019,609 hectares remain to be developed as of December 31, 2014. The minimal increase in irrigable areas developed could be attributed to giving priority to the restoration and rehabilitation of existing irrigation systems over the generation of new areas for development, thereby affecting the attainment of increasing agricultural productivity to improve the socio-economic welfare of farmer-beneficiaries.</p>	<p>Related discussion in Part II, Observation No. 12 of this Report.</p>
<p>We recommended that Management exert effort to achieve its target in the generation of new areas for irrigation development to increase agricultural production and productivity among farmer-beneficiaries in irrigated areas.</p>	<p>Not Implemented.</p>
<p>We further recommended that NIA evaluate its performance in irrigation development and realistically set targets that are attainable.</p>	<p>Partially Implemented.</p>
<p>21. The total contract amount of P1.459 billion for the construction of three earthfill dams and appurtenant structures in Apayao, Nueva Ecija, and Iloilo for the Small Reservoir Irrigation Project (SRIP) were not adequately covered with approved Multi-Year Obligation Authority (MYOA) from the DBM; thus, sufficient funding is not ensured posing risk that the implementation of the projects might be delayed or not completed to the detriment of intended beneficiaries.</p>	
<p>We recommended that Management:</p>	
<p>a. Ensure strict compliance with laws, rules and regulations in contracting Multi-Year Projects; and</p>	<p>Not Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>b. Amend the contract agreement to include the standard condition stipulated in a Multi-Year Contract, pursuant to Section 4.7 of DBM Circular Letter No. 2004-12, limiting the agency's liability for the payment of obligations incurred to the amount covered by authorized appropriation, and to include funding requirements for the remaining portion of the contract in its annual budget proposal until completion of the project.</p>	<p>Not Implemented.</p> <p>The MYOAs were not processed by DBM due to late filing of request and incomplete supporting documents; the contracts were already awarded before the requests for an MYOA were filed with the DBM.</p>
<p>22. The consulting services costing P54.840 million awarded to NIAConsult, Inc. (NIACI), a subsidiary of NIA, which lacked the technical expertise and the required facility for the provision of vulnerability maps under the Climate Change Vulnerability Mapping Project (CCVMP) was without clearance from the National Mapping and Resource Information Authority (NAMRIA), contrary to Administrative Order (AO) No. 16, s. 2011, resulting in wasteful duplication of expenses and effort and non-delivery of outputs within the agreed period. Also, the contract cost was higher by P6.801 million due to absence of proper cost-benefit analysis and non-compliance with existing rules and regulations on government procurement, further putting the government in a disadvantaged position.</p>	<p>Not Implemented.</p> <p>NIACI was abolished per Governance Commission for GOCCs (GCG) Memorandum Order No. 2014-22 dated August 30, 2014.</p>
<p>We recommended that Management take appropriate action to recoup from NIACI the amount of mobilization fee pertaining to unfinished activities and payments made in excess of the actual cost of consulting services incurred in view of the termination of the contract.</p>	

Observations and Recommendations	Actions Taken/Comments
<p>23. In NIA RO VIII, 19 contracts totaling P403.749 million were simultaneously awarded to only two contractors despite their insufficient Net Financial Contracting Capacity (NFCC) and lack of personnel and equipment; thus, the completion of 10 projects were delayed ranging from 189 to 390 days, to the detriment of the intended beneficiaries and also the government for non-imposition of liquidated damages.</p>	
<p>We recommended that Management:</p>	
<p>a. Conduct investigation to determine the reason(s) for simultaneously awarding the various contracts to only the two contractors, and file appropriate charges against erring officials, if warranted; and</p>	Not Implemented.
<p>b. Impose liquidated damages on the unfinished portions of the 10 contracts and require the defaulting contractor to hasten the completion of the nine remaining projects, and consider blacklisting said contractors.</p>	Not Implemented.
<p>24. In NIA RO XIII, splitting of contracts were resorted to by the BAC for infrastructure projects aggregating P159.928 million to circumvent the Revised Delegation of Authorities to NIA Officials under NIA Memorandum Circular No. 20, series of 2012, thus precluded the proper approving authority of projects with ABC of more than P40 million. Moreover, the Regional Manager approved a contract amounting to P44.801 million which is beyond his maximum authority.</p>	
<p>We recommended that Management impose sanctions on concerned NIA officials for non-compliance with the Revised Delegation of Authorities to NIA Officials.</p>	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>25. In NIA RO II, project deficiency of 13.81 per cent amounting to P0.831 million represents uninstalled work items for the project entitled Construction of Water Tanks, Pipelines, Cable Pipelines and Distribution Lines for Malico Communal irrigation Project, Phase II, Sta. Fe, Nueva Vizcaya, resulting in wastage of government funds if these items remain uninstalled.</p>	
<p>We recommended that Management require the Engineering and Operations Division (EOD) to:</p>	
<p>a. Cause the installation of the 220 pipes as programmed, and submit copy of geo-tagged pictures before, during and after installation of said pipes; or</p>	<p>Not Implemented.</p>
<p>b. If installation is not feasible, submit evidence of refund/deduction from the claim of the contractor that is equivalent to the project deficiency.</p>	<p>Not Implemented.</p>
<p>26. Poor planning and deficient feasibility study for the Along-along Irrigation Project in Nueva Ecija costing P250 million resulted in loss of at least P26.670 million and in uncertainty, if not failure, to irrigate 4,000 hectares of farmland that consequently deprived 1,500 target farmer- beneficiaries of the anticipated income therefrom and, likewise, failed to address the flooding problem in the area during rainy season.</p>	
<p>We recommended that Management:</p>	
<p>a. Require the officials who reviewed and approved the feasibility study of the Along-along Irrigation Project to explain why they should not be held liable for the loss of at least P26.670 million project cost allocated for the aborted construction of baby dams and appurtenant;</p>	<p>Partially Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
b. Require the responsible officials concerned to show cause why they should not be held liable for the delay in the use of the pump project that was allowed to push through even without sufficient survey and despite the obvious lahar siltation of all water channels in the area; and	Partially Implemented.
c. Require the EOD to:	
c.1 Conduct a cost-benefit analysis for the operation and maintenance of the two pumps. If found that the benefits will outweigh the cost, work for the funding of the regular desilting of the Rio Chico and Cabungan Creek, otherwise, look for alternative use of the facilities;	Partially Implemented.
c.2 If fund is available, regularly declog the main water channels in the area, inspect all basins and tributaries before and after rainfall events and weekly during the rest of the rainy season, and desilt these natural reservoir and channels as warranted; and	Partially Implemented.
c.3 Organize the farmers in the area into Irrigators' Associations and draw the requisite Memorandum of Agreement (MOA) for the maintenance, guardianship and use of the constructed irrigation facilities.	Fully Implemented.
27. Due to inefficient and ineffective project implementation, actual cost incurred on various terminated infrastructure projects in NIA RO XIII aggregating P78.242 million as of December 31, 2014, resulted not only in waste of government resources but, likewise, deprived the local farmers of the benefits that could have been derived from these projects.	

Observations and Recommendations	Actions Taken/Comments
We recommended that NIA RO XIII Management:	
a. Require the Regional Engineering and Operations Division to conduct physical inventory of the remaining construction materials, if any, jointly with the Contractor to be witnessed by COA representatives to determine actual existence and condition of the inventory;	Not Implemented.
b. Take appropriate action to recover the unexpended portion of the advances to contractor; and	Not Implemented.
c. Conduct study to determine the practicability to continue undertaking the projects.	Not Implemented.

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28. NIA could have saved P60.532 million or 30.4 per cent from consulting services amounting to P199.390 million covering the period from 2008 to 2013 had it directly hired the services of other experts rather than engaging the services of NIACONSULT, Inc. (NIACI) under the Agency-to-Agency Agreement.

We recommended that Management submit status of the delivery of the consulting services provided by NIACI and NIA's evaluation and acceptance of the deliverables/outputs, as stipulated in the contracts as one of the requirements.

Not Implemented.

NIA did not submit any evaluation and acceptance report.

29. Equipment in the total amount of P1.654 million acquired by NIACI from 2009 to 2013 and paid by NIA as one of the reimbursable costs of completed consulting services covered by Agency-to-Agency Agreement were not supported with the required justification as to necessity. Moreover, these were not turned over to NIA, contrary to NEDA Implementing Rules and

Observations and Recommendations	Actions Taken/Comments
<p>Regulations on the Procurement of Consulting Services for Government Projects and Memorandum of Agency-to-Agency Agreement.</p>	<p>Not Implemented.</p> <p>Most of the equipment pertained to laptops issued to Consultants that were not returned by the Consultants when NIACI was abolished.</p>
<p>30. Non-monitoring of remittances of taxes withheld from payments to suppliers/contractors in NIA RO XI resulted in the accumulation of the Due to BIR account balance to P11.723 million without available records/documents.</p>	<p>Partially Implemented.</p> <p>Taxes withheld for the current year are remitted to the BIR. Amounts pertaining to prior years' transactions are still being analyzed.</p>

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<p>31. The inadequacy of accounting records, deficiency in recording progress payments of infrastructure contracts for foreign-assisted and locally-funded projects and inclusion of dormant accounts cast doubt on the accuracy and reliability of the balances of Liabilities accounts.</p>	<p>Partially Implemented.</p> <p>Current transactions were recorded properly. Reconciliation is still on-going for transactions recorded prior to CY 2010. Some adjustments were recorded in CY 2014.</p>
<p>We recommended that Management require the Accounting Division/MRS to: (i) continue the analysis and validation of accounts to correct errors made and to properly reverse undocumented accounts payable and (ii) to properly maintain updated Subsidiary Ledgers and schedules for all liability accounts.</p>	

Observations and Recommendations	Actions Taken/Comments
<p>32. Inadequate accounting records and deficiency in recording payments for Progress Billings on Infrastructure Contracts resulted in unreliable book balance of Guaranty Deposits Payable and Advances to Contractors of P37.920 million and P199.231 million, respectively.</p>	<p>Partially Implemented.</p> <p>Negative balances of Guaranty Deposits Payable reiterated in Observation No. 9, Part II of this Report.</p> <p>Current transactions were recorded properly. Reconciliation is on-going for transactions recorded prior to CY 2010.</p>
<p>33. Advances granted to Local Government Units (LGUs) and National Government Agencies (NGAs) totaling P188.536 million and P70.640 million, respectively, by NIA Central and Regional Offices for the restoration/ rehabilitation/ repair of irrigation systems remained unliquidated as of December 31, 2012, resulting in the understatement of Construction in Progress account and overstatement of Receivable accounts by undetermined amount as at year-end.</p>	<p>We reiterated our previous years' recommendations that Management:</p> <p>a. Demand the immediate liquidation of the fund transfers from the concerned LGUs/NGAs in strict compliance with the provisions of the MOA; and</p> <p>Partially Implemented.</p> <p>Letters were sent to LGUs.</p> <p>b. Require the Accounting Division to properly maintain Subsidiary Ledgers for receivable accounts and regularly reconcile the balances with the GL balances and update recording/ posting of transactions at all times.</p> <p>Partially Implemented.</p> <p>Transactions prior to CY 2009 have no SLs. Reconstruction of SLs is on-going.</p>

Observations and Recommendations	Actions Taken/Comments
<p>34. Despite previous years' audit recommendation, Management has not taken action to recover the unexpended portion of the advances to the contractor amounting to approximately P36.477 million for the suspended project "Libmanan-Cabusao Diversion Dam and Appurtenant Structure." Moreover, Management has no concern for the potential loss that may be derived from its inaction to prevent further corrosion of the unused steel sheet piles and the reinforced bars in the total reported amount of P31.070 million and P20.658 million, respectively, due to the exposure of these assets to the elements for more than two years.</p>	<p>The proposed termination of the Contract No. NIA-R5-LCDPN-C-1 re: Construction of Diversion Dam and Appurtenant Structures for the Libmanan-Cabusao Dam and rehabilitation Project was duly approved by the NIA Board of Directors on their 4th Special Board Meeting dated June 13, 2012 under Board Resolution No. 7752-12.</p> <p>A Contract Termination Review Committee was created to undertake review of the financial obligation of both parties relative to the termination of the Contract.</p> <p>Series of communication exchanges transpired between the Contractor and NIA relative to the amount of Obligation. The Contractor's claims amounted to P250.255 million against NIA's CTRC results of evaluation of P118.428 million. In March 2015, the Contractor had conducted its demobilization activities of the temporary facilities wherein items were pulled out by the Contractor.</p> <p>As at audit date, there was no agreement reached relative to the amount of obligation. Management did not apprise the Audit Team relative to the status of the stock file inventories.</p>
<p>We reiterated our previous year's recommendations that Management:</p>	
<p>a. Take appropriate action to recover the unexpended portion of the advances to contractor;</p>	<p>Partially Implemented.</p>
<p>b. Submit the duly signed, reviewed and approved reports of the actual accomplishment and supplies inventory to COA for validation, such as:</p>	<p>Not Implemented.</p>
<p>b.1 Physical Accomplishment as of December 31, 2009;</p>	

Observations and Recommendations	Actions Taken/Comments
<p>b.2 Revised computation of unexpended portion of advances to contractors taking into considerations the valid inventory items and the possible liquidated damages for the delay in the installation of steel sheets and steel gates assembly;</p>	
<p>c. Investigate why the reinforcing steel bars and steel sheets were still accepted after the contract was already suspended and submit corresponding report of the investigation; and</p>	Not Implemented.
<p>d. Take appropriate action to prevent further corrosion of the steel pipes and steel bars on the site.</p>	Not Implemented.
<p>We further recommended that if circumstances warrant, initiate administrative and/or appropriate action against officials/employees who may be found negligent in safeguarding the subject materials against wastage or improper disposition.</p>	Not Implemented.
<p>35. Claims made by Sanyu Consultants, Inc. in the total amount of P169.359 million and Y541,934,750 for the cost of services rendered for Filipino and Foreign components, respectively, were processed and paid without complete documentation in violation of Section 4 of PD No. 1445 and NIA-JBIC Loan Agreement.</p>	
<p>We recommended that Management:</p>	
<p>a. Comply with afore-cited rules and regulations and JBIC loan agreement and submit immediately the outputs and reports provided in the terms of reference of the Consulting Services Contract, otherwise all the payments will be suspended in audit; and</p>	<p>Partially Implemented.</p> <p>Notice of Suspension No. HCAAP-2014-001(12) dated August 28, 2014 was issued. Documents to support acceptance of the outputs/ deliverables from the end-users and the validation/evaluation made by NIA for the said outputs were not yet submitted.</p>

Observations and Recommendations	Actions Taken/Comments
	Notice of Disallowance will be issued for some amounts.
b. Devise policy guidelines on the acceptance of the consultancy services rendered to establish responsibility/ accountability on its evaluation and recommendation for payment.	Not Implemented. No guidelines were issued but the IUs were instructed to evaluate payments for consultancy services.
36. Major terms and conditions of the Contract for Consulting Services for Help for Catubig Agricultural Advancement Project (HCAAP) entered into between NIA and Sanyu Consultants, Inc. (SCI) differed from the terms actually implemented. We recommended that Management submit:	
a. Documents showing the approval of NIA and the BANK relative to the revisions on the terms and conditions of the Contract for the Consulting Services mentioned above;	Partially Implemented. Notice of Suspension No. HCAAP-2014-001(12) dated August 28, 2014 was issued. Documents and reports were submitted in compliance with NS but still not complete; the documents to support concurrence of the bank were not submitted.
b. Evaluation made by NIA in coordination with the Project Steering Committee/Project Coordination Office (PSC/PCO), PIUs and other implementing bodies on the over-all services rendered by Sanyu Consultants, Inc. with reference to the scope of work stipulated in the Terms of Reference of the Consulting Services; and	Not Implemented. The HCAAP PMO only submitted partial acceptance reports but without evaluation report from NIA.
c. Documents to support the acceptance of the services rendered by the Consultants issued by the concerned PIUs and the PCO.	Partially Implemented. Acceptance Reports were not submitted for all the deliverables.

Observations and Recommendations	Actions Taken/Comments
Likewise, we recommended that Management:	
a. File a claim against the Sanyu Consultants, Inc. relative to the CIAC decision on the payment of cost of idle equipment and indirect cost brought about by erroneous horizontal alignment in the amount of P4.033 million; and	Not Implemented.
b. Require Sanyu Consultants, Inc. to complete the undelivered services without additional cost.	Not Implemented.
37. The inability of NIA to exercise due prudence or diligence of a good father of a family in the partial take-over of the Contract of Works with Hanjin covered by Contract Number - HCAAPI-C-1, particularly the Construction of Hagbay and Bulao Sub-projects amounting to P245.179 million resulted in the increase in cost in the implementation of the sub-projects by P159.432 million and without attaining the reason of the partial take over which was to meet the targeted project completion date of August 25, 2010.	
We recommended that Management:	
a. Ensure compliance with the provisions of PD No. 1445 and exercise due diligence of a good father of the family in carrying out the duties and responsibilities of government officials entrusted with government funds and resources;	Not Implemented. NIA claimed that at all times they are acting in good faith.
b. Consider revising the terms of the future infrastructure contract relative to the provision on the NIA's Right to Take Over or Delete Part of Contract Work to effect the following:	Not Implemented. The contracts perfected in later part of CY 2014 still did not reflect the suggested revision. In their comment submitted, Management stated that they are willing to make such amendment in their succeeding bidding documents and will consider COA suggestions.
b.1 Applicable if the Contractor has fault in the delay of implementation of Contract Work;	

Observations and Recommendations	Actions Taken/Comments
<p>b.2 Implementation of Deleted Part of Contract Work shall not entail additional cost to NIA; and</p> <p>b.3 Deletion of the provision that states "NIA or its representative shall not be civilly liable for any act done by them in pursuance of these provisions;" and</p>	<p>Not Implemented.</p> <p>Management reasoned out that their action regarding the decision is in good faith and the social aspect is the primary consideration of their action. Hence, NIA believed that it is unjust to file charges against those responsible personnel and officials.</p>
<p>38. The termination of Contract No. HCAAPI-C-1 is not in accordance with the terms and conditions of the Contract and was approved beyond its expiration date of December 31, 2010; hence, the termination has no legal basis. Moreover, due to termination of the contract, liquidated damages due to delay in the prosecution of the contract work were not imposed.</p> <p>In view of the approval of the termination of Contract No. HCAAPI-C-1 of Hanjin with NIA without legal basis, we recommended that Management:</p>	<p>a. Take appropriate action to collect Liquidated Damages amounting to P112.464 million from Hanjin; and</p> <p>b. File appropriate charges against all officials responsible in the evaluation, verification and approval of termination of the Contract, if warranted.</p>
<p>39. The paid overrun/increase of quantity for Item Nos. 104.b – Canal Excavation (Hard) and 106.b - Structure Excavation (Hard) in the amount of P168.774</p>	<p>Management claimed that they have conducted the required investigation and that they have explicitly concluded the necessity of the overrun; hence,</p>

Observations and Recommendations	Actions Taken/Comments
<p>million covered by the 2nd Revised Final Firm-Up Contract was not supported with investigation and inspection conducted, explicitly concluding the necessity of the increase in quantity. Likewise, the work was implemented before the approval by the NIA Board of Directors of the Second Revised and Final Firm-up Contract Quantities and Costs, in violation of GC-16.Cb of the Contract. Moreover, the time frame for processing of the Second Revised and Final Firm-up Contract Quantities and Costs exceeded the time frame limit from the preparation up to approval by NIA of thirty (30) calendar days in violation of GC-16.A5e of the Contract.</p>	<p>there were no unnecessary expenditures. NIA further claimed that the termination of the 2nd revised quantity and cost is valid, hence, payment of the overrun has legal basis.</p>
<p>We recommended that Management take appropriate action to collect the P168.774 million paid by NIA to Hanjin under Progress Billing Nos. 24-25 and Final Progress Billing No. 26 covering the subject Overrun.</p>	<p>Not Implemented.</p>
<p>Likewise, we recommended the filing of appropriate charges against all officials responsible in the evaluation, verification and approval of the payments to Hanjin, if warranted.</p>	<p>Not Implemented. NIA had filed an Appeal from the Notice of Disallowance issued.</p>
<p>40. NIA did not submit complete plans and drawings for Contract Nos. HCAAPD-C-1 and HCAAPD-C-2; hence, the validity of the contract work accomplishment billed and paid in the total amount of P59.868 million could not be verified. For contract works accomplishment with complete documents, results of validation disclosed that the amount billed and paid exceeded the actual accomplishments in the aggregate amount of P18.702 million.</p>	<p>As of December 31, 2016, the Contracts HCAAPD-C-1 and HCAAPD-C-2 were reported to be 80.15 per cent and 64.65 per cent completed, respectively.</p> <p>Accordingly, some items of works for HCAAPD-C-1 were deleted to give way to the DPWH construction of roads, while HCAAPD-C-2 is recommended for termination.</p>

Observations and Recommendations	Actions Taken/Comments
We recommended that Management:	
a. Ensure compliance with COA rules and regulations on the submission of documents supporting infrastructure contracts; and	Partially Implemented. NIA still did not provide the Auditors with complete documents within the prescribed period.
b. Take appropriate action by filing charges against persons found liable for misrepresentation by reporting incorrect accomplishments, reviewing, recommending approval for payment and approving payments.	Not Implemented. NIA filed an Appeal from the Notices of Disallowance issued in the total amount of P22.216 million (inclusive of uncollected cost of withdrawn materials). NIA committed to investigate first before filing charges against persons liable.
41. NIA could not account for the construction materials left on site by Hanjin in view of the termination of Contract HCAAPI-C-1 valued at P34.676 million. Moreover, NIA did not deduct from the Progress Billings paid, the cost of construction materials, supplies and equipment withdrawn by other Contractors from these inventory valued at P3.289 million.	
We recommended that Management:	
a. Determine the cost of the laboratory supplies and apparatus, one unit base radio, and 10 generator sets withdrawn from NIA and require the contractors concerned to pay the amount immediately; and	Partially Implemented. As of April 2016, a total of P2.206 million was deducted from the Progress Billings.
b. Complete the inventory taking and fully account for the construction materials delivered by Hajjin for Contract No. HCAAPI-C-1 that were left on the site and furnish the COA the results of the inventory taking made.	Not Implemented. No inventory report was submitted.

Observations and Recommendations	Actions Taken/Comments
II. CORPORATE FUND <u>CY 2015 AAR</u>	
<p>1. The Consolidated Financial Statements (FSs) of the NIA Corporate Fund (F501) for the year ended December 31, 2015 did not include the Consolidated Statement of Changes in Equity contrary to the Philippine Accounting Standards (PAS) 1, thus depriving the users of the financial statements with information of what caused the increase in Equity from its beginning balance of P15.307 billion as as January 1, 2015 to P18.433 billion as at December 31, 2015.</p>	
<p>We recommended that Management:</p>	
<p>a. Assign a permanent staff who is proficient in the preparation of the FSs particularly in the ROs/FOs to facilitate the timely preparation of complete FSs; and</p>	<p>Partially Implemented.</p>
<p>b. Set the time table for the timely preparation of the complete FSs at the regional level to facilitate the consolidation thereof at the CO.</p>	<p>Partially Implemented. FSs were not submitted within the reglementary period.</p>
<p>2. Non-reclassification of long completed irrigation projects of P1.595 billion to appropriate asset accounts, absence of subsidiary records and supporting documents, non-maintenance of Property, Plant and Equipment Ledger Cards (PPELCs) for properties valued at P8.198 billion, existence of significant variances of P8.668 billion between books and results of physical counts, and inclusion of unserviceable properties of approximately P31.913 million cast doubt on the accuracy of the Property, Plant and Equipment (PPE) account with net book value of P29.807 billion.</p>	<p>Reiterated in Part II, Observation and Recommendation No. 2 of this Report.</p>

Observations and Recommendations	Actions Taken/Comments
We recommended and Management agreed to:	
a. Require the Accountants in the CO and Regions concerned to maintain accounting records, and immediately investigate and resolve any discrepancies;	Partially Implemented.
b. Instruct the Property Officers to initiate the annual conduct of proper and complete physical inventory of all properties, prepare the corresponding RPCPPE and reconcile the results of the physical inventory with the property records;	Partially Implemented.
c. Instruct the concerned Accountants to coordinate with the Property Officers as regards the disposal of the unserviceable properties that are still included in the PPE account; and	Partially Implemented.
d. Strictly implement NIA MC No. 43 dated July 20, 2007 which provides the guidelines, procedures and journal entries for the transfer of all completed projects from CIP account to Public Infrastructure account.	Partially Implemented.
3. The accuracy and validity of Accounts Receivable (AR)-Irrigation Service Fees (ISF) and Communal Irrigation System (CIS) with a balance of P20.939 billion could not be ascertained due to, among others, unreconciled discrepancies of P1.235 billion between records of the ROs and Division Offices (DOs)/IMOs; unrecorded amortization receivable of P0.955 million from farmer-beneficiaries; unreconciled difference between General Ledger (GL) and SL balances of P0.152 billion; and dormant receivables of P1.345 billion for over 6 to 40 years.	Reiterated in Part II, Observation and Recommendation No. 7 of this Report.

Observations and Recommendations	Actions Taken/Comments
We recommended and Management agreed to:	
a. Require the Accounting Section of the ROs concerned to maintain SLs for AR and regularly reconcile the SLs with the GL balances, and exert all efforts to reconcile the recorded AR between ROs and IMOs/DOs records;	Partially Implemented.
b. Require the IMO Managers to timely submit to the EOD for review all documents pertinent to completed CIS projects turned over to farmer-beneficiaries and for the EOD to forward to the Accounting Section for recording of AR in the RO books; and	Partially Implemented.
c. Instruct the Accounting Section to assign a regular personnel who shall be responsible on the review and analysis of the long outstanding and dormant receivables, and make a formal request from COA for write-off in accordance with relevant rules and regulations.	Partially Implemented.
4. The reliability of the balance of the Cash in Bank accounts aggregating P1.795 billion could not be ascertained due to, among others, unbooked reconciling items of P291.719 million, unrconciled difference of P62.265 million between the balances per books and the bank statements, absence of SLs and supporting documents to substantiate the account balances; non-preparation of bank reconciliation statements (BRS); discrepancy in balances among accounting records and existence of unused/dormant project funds not remitted to the Source Agency/National Treasury. Moreover, 21 bank accounts are maintained in three banks which are not authorized government depository banks (AGDBs).	

Observations and Recommendations	Actions Taken/Comments
We recommended that Management require the Finance Division to:	
a. Maintain SLs for the Cash in Bank accounts, prepare BRSs on a monthly basis, and conduct periodic reconciliation of GL and subsidiary recors;	Partially Implemented. Regions XI and XII justified that due to lack of accounting personnel who will focus on the preparation of the BRS, the reconciling items remained unrecorded. Nonetheless, they assured that adjustments will soon be recorded in ROs' books once the necessary supporting documents are completed.
b. Remit to the National Treasury the balances of dormant accounts pertaining to the completed projects/programs where said funds had been allotted; and	Partially Implemented.
c. Strictly follow the DOF's revised guidelines for securing approval/authority to deposit and transact in a non-AGDBs.	Partially Implemented. Only Region XI fully implemented the recommendation.
5. Delays in the remittances and deposits of collections by the various Collecting Officers of the ROs/IMOs resulted in huge balance of Cash-Collecting Officers account totaling P116.118 million at year end thereby exposing government funds to risk of loss or misappropriation.	Reiterated in Part II, Observation and Recommendation No. 5 of this Report.
We recommended that Management:	
a. Instruct all Collecting Officers/Councils of IAs/IAs to deposit intact all their collections daily or not later than the next banking day with the AGDBs. In cases where collections are minimal and daily deposit thereof becomes costly and impractical, deposit can be made at least once a week or as soon as their collections reach P10,000. Likewise, the shall record all their deposits daily in the Cash Receipts Register;	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
b. Require all Collecting Officers to prepare the MRAAF for proper monitoring of their accountability at any given time; and	Not Implemented.
c. Impose sanctions on erring Councils of IAs/IAs collectors who commit delay in the remittance of ISF collections.	Not Implemented.
6. The validity and accuracy of the account balances of completed projects amounting to P5.777 billion included in the Consolidated Balance Sheet as of December 31, 2015 could not be substantiated due to the absence of supporting documents, financial statements and reports pertaining thereto.	
We reiterated our previous years' recommendations that Management:	
a. Assign a permanent employee to perform 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 amounting to P16.578 million;	Not Implemented.
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;	Partially Implemented.
c. Create a special team to undertake the physical inventory of all the PPE of the above completed projects to validate their actual existence, considering that their total value represents 90.26 per cent of the total assets account; and	Fully Implemented.

Observations and Recommendations	Actions Taken/Comments
d. Submit the JEVs with supporting documents relative to the elimination entries and the related adjustments appearing in the Working Trial Balance.	Partially Implemented.
7. Lack of proper monitoring on the enforcement of liquidation of cash advances and the grant of additional cash advances though previous ones are not yet settled resulted in the accumulation thereof, which as of year-end amounted to P21.298 million, an increase of P1.696 million or 8.65 per cent from the previous year's balance of P19.602 million. Moreover, the related subsidiary records are not updated which cast doubt on the accuracy and reliability of the account balance.	Reiterated in Part II, Observation and Recommendation No. 19 of this Report.
We recommended and Management agreed to:	
a. Demand immediate liquidation of outstanding cash advances and impose the consequences on failure to liquidate these cash advances pursuant to COA Circular No. 2012-004;	Partially Implemented.
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 year end;	Partially Implemented.
c. Require the Accounting Office of the ROs/IMOs to update SLs showing detailed information of the cash advances granted, liquidations made, and unsettled balances for all accountable officers; and	Partially Implemented.
d. Request from the COA the write-off of long outstanding cash advances in accordance with the guidelines set forth in COA Resolution No. 80-122 dated April 27, 1980.	Partially Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>8. Poor collection performance due to weak collection efforts for ISF back accounts and Management's inability to fully disseminate the policies/programs on the payment of back accounts resulted in the accumulation of ISF receivables. In UPRIS, the Allowance for Doubtful Accounts was understated by P12.323 million as the balance of P118.961 million remained constant since CY 2011.</p>	<p>Reiterated in Part II, Observation and Recommendation No. 8 of this Report.</p>
<p>We recommended and Management agreed to:</p>	
<p>a. Intensify information campaign to fully disseminate to the IAs the policies/programs embodied in NIA MC No. 54 relative to the payment of ISF back accounts;</p>	<p>Partially Implemented.</p>
<p>b. Exert extra efforts to collect ISF back accounts specifically those aged one year and above, and closely monitor the collection performance of Collecting Officers in areas with higher uncollected receivables;</p>	<p>Partially Implemented.</p>
<p>c. Monitor and evaluate the financial activities of IAs and ensure that accounting procedures and control measures are in place to ascertain correctness of their account balances;</p>	<p>Partially Implemented.</p>
<p>d. Assign permanent accounting/billing clerks to update entries in the ISFRs which serve as the basis of the computations of total ISF dues; and</p>	<p>Partially Implemented.</p>
<p>e. Provide Allowance for Doubtful Accounts based on collectibility of receivable balances and evaluation of such factors as aging of the accounts, collection and expected loss experiences, and identified doubtful accounts.</p>	<p>Fully Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>9. The balances of the Accounts Payable and Other Payables in the amounts of P1.653 billion and P1.015 billion, respectively, cannot be ascertained due to incomplete documentation, existence of negative balances and dormant payables for more than five years.</p>	
<p>We recommended that Management require the CO Accounting Division and the ROs Accounting Section to;</p>	
<p>a. Maintain and update SLs for Accounts Payables and Other Payables in accordance with the provisions of PD No. 1445;</p>	Partially Implemented.
<p>b. Provide the necessary documents to support the validity of the payables being set-up; and</p>	Partially Implemented.
<p>c. Make a detailed analysis of dormant and abnormal accounts and effect the necessary adjustments in the books.</p>	Partially Implemented.
<p>10. Delay in the submission of financial reports, Disbursement Vouchers (DVs) and their supporting documents, Purchase Orders (POs), contracts, sometimes up to four months, precluded the timely auditorial review of financial transactions, thus, deficiencies, if any, could not be immediately conveyed to Management for its appropriate action.</p>	
<p>We recommended that Management:</p>	
<p>a. Require the Accounting Section to immediately submit all the required reports and their supporting schedules/documents including monthly pre-closing trial balances to the Auditor within the first 10 days of the ensuing month, and for the year-end financial reports and schedules in printed and digital copies, on or before February 14 of each year;</p>	Fully Implemented.

Observations and Recommendations	Actions Taken/Comments
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 consolidated in the CO and submitted to the Auditor;	Partially Implemented.
c. Consider imposing sanctions on the persons responsible for delayed submission of financial reports and supporting documents to the Office of the Auditor; and	Not Implemented.
d. Determine and address the reasons for the delay in the submission of the required reports.	Partially Implemented.
11. In CAR, procurements of goods and services amounting P33.199 million were made through shopping or small value procurement contrary to Section 10, Article IV and Section 52, Article XVI of RA No. 9184.	
We recommended and Management committed to:	
a. Adopt public bidding as the general mode of procurement and alternative methods of procurement only when the conditions warrant their adoption pursuant to RA No. 9184; and	Fully Implemented
b. Secure the required CNAS from the PS-DBM before procurement of commonly used supplies through shopping.	Fully Implemented.
12. In Region XIII, delayed turn-over of the completed Communal Irrigation Systems (CISs) projects aggregating P1.2 billion to the intended IAs by the Institutional Development Officer (IDO) and other concerned personnel resulted in the projects laying idle and exposed to deterioration thereby depriving the intended beneficiaries of their used and NIA of the much needed funds from	

Observations and Recommendations	Actions Taken/Comments
collection of amortization from IAs to support its operations.	
We recommended that Management direct Region XIII to require the IDO and other personnel concerned to expeditiously effect the turn-over of completed CIsS projects in order not only to improve the collection of funds for cost recovery and amortization but also to provide NIA of additional funds to finance its other priority projects.	Partially Implemented. As of December 31, 2016, 112 projects out of 145 projects were turned over to IAs.
13. Management was unable to implement the targeted programs/activities/projects (PAPs) identified in its GAD Plan for Fiscal Year (FY) 2015 and to utilize the amount of P35.805 million allocated for the purpose. Likewise, the CO has not yet submitted the consolidated GAD Accomplishment Report (AR) for the year.	
We recommended and Management agreed to:	
a. Formulate GPB in accordance with the above cited rules and regulations;	Partially Implemented.
b. Closely monitor the full implementation of all PAPs indentified/included in the GPB;	Partially Implemented.
c. Ensure that the required GFPS and GAD Code are in place; and	Partially Implemented.
d. Submit the required GAD ARs in accordance with the guidelines issued, for timely review and evaluation.	Partially Implemented.

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| 14. 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 | A restructuring scheme for the unpaid rental of NKCI was approved by the NIA Board of Directors on October 27, 2015. |
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Observations and Recommendations	Actions Taken/Comments
<p>accumulation of unpaid rentals totaling P25.539 million as of December 31, 2014.</p>	
<p>We recommended that Management:</p>	
<p>a. Rescind/terminate immediately the Lease Agreement with the NKCI and exercise control and supervision over the leased premises; and</p>	<p>Not Implemented.</p>
<p>b. Exhaust all legal means to collect the total amount due of P25.539 million and file appropriate charges against the NKCI.</p>	<p>Fully Implemented.</p>
<p>15. 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.</p>	
<p>We recommended and Management agreed to:</p>	
<p>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;</p>	<p>Partially Implemented.</p> <p>Due to funding constraint, the number of IDOs is limited <i>vis a vis</i> the number of IAs of NIA Region VII.</p>
<p>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</p>	<p>Partially Implemented.</p>
<p>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.</p>	<p>Partially Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>16. 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.</p> <p>We recommended and Management agreed to:</p> <p>a. Submit the procurement documents together with the agreements to the Office of the Auditor for review and evaluation;</p> <p>b. Secure ownership on the assets and establish accountability through the issuance of corresponding Acknowledgement Receipt for Equipment/Property Acknowledgement Receipt;</p> <p>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</p> <p>d. Ensure that the use of government funds are duly authorized and are properly accounted for.</p>	<p>Fully Implemented.</p> <p>Partially Implemented.</p> <p>Not Implemented.</p> <p>Partially Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>17. 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.</p> <p>We recommended that Management immediately refund/return the unobligated/unutilized DAP Funds to the account of the BTr.</p>	<p>Partially Implemented.</p>

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<p>18. 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>d. Adopt uniformly the prescribe asset method in accounting for inventories to establish accountability.</p>	<p>Partially implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>19. 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>	Partially Implemented.
<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>	Partially Implemented.
<p>20. 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>	
<p>a. Total amount of savings generated for the year;</p>	Partially Implemented.

Observations and Recommendations	Actions Taken/Comments
b. Accomplishment Report based on the physical and financial plan submitted and duly received by the DBM;	Partially Implemented.
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	Partially Implemented.
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.	Partially Implemented.
21. 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.	
We recommended that Management require:	
a. UPRIIS Division Managers to 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; and	Partially Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>b. Division Managers, Operations and Engineering and Administrative and Finance, OMS to:</p> <p>b.1. Regularly monitor the utilization of calamity fund at division levels to assure compliance with regulations;</p> <p>b.2. Act accordingly on deviations noted; and</p> <p>b.3. Submit monthly to NIA Central Office the consolidated report on the receipt and utilization of calamity fund.</p>	<p>Partially Implemented.</p> <p>Partially Implemented.</p> <p>Partially Implemented.</p>

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22. 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.

Partially Implemented.

23. 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.

Observations and Recommendations	Actions Taken/Comments
<p>1445. Moreover, this account was still being maintained by both Fund 501 and Fund 102 as of December 31, 2012.</p>	
<p>We recommended that Management:</p>	
<p>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</p>	Partially Implemented.
<p>b. Ensure strict adherence to the provisions of Section 37 of PD No. 1177 and Section 4(3) of PD No. 1445.</p>	Partially Implemented.
<p>24. Deficiencies were noted in the payment for consultancy services amounting to P6.136 million.</p>	
<p>We recommended that Management:</p>	
<p>a. Ensure strict compliance with the provisions of RA No. 9184 and other government rules and regulations on the hiring of consultants;</p>	Partially Implemented.
<p>b. Analyze the cost effectiveness of hiring consultants before a decision is made to engage their services;</p>	Partially Implemented.
<p>c. Perform periodic monitoring/oversight in the use of consultants to determine the extent to which economy, efficiency and effectiveness have been achieved; and</p>	Partially Implemented.
<p>d. Exercise prudence in the disbursement/disposition of government funds and limit expenses to that which are cost effective to the Corporation.</p>	Partially Implemented.
<p>25 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</p>	

Observations and Recommendations	Actions Taken/Comments
<p>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>

III. SPECIAL FUND

CY 2015 AAR

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| <p>1. The Consolidated Financial Statements (FSs) of the NIA Special Fund (F158) for the year ended December 31, 2015 did not include the Consolidated Statement of Comparison of Budget and Actual Amounts (SCBAA) as required under the Philippine Public Sector Accounting Standards (PPSAS) 24 while the Consolidated Statement of Cash Flows (SCF) as required under PPSAS 2 was submitted only to the Audit Team on June 14, 2016, thereby precluding the timely audit and communication of the results thereon. Likewise, prior period adjustments totaling P112.352 million as presented</p> | <p>Related discussion on inadequate disclosures in the Notes to FSs and unsupported prior period adjustments presented in the Consolidated Statement of Changes in Net Assets/Equity is discussed in Part II, Observation and Recommendation No. 1 of this Report.</p> |
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Observations and Recommendations	Actions Taken/Comments
<p>in the Consolidated Statement of Changes in Net Assets/Equity were not supported with schedules/details or working papers and not adequately disclosed in the Notes to FSs as required under the International Public Sector Accounting Standards (IPSAS) 3 - Accounting Policies, Changes in Accounting Estimates and Errors; hence, the correctness of the adjustments could not be ascertained.</p> <p>We recommended that Management:</p> <p>a. Assign a permanent staff who is proficient in the preparation of the FSs particularly in the ROs to facilitate the timely preparation of complete FSs; and</p>	<p>Partially Implemented.</p> <p>Not all accounting personnel in charge in the preparation/ consolidation of FSs in the Central Office attended training/seminar on PPSAS, while the regional accounting personnel have yet to attend the training/seminar on PPSAS.</p>
<p>b. Require the Accounting personnel at the Administrative and Finance Division at the Central Office and in the ROs to:</p>	<p>Not Implemented.</p> <p>b.1 Attend training/seminar on PPSAS to gain adequate knowledge/understanding of the standards governing the preparation/presentation of the FSs;</p> <p>b.2 Set time table for the timely preparation of the complete FSs at the regional level to facilitate the consolidation thereof at the PMO Central Office; and</p> <p>b.3 Submit to the Audit Team the details/schedules or working papers with regard to prior period adjustments for audit purposes.</p> <p>Not Implemented.</p> <p>Consolidated FSs were submitted beyond the reglementary period.</p>

Observations and Recommendations	Actions Taken/Comments
<p>2. The accuracy of the Cash in bank account totaling P41 million is doubtful due to five bank accounts with aggregate balance of P6.351 million have been inactive/dormant and P34.649 million have no bank reconciliation statements (BRSs). Likewise, one bank account with a balance of P261,990 was not recorded in the books while the unreleased checks aggregating P0.909 million were not restored to the cash balance contrary to COA Government Accounting and Financial Management Information System (GAFMIS) Circular Letter No. 2002-001 dated December 16, 2002, thus, understating the cash in bank account and the corresponding liability account in the financial statements at year end.</p>	<p>Reiterated in Part II, Observation and Recommendation No. 4 of this Report.</p>
<p>We recommended that Management:</p>	
<p>a. Return the unexpended balance of P6.351 million of completed projects to the source agency so as to close the dormant bank accounts; and</p>	<p>Partially Implemented.</p> <p>Unexpended balance of completed projects remained in the cash in bank accounts maintained by CARP-PMO.</p>
<p>b. Direct the Accounting Division to:</p>	
<p>b.1 Exert effort in the timely preparation of BRSs for early detection of errors and proper adjustment thereof;</p>	<p>Partially Implemented.</p> <p>The same lapses were noted in Region III and NIR.</p>
<p>b.2 Immediately take up in the books the unrecorded bank account of ARCDP I; and</p>	<p>Not Implemented.</p>
<p>b.3 Restore the amount of unreleased checks at year-end to Cash in Bank balance.</p>	<p>Not Implemented.</p>
<p>We further recommended that Management:</p>	
<p>a. Direct the Cash Division to exert effort in the timely submission of the</p>	<p>Not Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
<p>pertinent reports/records to the Accounting Division specifically the list/schedule of unreleased checks every end of the year; and</p>	
<p>b. Make representation with the depository banks to promptly provide NIA with copy of the bank statements.</p>	<p>Fully Implemented.</p>
<p>3. The accuracy of the year-end balance of the Property, Plant and Equipment (PPE) account with a net book value of P2,287.780 million could not be ascertained due to, among others, non-adjustment of cost of completed projects totaling P210.513 million from Construction in Progress (CIP) account to the appropriate asset account thus depreciation could not be provided on the capitalized asset; variance of P173.729 million between the Engineering and Operations Division (EOD) report of completed projects and the accounting records; inadequate accounting records and non-submission of report on completed projects by the EOD to the Accounting Division; non-completion of the inventory taking of the property and equipment aggregating P49.779 million in Region II, resulting in the non-reconciliation of the accounting and property records which disclosed a variance of P37.788 million at year-end; and inclusion of unserviceable property totaling P459,650.</p>	<p>The Observation was updated and reiterated in Part II, Observation and Recommendation No. 2 of this Report.</p>
<p>We recommended that Management:</p>	
<p>a. Require the EOD to turn over the documents pertaining to all completed projects to the Accounting Division for recording purposes;</p>	<p>Not Implemented.</p>
<p>b. Direct the Accounting Division to:</p>	
<p>b.1 Make the necessary adjustments in the books, including the provision for depreciation on completed projects, upon receipt of</p>	<p>Not Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
turn-over documents from EOD of all completed projects;	
b.2 Ensure that transfer of completed projects to appropriate accounts be adequately supported with details/schedules to facilitate verification/validation;	Not Implemented.
b.3 Maintain SLs/records and PPELCs for all PPE items; and	Not Implemented.
c. Instruct NIA RO II to plan the conduct of physical inventory to ensure its completion at year-end, prepare the RPCPPE and reconcile the report with the records of the Accounting Division, facilitate the disposal of unserviceable property in accordance with existing rules and regulations.	Partially Implemented. Validation of reconciliation on PPE as of December 31, 2016 showed that there was a reduction in the noted discrepancies in previous year's.
4. The accuracy of the balance of the Due to Other National Government Agencies (NGAs) account of P193.750 million could not be relied upon due to unreconciled variance of P329.679 million between records of NIA Comprehensive Agrarian Reform Program-Irrigation Component (CARP-IC) and the DAR.	Reiterated in Part II, Observation and Recommendation No. 10 of this Report.
We reiterated our previous year's recommendation that Management assign personnel that would be responsible in coordinating with DAR to provide information as to the status of the SOEs submitted so that appropriate action can be undertaken to resolve the variance between their records.	Partially Implemented. The variance was reduced by P116.166 million or 35 per cent from last year's variance of P329.679 million.
5. The discrepancy of P188.130 million between the year-end balances of reciprocal accounts, i.e. Due to Regional Offices and Due from Central Office of P222.140 million and P34.010 million, respectively, is attributed to the non-reconciliation of these accounts regularly, thus affecting the accuracy of the total balances of the Intra-agency	Reiterated in Part II, Observation and Recommendation No. 11 of this Report.

Observations and Recommendations	Actions Taken/Comments
<p>Payables of P226.560 million and Receivables of P68.861 million.</p>	
<p>We reiterated our previous year's audit recommendations that Management:</p>	
<p>a. Require the Central Office Accounting Division to provide the concerned ROs with copy of the SL for the Due to Regional Offices account together with supporting documents, to assist the ROs in the reconciliation process and require them to submit the statement of reconciliation of reciprocal accounts to Central Office Accounting Division for the latter to effect the necessary adjustments in the books of accounts; and</p>	Not Implemented.
<p>b. Determine the causes of non-submission of the statement of reconciliation of reciprocal accounts by the ROs and take appropriate action to resolve the issue, if any.</p>	Not Implemented.
<p>We further recommended that Management set a timeline within which all the concerned officials would complete the analysis of the reciprocal accounts with the end in view of eliminating the variance of P188.130 million.</p>	Not Implemented.
<p>6. In ROs X and XIII, the validity of the Accounts Payable account totaling P6.476 million could not be established due to absence of subsidiary records/ledgers and supporting documents and the same remained outstanding in the books for more than two years contrary to DBM-COA Joint Circular No. 99-06 dated November 13, 1999.</p>	Reiterated in Part II, Observation and Recommendation No. 9 of this Report.
<p>We recommended that Management direct the Regional Irrigation Managers of Regions X and XIII to instruct the concerned Accountants to:</p>	

Observations and Recommendations	Actions Taken/Comments
a. Ensure completeness of supporting documents of the transactions before these are processed and certified as accounts payable;	Not Implemented.
b. Maintain subsidiary records/ledgers for all controlling accounts pursuant to existing rules and regulations and to facilitate the verification of the accounts; and	Not Implemented.
c. Revert back to the accumulated surplus the balances of Accounts Payable which have been outstanding for two years or more as well as those which are undocumented and without valid/actual claimants.	Not Implemented.
7. Release of funds amounting to P0.951 million from the Central Office to ROs for the payment of contractor's tax were taken from the loan proceeds received from the Government of Japan through the DAR instead of from the government counterpart fund, contrary to the Loan Agreement for Agrarian Reform Infrastructure Support Project (ARISP)-Phase III between the Japan Bank for International Cooperation (JBIC) and the Government of the Philippines (GOP). Moreover, GOP counterpart funds aggregating P1.550 million for the payment of contractor's tax were erroneously deposited to the Civil Works/Loan Proceeds (CW/LP) bank accounts of the ROs.	
We recommended and Management agreed to:	
a. Discontinue using ARISP III funds for purposes not covered under Section 1, Schedule 2 of Loan Agreement No. PH-P242 and to return the amount erroneously withdrawn from the Loan Proceeds bank account; and	Partially Implemented. The amount inadvertently withdrawn from the loan proceeds has not yet been fully returned to the said account.
b. Inform the ROs of the erroneous deposits and direct them to immediately	Fully Implemented.

Observations and Recommendations	Actions Taken/Comments
transfer the funds from Loan Proceeds account to GOP bank account.	
We further recommended that the Audit Team be provided with the documents evidencing the adjustment made for verification and validation purposes.	Not Implemented.
<p>8. Advances to officers and employees totaling P1.652 million remained unliquidated due to non-enforcement of timely liquidation and inadequate monitoring thereof, thereby resulting in the accumulation of unliquidated cash advances. In Region XIII, special cash advances totaling P371,610 were granted to officers and employees who were not designated as Disbursing Officers by the Head of the Agency, contrary to the provisions of COA Circular No. 97-002 dated February 10, 1997.</p> <p>We recommended and Management agreed to:</p> <p>a. Require all officers and employees with outstanding cash advances to immediately submit liquidation documents and refund the unused cash advance, if any;</p> <p>b. Monitor closely the liquidation of outstanding cash advances, send written reminder/demand on the submission of liquidation report within the reglementary period;</p> <p>c. Discontinue the practice of granting additional cash advances to officers and employees with unliquidated cash advances;</p>	<p>Related discussion in Part II, Observation and Recommendation No. 19 of this Report.</p> <p>Not Implemented.</p> <p>In Region VI, unliquidated cash advances totaling P99,031 (net of abnormal balance amounting to P30,889) remained unliquidated/outstanding, although the purposes for which the cash advances were granted were already served.</p> <p>Not Implemented.</p> <p>Not Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
d. Stop granting special cash advances to employees who are not duly designated as Disbursing Officers (DO) by the Head of the Agency; and	Not Implemented. The Audit Team noted that the IMOs continue to grant special cash advances to employees who are not duly designated as DO.
e. If the situation warrants, withhold salaries of those concerned employees who have unliquidated cash advances pursuant to Item 5 of COA Circular No. 97-002 or institute appropriate action as provided for under Item 9 of COA Circular No. 2012-004.	Not Implemented.
9. The intention to increase the production and income of farmer-beneficiaries under the CARP-IC funded projects in Regions IV-B and XIII with total costs of P287.403 million is not yet realized as seven projects, involving six foreign-assisted and one locally-funded with total estimated costs of P280.235 million, are not completed on expected date of completion due to, among others, poor planning, several revisions of plan to adopt to the project requirements and unresolved Right-of-Way (ROW) issues, while one completed locally-funded project costing P7.168 million remained under utilized due to insufficiency of water supply. Additionally, despite the delay in the implementation of the projects, liquidated damages were not imposed against defaulting contractors, contrary to Section 8.1 of Annex E of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.	Reiterated in Part II, Observation and Recommendation No. 13 of this Report.
We recommended that Management require the Regional Managers, Division Managers and Project Engineers and all other concerned personnel to:	
a. Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the prosecution and/or completion of the	Not Implemented. Based on the Progress Report prepared by NIA CARP-IC, delays in the

Observations and Recommendations	Actions Taken/Comments
projects;	implementation of projects were caused by the same issues/problems cited in prior years.
b. Impose liquidated damages against the defaulting contractors pursuant to Section 8.1 of Annex E of the IRR of RA No. 9184, to protect the interest of the government;	Not Implemented. NIA Region IV-B explained that the delay in the implementation of the concerned project was due to the delay of the DAR Consultants to act on the request of the Irrigators' Association, through a resolution, to change the construction scheme and location of holes. Accordingly, cost revision was issued in consideration of the request. Region IV-B further informed that the project was completed on December 15, 2016.
c. Terminate or rescind the contracts for projects with negative slippages of more than 10 per cent resulting from contractor's fault or negligence, pursuant to Section 8.4 of Annex E of the IRR of RA No. 9184 and consider blacklisting them;	Not Implemented.
d. Conduct regular inspection, reporting and monitoring of projects so that any problems encountered are timely and properly addressed;	Not Implemented.
e. Direct the concerned Irrigation Development Officers based in the Agusan del Sur area and/or other concerned personnel to expeditiously search for additional water sources for San Vicente Communal Irrigation Project in order to augment the existing water source;	Not Implemented.
f. Consider imposing disciplinary action against concerned NIA personnel who were found negligent in the selection of area on which the irrigation canal was constructed without the corresponding source of water; and	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>g. Henceforth, anticipate the occurrence of perennial irrigation issues/problems and ensure that these are threshed out prior to project implementation as well as review and evaluate thoroughly the POWs to ensure that project designs and estimates are adequately prepared and that all phases of the project, from planning and monitoring, are covered to make certain its completion and prevent diversion of funds.</p>	Not Implemented.
<p>10. The employees' and employer's contributions and payment of loan amortization to the Government Service Insurance System (GSIS), Home Development Mutual Fund (HDMF), and the Philippine Health Insurance Corporation (PhilHealth) in the aggregate amount of P292,801 were not remitted by the PMO and ROs to the aforementioned government agencies contrary to pertinent laws, rules and regulations. Moreover, Due to Other GOCCs accounts of PMO and three IMOs of Region XI have abnormal balances totaling P114,559, casting doubt on the accuracy of their balances.</p>	
We recommended that Management:	
<p>a. Designate a person who shall be responsible for reconciling the accounting records against the source documents to determine the validity of the unremitted amounts and the accounts with abnormal balances;</p>	Not Implemented.
<p>b. If the non-moving balances are determined to be unremitted contributions and loan amortizations, require the Accountant to immediately remit the amounts to the concerned agencies;</p>	Not Implemented.
<p>c. Identify the persons responsible for the delay in the remittance of the mandatory contributions and hold them</p>	Not Implemented.

Observations and Recommendations	Actions Taken/Comments
<p>liable for any fine, interest and penalty that the concerned agencies may impose upon NIA, and, if warranted, held them administratively liable for neglect of duty; and</p>	
<p>d. Henceforth, comply with the provisions of the aforecited laws in the remittance of mandatory contributions and loan amortizations.</p>	<p>Not Implemented.</p>
<p>11. For CY 2015, the balance of Due to Bureau of Internal Revenue (BIR) account amounted to P22.699 million. The amount represents the unremitted taxes withheld as of December 31, 2015 of the PMO and various NIA ROs.</p>	<p>Related discussion on tax compliance is presented in Part II, Observation and Recommendation No. 21 of this Report.</p>
<p>We recommended that Management:</p>	
<p>a. Designate a person to review prior years' transactions to determine the accuracy of the prior years' balances, and effect the adjustments, if warranted;</p>	<p>Not Implemented.</p>
<p>b. Direct the Accountant to immediately remit the outstanding balance if determined to be unremitted taxes of prior years;</p>	<p>Not Implemented.</p>
<p>c. Require the Accounting Section to maintain SLs or records and monitor the withholding and remittances of taxes on a monthly basis; and</p>	<p>Not Implemented.</p>
<p>d. Hold administratively liable for neglect of duty the personnel who failed to remit the taxes and require them to pay the fine, interest and penalty that the BIR may impose upon NIA.</p>	<p>Not Implemented.</p>

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12. Cash allocations received from DBM totaling P255.758 million, net of tax remittance advice (TRA), were not released by Project Management Office (PMO) to the 15 Regional Offices (ROs) in accordance with the approved

Observations and Recommendations	Actions Taken/Comments
<p>budget, resulting in realignment of P6.327 million from one allotment class to another, in violation of pertinent provisions of DBM National Budget Circular (NBC) No. 551. Moreover, cash allocations amounting to P2.959 million intended for the ROs were retained by PMO, depriving further the ROs of budget needed for their operations.</p>	
<p>We recommended that Management submit documents to support the releases of MOOE funds to the ROs and the DBM approval for the realignment of funds, for audit purposes.</p>	Not Implemented.
<p>13. Primarily attributable to slow/delayed implementation of projects, unutilized cash amounting to P138.373 million as of December 31, 2014 received under the Modified Disbursement Scheme (MDS) is transferred to Cash in Bank - Local Currency Current Account (CIB-LCCA) before the lapse of the Notice of Cash allocation (NCA), thereby defeating the government's thrust of maximizing utilization of government resources and contrary to Section 77 of General Appropriations Act (GAA) for FY 2014 and Item 4.18.2 of DBM NBC No. 551.</p>	
<p>We recommended that Management direct the concerned officers of the ROs to strictly ensure that the implementation of projects is within schedule as reflected in their MCP to avoid transferring of funds to CIB-LCCA.</p>	Fully Implemented.
<p>14. Delayed/ non-submission of reports and disbursement vouchers, payrolls, and their supporting documents by NIA Regions X and XII, which is contrary to COA Circular No. 2009-006, precluded the Auditor from conducting timely evaluation of the recorded disbursements.</p>	

Observations and Recommendations	Actions Taken/Comments
We recommended and Management agreed to require the concerned Accountants to:	
a. Immediately submit the 2014 paid disbursement vouchers and payrolls with the necessary supporting documents to the Audit Team for audit purposes; and	Partially Implemented.
b. Henceforth, strictly adhere to the prescribed timeframe in the submission of disbursement reports to the Auditor to avoid suspension and/or disallowance of transactions in audit.	Not Implemented.

CY 2013 AAR

15. The discrepancy of P9.243 million between the funds transferred to ROs reflected in the books of Comprehensive Agrarian Reform Program – Irrigation Component (CARP-IC) – CO of P216.352 million *vis-à-vis* Subsidy Income from National Government (SING) shown in the consolidated Trial Balance (TB) of ROs totaling P207.109 million, casts doubt on the accuracy and completeness of SING account amounting to P265.324 million (net of reversion of unused Notice of Cash Allocation).

We recommended that Management:

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| a. Require the concerned ROs to submit documents to support the reversion of unused NCA to include, among others, a copy of the journal entry voucher (JEV) recording the reversion, bank statement of the MDS account showing a debit equivalent to the amount reverted by LBP and general ledger of SING account for CY 2013, for monitoring, validation and control purposes; and | Not Implemented. |
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Observations and Recommendations	Actions Taken/Comments
<p>b. Instruct the ROs in writing to provide another row in the preparation of TB to be captioned as Reversion of Unused NCA, after the account SING, to ensure that the amount shown in the SING account indicated in the TB represents total funds received from CO, to facilitate review and reconciliation of the accounts affected.</p>	Not Implemented.
<u>CY 2012 AAR</u>	
<p>16. Interest earned totaling P3.064 million was not remitted to the Bureau of the Treasury (BTr), contrary to Section 65 of PD No. 1445.</p>	
<p>a. Require the Accounting Section to expedite the analysis of the balances of the Due to National Treasury account for ARISP II, ARCDP II and MINSSAD, remit to the BTr the remaining balance of unremitted interest earned on deposits, and prepare necessary adjusting entries to correct erroneous entry made to this account, if any; and</p>	Fully Implemented.
<p>b. Require the personnel who is in-charge of preparing the BRS to provide a copy to the personnel who prepares the journal entry vouchers to ensure the immediate recording of interest and withdrawals representing transfer/remittance to the BTr of interest earned on deposits and other book reconciling items to fairly present the balance of the accounts affected.</p>	Fully Implemented.

**Details of Unsettled Notices of Disallowance (NDs)
As of December 31, 2016**

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
I. GENERAL FUND				
Central Office				
2016-007-101/ 12-16-2016	<p>Payment of claims under Contract No. SRIPD-C-20 which was awarded not strictly in accordance with the procedure prescribed under RA No. 9184 and IRR.</p> <p>Entering into contract without full appropriation and adequately covered with an approved Multi-Year Obligation Authority in violation of Section 85 of PD 1445.</p>	<p>Former Administrator; Former BAC-A Chairman Former BAC-A Vice-Chairman; Members of the BAC-A; Head, BAC TWG; Members of the BAC TWG Head, BAC-A Secretariat; Member, BAC-A Secretariat; Chairman of the NIA Board of Directors; Members of the NIA Board of Directors Payee- Oscar R. Sarmiento Construction Inc.</p>	P 167,422,114.84	With Appeal from the ND before CGS Cluster 5.
2016-006-101/ 12-16-2016	<p>Payment of claims under Contract No. SRIPD-C-26 which was awarded not strictly in accordance with the procedure prescribed under RA No. 9184 and its Revised IRR.</p> <p>Entering into contract without full appropriation and adequately covered with an approved Multi-Year Obligation Authority in violation of Section 85 of PD 1445.</p>	<p>Former Administrator; Former BAC-A Chairman Former BAC-A Vice-Chairman; Members of the BAC-A; Head, BAC TWG; Members of the BAC TWG Head, BAC-A Secretariat; Member, BAC-A Secretariat; Former Acting Manager, Accounting Division; Payee - Oscar R. Sarmiento Construction Inc.</p>	25,311,068.06	-do-
2016-005-101/ 12-16-2016	<p>Payment of claims under Contract No. CMIPP2/NCB-C-S4-1 which was awarded not strictly in accordance with the procedure prescribed under RA No. 9184 and its Revised IRR.</p>	<p>Former Administrator; Former Senior Deputy Administrator; Former BAC-A Chairman; BAC-A Vice Chairman; Members of the BAC-A Head, BAC TWG; Members of the BAC TWG; Member, BAC Secretariat; Payee- Oscar R. Sarmiento Construction Inc.</p>	122,473,922.21	-do-
2016-004-102/ 9-1-2016	<p>Supplemental ND per COA Decision No. 2016-151 dated July 28, 2016 on the failure to deduct from Progress Billing No. 5 Contract No. SPISP-C-3 the liquidated damages on the delayed completion of the Binalawan Concrete Buttress Dam</p>	<p>Former Acting Administrator; Former Senior Deputy Administrator; OIC, CMD Engineering Department; Project Manager, SPISP; Head, CAS-CMD; Supervising Engineer; Senior Engineer</p>	749,450.69	Liquidated damages deducted from Progress Billing No. 4 of Contract No. QIPD C-2.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2016-003-102/ 4-6-2016	Procurement of 16 units motor vehicle Model Nissan Frontier Navarra 4 WD MT per Contract No. NISRIDP-S-1 exceeded the current prevailing market price per unit at the time of purchase and no volume discount availed	Former Administrator; Deputy Administrator for Administrative and Finance; Former Deputy Administrator for Eng'g and Operations; Former Chairman, BAC-A; Former Vice Chairman, BAC-A; Members of the BAC-A; Head, TWG Members of the TWG	272,000.00	With Appeal from the ND before CGS Cluster 5
2016-002-102/ 3-28-2016	Procurement of 17 units Nissan Frontier Navarra 4 WD MT per Contract No. PIDP-S-7 exceeded the current prevailing market price per unit at the time of purchase and no volume discount availed	Deputy Administrator for Admin & Finance; Former Administrator; Project Manager PIDP/Member of BAC-A; Chairman, BAC-A; Members of the BAC; Vice Chairman, BAC-A; Head, TWG Members of the TWG; Asst. Project Manager, PIDP; Nissan Westgate/Shaw	289,000.00	-do-
2016-001-102/ 3-21-2016	Procurement of 19 units motor vehicle Model Nissan Frontier Navarra 4 WD per Contract No. PIDP-S- 2R2 exceeded the current prevailing market price per unit at the time of purchase and no volume discount availed	Former Administrator; Former Project Manager, PIDP and Member of BAC-A; Chairman BAC-A; Vice-Chairman, BAC-A; Head , BAC TWG; Members of the BAC TWG; Head, BAC Secretariat Nissan Westgate/Shaw	494,000.00	-do-
2015-007-102/ 12-17-2015	Delivered items were not in accordance with the specifications indicated in the Contract.	Former Administrator; Former Deputy Administrator for Administrative and Finance; Former Manager, Administrative Department and Vice Chairman BAC-B; Manager, Accounting Division; Chairman and Members of BAC-B; Chairman and Members of BAC-TWG; Technical Inspector Materials Planning Services Chief; Payee	1,157,990.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-006-102/ 12-2-2015	Payment of per diems and reimbursement were made to the Consultant for the number of days he was within the base of operation which is considered irregular and unnecessary expenditures pursuant to COA Circular 2012-003 dated October 29, 2012	Acting Deputy Administrator for Eng'g and Operations; Acting Manager, Accounting Division; PIDP Project Manager; PIDP Manager Engineering Division; Senior Financial Planning Specialist; Consultant	116,590.83	With Appeal from the ND before CGS Cluster 5
2015-003-102/ 10-7-2015	Payment of Item 117- Supply and Delivery of Steel Sheet Piles which did not conform to the contract specifications for the Contract No. PIDP2-C-VISN-1R	Acting Deputy Administrator for Engineering and Operations; Deputy Administrator for Engineering and Operations; PIDP Project Manager; Principal Engineer A Cluster Head, VIS/BCIS/BRIS; Project in Charge/ Field Supervisor NIA VIS; Member of TPIG, CBIMO; Chief, Eng'g Section Head Technical Project Inspectorate Group; Acting Manager; Acting Regional Manager; Payee- A.M. Oreta & Co. Inc.	27,717,840.00	-do-
2015-002-101/ 7-2-2015	Payment of per diems and reimbursement of vehicle rental to the consultant when he was within the base of operation for the Consultancy Services on Construction Supervision and Quality Assurance	Deputy Administrator for Engineering and Operations; Acting Deputy Administrator for Engineering and Operations; Manager, Construction Management Division; PIDP Project Manager; Acting Manager, Accounting Division; Senior Financial Planning Specialist; Manager, PIDP Engineering Division; Consultant	573,636.02	-do-
2015-001-101/ 6-16-2015	Payment for items 125, 126 and 127 was disallowed in audit due to non-submission of the documents required under NS No. 2014-017-101 dated May 16, 2014 which was received by NIA on May 20, 2014.	Administrator; Acting Deputy Administrator; OIC Deputy Administrator for Engineering and Operations; Acting Administrator; Manager, Accounting Division; Manager Engineering Department; Project Manager, SJIPD-C-1; Acting Manager, Engineering Division; Manager Construction Division; Manager Engineering Division; Senior Engineer A; Manager, CMD Engineering	47,057,674.15	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
		Department; Supervising Engineer A; OIC Construction Mgt. Division; Senior Engineer; Contractor Quantity Surveyor; Construction Manager; and Project Manager; Payee		
HCAAP 2014-001(12)/ 8-28-2014	Overpayment of accomplishment and non-deduction of the cost of material withdrawn by the contractor to NIA	Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Project Manager, HCAAP; Chief, Construction Section; OIC, Operation Division; Manager, General Accounting; Team Leader, Sanyu Consultant, Inc.; Payee - Brostan Construction and Development (BCD); Project Manager –BCD; Office Engineer – BCD	6,343,953.68	With CGS 5 Decision No. 2016-029 dated September 23, 2016. The Decision was elevated to the COA CP for automatic review.
HCAAP 2014-002 (12)/ 8-28-2014	Overpayment of accomplishment and non-deduction of the cost of material withdrawn by the contractor to NIA	Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Project Manager, HCAAP; Chief, Construction Section; OIC, Operation Division; Manager, General Accounting; Team Leader, Sanyu Consultant, Inc.; Payee - JD Legaspi Construction (JDLC); Project Manager – JDLC; Office Engineer – DLC	15,872,260.75	With CGS 5 Decision No. 2016-039 dated October 12, 2016. The Decision was elevated to the COA CP for automatic review.
HCAAP 2014-003 (12)/ 8-28-2014	Payment for overrun or increase in quantity for item 104.b of the Contract.	Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Project Manager, HCAAP; Chief, Construction Section; OIC, Operation Division; Manager, General Accounting; Team Leader, Sanyu Consultant, Inc. (SCI); Engineering Manager – Hanjin; Project Manager – Hanjin; Chief Office Engineer – Hanjin; & Office Engineer – Hanjin	168,774,744.39	With Appeal from the ND before CGS Cluster 5.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-005-101/ 4-11-2014	Payment of honorarium to officers of NIA and other reimbursable cost	Administrator; Acting Administrator; Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Division; & Payee – NIACONSULT, Inc.	934,145.01	With COA Order of Execution (COE) dated January 27, 2016 in the amount of P799,145.01 net of P135,000 representing honorarium paid to NIA Officers which was covered by ND 2013-001 NIACON (12) and subject of CGS 5 Decision No. 2014-010 dated 8/23/2014. CGS 5 Decision under Petition for Review before the COA CP.
2014-006-101/ 4-11-2014	Payment of honorarium to officers of NIA and other reimbursable cost	Administrator; Deputy Administrator; Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Manager, General Accounting; Acting Manager, Accounting Division; Manager, Budget Division; & Payee – NIACONSULT, Inc.	1,164,821.36	With COE dated January 27, 2016 in the amount of P312,321.36 net of P852,500 representing reimbursement of remuneration/ honorarium paid to NIA Officers which was covered by ND No. 2013-001 NIACON(12) dated 8/27/2013 and ND No. 12-005-NIAC(11) dated 11/23/2012 and subject of CGS 5 Decision No. 2014-010 dated 8/23/2014 and CGS Decision No. 2013-003 dated 4/16/2013. CGS 5 Decision under Petition for Review before the COA CP.
2014-008-101/ 4-30-2014	Payment of honorarium to officers of NIA and other reimbursable cost	Administrator; Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Division; Manager, Budget Division; & Payee – NIACONSULT, Inc.	534,282.75	With COE dated October 28, 2015 received by Management on 1/20/2016 in the amount of P348,782.15 net of P185,500 representing reimbursement of remuneration/ honorarium paid to NIA Officers which was covered by ND 2013-001 NIACON(12) dated 8/27/2013 and subject of CGS Decision No. 2014-010 dated 8/23/2014. CGS Decision under Petition for Review before the COA CP.
2014-009-101/ 5-2-2014	Payment of honorarium to officers of NIA and other reimbursable cost	Administrator; Deputy Administrator; Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Manager, General Accounting; Acting Manager, Accounting Division; Manager, Budget Division; & Payee – NIACONSULT, Inc.	857,729.32	With COE dated January 27, 2016 received by Management on February 10, 2016 in the amount of P587,729.32 net of P270,000 representing reimbursement of remuneration paid to NIA officers which was covered by ND No. 2013-001 NIACON(12) dated 8/27/2013 and subject of CGS 5 Decision No. 2014-010 dated 8/23/2014. CGS 5 Decision under Petition for Review before the COA CP.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-010-101/ 5-6-2014	Payment of honorarium to officers of NIA and other reimbursable cost	Administrator; Deputy Administrator; Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Manager, General Accounting; Acting Manager, Accounting Division; Manager, Budget Division; & Payee – NIACONSULT, Inc.	647,262.50	With COE dated October 28, 2015 in the amount of P196,762.50 net of P450,500 representing reimbursement of remuneration/honorarium paid to NIA Officers which was covered by ND No. 12-005-NIAC (11) dated 11/23/2012 and subject of CGS Decision No. 2013-003 dated 4/16/2013. CGS Decision with Petition for Review before the COA CP.
2014-011-101/ 5-7-2014	Payment of honorarium to officers of NIA and other reimbursable cost	Administrator; Acting Deputy Administrator for Engineering and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Division; Manager, Budget Division; & Payee – NIACONSULT, Inc.	733,665.09	With COE dated October 28, 2015 in the amount of P194,665.09 net of P539,000 representing reimbursement of remuneration paid to NIA officers which was covered by ND No. 2013-001 NIACON(12) dated 8/27/2013 and subject of CGS 5 Decision No. 2014-010 dated 8/23/2014. CGS 5 Decision under Petition for Review before the COA CP.
12-015-101(04)/ 11-28-2012	Transfer of income already paid by Fund 101 to Fund 501	Deputy Administrator; Assistant; Administrator for PDI; Acting Manager, CMD; & OIC, Gen. Accounting Division	1,928,918.53	No Appeal, for issuance of NFD.
11-03-101 (10)/ 12-7-2011	Cost of auditing services charged to General Fund	Acting Administrator; Acting Deputy Administrator for Administrative and Finance; Manager, Accounting Division; & Acting Manager, Budget Div.	3,246,721.00	With CGS 5 Decision No. 2012-006 dated Sept. 26, 2012 affirming the ND.
11-010-102 (09)/ 07-19-2011	Overpayment of Terminal Leave	Acting Dep. Administrator for Administrative and Finance; Manager, Accounting Division; Manager, Budget Div.; OIC, Personnel Division; Manager, Cash Division; & Payee–Basilio Lozano, Jr.	18,305.76	With NFD dated June 14, 2013.
11-003-102 (10)/ 03-28-2011	Liquidated damages	Acting Administrator; Senior Deputy Administrator; Manager, Accounting Div.; Manager, FMD; OIC – CMD; Project Manager, SPISP; Head, CAS-CMD; Supervising Engineer; Senior Engineer; & Payee – New Kanlaon/ JE Manalo & Co. Inc. Joint Venture	6,058,057.74	With COA Decision No. 2016-151 dated July 28, 2016 affirming the ND.
			600,750,154.68	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
CAR	No details provided to COA NIA CO		718,746.14	No details provided to COA NIA CO
Region I				
NIA RO I	Various		7,250,226.00	No details provided to COA NIA CO
NIA PIMO	Various		351,000.00	-do-
NIA LUIMO	Various		78,000.00	-do-
NIA INIMO	Various		319,397.48	-do-
			7,998,623.48	
Region II				
NIA CBIMO	Fund 101 transactions		398,616.16	-do-
	Fund 102 –PIDP transaction		6,375.00	-do-
			404,991.16	
Region III				
	Various		6,843,899.86	-do-
UPRIIS				
15-01-101 (12)DIV IV / 10-12-15	Payment of Hotel & Meals and Snacks to Upright Travel & Tours	Various UPRIIS Officials	24,893.63	-do-
Region IV-A				
Regional Office	Payment of CNA	NIA Region IV –A employees	90,000.00	With Appeal from the ND.
Region IV-B				
Regional Office No details	Payment of CNA	NIA Region IV B employees	195,000.00	No details provided to COA NIA CO
NIA MOMARO No details	Payment of CNA		2,120,000.00	-do-
			2,315,000.00	
Region V				
12-001-101 (07,08,09)/ 11-14-2012	NS turned into ND due to non- submission of Liquidation Report of NIA Fund Transfer to LGU of Camarines Sur	LGU Camarines Sur	43,942,500.00	With appeal from the ND.
Region VI				
Regional Office 2016-05-101/ 11-04-2016	Excessive expenses for travel	Danielle P. Pijuan, et al.	662.00	Within the Appeal period.
11-005-101-(10)/ 12-29-2011	47th NIA Anniversary Expenses-Suspension not explained within 90 days (NS No. 10-001-101)	E. Lomigo, W. Garsulao, et al.	150,000.00	For issuance of NFD.
11-004-101-(10)/ 02-08-2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2009.	E. Lomigo, W. Garsulao, et al.	775,000.00	With Appeal from the ND.
2010-003-101-(10)/ 04-21-2010	Excessive expenses (taxi fare)	M. C. Lataquin, W. Garsulao, et al.	1,300.00	For issuance of NFD.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-011-101-(01/02)/ 11-13-2009	DVs and SDs were not submitted to the Office of the Auditor	W. Garsulao et. al.	39,026.98	For issuance of NFD.
09-009-101-(09)/ 11-13-2009	Excessive expenses (taxi fare)	G. Abuzo, E. Lomigo, et al.	600.00	-do-
09-006-101-(08)/ 11-13-2009	-do-	V. Ramirez, E. Lomigo, et al.	2,100.00	-do-
09-004-101-(08)/ 11-13-2009	Excessive expenses -per diem	G. Abuzo, F. Colorado, et al.	520.00	-do-
09-002-101-(08)/ 11-13-2009	Hotel Accomodation already claimed in per diems	G. Abuzo, E. Lomigo, et al.	1,040.00	-do-
09-001-101-(08)/ 11-13-2009	-do-	G. Abuzo, F. Colorado, et al.	1,040.00	-do-
<u>ILOILO-GUIMARAS IMO</u>				
2014-01-101 IGIMO/ 09-17-2014	Overpayment of Project Allowance	F. Colorado, J. Villanueva, H. Ticao, I. Melendez, et al.	165,000.00	Partially settled.
11-002-101/ 05-13-2011	Payment of items mobilization/ demobilization as part of pay	F. Colorado, J. Villanueva, et al.	24,000.00	For issuance of NFD.
11-001-101/ 02-17-2011	Payment of honoraria of BAC members for 2010	F. Colorado, J. Villanueva, et al.	32,000.00	-do-
<u>NIA - Antique IMO</u>				
2013-003-101(12)/ 01/04/2013	Salaries and PERA of casual employees were charged to projects.	Edison S. Lucas, et al.	51,550.77	-do-
2013-002-101(12)/ 01- 03-2013	Salaries and wages of casual employees were charged to project.	Marcelino C. Castillon, et al.	808,786.35	-do-
2012-013-101(12)/ 12- 18-2012	Travel of NIA-AIMO employees.	NIA Antique IMO Officers & Employees	55,629.00	-do-
2012-012-101(12)/ 12- 14-2012	Travel of regular and casual employees to NIA 49th Anniversary at NIA CO	-do-	103,530.00	-do-
2012-010-101(11)/ 11-20-2012	Travel of Job Order Personnel to NIA 49th Anniversary in NIA CO	Job Orders Personnel	23,231.60	-do-
2012-006-101(11)/ 04-11-2012	Travelling Expenses	Joyme D. Fabuna	3,520.00	-do-
2012-005-101(11)/ 04-11-2012	-do-	Luis L. Joven	3,520.00	-do-
2012-004-101(11)/ 04-11-2012	-do-	Lalaine M. Selorio	3,520.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2012-003-101(11)/ 04-11-2012	-do-	Lalaine M. Selerio	7,017.00	For issuance of NFD.
2012-002-101(11)/ 04-11-2012	-do-	Imelda E. Emboltorio	7,017.00	-do-
2012-001-101(11)/ 04-11-2012	-do-	Imelda E. Emboltorio	13,400.00	-do-
2006-01-101 (05)/ 02-24-2006	Transportation Allowance	Jose R. Oredina	16,050.00	With COE.
NIA - Aklan IMO 2012-101-001- (08/09/10/11) / 8-16-2012	Payment of CNA incentive for CYs 2008-2011	Various NIA employees	197,000.00	With Appeal from the ND.
			2,486,060.70	
Region VII	-	NIA Region 7 Officials	554,263.66	
Region VIII	-		1,240.00	-
Region XI				
09-02-F101-09/ 12-1-2009	Excess payment of overtime services	Head, Accounting Unit; Project Manager; & Payee -Raymundo Tabañag	58.56	With NFD.
09-05-F101-09/ 12-1-2009	Excess payment of overtime services	Head, Accounting Unit; Project Manager; & Payee -Raymundo Tabañag	110.37	For deduction in the claims of the persons liable.
09-09-F101-09/ 12-1-2009	Excess payment of overtime services	Head, Accounting Unit; Project Manager; & Payee -Dane delos Santos (deceased)	319.61	With NFD
09-10-F101-09/ 12-1-2009	Excess payment of overtime services	Head, Accounting Unit; Project Manager; & Payee - Raymundo Tabañag	234.32	-do-
09-13-F101-09/ 12-1-2009	Excess payment of overtime services	Head, Accounting Unit; Project Manager; & Payee - Raymundo Tabañag	91.98	-do-
09-18-F101-09/ 12-1-2009	Excess payment of overtime services	Head, Accounting Unit; Project Manager; & Payee - Estela Buenaventura	26.12	-do-
09-03-F101-09/ 12-1-2009	Excess claim of traveling expenses	Head Accounting Unit; Project Manager; & Paz Felix - Payee	640.00	For issuance of NFD.
09-07-F101-09/ 12-1-2009	Payment for diesel not in accordance with the purpose of releases from DBM for F101	Head, Accounting Unit & Project Manager	56,559.80	-do-
09-08-F101-09/ 12-1-2009	Expenses not related to purpose of cash advance	Head Accounting Unit; Project Manager; & Payee - Encarnacion Soriano	24,400.00	ND affirmed under COA RO XI Decision No. 2014-19; With COE dated 7/28/2015.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-17-F101-09/ 12-1-2009	Excess claim of traveling expenses	Head Accounting Unit; Project Manager; & Payee - Estela Buenaventura	540.00	For issuance of NFD.
09-22-F101-09/ 12-1-2009	Excess payment of wages	Head Accounting Unit; Project Manager; & Payee - Estela Buenaventura	418.36	-do-
09-24-A-F101-09/ 12-2-2009	Suspension which matured into disallowance due to failure to submit tickets for bus fares	Head Accounting Unit; Project Manager; & Payee - Estela Buenaventura	700.00	-do-
09-25-F101-06/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass	Head Accounting Unit; Project Manager; & Payee - Mariano Catan	8,042.00	-do-
09-28-F101-06/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of AA Salazar	Head, Accounting Unit & Project Manager	6,822.00	-do-
09-29-F101-07/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of NIA HO personnel – Atty. Genever Dionio	Head, Accounting Unit & Regional Irrigation Manager	3,411.00	-do-
09-30-F101-07/ 12-28-2009	Suspension which matured into disallowance due to excess payment of court appearance fee	Head, Accounting Unit; Project Manager; & Payee - Efren Cachuela	800.00	-do-
09-31-F101-07/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of NIA HO personnel - Romeo Solis	Head, Accounting Unit & Regional Irrigation Manager	6,180.63	-do-
09-35-F101-07/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of Adm. Tugaoen.	Head, Accounting Unit & Regional Irrigation Manager	4,422.00	-do-
09-43-F101-08/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of AA Salazar	Head, Accounting Unit & Regional Irrigation Manager	4,976.00	-do-
09-44-F101-08/ 12-28-2009	Suspension which matured into disallowance due to fuel exp. not reported in Mo. Report of Fuel Cons. & Official Travel	Head, Accounting Unit; Project Manager; & Payee - Paz Felix	800.00	-do-
09-45-F101-08/ 12-28-2009	Suspension which matured into disallowance due to fuel exp. not reported in Mo. Report of Fuel Cons. & Official Travel	Head, Accounting Unit; Project Manager; & Payee - Francisco Pasaporte	372.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-47-F101-08/ 12-28-2009	Suspension which matured into disallowance due to fuel exp. not reported in Mo. Report of Fuel Cons. & Official Travel	Head, Accounting Unit; Regional Irrigation Manager; & Francisco Pasaporte – Payee	815.40	For issuance of NFD.
09-48-F101-08/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of Mr. Basilio Lozano in lieu of plane ticket	Head, Accounting Unit; & Regional Irrigation Manager	5,672.87	-do-
09-49-F101-08/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of Mr. Rodelio Caacbay in lieu of plane ticket	Head, Accounting Unit; & Regional Irrigation Manager	4,917.51	-do-
09-50-F101-08/ 12-28-2009	Suspension which matured into disallowance due to failure to submit boarding pass of Mr. Enrique Sabio in lieu of plane ticket	Head, Accounting Unit; & Regional Irrigation Manager	5,672.87	-do-
	various	Head, Accounting Unit; & Regional Irrigation Manager	56,140.00	No details provided to COA NIA CO
			193,143.40	
Region XII				
CIMO				
12-001-101 (11)/ 3-1-2012	Payment of CNA	NIA Cotabato IMO Employees	475,000.00	Issued NFD dated Oct. 30, 2015.
Region XIII	various	NIA Region 13 Officials	11,513,901.67	No details provided to COA NIA CO
NIA URIP	various	NIA URIP Officials	1,883,243.67	No details provided to COA NIA CO
NIA ADS-IMO	various	NIA ADS-IMO Officials	6,037,500.00	No details provided to COA NIA CO
TOTAL GENERAL FUND			686,233,162.05	
II. CORPORATE FUND				
Central Office				
2016-009-501/ 10-25-16	Payment to Masangkay Computer Center for the supply and delivery of various IT equipment.	Former Manager, Administrative Department; Former Deputy Administrator for Administrative and Finance; Chairman, BAC-B; Members, BAC-B; Chairman, Technical Working Group; Members, Technical Working Group; Technical Inspector; & Payee – Masangkay Computer Center	769,226.08	Still within the reglementary period to file an Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
016-008-501/ 09-02-16	Payment of the Supply, Printing & Delivery of 1,200 pcs. collared T-shirts and 1,200 Conference bags for the NIA-IA Convention-Consultation and Mass Turn-over of Completed Project to Irrigators' Associations.	Administrator; Acting Deputy Administrator for Administrative and Finance; Division Manager, Institutional Development Division; Manager, Operations Department; Deputy Administrator for Engineering & Operations; & Acting Manager, Administrative Department	372,000.00	Under Appeal.
2016-007-501/ 07-29-16	Payment to Travellers International Hotel Group, Inc. (Resorts World Manila) for the lease of venue including accommodation and meals for 1,200 participants.	Administrator; Acting Deputy Administrator for Administrative and Finance; Division Manager, IDD; Manager, Operations Department; Deputy Administrator for Engineering & Operations; & Acting Manager, Administrative Department	8,437,400.00	-do-
2016-006-501/ 08-05-16	Payment of meals and snacks which was served in the year 2012. Expense was only recognized when payment was made in the year 2015.	Deputy Administrator for Engineering & Operations; Division Manager, PPD; Acting Manager, Budget and Revenue Division; and Acting Manager, Accounting Division	4,320.00	Still within the reglementary period to file an Appeal.
2016-005-501/ 08-05-16	Payment for Overtime Services rendered in the period November 17-30, 2015	Administrator; Deputy Administrator for Engineering & Operations; Acting Manager, Administrative Department; Acting Manager, Accounting Division; Manager, Human Resource Development Administrative Department; Acting Manager, Budget and Revenue Division; Project Manager, JRMP II; & Payee - Various JRMP II Personnel	23,900.25	Under Appeal
2016-004-501/ 08-03-16	Payment of meals and snacks which was served in the year 2013. Expense was only recognized when payment was made in the year 2015.	Project Manager, PIDP; Assistant Project Manager, PIDP; & Acting Manager, Budget and Revenue Division	10,386.00	Still within the reglementary period to file an Appeal.
2016-003-501/ 07-22-16	Payment for Overtime Services rendered in the period January to December 2015.	Administrator; Deputy Administrator for Engineering & Operations; Acting Manager, Administrative Department; Acting Manager, Accounting Division; Manager, Human Resource Development Administrative Department; Acting Manager, Budget and Revenue Division; Project Manager,	473,543.50	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
		PIDP; Assistant Project Manager, PIDP; & Payee - Various PIDP Personnel		
2016-002-501/ 04-25-16	Supply and Delivery of Twenty (20) units Pick-up Truck, Double Cab, 4x4, DED, Model Nissan Frontier Navarra 4 WD MT under NIA Corporate Fund (F501).	Administrator; Manager, Operations Dept.; Chairman, BAC-A; Vice-Chairman, BAC-A; Head, BAC Secretariat; Members, Technical Working Group; & Payee - Nissan Westgate/Shaw	520,000.00	Under Appeal
2016-001-501/ 04-04-16	Reimbursement of jet plane fuel and incidental expenses in the total amount of P406,315.78 paid to Subic Air by the Administrator in connection with his official travel to Maguindanao, Cotabato and Cauayan, Lal-lo, Cagayan on April 16, 2015 and May 12, 2015, respectively.	Engr. Florencio F. Padernal (Administrator) and Pilipina P. Bermudez (Manager, PAIS)	406,315.78	COE not issued due to Motion for Leave to File an Appeal Memorandum post mailed on November 16, 2016
2015-016-501(12)/ 09-15-15	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, Admin. Department; Manager, Accounting Division; & Payee – Accounting Division Personnel	955,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-015-501(12)/ 09-08-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – System Management Division Personnel	723,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-014-501(12)/ 09-08-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – Office of the Administrator Personnel	312,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-013-501(12)/ 09-07-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – Cash Division Personnel	317,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-012-501(12)/ 09-04-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payee – Internal Audit Services Personnel	840,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-011-501(12)/ 09-04-15	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, Admin. Department; Manager, Accounting Division; & Payee – Public Affairs & Information Staff	273,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-010-501(12)/ 09-02-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – Procurement & Property Division Personnel	615,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-009-501(12)/ 08-24-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – ARIIP Subsidy Personnel	69,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-008-501(12)/ 08-24-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – SRIP-PMO Personnel	234,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-007-501(12)/ 08-12-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – NIA-CARP-ARF	1,170,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-006-501(12)/ 08-17-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Admin. Department; Manager, Accounting Division; & Payee – PIDP Subsidy Personnel	507,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-005-501(12)/ 08-17-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payee – Accounting Subsidy Personnel	124,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-004-501(12)/ 08-12-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payee – NIA-CARP-ARF Daily Personnel	507,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-003-501(12)/ 08-12-15	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 – NIA-CARP-ARISP III Daily Personnel	156,000.00	With CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2015-002-501(12)/ 02-12-15	-do-	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payee – Retirees – Year 2015	700,000.00	Partially settled; with CGS-5 Decision No. 2016-061 dated December 7, 2016, affirming the ND.
2014-002-501(12)/ 05-30-14	-do-	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payee – C. Oliver Manabat	29,250.00	Issued NFD dated February 12, 2016; COE issued March 11, 2016.
2014-001-501(12)/ 11-08-13	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00.	Administrator/ Vice Chairman of the Board; Manager, Administrative Department; Manager, Accounting Division; & Payees – Employees of RATPLAN Yr 5	16,961.15	Issued COE issued March 21, 2016; with partial settlement.
2013-118-501(11)/ 11-07-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Reynaldo Santos	37,000.00	With pending Petition for Review before the Commission Proper.
2013-117-501(11)/ 10-29-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Libertad Ortile	21,500.00	With pending Petition for Review before the Commission Proper.
2013-116-501(11)/ 10-29-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Leovita Alcantara	7,000.00	With pending Petition for Review before the Commission Proper.
2013-115-501(11)/ 10-29-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Florencia Saplan	37,000.00	With pending Petition for Review before the Commission Proper.
2013-114-501(11)/ 10-29-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Danilo Reyes	17,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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 Petition for Review before the Commission Proper.
2013-112-501(11)/ 10-29-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee –Adelaida Laureta	37,000.00	With pending Petition for Review before the Commission Proper.
2013-111-501(11)/ 10-25-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roman Bernal	37,000.00	With pending Petition for Review before the Commission Proper.
2013-110-501(11)/ 10-25-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Melchor Bautista	7,000.00	With pending Petition for Review before the Commission Proper.
2013-109-501(11)/ 10-25-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Leonor Fernandez	17,000.00	With pending Petition for Review before the Commission Proper.
2013-108-501(11)/ 10-25-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Conrado Carlos	17,000.00	With pending Petition for Review before the Commission Proper.
2013-107-501(11)/ 10-25-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – NIA-CARP Personnel	308,500.00	With pending Petition for Review before the Commission Proper.
2013-106-501(11)/ 10-24-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Public Affairs & Info Staff	74,000.00	With pending Petition for Review before the Commission Proper.
2013-105-501(11)/ 10-24-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Corazon Rugayan	14,000.00	With pending Petition for Review before the Commission Proper.
2013-104-501(11)/ 10-24-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Reinerio Irinco	5,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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, Admin. Department; Manager, Cash Division; & Payee – Irene Ariola	5,000.00	With pending Petition for Review before the Commission Proper.
2013-102-501(11)/ 10-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Fortunata Labao	22,500.00	With pending Petition for Review before the Commission Proper.
2013-101-501(11)/ 10-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Rosalie Ranque	22,500.00	With pending Petition for Review before the Commission Proper.
2013-100-501(11)/ 10-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roger Allan King	15,000.00	With pending Petition for Review before the Commission Proper.
2013-099-501(11)/ 10-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Jerome Osias	6,000.00	With pending Petition for Review before the Commission Proper.
2013-098-501(11)/ 10-22-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Leovina Demesa	6,000.00	With pending Petition for Review before the Commission Proper.
2013-097-501(11)/ 10-22-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payee – Roxanne Garcia	7,500.00	With pending Petition for Review before the Commission Proper.
2013-096-501(11)/ 10-16-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payee – Democratico P. Grana	25,830.00	Issued COE dated March 03, 2016
2013-095-501(11)/ 10-07-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Virginia Atienza	25,000.00	With pending Petition for Review before the Commission Proper.
2013-094-501(11)/ 10-07-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; Payees – Construction Management Division Personnel	296,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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 Petition for Review before the Commission Proper.
2013-092-501(11)/ 10-07-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Human Resources Division Personnel	27,500.00	With pending Petition for Review before the Commission Proper.
2013-091-501(11)/ 10-07-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Jacel Delgado	5,000.00	With pending Petition for Review before the Commission Proper.
2013-090-501(11)/ 10-07-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Julita Rondon	7,000.00	With pending Petition for Review before the Commission Proper.
2013-089-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Human Resources Division Personnel	80,000.00	With pending Petition for Review before the Commission Proper.
2013-088-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Nieva Beguiras	37,000.00	With pending Petition for Review before the Commission Proper.
2013-087-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Design & Specifications Division Personnel	154,000.00	With pending Petition for Review before the Commission Proper.
2013-086-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Procurement and Property Division Personnel	148,000.00	With pending Petition for Review before the Commission Proper.
2013-085-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Accounting Division Personnel	210,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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 Petition for Review before the Commission Proper.
2013-083-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roxanne Garcia	14,000.00	With pending Petition for Review before the Commission Proper.
2013-082-501(11)/ 10-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Charlemagne Cordero	37,000.00	With pending Petition for Review before the Commission Proper.
2013-081-501(11)/ 10-03-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Internal Audit Services Personnel	111,000.00	With pending Petition for Review before the Commission Proper.
2013-080-501(11)/ 10-02-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – System Management Division Personnel	195,500.00	With pending Petition for Review before the Commission Proper.
2013-079-501(11)/ 09-30-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Equipment Mgt. Division Personnel	111,000.00	With pending Petition for Review before the Commission Proper.
2013-078-501(11)/ 09-30-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Lea Surio	37,000.00	With pending Petition for Review before the Commission Proper.
2013-077-501(11)/ 09-30-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Budget and Revenue Division Personnel	74,000.00	With pending Petition for Review before the Commission Proper.
2013-076-501(11)/ 09-30-13	-do-	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

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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, Admin. Department; Manager, Cash Division; & Payees – Office of the Deputy Administrator- Admin and Finance	111,000.00	With pending Petition for Review before the Commission Proper.
2013-074-501(11)/ 09-27-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Project Planning Division Personnel	111,000.00	With pending Petition for Review before the Commission Proper.
2013-073-501(11)/ 09-27-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Teresa Mohhamed	37,000.00	With pending Petition for Review before the Commission Proper.
2013-073-501(11)/ 09-27-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – General Services Division Personnel	354,500.00	With pending Petition for Review before the Commission Proper.
2013-072-501(11)/ 09-20-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Medical and Dental Services Personnel	74,000.00	With pending Petition for Review before the Commission Proper.
2013-071-501(11)/ 09-20-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Retirees – Years 3 and 4	23,000.00	Issued NFD dated April 06, 2016; COE issued April 13, 2016
2013-070-501(11)/ 09-13-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – SRIP-PMS SPS Personnel	885,000.00	With pending Petition for Review before the Commission Proper.
2013-069-501(11)/ 09-12-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Participatory Irrigation Development Project Personnel	465,500.00	With pending Petition for Review before the Commission Proper.
2013-068-501(11)/ 09-12-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Civil Security Affairs Personnel	148,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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, Admin. Department; Manager, Cash Division; & Payees – Office of the Deputy Administrator-Administration and Finance	255,500.00	With pending Petition for Review before the Commission Proper.
2013-066-501(11)/ 09-11-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Rowena Francisco	17,000.00	With pending Petition for Review before the Commission Proper.
2013-065-501(11)/ 09-10-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payee – Roy Formejos	37,000.00	With pending Petition for Review before the Commission Proper.
2013-064-501(11)/ 09-11-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – SPISP 501 Trust Reserved Fund Personnel	296,000.00	With pending Petition for Review before the Commission Proper.
2013-063-501(11)/ 09-10-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Public Affairs and Information Staff	30,000.00	With pending Petition for Review before the Commission Proper.
2013-062-501(11)/ 09-09-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Equipment Management Division Personnel	27,500.00	With pending Petition for Review before the Commission Proper.
2013-061-501(11)/ 09-09-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Vera Ladion	37,000.00	With pending Petition for Review before the Commission Proper.
2013-060-501(11)/ 09-09-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Mel Rio Ann Rivera	7,500.00	With pending Petition for Review before the Commission Proper.
2013-059-501(11)/ 09-09-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Deputy Administrator, Engineering and Operations	222,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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 Petition for Review before the Commission Proper.
2013-057-501(11)/ 09-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Carmelita Ocampo	37,000.00	With pending Petition for Review before the Commission Proper.
2013-056-501(11)/ 09-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Thelma Sales	37,000.00	With pending Petition for Review before the Commission Proper.
2013-055-501(11)/ 09-04-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Public Affairs and Information Staff	235,000.00	With pending Petition for Review before the Commission Proper.
2013-054-501(11)/ 09-02-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Project Planning Division Personnel	894,500.00	With pending Petition for Review before the Commission Proper.
2013-053-501(11)/ 09-03-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Accounting Division Personnel	925,000.00	With pending Petition for Review before the Commission Proper.
2013-052-501(11)/ 09-02-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Roberto Pascual	37,000.00	With pending Petition for Review before the Commission Proper.
2013-051-501(11)/ 09-02-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – System Management Division Personnel	629,000.00	With pending Petition for Review before the Commission Proper.
2013-050-501(11)/ 09-02-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Procurement and Property Division Personnel	666,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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, Admin. Department; Manager, Cash Division; & Payees – Office of the Corporate Secretary Personnel	74,000.00	With pending Petition for Review before the Commission Proper.
2013-047-501(11)/ 08-29-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Institutional Development Division Personnel	592,000.00	With pending Petition for Review before the Commission Proper.
2013-046-501(11)/ 08-29-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Equipment Management Division Personnel	592,000.00	With pending Petition for Review before the Commission Proper.
2013-045-501(11)/ 08-29-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Medical and Dental Services Personnel	111,000.00	With pending Petition for Review before the Commission Proper.
2013-044-501(11)/ 08-29-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – HRD Personnel	1,184,000.00	With pending Petition for Review before the Commission Proper.
2013-043-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – General Services Division Personnel	1,036,000.00	With pending Petition for Review before the Commission Proper.
2013-042-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – SRIP-PMO SPS Personnel	222,000.00	With pending Petition for Review before the Commission Proper.
2013-041-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Participatory Irrigation Development Project Personnel	259,000.00	With pending Petition for Review before the Commission Proper.
2013-040-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Admin. Department; Manager, Cash Division; & Payees – Agno River Irrigation Project Personnel	74,000.00	With pending Petition for Review before the Commission Proper.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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, Admin. Department; Manager, Cash Division; & Payees – Resto/Rehab of Existing NIA Assisted IS Personnel	185,000.00	With pending Petition for Review before the Commission Proper.
2013-038-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Corporate Planning Services Personnel	962,000.00	With pending Petition for Review before the Commission Proper.
2013-037-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Senior Deputy Administrator	111,000.00	With pending Petition for Review before the Commission Proper.
2013-036-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Office of the Administrator	185,000.00	With pending Petition for Review before the Commission Proper.
2013-035-501(11)/ 08-23-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Budget and Revenue Division Personnel	444,000.00	With pending Petition for Review before the Commission Proper.
2013-034-501(11)/ 08-22-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Design and Specification Division Personnel	814,000.00	With pending Petition for Review before the Commission Proper.
2013-033-501(11)/ 08-22-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Internal Audit Services Personnel	814,000.00	Partially settled prior to petition for review
2013-032-501(11)/ 08-22-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Construction Management Division Personnel	555,000.00	Partially settled prior to petition for review

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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 Petition for Review before the Commission Proper.
2013-030-501(11)/ 08-13-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Legal Services Personnel	296,000.00	With pending Petition for Review before the Commission Proper.
2013-029-501(11)/ 08-13-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Irrigation Engineering Center Personnel	518,000.00	With pending Petition for Review before the Commission Proper.
2013-028-501(11)/ 08-13-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payees – Cash Division Personnel	370,000.00	With pending Petition for Review before the Commission Proper.
2013-027-501(11)/ 08-06-13	-do-	Acting Manager, Accounting Division; Manager, Administrative Department; Manager, Cash Division; & Payee – Francisco Managhaya	37,000.00	With pending Petition for Review before the Commission Proper.
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	Under salary deduction with all NDs involved on a FIFO basis; without petition for review
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 COE dated January 22, 2016
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	COE issued March 3, 2016

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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	10,500.00	Partially settled
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	57,000.00	Partially settled
11-017-501(09)/ 04-18-11	-do-	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Various NIA Officials	150,000.00	Partially settled
11-016-501(09)/ 04-18-11	-do-	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Various NIA Officials	134,500.00	Partially settled
11-015-501(10)/ 04-18-11	-do-	Manager, Accounting Division; Manager A, Administrative Department; & Payee – Various NIA Officials	45,000.00	Partially settled
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	Issued COE dated January 22, 2016
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	Issued COE dated January 22, 2016
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 – Democratico P. Grana	800.00	Issued COE dated January 22, 2016

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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	2,400.00	Partially settled
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 Admin. and Finance; Manager, Accounting Division; Manager, Cash Division; & Payees – Various Contractual Employees	19,904.15	Partially settled
			38,083,936.91	
REGIONS				
CAR				
12-001-501-11/ 06-05-12	Grant of CNA Incentive for 2011 was 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 Negotiations 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	-do-	Various	2,050,000.00	Under Appeal; EDSE submitted to the Regional Office on January 14, 2013.
12-005-501-10/ 06-27-12	-do-	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.
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
No breakdown			7,694,318.71	
			19,631,258.91	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
Region I				
2011-05-001/ 05-06-11	Payment of Collective Negotiation Agreement (CNA) for CY 2010 in excess of DBM prescribed ceiling of P25,000.00 Additional incentive likewise not approved by the Board of Directors.	Regional Irrigation Manager, Sr. Corporate Accountant, et al.	460,000.00	With COA Decision No. 2016-478 dated December 28, 2016, affirming the ND.
2011-05-002/ 05-12-11	-do-	Regional Irrigation Manager, Sr. Corporate Accountant, et al.	72,000.00	With COA Decision No. 2016-478 dated December 28, 2016, affirming the ND.
2011-08-003/ 08-16-11	-do-	Regional Irrigation Manager, Sr. Corporate Accountant, et al.	192,000.00	Under Appeal
2011-10-004/ 10-14-11	Repair of service vehicle with plate No. SFT-401	Ricky Aficial	162,440.00	Under Appeal
2012-07-001/ 07-25-12	Payment of Collective Negotiation Agreement (CNA) for CY 2010 in excess of DBM prescribed ceiling of P25,000.00 Additional incentive likewise not approved by the Board of Directors.	Regional Irrigation Manager, Chief Corporate Accountant B, Remedios T. Tuliao, et al.	1,565,000.00	COA Decision No. 2015-039 dated October, 2015 received on October 27, 2015 by Management
NIA RO-2013-02-501/ 12-27-13	-do-	Remedios T. Tuliao, et al.	1,730,750.00	CGS-5 Decision No. 2015-015 dated October 30, 2015, affirming the ND.
NIA ARIIP-2013-12-001(501)/ 12-27-13	-do-	Project Manager, Division Manager C (Admin. And Finance Division), Finance Officer B (Accountant) & Individual Payee	11,841,500.00	Under Appeal
NIA ROI-2015-03-001-501 COB(13))/ 04-30-15	Viability Incentive Grant	Vicente R. Vivmudo, et. al	750,950.00	CGS-5 Decision No. 2015-020 dated December 22, 2015, received on March 1, 2016 by Management.
11-001-501(10)/ 05-11-11	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010 in excess of the DBM prescribed ceiling of P25,000.00	NIA-LUIMO Employees	115,000.00	Under Appeal
12-001-501(11)/ 01-31-12	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	NIA-LUIMO Employees	115,000.00	With COE No. 2015-300 dated December 28, 2015.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-002-501(12)/ 8/22/2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	NIA-LUIMO Employees	216,000.00	Under Appeal
LUIMO-2013-01-501(12)/ 12-27-2012	-do-	Rhea M. Santiago, et al	654,000.00	CGS-5 Decision No. 2015-015 dated October 30, 2015.
15-001-501-(2014)/ 03-19-2015	Payment of Viability Incentive Grant (VIG) for Calendar Years 2013 and 2014.	NIA-LUIMO Employees	770,000.00	CGS-5 Decision No. 2015-020 dated December 22, 2015.
11-001-501(10)/ 05-11-11	Payment of Collective Negotiation Agreement (CNA) for CY 2010 in excess of DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Division Manager, Sr. Accounting Processor A, et al.	180,000.00	Under Appeal.
12-001-501(11)/ 01-09-12	-do-	Division Manager, Sr. Accounting Processor A, et al.	64,440.00	Under Appeal.
PIMO-2013-01-501/ 12-27-13	-do-	Division Manager, Sr. Accounting Processor A and Frida L. Nidoy, et al	2,255,750.00	With CGS-5 Decision No. 2015-015 dated October 30, 2015, affirming the ND.
PIMO-2015-01-001- 501COB(13)/ 4-30-15	Payment of Viability Incentive Grant for CY 2013	Division Manager, et al.	2,209,456.99	With CGS-5 Decision No. 2015-020 dated December 22, 2015.
12-001 04-11-12	CNA Incentive for FY 2011	Adriano F. Amano, et al.	80,000.00	Under Appeal.
12-002 12-06-12	CNA Incentive for FY 2011	Adriano F. Amano, et al.	882,000.00	Under Appeal
SM-12-001-(12) 12-06-12	CNA Incentive for FY 2011	Adriano F. Amano	360,000.00	With NFD
2011-001/ 05-11-11	Collective Negotiation Agreement	Danilo V. Gomez	68,000.00	Under Appeal.
2012-001-501-COB/ 08-31-12	Collective Negotiation Agreement	NIA INIMO Employees	5,000.00	Under Appeal.
2012-002-501-COB/ 08-31-12	Collective Negotiation Agreement	NIA INIMO Employees	10,000.00	Under Appeal.
2012-003-501-COB/ 08-31-12	Collective Negotiation Agreement	NIA INIMO Employees	125,000.00	Under Appeal.
2012-004-501-COB/ 08-31-12	Collective Negotiation Agreement	NIA INIMO Employees	35,000.00	Under Appeal.
2015-01-501-COB 04-28-15	Viability Incentive Grant CY 2013	NIA INIMO Employees	814,100.00	Under Appeal.
2015-01-501-COB 04-28-15	Viability Incentive Grant CY 2013	NIA INIMO Employees	1,611,391.00	Under Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
15-001(14) 05-07-15	Viability Incentive Grant for CY 2013	Adriano F. Amano, et al.	508,000.00	1st appeal denied; under Petition for Review - nationwide
15-002(14) 05-07-15	Viability Incentive Grant for CY 2013	Adriano F. Amano, et al.	235,000.00	-do-
15-003(14) 05-07-15	Viability Incentive Grant for CY 2013	Adriano F. Amano, et al.	83,000.00	-do-
15-004(14) 05-07-15	Viability Incentive Grant for CY 2013	Adriano F. Amano	16,000.00	-do-
15-005(14) 05-07-15	Viability Incentive Grant for CY 2013	Adriano F. Amano	75,000.00	-do-
15-006(14) 05-07-15	Viability Incentive Grant for CY 2013	Adriano F. Amano	28,000.00	-do-
			28,289,777.99	
<u>Region II</u>	-	-	-	Settled in CY 2016.
<u>Region III</u>				
2015-001-F501-COB (2014) TARZAM IMO	Payment of VIG CY 2013	Engr. Lauro E. Ballesteros-Manager, NIA TarZam IMO; Lourdes B. Bagorio, Sr. Acctg. Processor A; Resella B. Lopez, Cashier B; and Various NIA Officials and Employees	497,830.76	Under Appeal.
2015-002-F501-COB (2013) TARZAM IMO	Payment of VIG CY 2012	Engr. Lauro E. Ballesteros-Manager, NIA TarZam IMO; Lourdes B. Bagorio, Sr. Acctg. Processor A; Resella B. Lopez, Cashier B; and Various NIA Officials and Employees	698,701.68	Under Appeal.
2105-01 (2013/2014) BANE	Payment of VIG	Marcelo DC. Dimapilis, Chief, Admin & Finance Section; Roberto E. Pascual, Manager; and Luz de Cozar, Acting Cashier	4,340,000.00	ND affirmed under CGS 5 Decision No.2016-016 dated June 24, 2016.
2015-01 (2013/2014) PAMBAT	Payment of VIG	Jocelyn O. Dizon, Sr Accounting Processor; Mineonette dela Cruz, Cashier; and Angelito Miguel, Manager	590,222.13	-do-
2015-01(2013/2014) RO	Payment of VIG	Emily G. Echavaria, Corporate Accountant B; Reynaldo D. Puno, Regional Manager; Ma. Vivian C. Salas, Acting Cashier	3,849,000.00	-do-
			9,975,754.57	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
CMIIPP				
2013-004-501(12)/ 12-02-13	Payment of C.N.A 2012	Chief Corporate Accountant; Division Manager B; Project Manager; & All Payees	1,326,000.00	Under Appeal
			1,326,000.00	
UPRIIS				
13-53-501(13) OMS/ 12-02-2013	Payment of C.N.A CY 2012	Chief Corp Acct B; Sr Accounting Proc A; Head, Acctg Unit; Sr. Acctg. Proc A; Sr. Acctg. Procr A; OIC, Acctg Unit; Manager, Finance; Admin. Officers; Dept. Manager; Former Div. Manager-DRD; Former Div. Manager-Div I; Former Div. Manager-Div II; Former Div. Manager-Div III; Former Div. Manager-Div IV; Former Div. Manager-Div V; & All Payees – OMS, Divisions I-V, DRD	19,206,000.00	Under Appeal.
15-01-501(13) OMS/ 07-13-2015	Payment of VIG CY 2012	Chief Corp Acct B; Former Sr. Accounting Proc A; Sr Accounting Proc A; Head, Acctg Unit; Sr. Acctg. Proc A; Sr. Acctg. Procr A; Former Sr. Acctg Proc; Manager, Finance; Former Admin. Officers; Admin. Officers; Former Dept. Manager; Former Div. Manager-DRD; Former Div. Manager-Div I; Former Div. Manager-Div II; Former OIC-Div. Manager- Div III; Former Div. Manager- Div IV; Former Div. Manager- Div V; & All Payees – OMS, Divisions I-V, DRD	48,396,848.00	ND affirmed under CGS 5 Decision No.2016-016 dated June 24, 2016.
15-02-501 (13) OMS/ 07-13-2015	Payment of VIG CY 2013	Financial Planning Specialist B; Former Sr. Accounting Proc A; Sr Accounting Proc A; Head Accounting Unit; Sr. Acctg Proc A; Sr Acctg Proc A; Manager Finance; Former Admin Officer; Admin Officers; Former Dept Manager; Div. Manager-DRD; Div Manager Div I; Div Manager-Div II; Div Manager Div III; Div Manager Div IV; Div Manager Div V; and all Payees – OMS, Divisions I-V, DRD	40,342,893.71	-do-
			107,945,741.71	
Region IV-A				
2013-005-501(12)/ 10-16-13	Payment of CNA for RO IVA	E. S. Roqueza, et al.	2,082,000.00	Under Petition for Review with the Commission Proper.
2013-006-501(12)/ 10-18-13	Payment of CNA for Laguna- Rizal IMO	H. C. Cedeño, et al.	1,683,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-007-501(12)/ 10-19-13	Payment of CNA for RO IVA	N. C. Pagdanganan, et al.	1,979,250.00	Under Petition for Review with the Commission Proper.
2015-001-501(13)/ 11-20-15	Payment of VIG CY2013 for RO IVA	R. M. Lopez, et al.	852,700.00	-do-
2015-002-501(13)/ 11-20-15	Payment of CNA CY 2013for Laguna-Rizal IMO	H. C. Cedeño, et al.	514,139.66	-do-
2015-003-501(13)/ 11-20-15	Payment of CNA CY 2013 for Cavite-Batangas IMO	N. C. Pagdanganan, et al.	984,005.51	-do-
2013-004-501/ 10-14-13	Payment of CNA CY 2012 for Quezon IMO	R. M. Lopez, et al.	1,472,250.00	-do-
2015-001-501(14)/ 11-20-115	Payment of VIG for CY 2013		923,000.00	-do-
			10,490,345.17	
Region IV-B				
2013-001-501(12)/ 12-20-13	Excess CNA Payment – Regional Office	C. Cardenas Jr., N. Madrigal, et al.	195,000.00	With Petition for Review before the Commission Proper
2013-002-501 (12)/ 12-20-13	Excess CNA Payment – MOMARO IMO	C. Cardenas Jr., N. Madrigal, et al.	2,120,000.00	-do-
2015-001-501(13)/ 09-03-15	Payment of Viability Incentive Grant (VIG) to Ms. Nenita Madrigal	C. Cardenas Jr., C. Pobre, N. Madrigal	5,000.00	-do-
2015-002-501 (13&14)/ 09-03-15	Payment of Viability Incentive Grant (VIG) to Ms. Nenita Madrigal	C. Resurreccion, C. Cardenas Jr., W. Balauro, N. Madrigal	107,810.95	-do-
2015-003-501 (13&14)/ 09-09-15	Payment of Viability Incentive Grant (VIG) – Regional Office	C. Cardenas Jr., C. Pobre, N. Madrigal, et al.	1,343,861.68	-do-
2015-004-501 (13&14)/ 09-09-15	Payment of Viability Incentive Grant (VIG) – MOMARO IMO	C. Resurreccion, C. Cardenas Jr., W. Balauro, N. Madrigal, et al.	4,116,638.03	-do-
2015-001-501 (14)/ 10-27-15	Payment of VIG – Occidental Mindoro IMO	W. Lopez, D. Abaño, E. Bautro, et al.	354,495.27	-do-
2015-002-501 (13)/ 10-27-15	Payment of VIG – Occidental Mindoro IMO	R. Calusin, R. Cruz, E. Bautro, et al.	41,848.97	-do-
2016-001-501 (13)/ 03-18-16	Payment of VIG – Palawan IMO	M. Hebreo, M. Cartagena, E. Mendoza, et al.	415,544.71	ND affirmed under CGS 5 Decision No. 2016-056 dated November 17, 2016.
2016-002-501 (14)/ 03-18-16	Payment of VIG – Palawan IMO	M. Hebreo, M. Cartagena, G. Monge, et al.	991,427.60	Under Appeal.
			9,691,627.21	
Region VI				
2014-001-501 (12) JRMPP2/ 02-13-2014	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2012.	All JRMP Personnel Concerned, M.A. Gadong, et al.	4,029,500.00	With Appeal before the Cluster Director, CGS Cluster 5.
2015-002-501 (13)/ 09-07-2015	Payment of ANEEP Conference & registration fee	E. R. Carreon, et al.	72,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
15-01-501-(14) RO/ 06-16-15	Payment of Viability Incentive Grant (VIG) for CY 2013.	G. Corsiga, L.G. Causing, M. A.G. Santander, V. Carado, Jr. et al.	812,453.07	With Appeal before the Cluster Director, CGS Cluster 5.
13-009-501 (12) RO/ 01-10-13	Payment of Collective Negotiation Agreement (CNA) incentive for CYs 2011 & 2012.	G. Corsiga, M.A Gadong, et al.	8,989,750.00	-do-
2012-007-501 (11) RO/ 08-30-12	Various expenses during NIA 48th NIA Anniversary	G. Corsiga, A. Nangel, et al.	157,656.33	For issuance of Notice of Finality of Decision (NFD).
2011-005-501 (11) RO/ 02-07-12	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011.	G. Corsiga, M.A Gadong, et al.	1,770,000.00	With Appeal before the Regional Director, COA Regional Office VI
2011-006-501 (11) RO/ 12-29-11	Payment of Collective Negotiation Agreement (CNA) incentive for CYs 2009 & 2010.	G. Corsiga, M.A Gadong, et al.	3,788,000.00	-do-
2011-004-501 (10) RO/ 08-31-11	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2009.	E. Lomigo, W. Garsulao, et al.	6,220,000.00	-do-
09-002-501 (09) RO/ 11-06-09	Payment of NIPAP	G. Abuza, E. Lomigo, Paulina Silla	7,816.54	For issuance of NFD.
2015-01-501 IGIMO(13)/ 06-24-15	Payment of Viability Incentive Grant (VIG) for CY 2013.	F. P. Colorado, H. S. Ticao et. al	3,332,764.67	With Appeal before the Cluster Director, CGS Cluster 5.
2012-001-501 IGIMO/ 10-15-12	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011	F. Colorado, J. Villanueva, et al	5,664,000.00	With Appeal before the Regional Director, COA Regional Office VI.
2012-001-NDC IGIMO/ 08-24-12	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010	F. Colorado, J. Villanueva, et al.	512,693.84	-do-
2011-001-501 (10) IGIMO/ 07-26-11	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2009	F. Colorado, J. Villanueva, I. Melendez, et al.	6,990,000.00	-do-
2011-001-501 IGIMO/ 03-30-11	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010	F. Colorado, J. Villanueva, et al	465,000.00	-do-
2015-001-501 (13) Antique IMO/ 06-24-15	Payment of Viability Incentive Grant (VIG) for CY 2013.	NIA Antique IMO Officers & Employees	821,396.90	ND affirmed under CGS 5 Decision No. 2016-010 dated May 20, 2016.
2013-004-501 (12) Antique IMO/ 01-04-13	Payment of salaries and wages of casual employees charged to F501-BSGC.	Joyme D. Fabuna, et al.	389,788.05	For issuance of NFD
2012-009-501 (12) Antique IMO/ 10-29-12	Payment of CNA incentive for CY 2011	NIA Antique IMO Officers & Employees	757,500.00	For issuance of NFD
2012-008-501 (12) Antique IMO/ 10-29-12	Payment of CNA incentive for CY 2011	NIA Antique IMO Officers & Employees	510,000.00	For issuance of NFD

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2012-007-501 (12)/ 10-29-12	Payment of CNA incentive for CY 2011	NIA Antique IMO Officers & Employees	373,000.00	For issuance of NFD
2011-003-501 (11) Antique IMO/ 11-04-11	Payment of Honorarium as BAC Member	Erma A. Calibjo	1,400.00	For issuance of NFD
2011-002-501 (11) Antique IMO/ 11-03-11	Payment of Honorarium as BAC Member	Timoteo D. Acosta, Jr.	1,800.00	For issuance of NFD
2011-001-501 (10) Antique IMO/ 03-08-11	Payment of CNA incentive for CY 2010	Jose R. Oredina	50,000.00	With Appeal before the Regional Director, COA Regional Office VI.
2009-006-501 (09) Antique IMO/ 12-29-09	Overpayment of Incentive Pay.	Marcelino C. Amogod	271.42	For issuance of NFD
2009-001-501 (09) Antique IMO/ 12-29-09	Overpayment of Incentive Pay.	Basilio T. Velasco	53,044.71	For issuance of NFD
2015-002-501-(07/08) Aklan IMO/ 07-29-15	CNA CY 2007	Felix R. Francisco	10,000.00	For issuance of NFD
2015-001-501-(14) Aklan IMO/ 06-10-15	VIG CY 2013	Rodulfo S. Roque, et al.	622,000.00	ND affirmed under CGS 5 Decision No. 2016-010 dated May 20, 2016.
2012-501-01(08&09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CYs 2008 & 2009.	Various NIA employees	2,370,000.00	With Appeal before the Regional Director, COA Regional Office VI.
2012-501-02(09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CY 2009.	Various NIA employees	1,800,000.00	-do-
2012-501-03(09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CY 2009.	Various NIA employees	570,000.00	-do-
2012-501-04(09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CY 2010.	Various NIA employees	1,800,000.00	-do-
2012-501-05(09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CY 2009.	Various NIA employees	648,000.00	-do-
2012-501-06(09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CY 2010.	Various NIA employees	1,680,000.00	-do-
2012-501-07(09) Aklan IMO/ 08-16-12	Payment of CNA incentive for CY 2011.	Various NIA employees	1,050,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-002-501-(07/08) Capiz IMO 07-27-15	Payment of CNA for CY 2007	Dionisio B. Asencio	9,350.00	No Appeal
2015-001-501-(14) Capiz IMO 06-10-15	Payment of Viability Incentive Grant (VIG) for CY 2013	Efren A. Bigcas, et al.	186,727.00	ND affirmed under CGS 5 Decision No. 2016-010 dated May 20, 2016.
			56,515,912.53	
Region XVI				
2015-002-501 (07) Negros Oc IMO/ 08-04-15	Payment of CNA for CY 2007	Jesus A. Dato-on	5,000.00	With Appeal before the Cluster Director, CGS Cluster 5.
2015-001-501 (07) Negros Oc IMO/ 08-04-15	-do-	Joel A. Basiao	5,000.00	For issuance of Notice of Finality of Decision (NFD)
2015-007-501 (14) Negros Oc IMO/ 07-06-15	Payment of Viability Incentive Grant (VIG) for CY 2013	Rita M. Suarez, et al.	136,075.00	With Appeal before the Cluster Director, CGS Cluster 5.
2015-006-501 (14) Negros Oc IMO/ 07-06-15	-do-	Hector P. Selera, et al.	54,445.00	-do-
2015-005-501 (14) Negros Oc IMO/ 07-06-15	-do-	Dionisio B. Asencio, et al.	274,200.00	-do-
2015-004-501 (14) Negros Oc IMO/ 07-06-15	-do-	Rita M. Suarez, et al.	1,214,250.00	-do-
2015-003-501 (14) Negros Oc IMO/ 07-06-15	-do-	Ninfa G. Tamayo, et al.	214,000.00	-do-
2015-002-501 (14) Negros Oc IMO/ 07-06-15	-do-	Efren O. Posadas, et al.	573,000.00	-do-
2015-001-501 (14) Negros Oc IMO/ 07-06-15	-do-	Joel A. Basiao, et al.	850,000.00	-do-
2015-008-501 (13) Negros Oc IMO/ 07-06-15	Payment of Viability Incentive Grant (VIG) for CY 2012	Dionisio B. Asencio, et al.	104,848.70	-do-
2015-007-501 (13) Negros Oc IMO/ 07-06-15	-do-	Joel A. Basiao, et al.	107,120.00	-do-
2015-006-501 (13) Negros Oc IMO/ 07-06-15	-do-	Sheila Perales, et al.	595,985.00	-do-
2015-005-501 (13) Negros Oc IMO/ 07-06-15	-do-	Gerardo P. Corsiga, et al.	81,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-004-501 (13) Negros Oc IMO/ 07-06-15	Payment of Viability Incentive Grant (VIG) for CY 2012	Emelda E. Magbanua, et al.	911,400.00	With Appeal before the Cluster Director, CGS Cluster 5.
2015-003-501 (13) Negros Oc IMO/ 07-06-15	-do-	Vivencio R. Rull, et al.	452,000.00	-do-
2015-002-501 (13) Negros Oc IMO/ 07-06-15	-do-	Emelda E. Magbanua, et al.	610,000.00	-do-
2015-001-501 (13) Negros Oc IMO/ 07-06-15	-do-	Joel A. Basiao, et al.	425,000.00	-do-
2014-007-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Jireh John P. Cardinal, et al.	221,000.00	-do-
2014-006-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Michael John Gillesania, et al.	276,000.00	-do-
2014-005-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Maryflow F. Brillantes, et al.	507,000.00	-do-
2014-004-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Efren P. Posadas, et al.	507,000.00	-do-
2014-003-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Emelda E. Magbanua, et al.	195,000.00	-do-
2014-002-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Dionisio B. Asencio, et al.	585,000.00	-do-
2014-001-501 (13) Negros Oc IMO/ 06-19-14	Payment of CNA incentive for CY 2013.	Joel A. Basiao, et al.	702,000.00	-do-
2014-006-501 (12) Negros Oc IMO/ 04-15-14	Payment of CNA incentive for CY 2012.	Edwin T. Octavio	17,000.00	-do-
2014-005-501 (12) Negros Oc IMO/ 04-15-14	Payment of CNA incentive for CY 2012.	Jimmy R. Paclibar	6,500.00	-do-
2014-004-501 (12) Negros Oc IMO/ 04-15-14	Payment of CNA incentive for CY 2012.	Efren P. Posadas, et al.	272,000.00	-do-
2014-003-501 (12) Negros Oc IMO/ 04-15-14	Payment of CNA incentive for CY 2012.	Emelda E. Magbanua, et al.	160,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-002-501 (12) Negros Oc IMO/ 04-15-14	Payment of CNA incentive for CY 2012.	Joel A. Basiao, et al.	576,000.00	With Appeal before the Cluster Director, CGS Cluster 5.
2014-001-501 (12) Negros Oc IMO/ 04-15-14	-do-	Dionisio B. Asencio, et al	480,000.00	-do-
			11,117,823.70	
Region VII				
2010-001-501(09)/ 06-03-10	Unnecessary transactions as defined under COA Circular No. 85-55A and the payment thereof was in excessive	Modesto G. Membreve, et al.	10,286.00	
2010-002-501(09)/ 06-03-10	Agency failed to deduct/ withheld and remit to the Bureau of Internal Revenue the 1% Expanded Withholding Tax and 5% VAT	Modesto G. Membreve, et al.	4,360.50	
2010-003-501(09)/ 06-03-10	Agency failed to deduct, withheld and remit to the Bureau of Internal Revenue the 1% Expanded Withholding Tax and 5% VAT contrary to BIR Memorandum Circular No. 56-2009	Modesto G. Membreve, et al.	1,766.85	
2010-001-501COB(10)/ 09-16-10	Payment of CNA Incentive to those who perform managerial functions	Modesto G. Membreve, et al.	25,000.00	
2010-001-501(10)/ 09-16-10	Payment of CNA Incentive to those who perform managerial functions	Olimpio J. Galagala Jr., et al.	25,000.00	Under Appeal.
2010-002-501(10)/ 09-16-10	Payment of CNA Incentive to those who perform managerial functions	Olimpio J. Galagala Jr., et al.	25,000.00	Under Appeal.
2011-001-501 NDC(10)/ 02-02-11	Payment of services rendered was irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the Regional Manager of NIA, Region 10, Cagayan de Oro City	Hannah Grace V. Membreve, et al.	7,622.20	
2011-002-501 NDC(10)/ 02-02-11	-do-	Hannah Grace V. Membreve, et al.	15,744.40	
2011-003-501 NDC(10)/ 02-02-11	Payment of U/CA was irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the Regional Manager of NIA, Region 10, Cagayan de Oro City	Hannah Grace V. Membreve, et al.	4,000.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2011-004-501 NDC(10)/ 02-02-11	Payment of services rendered was irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the Reg'l. Manager of NIA, Region 10, CDO	Hannah Grace V. Membreve, et al.	9,246.64	
2011-001-501 NDC(10)/ 02-02-11	-do-	Maria Heddah M. Hilot, et al.	14,085.24	
2011-002-501 NDC(10)/ 02-02-11	-do-	Maria Heddah M. Hilot, et al.	14,085.24	
2011-003-501 NDC(10)/ 02-02-11	Payment of Productivity Incentive Benefit was irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the Regional Manager of NIA, Region 10, Cagayan de Oro City	Maria Heddah M. Hilot, et al.	2,000.00	
2011-004-501 NDC(10)/ 02-02-11	Payment of U/CA was irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the Regional Manager of NIA, Region 10, Cagayan de Oro City	Maria Heddah M. Hilot, et al.	8,000.00	
2011-005-501 NDC(10)/ 02-02-11	Payment of overtime services was irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the Regional Manager of NIA, Region 10, Cagayan de Oro City	Maria Heddah M. Hilot, et al.	2,621.21	
2011-001-501 COB(10)/ 02-07-11	Payment of retainer's fee contrary to Retainership Agreement	Atty. Salvador D. Diputado, et al.	68,250.00	
2011-001-501 COB(11)/ 05-19-11	Payment of Year End Bonus and Cash Gift contrary to Section 4 of DBM Budget Circular No. 2010-1	Atty. Salvador D. Diputado, et al.	12,000.00	
2015-001(13)/ 11-26-15	Payment of VIG has no appropriate legal basis due to the absence of express authority from the President of the Philippines as required under pertinent laws and regulations	Diosdado A. Rosales, et al.	2,166,472.00	ND affirmed under CGS 5 Decision No. 2016-032 dated October 4, 2016.
2015-002(14)/ 12-02-15	-do-	Norma M. Monisit, et al.	1,805,637.70	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-001-501 (PIO-13)/ 12-04-15	Payment of VIG has no appropriate legal basis due to the absence of express authority from the President of the Philippines as required under pertinent laws and regulations	Diosdado A. Rosales, et al.	2,579,093.76	ND affirmed under CGS 5 Decision No. 2016-032 dated October 4, 2016.
2015-002-501 PIO-(14)/ 12-04-15	-do-	Norma M. Monisit, et al.	2,263,041.96	-do-
2015-001-501 RO(13)/ 12-04-15	-do-	Diosdado A. Rosales, et al.	2,982,100.33	-do-
2015-002-501 RO(14)/ 12-04-15	-do-	Diosdado A. Rosales, et al.	4,601,733.91	-do-
2015-001-501(13)/ 12-08-15	-do-	Nestor M. Pastor, et al.	2,396,722.57	-do-
2015-002-501(14)/ 12-08-15	-do-	Nestor M. Pastor et al.	3,418,715.20	-do-
			22,462,585.71	
Region VIII				
2012-001-F501-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.
2012-002-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal.
2012-003-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal.
2012-004-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal.
2012-005-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal.
2012-006-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal.
2012-007-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	48,000.00	Under Appeal.
2012-008-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	126,000.00	Under Appeal.
2012-009-F-501 COB- (10)/ 04-04-12	-do-	Fermina Aling, et al.	42,000.00	Under Appeal

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2012-010-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.	42,000.00	Under Appeal.
2012-011-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.
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.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
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	-do-	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.
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.
2015-001-501 (14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Pedro C. Rubio, et.al	1,971,700.00	ND affirmed under CGS 5 Decision No. 2016-003 dated April 22, 2016.
2015-002-501(14)Leyte/ 03-17/15	Viability Incentive Grant for CY 2013	Romeo G. Quiza, et al.	600,000.00	-do-
2015-003-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Amado O. Baclle, et.al	540,000.00	-do-
2015-004-501(14)Leyte 03-17-15	Viability Incentive Grant for CY 2013	Ramil E. Yepes, et al.	620,000.00	-do-
2015-005-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Romeo Salceda, et al.	360,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-006-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Fe N. Lumen, et al.	260,000.00	ND affirmed under CGS 5 Decision No. 2016-003 dated April 22, 2016.
2015-007-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Emmanuel T. Tantoy, et al.	155,000.00	-do-
2015-008-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Nemesio F. Fuentes, et al.	180,000.00	-do-
2015-009-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Cleofe R. Lagahit, et al.	242,000.00	-do-
2015-010-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Jerecho P. Caga, et al.	25,000.00	-do-
2015-011-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Felix M. Razo, Senior Deputized Administrator NIA-C.O.	40,000.00	-do-
2015-012-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Erdolfo B. Domingo-Dept. Manager, NIA-C.O.	30,000.00	-do-
2015-013-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Dexter Patrocinio, Dept. Manager, NIA-C.O. and Genever M. Dionio- Dept.. Manager, NIA-C.O.	50,000.00	-do-
2015-014-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Alberto P. Baloyot, et al., all of NIA CO	80,000.00	-do-
2015-015-501(14)Leyte/ 03-17-15	Viability Incentive Grant for CY 2013	Rebecca C. Malazarte, et al., all of NIA CO	200,000.00	-do-
2015-016-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Pedro C. Rubio, Jr., et al.	1,800,000.00	-do-
2015-017-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Antonio S. Nangel	100,000.00	-do-
2015-018-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Lorna Grace B. Rosario, et al.	150,000.00	-do-
2015-019-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Erdolfo B. Domingo, et al.	60,000.00	-do-
2015-020-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Efren Roquesa, et al.	160,000.00	-do-
2015-021-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Mariano R. Catan, Jr., et al.	30,000.00	-do-
2015-022-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Reynaldo E. Concordia, Consultant	10,000.00	-do-
2015-023-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Aniceta G. Paloma, et al.	27,000.00	-do-
2015-024-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Romeo G. Quiza, et al.	3,189,000.00	-do-

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-025-501(13)Leyte/ 03-18-15	Viability Incentive Grant for CY 2013	Fermina Aling, et.al	50,306.00	ND affirmed under CGS 5 Decision No. 2016-003 dated April 22, 2016.
2015-026-501(13)RO 03-18-15	Viability Incentive Grant for CY 2013	Marina Labastida, et al.	359,000.00	-do-
2015-027-501(13)RO/ 03-18-15	Viability Incentive Grant for CY 2013	Cornello M. Sevilla, et al.	124,000.00	-do-
2015-028-501(12)E.Samar/ 03-25-15	Viability Incentive Grant for CY 2013	Edgar M. Mercado et al.	164,297.50	-do-
2015-029-501(12)W.Samar/ 03-25-15	Viability Incentive Grant for CY 2013	Amadeo Montejó, et al.	195,000.00	-do-
2015-030-501(12)Leyte/ 03-31-15	Viability Incentive Grant for CY 2013	Pedro Rubio, Jr et.al	995,200.00	-do-
2015-031-501(13)N.Samar/ 04-16-15	Excess payment of CNA incentives for CY 2012	Engr. Estelita S. Sumile	1,258,500.00	With Petition for Review
2015-032-501(2007)RO/ 07-10-15	Payment of CNA for CY 2007 to those performing managerial functions	Engr. Romeo G. Quiza, Jr.	70,000.00	Under Appeal.
			39,864,028.50	
Region IX				
ND-ZSIMO13-002	Liquidation of CA for the expenses incurred during the seminar for CIS management of Libayoy SIP	Eustaquio B. Flores Fidelina A. Suarez Salvio B. Retes	6,000.00	Unsettled
ND RO-13-003	Meals and excess payment for snacks of the CA for the "On the Spot Painting Contest"	Alejandro L. Alberca Albine Dave V. Jubilado	1,209.00	Unsettled
ND RO-13-001	CA for traveling expenses to Iloilo City for the training course on ISO.	Juanito S. Olavides	1,209.00	Unsettled
ND RO-13-002	CA for traveling expenses of V. Apatan to Iloilo City for the training course on ISO.	V. Apatan	1,600.00	Unsettled
ND-ZSIMO13-001		Jason Quilo & 36 others	370,840.00	For verification of CY 2011 records.
ND RO-13-004	CA for MINCIA meeting at CDO City	V. Apatan	31,916.00	Unsettled
ND RO-13-005	Payment of various spare parts for Crawler Komatsu D41A with Property No. GI-394	Power Heavy Parts, Cagayan de Oro	60,000.00	Unsettled
2014-02-501(12)		Alejandro L. Alberca; Cesario M. Ruizal; Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-03-501(12)	Received payment of Collective Negotiation Agreement (CNA) Incentive for CY 2012 over and above the required amount of 25,000.00	Elsa S. Aballe Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	5,635.00	Under Appeal.
2014-04-501(12)	-do-	Reynaldo M. Zamora Cesario M. Ruizal	5,635.00	Under Appeal.
2014-05-501(12)	-do-	Reynaldo M. Zamora Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-06-501(12)	-do-	Lerry P. Pasilan Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-07-501(12)	-do-	Maxfelina A. Burguete Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-08-501(12)	-do-	Mila S. Grageda Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-09-501(12)	-do-	Edwin C. Juitoro Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-010-501(12)	-do-	Precious S. Cortes Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-011-501(12)	-do-	Lorencia T. Juitoro Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-012-501(12)	-do-	Ejercito K. Bugay Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-013-501(12)	-do-	Raskal A. Salik Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	Under Appeal.
2014-014-501(12)	-do-	Ronaldo B. Grageda Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	
2014-015-501(12)	-do-	Norma C. Cabrales Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	
2014-016-501(12)	-do-	Oscar B. Bisnar Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	
2014-017-501(12)	-do-	Avelino V. Bello, Jr. Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	
2014-018-501(12)	-do-	Shyrel A. Simbajon Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	
2014-019-501(12)	-do-	Miriam D. Wong; Cesario M. Ruizal; Wilma C. Allas; Albine Dave V. Jubilado; Alejandro L. Alberca; Lucesio J. Encarquez	39,000.00	
2014-020-501(12)	-do-	Armando C. Curayag Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucesio J. Encarquez	39,000.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-021-501(12)	Received payment of Collective Negotiation Agreement (CNA) Incentive for CY 2012 over and above the required amount of 25,000.00	Richard M. Gonzaga Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-022-501(12)	-do-	Albine Dave V. Jubilado Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-023-501(12)	-do-	Wilma C. Allas Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-024-501(12)	-do-	Lucresio J. Encarquez Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-025-501(12)	-do-	Leonides C. Sabado Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-026-501(12)	-do-	Jesus N. Dullin, Jr. Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-027-501(12)	-do-	Nisa C. Sindatok Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-028-501(12)	-do-	Marietta M. Cortes; Cesario M. Ruizal; Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-029-501(12)	-do-	Benedicto Isagani O. Pulis Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-030-501(12)	Received payment of Collective Negotiation Agreement (CNA) Incentive for CY 2012 over and above the required amount of 25,000.00	Francis L. Maningo Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-031-501(12)	-do-	Leni S. Enriquez Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-032-501(12)	-do-	Myrna P. Pulmano Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-033-501(12)	-do-	Bashir N. Alawi Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-034-501(12)	-do-	Rogelio V. Suzon Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-035-501(12)	-do-	Pablito F. Bayawa Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-036-501(12)	-do-	Nurlinda A. Amil Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-037-501(12)	-do-	Chita O. Lim; Cesario M. Ruizal; Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-038-501(12)	-do-	Vivren B. Apatan Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-039-501(12)	Received payment of Collective Negotiation Agreement (CNA) Incentive for CY 2012 over and above the required amount of 25,000.00	Ampela A. Orong Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-040-501(12)	-do-	Lorna B. Dequito Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-041-501(12)	-do-	Ester A. Reducto Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-042-501(12)	-do-	Joel G. Janiola Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-043-501(12)	-do-	Jose F. Bayawa Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	5,000.00	Under Appeal.
2014-044-501(12)	-do-	Arnon T. Carbonilla Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-045-501(12)	-do-	Juanito S. Olavides Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-046-501(12)	-do-	Henry A. Ruizal; Cesario M. Ruizal; Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-047-501(12)	-do-	Burt K. Lagora Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-048-501(12)	Received payment of Collective Negotiation Agreement (CNA) Incentive for CY 2012 over and above the required amount of 25,000.00	Fernando K. Cabatit Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-049-501(12)	-do-	Florencio B. Codeniera Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-050-501(12)	-do-	Ruben D. Palen Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-051-501(12)	-do-	Haide P. Talaugon Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	
2014-052-501(12)	-do-	Vergilio P. Remedios Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-053-501(12)	-do-	Artemio L. Malinao Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2014-054-501(12)	-do-	Ma. Teresa A. Empleo Cesario M. Ruizal Wilma C. Allas Albine Dave V. Jubilado Alejandro L. Alberca Lucresio J. Encarquez	39,000.00	Under Appeal.
2015-01-501 (13)/ 03-20-15	Payment of Viability Incentive Grant for CY 2013	Diosdado A. Rosales, et al. / RIM / Various	898,449.94	Under Appeal.
2015-02-501 (13)/ 03-20-15	-do-	Juanito Olavides, et al. / Engineer A / Various	706,049.94	Under Appeal.
2015-03-501 (13)/ 03-20-15	-do-	Alejandro L. Alberca, et al. / RIM / Various	42,000.00	Under Appeal.
2015-04-501 (13)/ 03-20-15	-do-	Reynaldo M. Zamora, et al. / Various	77,600.00	Under Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-05-501 (13)/ 03-20-15	Payment of Viability Incentive Grant for CY 2013	Benedicto Isagani O. Pulis Jr., et al. / Various	445,100.00	Under Appeal.
2015-06-501 (12)/ 03-20-15	Payment of Viability Incentive Grant for CY 2012	Jerry Baluarte, et al. / Various	338,528.00	Under Appeal.
2015-07-501 (12)/ 03-20-15	-do-	Jose F. Bayawa, et al. / Various	464,455.40	Under Appeal.
2015-08-501 (12)/ 03-20-15	-do-	Alejandro L. Alberca / Regional irrigation Manager	81,403.34	Under Appeal.
2015-09-501 (12)/ 03-20-15	-do-	Cesario M. Ruizal, et al. / Chief AFD / Various	433,052.06	Under Appeal.
2015-10-501 (12)/ 03-20-15	-do-	Benedicto Isagani O. Pulis Jr., et al. / Various	264,823.38	Under Appeal.
2015-11-501 (12)/ 03-20-15	-do-	Ampela A. Orong, et al. / Various	125,613.36	Under Appeal.
2015-12-501 (12)/ 03-20-15	-do-	Artemio L. Malinao, et al. / Various	62,806.68	Under Appeal.
2015-13-501 (12)/ 03-20-15	-do-	Albine Dave V. Jubilado, et al. / Chief Corporate Accountant / Various	219,823.38	Under Appeal.
2015-14-501 (12)/ 03-20-15	-do-	Chita O. Lim, et al / DM Eng'g and Operations / Various	565,260.12	Under Appeal.
2015-15-501 (12)/ 03-20-15	-do-	Arlife Calin M. Soriano, et al. / Various	240,549.59	Under Appeal.
2015-16-501 (12)/ 03-20-15	-do-	Shyrel A. Simbajon, et al. / Various	382,492.69	Under Appeal.
2015-17-501 (12)/ 03-20-15	-do-	Angelito S. Plata, et al. / Various	295,191.42	Under Appeal.
2015-01-501 (2007-11)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2007 to 2011	Alberto B. Lacuaren / Regional Manager	291,014.50	Under Appeal.
2015-02-501 (2011-12)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2011 to 2012	Alberto L. Alberca / Acting Regional Manager	96,000.00	Under Appeal.
2015-03-501 (2013-14)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2013 to 2014	Diosdado A. Rosales / Acting Regional Manager, Payee	41,320.00	Under Appeal.
2015-04-501 (2007-14)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2007 to 2014	Cesario M. Ruizal / Division Manager A, ,	396,040.00	Under Appeal.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-05-501 (2007-14)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2007 to 2014	Chita O. Lim / Division Manager A, Payee,	432,000.00	Under Appeal.
2015-06-501 (2007-14)	-do-	Joel C. Atay / Division Manager A, Claimant	432,000.00	Under Appeal.
2015-07-501 (2007-14)	-do-	Carlos A. Sabado / Division Manager A, Payee, Claimant	432,000.00	Under Appeal.
2015-08-501 (2007-14)	-do-	Benedicto Isagani Pulis Jr. / Principal Engineer C, Payee, Claimant	432,000.00	Under Appeal.
2015-09-501 (2007-14)	-do-	Salvio V. Retes / Principal Engineer A, Claimant	432,000.00	Under Appeal.
2015-10-501 (2008)	Received the payment of Collective Negotiation Agreement (CNA) Incentive for CY 2008	Paterno M. Laranjo / Regional Manager, Payee	4,350.00	Under Appeal.
2015-11-501 (2008-09)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2008 to 2009	Albine Dave V. Jubillado / Chief Corporate Accountant B, Claimant	45,000.00	Under Appeal.
2015-12-501 (2008-09)	-dop	Herculiano C. Judilla / Transport Maintenance Supervisor, Claimant	40,000.00	Under Appeal.
2015-13-501 (2007-13)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2007 to 2013	Bonifacio C. Judilla / Division Manager A, Claimant	387,000.00	Under Appeal.
2015-14-501 (2007-08)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2007 to 2008	Charlie A. Sabado / Division Manager, Payee	15,000.00	Under Appeal.
2015-15-501 (2007-09)	Received the payment of Collective Negotiation Agreement (CNA) Incentive from CY 2007 to 2009	Ampela A. Orong / Actg. Division Manager, Claimant	55,000.00	Under Appeal.
			11,612,967.80	
Region X				
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

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-001-501 (2013)/ 05-25-15	Viability Incentive Grant for CY 2013	Engr. Julius M. Maquiling– Regional Manager ; Editha B. Abdon – Division Manager A – Administrative & Finance Division; Sharon Rose S. Sabencio – Chief Corporate Accountant B and other NIA Region X employees	3,961,897.00	ND affirmed under CGS 5 Decision No. 2017-008 dated Jan. 27, 2017.
2015-002-501 (2014)/ 06-02-15	Viability Incentive Grant for CY 2014	Engr. Julius M. Maquiling– Regional Manager ; Editha B. Abdon – Division Manager A – Administrative & Finance Division; Sharon Rose S. Sabencio – Chief Corporate Accountant B and other NIA Region X employees	1,023,765.00	Under Appeal
2015-003-501(2013)/ 07-08-15	Grant of first 30 days allowance	Aguinaldo Y. Cruz	24,000.00	
2014-001-501(2013)/ 01-13-14 (LAMISCA)	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	Engr. Joecarnine 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	ND affirmed under CGS 5 Decision No. 2017-002 dated Jan. 13, 2017.
2015-001-501 (2014)/ 06-16-15 (LAMISCA)	Viability Incentive Grant for CY 2014	-do-	4,541,000.00	
2015-002-501 (2013)/ 08-17-15 (LAMISCA)	Viability Incentive Grant for CY 2013	-do-	2,869,700.00	
2015-003-501 (2013)/ 08-17-15 (LAMISCA)	Viability Incentive Grant for CY 2013	-do-	147,118.00	
2014-501-001(2013)/ 03-24-14 (Bukidnon)	Payment of CNA to BIMO employees for CY 2012 in excess DBM prescribed ceiling of P25,000.00	Engr. Jimmy L. Apostol, Adelina T. Calonge, Imelda P. Monteros, and other NIA BIMO employees.	3,219,250.00	Under Appeal
2015-001-501(2013)/ 10-16-15 (Bukidnon)	Payment of VIG to BIMO employees for CY 2012 granted in 2013	Engr. Jimmy L. Apostol, Adelina T. Calonge, Imelda P. Monteros and other BIMO employees	3,349,874.30	ND affirmed under CGS 5 Decision No. 2016-013 dated Jun. 15, 2016.
12-001-101-12/ 01-10-13	Reimbursement of expenses to Jimmy L. Apostol for meals incurred	Engr. Jimmy L. Apostol, Adelina T. Calonge	22,374.00	
12-002-101-12/ 01-10-13	Reimbursement to Elpidio D. Lucernas, Jr. for the procurement of vehicle spare parts, labor paid for overhaul & crankshaft alignment and welding	Engr. Jimmy L. Apostol, Adelina T. Calonge, Elpidio D. Lucernas, Jr.	7,913.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-003-101-12/ 01-10-13	Reimbursement to Imelda P. Monteros for expenses incurred for food during the monthly meeting on Feb. 6, 2012	Engr. Jimmy L. Apostol, Adelina T. Calonge, Imelda P. Monteros	3,227.00	
12-004-101-12/ 03-04-13	Reimbursement to Lorna I. Tejero for expenses incurred for procurement of various hardware supplies and etc.	Engr. Jimmy L. Apostol, Adelina T. Calonge and Lorna I. Tejero	5,182.85	
12-001-501-IRPEP- Paiwaig-11/ 08-28/12	Payment of 10 days monetization of leave CY 2011 of Catherine A. Marcelo	Engr. Jimmy L. Apostol, Adelina T. Calonge and Catherine A. Marcelo	3,935.64	
12-002-501-IRPEP-11/ 12-23-12	Payment of 10 days monetization of leave CY 2011 of Catherine A. Marcelo	Engr. Jimmy L. Apostol, Adelina T. Calonge and Catherine A. Marcelo	4,050.36	
12-003-501-IRPEP-11/ 12-23-12	Payment of 10 days monetization of leave for CY 2011 of Belna M. Acobo	Engr. Jimmy L. Apostol, Adelina T. Calonge and Belna M. Acobo	9,796.00	
12-004-501-IRPEP- Paiwaig CIS-11/ 03-04-13	Payment of cash advance to Catherine A. Marcelo, Sr. Accounting Processor B for traveling expenses and per diems on June 19-26, 2011 to Manila to attend NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge and Catherine A. Marcelo	12,717.00	
12-005-501-IRPEP-La Fortuna CIS-11/ 08/28/12	Payment of cash advance to Jeyrome Genosas for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-006-501-IRPEP- Paiwaig CIS-11/ 12/28/12	Payment of round plane ticket to Arnold Manabat on June 19 & 25, 2011 to attend NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	5,197.48	
12-007-501-IRPEP-La Fortuna CIS-11/ 12/28/12	Payment of round plane ticket, terminal fee and booking service fee to Eriberto D. Bangis, IA President on June 21 & 25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	6,127.00	
12-001-101-FSDE- IRPEP-11/ 08/28/12	Payment to Jimmy L. Apostol, Division Manager A for traveling expenses and per diems to attend 1st quarter project performance assessment & project managers Society Meeting at Tarlac City	Engr. Jimmy L. Apostol, Adelina T. Calonge	12,401.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-002-101-FSDE- IRPEP-11/ 08/28/12	Payment to Jimmy L. Apostol, Division Manager A for traveling expenses and per diems to attend meeting and preparation of Report of discussion with KOICA on April 26-30, 2011 at Central Office	Engr. Jimmy L. Apostol, Adelina T. Calonge	13,379.00	
12-003-101-FSDE- IRPEP-11/ 08/28/12	Payment of C N A CY 2009 to Noel D. Oraño	Engr. Jimmy L. Apostol, Adelina T. Calonge	5,469.84	
12-004-101-FSDE- IRPEP-11/ 08/28/12	Payment of C N A CY 2009 to Dennis L. Ferrera	Engr. Jimmy L. Apostol, Adelina T. Calonge	6,089.85	
12-005-101-FSDE- IRPEP-11/ 08/28/12	Payment of C N A CY 2009 to Joachem L. Diez	Engr. Jimmy L. Apostol, Adelina T. Calonge	6,807.99	
12-006-101-FSDE- IRPEP-11/ 08-28-12	Payment of C N A CY 2009 to Oscar B. Cordoba, Jr.	Engr. Jimmy L. Apostol, Adelina T. Calonge	6,807.99	
12-007-101-FSDE-11/ 08/28/12	Payment to Jovecito Visayas for round trip plane ticket on June 19-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	7,026.00	
12-008-101 FSDE IRPEP - 11/ 08/28/12	Payment of cash advance to Joachem L. Diez, Engineer Assistant A for traveling expenses & per diem on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-009-101 FSDE- IRPEP-11/ 08/28/12	Payment of cash advance to Vicente Q. Haro, Jr. Foreman A, for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-010-101 FSDE- IRPEP-11/ 08/28/12	Payment of cash advance to Jennefer C. Maldo, Engineer Assistant A, for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary charged to FSDE 10-101-2011-002- IRPEP	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-011-101 FSDE- IRPEP-11/ 08/28/12	Payment of cash advance to Elpidio D. Lucernas, Jr. Engineer A, for traveling expenses and per diems on June 18-25, 2015 to Manila to attend the NIA 48th Anniversary charged to FSDE 10-101-2011-002 IRPEP	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-012-101 FSDE IRPEP-11/ 08/28/12	Payment of cash advance to Noel D. Oraño, Survey Aide, for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary charged to FSDE 10-101-2011-002 IRPEP	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-013-101 FSDE IRPEP-11/ 08/28/12	Payment of cash advance to Charlie M. Calonge, Engineer B, for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary charged to FSDE 10-101-2011-002 IRPEP	Engr. Jimmy L. Apostol, Adelina T. Calonge and Charlie M. Calonge	14,142.48	
12-014-101 FSDE IRPEP-11/ 08/28/12	Payment of cash advance to Lorna I. Tejero, SWRFT, for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary charged to FSDE 10-101-2011-002 IRPEP	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-015-101 FSDE IRPEP-11/ 08/28/12	Payment of cash advance to Dennis L. Ferrera, Engineer Asst. B, for traveling expenses and per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary charged to FSDE 10-101-2011-002 IRPEP	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-016-101 IRPEP Dagumbaan CIS-11/ 08/28/12	Payment cash advance to Al S. Capundag, Foreman A, charged to IRPEP Dagumbaan CIS for traveling expenses & per diems on June 18-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,142.48	
12-017-101 IRPEP IDP-11/ 08/28/12	Payment of cash advance to Lanilyn Q. Balubao, IDO, charged to IRPEP-IDP for traveling expenses & per diems on June 21-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	11,826.48	
12-018-101-IRPEP IDP-11/ 08/28/12	Payment of cash advance to Belna M. Acobo, Sr. IDO, charged to IRPEP-IDP for traveling expenses & per diems on June 21-25, 2011 to Manila to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge and Belna M. Acobo	11,826.48	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-019-101 IRPEP-IDP-11/ 08/28/12	Payment of cash advance to Elsa R. Jurolan, Sr. IDO, charged to IRPEP-IDP for traveling expenses & per diems on June 21-25, 2011 to Manila to attend the NIA 48th anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	11,826.48	
12-019A-101 IRPEP-Silae CIS-11/ 08/28/12	Payment of cash advance to Oscar S. Capundag, Jr. IDO charged to IRPEP-IDP for traveling expenses & per diems on June 21-25, 2011 to Manila to attend the NIA 48th anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	14,156.00	
12-020-101 FSDE IRPEP-11/ 08/28/12	Payment of round trip plane ticket to Sheena Y. Ortillo charged to Construction in Progress (270) on June 19 & 25, 2011 to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	5,112.80	
12-021-101 FSDE IRPEP-11/ 08/28/12	Payment of round trip plane ticket to Julius Velasco charged to Construction in Progress (270) on June 19 & 25, 2011 to attend the NIA 48th Anniversary	Engr. Jimmy L. Apostol, Adelina T. Calonge	5,029.48	
12-022-101 FSDE IRPEP-11/ 12/29/12	Payment to Jimmy L. Apostol, Division Manager A for reimbursement of various goods purchased	Engr. Jimmy L. Apostol, Fernando C. Ronquillo and Adelina T. Calonge	9,893.17	
12-023-101 IRPEP-Paiwaig CIS-11/ 12/29/12	Payment of 10 days monetization of leave for CY 2011 of Belna M. Acobo	Engr. Jimmy L. Apostol, Adelina T. Calonge and Belna M. Acobo	9,796.00	
12-024-101 IRPEP-IDP-11/ 08/28/12	Payment of 15 days monetization of leave for CY 2011 of Elsa R. Jurolan, Supervising IDO	Engr. Jimmy L. Apostol, Adelina T. Calonge and Elsa R. Jurolan	18,854.80	
12-025-101 FSDE IRPEP-11/ 08/28/12	Payment of 20 days monetization of Leave for CY 2011 of Joachem L. Diez	Engr. Jimmy L. Apostol, Adelina T. Calonge and Joechem L. Diez	8,318.75	
12-026-101 FSDE IRPEP-11/ 08/28/12	Payment of 15 days monetization of leave for CY 2011 of Oscar B. Cordoba, Jr.	Engr. Jimmy L. Apostol, Adelina T. Calonge and Oscar B. Cordoba, Jr.	3,327.50	
12-027-101 FSDE IRPEP-11/ 12/29/12	Payment of Jimmy L. Apostol, Division Manager A for reimbursement of meals	Engr. Jimmy L. Apostol, Adelina T. Calonge	3,570.10	
12-028-101 FSDE IRPEP-11/ 12/28/12	Payment of 10 days monetization of leave for CY 2011 of Noel D. Oraño	Engr. Jimmy L. Apostol, Adelina T. Calonge and Noel D. Orano	5,288.51	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
12-029-101 FSDE IRPEP-11/ 12/29/12	Payment to Jimmy L. Apostol, Division Manager A, for reimbursement of goods P 1,092.00 (fruits) and software P 3,000.00 purchased	Engr. Jimmy L. Apostol, Adelina T. Calonge	4,092.00	
12-030-101 FSDE IRPEP-11/ 12/29/12	Payment to Lorna I. Tejero, SWRFT for reimbursement of various goods purchased	Engr. Fernando C. Ronquillo, Adelina T. Colonge and Lorna I. Tejero	7,536.00	
12-031-101-FSDE IRPEP-11/ 12/29/12	Payment to Elsa R. Jurolan, Senior IDO for reimbursement of expenses during the M & E Orientation	Engr. Jimmy L. Apostol, Adelina T. Calonge and Elsa Jurolan	5,000.00	
12-032-101 FSDE IRPEP-11/ 01/08/12	Payment to Lorna I. Tejero, SWRFT for reimbursement of expenses incurred for meals purchased	Engr. Fernando C. Ronquillo, Adelina T. Colonge and Lorna I. Tejero	11,078.50	
12-033-101-FSDE IRPEP-11/ 01/09/12	Payment to Elsa R. Jurolan, Sr. IDO for reimbursement of expenses incurred for catering services during the BUWAFIA meeting on Oct. 5, 2011	Engr. Fernando C. Ronquillo, Adelina T. Colonge and Elsa R. Jurolan	11,080.00	
12-034-101 FSDE IRPEP-11/ 01/09/13	Payment to Elsa R. Jurolan, Sr. IDO for reimbursement of expenses incurred for meals during the conduct of inventory of completed irrigation facilities under IRPEP Fund on Nov. 21, 22 & 23, 2011	Engr. Fernando C. Ronquillo, Adelina T. Colonge and Elsa R. Jurolan	5,075.00	
12-035-101 FSDE IRPEP-11/ 01/09/13	Payment to Dennis L. Ferrera, Engineering Assistant B for reimbursement of expenses incurred of various dates for meal, bread, groceries-snack items	Engr. Jimmy L. Apostol, Adelina T. Calonge and Dennis L. Ferrera	3,070.65	
12-036-101 FSDE IRPEP-11 01/10/13	Payment to Joachem Diez, Engineering Asst. B, for reimbursement of expenses incurred in the purchased of helmet and goggles	Engr. Fernando C. Ronquillo, Adelina T. Colonge and Joachem Diez	2,298.00	
			26,155,059.80	
Region XI				
2015-501-001-(14)/ 1/12/15	Overpayment of Salaries	Elpidio A. Carrasco	9,475.28	For issuance of NFD.
2015-501-002-(14)/ 1/12/15	Overpayment of Salaries	Elpidio A. Carrasco	110,923.50	For issuance of NFD.
2015-501-003/ 9/18/15	Overpayment of CY 2012 CNA Incentive	NIA RO XI Employees	3,666,000.00	For issuance of NFD.
2015-004-501-(13) 10/20/15	Payment of VIG for CY 2012	Estela B. Buenaventura, et al.	2,126,867.00	ND affirmed under CGS 5 Decision No. 2016-007 dated May 6, 2016.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2015-005-501-(14)	Payment of VIG for CY 2013	Estela B. Buenaventura, et al	1,588,500.00	ND affirmed under CGS 5 Decision No. 2016-007 dated May 6, 2016.
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	With NFD –payee deceased
09-03-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	1,832.97	With NFD –payee deceased
09-04-F501-PNB/ 11-23-2009	Excess payment of overtime services	Virginia V. Reyes	1,519.60	With NFD
09-05-F501-PNB/ 11-23-2009	Excess payment of overtime services	Caridad K. Sison	208.31	With NFD
09-07-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	4,626.36	With NFD
09-08-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	1,388.27	With NFD
09-11-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	3,513.34	With NFD
09-13-F501-PNB/ 11-23-2009	Excess payment of overtime services	Dane delos Santos, et al.	1,214.67	With NFD-payee deceased
09-15-F501-PNB/ 11-23-2009 RO	Excess payment of overtime services	Dane delos Santos, et.al	1,003.07	With NFD-payee deceased
09-16-F501-PNB/ 11-23-2009 RO	Excess payment of overtime services	Caridad K. Sison	622.58	With NFD
09-17-F501-PNB/ 11-23-2009 RO	Excess payment of overtime services	Aida Jaron	519.49	With NFD
09-18-F501-PNB/ 11-23-2009 RO	Excess payment of overtime services	Estela Buenaventura, et al.	1,631.63	With NFD
09-19-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	2,239.16	With NFD
09-20-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	2,664.61	With NFD
09-21-F501-PNB/ 11-23-2009	Excess payment of overtime services	Estela Buenaventura, et al.	1,773.96	With NFD
09-22-F501-PNB/ 11- 24-2009	Excess payment of overtime services	Aida Jaron	149.83	With NFD
09-23-F501-PNB/ 11-24-2009	Excess payment of overtime services	Estela Buenaventura, et al.	1,130.58	With NFD
09-25-F501-PNB/ 11-24-2009	Excess payment of overtime services	Estela Buenaventura, et al.	2,451.02	With NFD
09-26-F501-PNB 11-24-2009	Excess payment of overtime service	Estela Buenaventura, et al.	1,516.74	With NFD

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-54-F501-COB-LBP/ 12-28-2009	CNA Incentive for CY 2006	All Payees-Dane/All Field Offices	1,615,000.00	With COA RO XI Decision No. 2015-18
09-01-F501-LBP-LT/ 11-29-2009	Payroll	Estela Buenaventura	100,000.00	For issuance of NFD
09-03-F501-LBP-LT/ 12-28-09	CNA Incentive for CY 2007 of LALIK RIS	Alejandro Alberca	375,000.00	With COA RO XI Decision No. 2015-18
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 issuance of NFD
09-06-F501-PNB/ 11-23-2009	Payroll for salary differential not signed received by payees	Dane delos Santos, et al.	57.86	For issuance of NFD
09-14-F501-PNB/ 11-23-2009	Payment of CNA Incentive for CY 2008	Dane delos Santos, et al.	35,000.00	D.delos Santos – payee deceased
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	For deduction in CY 2015 claims
09-27-F501-PNB/ 11-24-2009	Payment of CY 2009 CNA Incentive to Regional/ Division Managers in violation of AO#135	PNB, et al. Felix M. Razo; Caridad Sison; Encarnacion Soriano; Amado Serrano	100,000.00	For issuance of NFD
09-28-F501-PNB/ 11-24-2009	Payment of CY 2009 CNA Incentive to Acting Division Manager	Carlito Carrasco	25,000.00	For issuance of NFD
09-29-F501-PNB/ 11-24-2009	Excess payment of accounts payables	NIA XI, EMPCI, et al.	550.00	For issuance of NFD
09-36-F501-PNB/ 11-24-2009	Payee not entitled to RATA & cellphone allowance	Manuel Raneses	2,400.00	For issuance of NFD
09-37-F501-PNB/ 11-24-2009	Audit suspension matured into disallowance-due to failure submit boarding pass	Alejandro Alberca/ M. Lim	40,000.00	For issuance of NFD
09-38-F501-PNB/ 12-28-2009	Audit suspension matured into disallowance-due to failure to submit OR for rebooking fees	Luisa Antiga	20,729.34	For issuance of NFD
09-40-F501-PNB/ 12-28-2009	Audit suspension matured into disallowance –due to payment per payroll not rec'd. by alleged payee-T. Velasco	Ticketshoppe Travel; Cesar Talampas; & Reggie Labucay	8,608.00	No Appeal
09-42-F501-PNB/ 12-28-2009	Audit suspension matured into disallowance-for failure to submit proof of savings generated as required in the payment of CY 2007 CNA Incentive	Payee	9,300.00	No action taken by Management.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-43-F501-PNB/ 12-28-2009	Audit suspension 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	-do-	Dane delos Santos, et al.	450,000.00	With COARO XI Decision No. 2015-18
09-48-F501-PNB/ 12-28-2009	Audit suspension matured into disallowance-for purchase of fuel not included in Fuel Consumption Report	Corazon P. Lirio	100.00	For issuance of NFD.
09-49-F501-PNB/ 12-28-2009	Audit suspension matured into disallowance-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	With COARO XI Decision No. 2015-10
09-50-F501-PNB/ 12-28-2009	Audit suspension matured into disallowance-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	With COA RO XI Decision No. 2015-18
12-001-501-(11)/ 1-18-2012	Overpayment of CY 2011 CNA Incentive	Various NIA XI Employees	4,016.65	With COE – 3/30/15
12-003-501(11)/ 1-18-2012	Overpayment of CY 2011 CNA Incentive	E. Buenaventura; Various NIA XI employees (16 payees)	4,400.00	With COE – 3/30/15
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	With CGS-5 Decision No. 2015-009
09-01-F501-Postal/ 12-28-2009	Audit suspension matured into disallowance-failure to submit boarding pass of several NIA personnel	Ticketshoppe Travel, et.al	75,679.53	With COARO XI Decision No. 2015-14
09-01-F501-NDC/ 12/29/2009	Not properly supported with original bill	NAFV Cuisine	1,711.20	For issuance of NFD
09-02-F501-NDC/ 12/29/2009	Excess claim for traveling expenses	Felix M. Razo	240.00	For issuance of NFD
09-03-F501-NDC/ 12-29/2009	Expenses claimed not official but personal expenses	Edgardo Draculan	448.00	Payee deceased
09-05-F501-NDC/ 12/29/2009	Excess claim of traveling Expenses	Felix M. Razo	2,800.00	For issuance of NFD
09-07-F501-NDC/ 12/29/2009	Excess claim for traveling expenses	Edgardo Draculan	1,220.00	Payee deceased

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
09-08-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance-due to payment of CY 2006 CNA Incentive not an appropriate charge to NDC Fund	Dane delos Santos	93,000.00	With COARO XI Decision No. 2015-13
09-09-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance-due to failure to submit authority to charge representation expenses	Dane delos Santos/ D. Alcaraz	18,022.75	D. delos Santos - Deceased
09-10-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance due to failure to submit RERs for taxi fares	Dane delos Santos	5,620.00	Payee deceased
09-11-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance due to failure to submit boarding pass of AA Salazar in lieu of plane ticket	Claimant; Ticketshoppe Travel	5,239.72	With COARO XI Decision No. 2015-14
09-12-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance due to failure to submit boarding pass in lieu of plane ticket	Claimant; Ticketshoppe Travel	4,584.00	For issuance of NFD
09-13-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance due to failure to submit boarding pass of Romeo Solis in lieu of plane ticket	Claimant; Ticketshoppe Travel	5,534.00	No settlement from Management
09-14-F501-NDC/ 12/28/2009	Audit suspension matured into disallowance due to fuel expense not supported with Mo. Report of Travel	Edgardo T. Draculan	400.00	Payee deceased.
COMVAL	ND on VIG	Lina B. Halasan, et.al	499,000.00	Under Appeal
2013-003-501(CV)-(12)/ 11-27-13 COMVAL	Payment of CY 2011 CNA Incentive in excess of prescribed ceiling of P25,000.00	Lina B. Halasan, et al.	868,000.00	Under Appeal
	Payment of VIG	Payroll (CY 2015 Davao DN)	916,250.00	Under Appeal
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	With COARO XI Decision No. 2013-29
12-002-LI-(101)(11)/ 7-6-12	-do-	Davis L./ Santarin S.	10,000.00	With COARO XI Decision No. 2013-29
12-003-SAUG TRUST(11)/ 7-6-12	- do -	Payroll – Apat D. E., et al.	80,000.00	With COARO XI Decision No. 2013-29

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 R. Guerra, 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	With COARO XI Decision No. 2013-29
12-004(11)/ 12-28-12	- do -	Payroll	118,050.55	
2016-001-501(DDS)- (13)	Payment of CY 2012 VIG to officials and employees of NIA IMO Davao del Sur	Estrella B. Raneses, et al.	173,000.00	
2015-003-501(DDS)- (14)	Payment of CY 2013 VIG to officials and employees of NIA IMO Davao del Sur	Estrella B. Raneses, et al.	1,485,500.00	
2015-002-501(DDS)- (13)/ 10/20/15	Payment of CY 2012 VIG to officials and employees of NIA IMO Davao del Sur	Estrella B. Raneses, et al.	1,077,500.00	
2015-001-501(DDS)- (12)/ 9/18/15	Payment of CY 2012 CNA Incentive in excess of prescribed ceiling of P25,000.00	Estrella B. Raneses, et al.	1,615,750.00	
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	
2013-002-501 DO-12/ 11-25-2013	-do-	Rowena S. Blones, et al.	1,063,750.00	
			29,350,885.62	
Region XII				
2008-501-01(07)/ 07-02-2008	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2007 in excess of the DBM prescribed ceiling of P25,000.00 Additional incentive likewise not approved by the Board of Directors.	Division Manager, Sr. Accounting Processor A & Payees - Employees of NIA	8,700.00	With NFD dtd. Feb. 12, 2015
2008-501-01(07)/ 07-02-2008	-do-	Division Manager, Sr. Accounting Processor A & Payee - Munir Ali	10,000.00	With NFD dtd. Feb. 12, 2015
2008-501-01(07)/ 07-15-2008	-do-	Division Manager, Sr. Accounting Processor A & Payees - Employees of NIA	4,350.00	With NFD dtd. Feb. 12, 2015
2012-001-501(11)/ 01- 24-2012	-do-	Division Manager, Sr. Accounting Processor A & Payee - Romulo Garcia	285,000.00	With NFD dated Oct. 30, 2015

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2013-08-501(12)/ 12-21-2013	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.	Division Manager, Sr. Accounting Processor A & Payees - Employees of NIA	2,292,000.00	With NFD dated Oct. 30, 2015.
2015-01-501(13)/ 03-03-2015	Payment of incidental expenses	Division Manager, Sr. Accounting Processor A & Payee - Mario H. Sande	15,000.00	
2015-01-501(13)/ 03-03-2015	Payment of training registration fee	Division Manager, Sr. Accounting Processor A & Payee - Bernadita O. Tanud-Tanud	1,800.00	
2013-001-501/ 09-26-2013	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.	Division Manager, Sr. Accounting Processor A & Payees - Employees of NIA	539,750.00	
2013-01-501(12)/ 12-27-2013	-do-	Division Manager, Sr. Accounting Processor A & Payees - Employees of NIA	3,588,000.00	With NFD dated Oct. 30, 2015.
2012-001 to 42/ 02- 15-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Division Manager, Sr. Accounting Processor A & Payees - Employees of NIA	195,000.00	With NFD dated Oct. 30, 2015.
2013-001-501/ 09- 26-2013	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.	Division Manager, Sr. Accounting Processor B & Payees - Employees of NIA	1,290,000.00	With NFD dated Oct. 30, 2015.
2014-001-501/ 03-19-2014	-do-	Division Manager, Sr. Accounting Processor B & Payees - Employees of NIA	723,100.00	With NFD dated Oct. 30, 2015.
2012-003-501(11)/ 01- 24-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Division Manager A, Sr. Accounting Processor A, Cashier B & Payees - Ofelia Amoloria, et al.	90,000.00	With NFD dated Oct. 30, 2015.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2012-004-501(11)/ 01- 24-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Division Manager A, Sr. Accounting Processor A, Cashier B & Payees - Julio Antenor, et al.	185,000.00	With NFD dated Oct. 30, 2015.
2013-001-501/ 09- 26-2013	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.	Division Manager A, Sr. Accounting Processor A, Cashier B & Payees - Michael T. Abellar et. al	2,245,500.00	With NFD dated Oct. 30, 2015.
2012-001-501(11)/ 01- 24-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Division Manager A, Sr. Accounting Processor A, Cashier B & Payees - Mildred Alorro, et al.	80,000.00	With NFD dated Oct. 30, 2015.
2012-002-501(11)/ 01- 24-2012	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00. Additional incentive likewise not approved by the Board of Directors.	Division Manager A, Sr. Accounting Processor A, Cashier B & Payees - Rogelio Castre, et al.	10,000.00	With NFD dated Oct. 30, 2015.
2013-001-501/ 09- 26-2013	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.	Division Manager A, Sr. Accounting Processor A, Cashier B & Payees - Cerilino S. Alahid, et al.	663,000.00	With NFD dated Oct. 30, 2015.
2013-001-501/ 09- 26-2013	-do-	Acting Chief of Office, Sr. Accounting Processor A & Payees - employees of NIA	569,500.00	With NFD dated Oct. 30, 2015.
			12,795,700.00	
Region XIII				
2004-002 to 035 (2002) RO/ 02-27-04	Payment of honorarium	Various NIA employees	367,600.00	With NFD and COE.
2006-001 to 005 (2004) RO/ 01-06-06	Monetization of COB personnel were charged to project funds.	Various NIA employees	238,239.92	With NFD and COE.
2006-006 (2003) RO/ 06-26-06	Meal subsidy/ grocery allowance	Various NIA employees	1,129,200.00	With NFD and COE.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2007-001 (2005) RO / 02-07-07	RTSO Evaluation Report imposed liquidated damages due to the delayed completion of project.	KALANTAS CONSTRUCTION & DEVELOPMENT CORP.	679,447.47	COA RO Decision forwarded to CP for automatic review.
2007-002 (2002-2004) RO / 04-16-07	Excessive programmed quantities for Wawa Link Canal, Package 14 under NBS Construction was noted by RTSO per Evaluation Report dated 1/11/07 hence there was an overpayment.	Mr. Alfredo L. Besada - Project Manager NBS Construction	1,037,650.34	COA RO Decision forwarded to CP for automatic review.
2003-001 to 018 (2002) LAPDP-IC/ 11-11-03	Payment of honorarium	Various NIA employees	195,400.00	With NFD and COE.
2004-001-010 (2003) LAPDP-IC/ 02-11-04	Payment of honorarium	Various NIA employees	316,000.00	With NFD and COE.
2006-001 to 004 (2003-2004) LAPDP-IC/ 02-13-06	Meal subsidy/ grocery allowance	Various NIA employees	2,481,800.00	With NFD and COE.
2003-001 LAPDP-IC (2002) 04-23-03	Payment of honorarium		30,300.00	
2006-001 to 003 (2003) LAPDP-IC/ 05-29-05	Meal subsidy/ grocery allowance	Various NIA employees	357,200.00	With partial settlement in the amount of P10,000.00.
2007-001 (2004) LAPDP-IC/ 01-12-07	RATA of COB personnel charged against project funds.	Alfonso A. Fuentes	5,350.00	With COE & NFD dated 12/22/10 & 12/14/10, respectively.
2005-001 (2003) GRIS/ 10-13-05	Payment of meal subsidy/ grocery allowance.	Various NIA employees	105,000.00	With COE & NFD dtd 7/2/10 & 7/1/10, respectively.
2005-003 (2004) GRIS / 10-18-05	Monetization charged against project funds.	Bernardino Galorio, et al.	64,955.35	With COE & NFD dtd 12/22/10 & 12/14/10, respectively.
2005-002 (2004) GRIS/ 10-13-05	Monetization charged against project fund.	Buenaventura M. Espina	5,285.90	With COE & NFD dtd 12/22/10 & 12/14/10, respectively.
2005-003 (2004) GRIS/ 10-13-05	RATA charged against project funds.	Madante P. Ganitosi	16,050.00	With COE & NFD dtd 7/1/10 & 7/2/10, respectively.
2004-001 (2002) GRIS/ 01-19-04	Payment of honorarium.	Medel P. Mawile, et al.	75,250.00	With FOA dtd 1/13/2006.
2005-001 (2003) GRIS/ 09-28-05	Monetization charged to project funds.	Ernesto U. Sarita	45,362.70	With COE & NFD dtd 8/19/10 & 8/12/10, respectively.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2005-001 (2004) GRIS/ 10-13-05	Payment of meal subsidy & grocery allowance.	Various NIA employees	222,800.00	With COE & NFD dated 8/6/10 & 7/30/10, respectively.
2006-001 (2002 SPISP) GRIS/ 01-19-06	Payment of beers.	Balanghai Hotel & Convention Center	3,432.00	With COE & NFD dated 8/6/10 & 7/30/10, respectively.
2006-003 (02-04) GRIS/ 05-25-06	Excessive payment of cell phone bills.	Globe Telecom	32,052.50	With COE & NFD dtd 12/22/10 & 12/14/10, respectively.
2006-004 (2003) GRIS/ 04-11-06	Non-submission of TO & Liquidation Report.	Medel P. Mawile	5,000.00	With COE & NFD dtd 8/17/10 & 8/10/10, respectively.
2007-001 (2005) GRIS/ 02-01-07	NIA Projects w/o Program of Works.	Jimmy Cabusao	18,558.94	With COE & NFD dtd 8/17/10 & 8/10/10, respectively.
2005-001 (2004) PIO Agusan DS/ 10-17-05	Monetization charged against project fund.	Alexander A. Timogan	189,516.93	With NFD & COE dated July 30, 2010 and August 6, 2010, respectively.
2006-001 (2003-2004) PIO Agusan DS/ 09-08-06	Meal subsidy or grocery allowance	Various NIA employees	960,000.00	With COE & NFD dtd 7/5/10 & 7/1/10, respectively.
2006-005 (2004) PIO Agusan DS/ 7-11-2006	Disallowed claim of contractor, construction of Aupagan lateral canals, Gemma Construction.		81,247.59	With COE & NFD.
2005-001 (2004) PIO Agusan DS/ 10-17-2005	Monetization charged against project funds.	Lydia H. Coral	54,005.25	With COE & NFD dtd 8/17/10 & 8/10/10, respectively.
2006-001 to 004 PIO Agusan DS	Meal subsidy/ grocery allowance	Various NIA employees	594,533.19	With COE & NFD dated December 27 and December 17, 2010 respectively.
2005-001 (2003) ARIS/ 10-13-05	Payment of meal subsidy / grocery allowance.		414,700.00	With COE & NFD dtd 12/10/10 & 12/3/10, respectively.
2006-002 (2002) ARIS/ 02-01-06	Unreturned overpayment made to Balanghai Hotel in a form of imputed taxes.		3,891.27	With COE & NFD dated 6/15/10 & 6/15/10, respectively.
2004-001 (2003) ARIS/ 09-08-04	Payment of honorarium.		1,600.00	Total settlement as of 7/8/2005 - 11,200 per letter dtd 7/8/05 of PIM J. Yape. (Balance P1,600.00)
			9,731,429.35	
TOTAL CORPORATE FUND			445,040,835.48	

III. SPECIAL FUND

NIA-Central Office

2016-002-158/ 8/04/16	Monetary remuneration of overtime is contrary to CSC-DBM J.C. No. 2 dated 10/04/04	Maribeth Atienza, et al.	44,991.04	With Appeal Memorandum before the Director, Cluster 5, Corporate Government Sector (CGS).
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ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
2014-016-158 (12)/ 6/25/2014	Payment of salaries, bonuses and allowances received by Mr. Adao after his compulsory retirement on April 16, 2012 or for the period of April 17, 2012 to December 31, 2012 has no legal basis.	Pedro F. de Guzman, Violeta C. Esguerra, Antonio S. Nangel	473,613.08	With Appeal Memorandum before the Director, Cluster 5, Corporate Government Sector (CGS).
2014-011-158 (10)/ 5/23/2014	Payment of CNA CY 2010 Signing Bonus to NIA CARP officers and employees is contrary to existing rules and regulations.	CARP-IC officers & employees	1,200,000.00	Settlement by NIA Corporate Fund (CF) thru Check No. 413285 dated March 23, 2016 not yet recorded pending submission by NIA-CF of the documents to NIA CARP-IC.
14-010-158 (10)/ 5/23/2014	Payment of CNA CY 2010 Signing Bonus to NIA CARP officers and employees is contrary to existing rules and regulations.	CARP-IC officers & employees	1,200,000.00	Settlement by NIA Corporate Fund (CF) thru Check No. 413285 dated March 23, 2016 not yet recorded pending submission by NIA-CF of the documents NIA CARP-IC.
14-009-158 (09)/ 5/23/2014	Payment of CNA Signing Bonus to NIA CARP officers and employees for CY 2009 is contrary to existing rules and regulations.	CARP-IC officers & employee	522,000.00	Settlement by NIA Corporate Fund (CF) thru Check No. 413285 dated March 23, 2016 not yet recorded pending submission by NIA-CF of the documents NIA CARP-IC.
13-006-158 (11)/ 06/04/2013	Transfer of fund from CARP-IC to F-501 has no legal basis.	Project Manager/Acting Manager-Finance and Administrative Division	725,506.28	With settlement per NSSDC No. 2017-001-158 dated January 12, 2017.
13-005-158 (12)/ 05/21/2013	RATA in excess of GAA prescribed rates.	Assistant Project Manager	24,000.00	Covered by COE dated March 29, 2016 which was received by Management on April 7, 2016.
13-003-158 (12)/ 03/21/2013	RATA in excess of GAA prescribed rates.	Reynaldo C. Adao	5,000.00	Covered by COE dated January 22, 2016 which was received by Management on February 4, 2016.
11-001-158 (08-07)/ 4/25/2011	Payment of honorarium to NIA CARP officials.	Former Project Manager, et al.	672,022.83	ND affirmed under Decision No. CGS-C-2011-36. Partial settlement of P217,230 as per NSSDC Nos. 2015-002-158 & 2015-004-158 dated November 6 and 23, 2015.
11-158-001 (10)/ 4/11/2011	RATA in excess of GAA prescribed rates.	Assistant Project Manager, et al.	20,381.00	Settlement thru salary deduction. Validation of schedule of instalment payments made by persons liable submitted on May 20, 2016 is on-going.
10-005-158 (08)/ 6/23/2010	-do-	Project Manager/Division Manager C	7,749,332.28	With NSSDC No. 2017-002-158 dated January 12, 2017.
10-004-158 (08)/ 06/23/2010	Transfer of fund from CARP-IC to Fund 501 has no legal basis.	Project Manager/Acting Manager-Finance and Administrative Division	4,799,489.09	With NSSDC No. 2017-003-158 dated January 12, 2017.
10-003-158 (09)/ 4/27/2010	Payment of CNA	Augusto V. Tomacruz	60,000.00	Validation of settlement of disallowance is on-going.

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
10-002-158 (09)/ 4/27/2010	Payment of CNA	J. R. Gusi	60,000.00	
10-001-158 (09)/ 3/22/2010	Payment of CNA to job order contract personnel without basis.	Former Accounting Processor A, et al.	418,069.02	Validation of settlement of disallowance thru salary deduction submitted by Management is on-going.
			17,974,404.62	
REGIONS				
CAR				
12-02-158-11/ 6/5/12	Grant of CNA Incentive for 2011		55,000.00	Disallowance affirmed under COA-CAR Decision No. 2015-044 dated July 20, 2015.
12-011-158-11/ 1/11/13	Actual accomplishment of the project is only 75.64% and excessive project cost.		202,027.47	Under Appeal.
12-012-158-11/ 1/11/13	Actual accomplishment of the project is only 53.74%.		227,842.00	-do-
			484,869.47	
Region I – La Union				
IMO				
2013-01-158 (12)/ 2/11/2014	Payment of CNA Incentive for CY 2012 is in excess of the DBM prescribed ceiling of P25,000. Additional incentive likewise not approved by the Board of Directors.	Division Manager, Sr. Accounting Processor A, and Sr. Accounting Processor B	39,000.00	Affirmed under COA Decision No. 2015-015 dated October 30, 2015.
Pangasinan IMO				
2013-01-158 (12)/ 12/27/2013	-do-	Division Manager, Sr., Accounting Processor A, Ricardo D. Balderas, et.al.	78,000.00	Affirmed under COA Decision No. 2015-015 dated October 30, 2015.
2012-07-001/ 8/1/2012	Payment of CNA more than P25,000 in violation of DBM Circular No. 2006-1.	Various payees	34,000.00	Under Appeal before the CGS Cluster 5 Director.
SM 12-002 (12)/ 2/22/2013	-do-	Division Manager, et al.	37,000.00	-do-
			188,000.00	
Region IV-A				
13-005-501/ 10/16/2013	Payment of CNA	Olga Cruz, et al.	90,000.00	Under Appeal before the CGS Cluster 5 Director.
13-006-501/ 10/18/2013	-do-	Armando L. Flores, et al.	60,000.00	-do-
			150,000.00	
Region VI				
12-009-158/ 7/31/2012	CNA for CYs 2006, 2008, 2010	Various payees	98,000.00	Under Appeal before the CGS Cluster 5 Director.
11-008-158/ 2/18/2011	-do-	Various payees	50,000.00	
11-007-158/ 11/12/2009	-do-	Various payees	150,000.00	

ND No./Date	Nature/Particulars	Persons Liable	Amount	Status
Various NDs	Excessive claims of per diem	Various payees	9,624.00	For issuance of NFD.
2013-001-158 (12)/ 1/2/2013	Salary of casual employee	NIA – Antique IMO employee Luis Joven, Sr.	76,331.42	-do-
			383,955.42	
Region IX				
Various NDs		Various payees	19,577,154.08	
Region XI				
09-01-F158- MINSSAD/ 11/25/2009	Unauthorized grant of honorarium from MINSSAD for CY 2008.	Various payees	240,076.47	With COA RO XI Decision No. 2015-05.
09-03-F158- MINSSAD/ 11/25/2009	Absence of boarding pass in lieu of plane tickets (audit suspension matured into disallowance).	Jetway Travel	29,909.00	Covered by COE dated February 18, 2015
09-04-F158- MINSSAD/ 11/25/2009	-do-	Former NIA CO Personnel	13,729.32	
09-05-F158- MINSSAD/ 11/25/2009	No certification from General Accounting of NIA CO (audit suspension that matured into disallowance).	Region XI employee	7,560.00	Under Appeal.
09-06-F158- MINSSAD/ 11/25/2009	-do-	-do-	7,560.00	-do-
			298,834.79	
Region XII				
2012-006-158 (11)	Payment of CNA	Region XII employee	10,000.00	-do-
Region XIII				
2012-005- GOP3 (2012) (SDS IMO)	Overpayment of wages	Region XIII employee	2,280.81	No Appeal; for issuance of NFD.
TOTAL SPECIAL FUND			39,069,499.19	
GRAND TOTAL ALL FUNDS			P 1,170,343,496.72	

Details of Unsettled Notices of Charge (NCs)
As of December 31, 2016

NC No./Date	Nature/Particulars	Persons Liable	Amount	Status
I. GENERAL FUND				
Central Office				
2016-001-102/ 4-06-2016	Non-forfeiture of Bid Security	New Kanlaon/JE Manalo JV	P 1,200,000.00	
TOTAL GENERAL FUND			1,200,000.00	
II. CORPORATE FUND				
Region I				
11-001-501-(11)/ 06-03-11	Unremitted collection Of Irrigation Fees	NIA LUIMO Employees	189,892.00	
Region II				
15-001-501-(14-15) CBIMO/ 4-07-15	Non-payment of the occupants of NIA CBIMO quarters for their monthly rental fees.	Supervising Irrigators Development Officer; Driver Mechanic B; Engineer B; Irrigators Development Officer B; Sr. Irrigators Development Officer; & Utility Worker	19,750.00	Partially settled as of April 30, 2016
15-001-501-(2015) CBIMO/ 10-01-15	Non-payment of the occupants of NIA CBIMO quarters for their monthly rental fees.	Supervising Irrigators Development Officer; Driver Mechanic B; Engineer B; Engineer B; Irrigators Development Officer B; Sr. Irrigators Development Officer; Utility Workers	13,000.00	No settlement
			32,750.00	
Region VI				
2016-001-501 Antique IMO/ 09-08-16	Under collection of ISF	Cezar S. Tating	154.70	Period to appeal not yet lapsed
2016-002-501 Antique IMO/ 09-08-16	Under collection of ISF	Antonio Magdayao	133.88	-do-
2012-501-02 Aklan IMO/ 11-19-12	Restitution of 10% discount for prompt payment	John Reynado	4,094.63	For enforcement due to lack of appeal
2012-501-05 Aklan IMO/ 11-19-12	-do-	John I. Pongyan	508.30	-do-
2012-501-08 Aklan IMO/ 11-19-2012	-do-	Teresito C. Tabanero	2,797.13	-do-
2012-501-09 Aklan IMO/ 11-19-2012	-do-	Ebby Paderes	5,640.99	-do-
15-01-501-(13) JRMPP II 12-07-15	Unrefunded excess of Cash Advance to the total amount actually spent for the travel in NIA Central Office to attend/participate in the NIA 50th Anniversary on June 17- 25, 2013.	Leah S. Provideo	1,439.36	Period of appeal not yet lapsed
			14,768.99	

NC No./Date	Nature/Particulars	Persons Liable	Amount	Status
Region XIII				
09-002-101 MDS- (06)/ 11-06-09	Not refunded excess of cash advance on payroll	Joel P. Morgado	2,745.00	For collection
TOTAL CORPORATE FUND			240,155.99	
GRAND TOTAL ALL FUNDS			P 1,440,155.99	

**Details of Unsettled Notices of Suspension (NS)
As of December 31, 2016**

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
I. GENERAL FUND				
Central Office				
2016-014-102/ 11-07-2016	Lack of supporting documents for payment of Final Progress Billing No. 34 (Loan Proceeds Portion) for Contract No. ARIIP-C-1 Re-regulating Pond Facilities for the Agno River Integrated Irrigation Project	Former Administrator; Former Deputy Administrator for Eng'g and Operations; Former Manager Engineering Department; Former OIC- Office of the Deputy Administrator for Eng'g and Operations; Manager, CAS CMD; Former Acting Manager, Accounting Division; Project Manager, ARIIP PMO; Manager Construction Division, ARIIP PMO; Manager Engineering Division ARIIP PMO	US\$3,863,966.92	Documents partially submitted. Evaluation of submitted documents on-going.
			US\$3,863,966.92	
2016-015-102/ 11-10-2016	Lack of supporting documents for payment of 7.5% Advance Payment (GOP and LP Portions) for Contract No. NISRIIPD-C-3R2 Rehabilitation and Improvement of Muleta River Irrigation System and Construction of Irrigators Association Support Facilities under the National Irrigation Sector Rehabilitation and Improvement Project (NISRIIP)	Administrator; Deputy Administrator for Eng'g. and Operations & BAC A Chairman; Project Manager, NISRIIP Members of BAC-A; Accounting Manager, Accounting Division; Head, BAC TWG; Members of the BAC TWG	P 6,959,369.66	
2016-013-102/ 10-28-2016	Lack of supporting documents for payment of 15% mobilization for Contract No. UMRIPD-C-2R Construction of Main Canal (Sta. 0+000 to 10+ 750) (Head gate of Lateral D) and its Appurtenant Structures under Umayam River Irrigation Project (URIP)	Administrator; Former Deputy Administrator for Eng'g and Operations; Vice Chairman-BAC A; Members of BAC-A; Former Acting Manager, Accounting Division; Project Manager URIP; Manager, Budget and Revenue Division; Head, BAC-TWG; Manager, Engineering Department; Senior Engineer A; Kryo Builders, Inc.	19,360,652.56	Audit suspension matured into disallowance as the requirements in the NS were not complied with. Notice of Disallowance No. 2017-002-101 was issued.
2016-012-102/ 10-20-2016	Lack of supporting documents for payment of Progress Billing Nos. 1 & 2 for Contract No. PIDPC-UCRISI-1 Rehabilitation/ Restoration of Upper Chico River Irrigation System including supply, delivery, installation and commissioning of steel gates	Administrator; Former Acting Deputy Administrator for Eng'g and Operations; Former Project Manager, PIDP; Regional Manager; Division Manager A, KIMO; Principal Engineer, NIA Senior Engineer A, KIMO; Quality Control Engineer; Project Manager, PIDP-PMO; Contractor	102,231,169.74	Documents partially submitted.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2016-011-102/ 10-7-2016	Lack of supporting documents for payment of Progress Billing No. 7/final for Contract No. SPISP-C-3 Construction of Binalawan Concrete Buttress Dam	Administrator; Former Deputy Administrator for Eng'g and Operations; Acting Deputy Administrator for Eng'g and Operations; Division Manager A/Project Engineer Negros Occidental IMO; Site Office Engineer; Materials Testing Engineer; Resident Engineer; Senior Engineer A, RIM Region 6; Manager, Engineering and Environmental Division CPMO-SPISP; Civil Works Design, DSD CO; Mechanical Works Design DSD CO; Principal Engineer A, CAS CMD; Principal Engineer A, PBME, CMD	15,248,418.51	Documents submitted for evaluation.
2016-010-102/ 8-12-2016	Lack of supporting documents for payment of 15% mobilization for Contract No. NISRIPD-C-2 for the Rehabilitation and Improvement of Malatgao River Irrigation System and Construction of Irrigator's Association	Deputy Administrator for Eng'g and Operations; Manager, Engineering Department; Supervising Engineer A – CAS CMD; Senior Engineer, CAS CMD; Former, Manager, Accounting Division; Project Manager, NISRIP/BAC-A Member; Acting Division Manager, Palawan, IMO; Acting Regional Manager; Senior Deputy Administrator; BAC-A Vice Chairman; BAC-A Members; Head BAC TWG; Members of the BAC TWG; Head, BAC Secretariat; Member BAC Secretariat; NISRIP Representative	28,404,551.91	Documents submitted partially
2016-009-102/ 6-16-2016	Lack of supporting documents for payment of Progress Billing No. 7 for Contract No. HCAAPD-C-2 Construction of Bulao Diversion Dam, Irrigation and Drainage Canals and Appurtenant Structures under Help for Catubig Agricultural Advancement Project	Administrator; Manager, Engineering Department; Supervising Engineer A – CAS CMD; Principal Engineer A- CAS CMD; Acting Manager, Accounting Division; Acting Manager CAS CMD; OIC, Operations Division; Acting Project Manager; Project Inspector	10,292,166.13	Documents submitted under evaluation specifically on the validity of Time Extension Granted
2016-008-102/ 4-21-2016	Lack of supporting documents for payment of Progress Billing Nos. 3 & 4 and release of 10% Retention Fee (GOP & LP Portion) for Contract No. PIDP2-C-VISN-1R	Administrator; Deputy Admin. for Eng'g and Operations; Acting Regional Manager, Regional Office 2; Project Manager, PIDP; Principal Engineer Cluster Head, VIS/BRIS/BCIS; Acting Manager Cagayan Batanes IMO; Acting Manager, Accounting Division; A.M. Oreta Construction Co. Inc.	30,339,244.58	Submitted documents under evaluation.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2016-007-101/ 4-19-2016	Lack of supporting documents for payment of 15% mobilization for Contract No. CMIPP2/NCB-C-S6-3 Construction of Super Diversion Canal (SDC) Sta. 50+540 – Sta. 51+850); Laterals “U” & “V” and Sub-Laterals including Related Structures and Supply Delivery, Installation and Commissioning of Steel Gates.	Acting Deputy Administrator for Eng'g and Operations; Acting Manager, Accounting Division; Project Manager, CMIPP; Acting Manager, Engineering Department; Department Manager A, Legal Services Department; Department Manager A, Internal Audit Services	41,348,369.06	Documents submitted. partially
2016-006-101/ 3-18-2016	Lack of supporting documents for payment of Progress Billing Nos. 28, 29 and 30 for Contract No. SRIPD-C-16 Construction of Tangub Earthfill Dam and Appurtenant Structures under the Small River Irrigation Project	Administrator; Former Acting Deputy Administrator for Eng'g and Operations; Deputy Administrator for Eng'g and Operations; Former Acting Manager, Accounting Division; Former Project Manager. SRIP PMO; Acting Project Manager. SRIP PMO; Markbilt Construction	36,211,858.85	Documents submitted. partially
2016-005-101/ 3-3-2016	Lack of supporting documents for payment of 15% mobilization for Contract No. QIPD-C-3 Construction of Quipot Main Canal (Sta. 4+720 to 11+290.85 and Lateral A (Sta. 0+000 to 3+672.80) and its Appurtenant Structures, including Supply and Delivery of 2 units 10”200mm x 200mm dia., 45 HP Pump and Accessories	Administrator; Deputy Administrator for Eng'g and Operations; Regional Manager, Region IV-A; Supervising Engineer, DSD Principal Engineer A, CAS CMD; Resident Engineer; Acting Manager, Accounting Division; New Kanlaon Construction	14,386,661.12	Documents submitted. partially
2016-004-102/ 3-2-2016	Lack of supporting documents for payment of Progress Billing No. 1 (GOP & LP Portion) for Contract No. PIDP2-MRISN-1R Rehabilitation /Restoration and Extension of Mallig River Irrigation System and Supply, Delivery and Installation of Steel Gates under Participatory Irrigation Development Project (PIDP)	Acting Deputy Administrator for Eng'g and Operations; Project Manager, PIDP; Project Engineer, PIDP2-C-MRISN-1R; Principal Engineer A; Division Manager A; Acting Regional Irrigation Manager; Acting Manager, Accounting Division; Legal Officer V, Department Manager A; Payee	15,109,668.09	Matured into disallowance. For issuance of ND in CY 2017.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2016-003-101/ 2-16-2016	Lack of supporting documents for payment of 15% mobilization for Contract No. SRIPD-C-24 for the Construction of Hibulangan Earthfill Dam and its Appurtenant Structures under Small River Irrigation Project	Deputy Admin. for Eng'g and Operations; Regional Irrigation Manager- Region 4A; Acting Manager, Accounting Division; Acting Deputy Administrator for Eng'g and Operations; Former Acting Senior Deputy Administrator; Acting, Regional Irrigation Manager-Region 4A; Legal Officer V, Department Manager A, Operations Department; Division Manager B, NISRI; Principal Engineer A, EWMS; Division Manager B, PIDP; Supervising Engineer A, DSD; Senior Engineer A, CMD Personnel Relations Officer IV	50,890,878.67	Matured into disallowance. For issuance of ND in CY 2017.
2016-002-101/ 2-16-2016	Lack of supporting documents for payment of 15% mobilization for Contract No. QIPD-C-1 Construction of Quipot Diversion Dam and its Appurtenant Structures including Supply, Delivery, Installation and Commissioning of Barrage Steel Gates under Quipot Irrigation Project	Deputy Administrator for Eng'g and Operations; Regional Irrigation Manager- Region 4A; Acting Manager, Accounting Division; Acting Deputy Administrator for Eng'g and Operations; Former Acting Senior Deputy Administrator; Acting, Regional Irrigation Manager- Region 4A; Legal Officer V; Department Manager A, Operations Department; Division Manager B, NISRI; Principal Engineer A, EWMS; Division Manager B, PIDP; Supervising Engineer A, DSD; Senior Engineer A, CMD	18,268,619.72	Required documents partially submitted.
2016-001-101/ 1-21-2016	Lack of supporting documents for payment of Progress Billing Nos. 1 & 2 for Contract No. QIPD-C-2 Construction of Quipot Main Canal (Sta. 1+118.00 to Sta. 4+720) and its Appurtenant Structure	Administrator; Deputy Administrator for Eng'g and Operations; Regional Irrigation Manager- Region 4A; Acting Manager, Accounting Division; Construction Engineer, Quezon IMO; Acting Division Manager A, Quezon IMO; Principal Engineer A, CAS CMD; Acting Manager, CAS CMD; Manager, Eng'g Department; New Kanlaon Construction Inc.	64,762,316.44	Documents submitted Waiting for the next Progress Billing for the recoupment of overpayment for Item 4-Structure Excavation
2015-009-101/ 12-9-2015	Lack of supporting documents for payment Progress Billings Nos. 1 & 2 for Contract No. UMRIPD-C-3, Construction of Main Canal Sta. 10+750 to Sta 29+400 and Appurtenant Structures	Administrator; Deputy Administrator for Eng'g and Operations; Head, Construction Management Division; Project Manager, URIP; Chief, Construction Section URIP; Manager, Engineering Division, URIP; Acting Manager, Accounting Division	86,104,323.16	Matured into disallowance. For issuance of ND in CY 2017.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2015-008-102/ 12-2-2015	Lack of supporting documents for the payment Final Progress Billing of Consultancy Services on Construction Supervision and Quality Assurance	Deputy Administrator for Eng'g and Operations; Acting Manager, Accounting Division; PIDP Project Manager; Senior Financial Planning Specialist; Manager, PIDP Engineering Division; Consultant	77,272.73	For issuance of NSSDC.
2014-033-101/ 12-11-2014	Lack of supporting documents for the payment of Progress Billings for the provision of technical assistance for the Feasibility Study of Alternative Dam Designs for Balog Balog Multipurpose Project Phase II to NIACI	Administrator; Acting Manager, Accounting Division; Manager, Engineering Department; Acting Deputy Administrator for Eng'g and Operations; Manager, Budget Div.; & NIACI	1,925,059.51	For issuance of Notice of Disallowance.
2014-032-102/ 11-10-2014	Lack of supporting documents for the advance payment of Contract No. SRIPD-C-22, Construction of Upper Tabuating and its Appurtenant Structures	Administrator; Acting Manager, Accounting Div.; Manager, Engineering Dept.; Acting Deputy Administrator for Eng'g and Operations; Project Manager, SRIP; & Contractor	33,021,447.07	Management submitted documents but incomplete. No Multi-Year Obligation Authority to cover the full funding cost of the Project.
2014-031-102/ 11-10-2014	Lack of supporting Documents for the payment of Progress Billing No. 1 of Contract No PIDP11-C-BRISN-2 Rehabilitation of Lateral Canals East Side including Repair of Service Roads, Appurtenant Structures Including Supply, Delivery Installation and Commissioning of Steel Gates for Batutu River Irrigation System	Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; PMO Manager, PIDP; Regional Irrigation Manager, Region XI; Project Engineer/ Manager, Comval IMO; Manager, CMD; Acting Manager, Accounting Div.; Project Manager – Equiparco Construction Co.	23,232,164.88	Management submitted documents but incomplete.
2014-030-101/ 9-22-2014	Lack of supporting documents for the partial advance payment of Contract No. SRIPD-C-18 Construction of Marimay Earthfill Dam and its Appurtenant Structures	Administrator; Acting Manager, Accounting Div.; Manager, Engineering Dept.; Acting Deputy Administrator for Eng'g and Operations; Project Manager, SRIP; Head, CAS CMD Eng'g Dept.; Acting Dep. Admin. Eng'g & Operations; Manager, Cash Division	22,342,252.03	Management submitted documents but incomplete. No Multi-Year Obligation Authority to cover the full funding cost of the Project.
2014-029-102/ 9-22-2014	Lack of supporting documents for the partial advance payment of Contract No. PIDP10-C-MARISN-1 Construction of Maranding River Irrigation System including Supply, Delivery Installation and Commissioning of Steel Gates	Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Engr. A CAS-CMD	7,943,368.97	Management submitted documents but incomplete.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2014-028-101/ 9-22-2014	Lack of supporting documents for the advance payment of Consultancy agreement for the Upgrading of Parcellary Maps of Selected National Irrigation System	Administrator; Acting Manager, Accounting Div.; Manager, Engineering Dept. / BAC Member; Acting Deputy Administrator for Eng'g and Operations /BAC Chairman; BAC Members; Manager, Budget and Revenue Div.	1,460,325.30	Management submitted documents but incomplete.
2014-027-102/ 9-18-2014	Lack of supporting documents for the partial advance payment of Contract No.PIDP5-C-THIRISN-1r Rehabilitation of Tigman-Hinagyanan-Inarihan Rivers Irrigation System	Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Engr. A CAS-CMD	13,128,635.51	Management submitted documents but incomplete.
2014-026-101/ 9-16-2014	Lack of supporting documents for the advance payment of Provision of Technical Assistance for the Climate Change Vulnerability Mapping Project (CCVMP)	Administrator; Acting Manager, Accounting Div.; Div. Manager, IEC; Manager, Operations Dept.; Acting Manager, Accounting Div.; Manager, Budget and Revenue Div.; NIACI	13,728,181.83	Management submitted documents but incomplete.
2014-025-102/ 9-16-2014	Lack of supporting documents for the partial advance payment of Contract No. PIDPC-C-UCRISI-1 Rehabilitation of Upper Chico River Irrigation system including supply, delivery installation and commissioning of steel gates	Acting Deputy Administrator for Eng'g and Operations; Acting Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Engr. A CAS-CMD	8,924,880.31	Management submitted documents but incomplete.
2014-023-102/ 8-28-2014	Lack of supporting documents for the payment of 15% mobilization fee for Contract No. SRIPD-C-23 Construction of Barotac Viejo Earthfill Dam and its Apurtenant Structures	Administrator; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Project Manager, SRIP	108,091,060.38	Matured into disallowance. For issuance of ND in CY 2017.
HCAAP 2014-001 (12)/ 8-28-2014	Incomplete submission of documents supporting the payments of Progress Billings of Consultancy Services Contract in the implementation of the Help for Catubig Agricultural Advancement Project	Deputy Administrator Administrative and Finance; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; OIC- CMD; Head, CAS CMD; Project Manager, HCAAP Acting Project Manager , HCAAP; Acting Manager, Accounting Div.; Consultants - Team Leader and Co-Team Leader	8,891,600.99	Management submitted documents but incomplete.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2014-020-102/ 6-23-2014	Lack of supporting documents for the Supply Delivery of Surveying Instruments under the National Irrigation Sector Rehabilitation and Improvement Project	Administrator; Acting Manager, Accounting Div.; Manager, Budget and Revenue Div.; Manager, Administrative Dept.	3,710,000.00	Management submitted documents but incomplete.
2014-019-101/ 6-23-2014	Lack of supporting documents for the advance payment of Sta. Rita Earthfill Dam and its Appurtenant Structures	Administrator; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Contractor	47,047,555.77	Matured into disallowance. For issuance of ND in CY 2017.
2014-016-101/ 5-6-2014	Lack of supporting documents for the payment of Undertaking of the Detailed Engineering Design of Balog Balog Multipurpose Project Phase II	Administrator; Acting Deputy Administrator; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Manager, Budget Div. Payee - NIACI	14,932,562.16	Certificate of final acceptance not submitted For issuance of ND.
2014-015-101/ 5-6-2014	Lack of supporting documents for the payment of Reassessment Study and Detailed Engineering and Design of Selected Dam Type of Libmanan Cabusao Dam and Rehabilitation Project	Administrator; Acting Deputy Administrator; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Manager, Budget Div. Payee - NIACI	8,584,227.00	Certificate of final acceptance not submitted For issuance of ND.
2014-014-101/ 5-2-2014	Lack of supporting documents for the payment of Feasibility Study and Detailed Engineering Design of Tumauni River Multipurpose Project	Administrator; Acting Dep. Admin.; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Manager, Budget Div. Payee - NIACI	21,446,960.31	Certificate of final acceptance not submitted For issuance of ND.
2014-013-101/ 4-30-2014	Lack of supporting documents for the payment of Feasibility Study of Sapalan River Irrigation Project	Administrator; Acting Deputy Administrator; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Manager, Budget Div. Payee - NIACI	10,748,729.83	Certificate of final acceptance not submitted For issuance of ND.
2014-012-101/ 4-11-2014	Lack of supporting documents for the payment of Feasibility Study of Ilaguen Multipurpose Irrigation and Power Project	Administrator; Acting Dep. Admin.; Acting Deputy Administrator for Eng'g and Operations; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Payee - NIACI	25,659,406.23	Certificate of final acceptance not submitted. For issuance of ND.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2014-011-101/ 4-11-2014	Lack of supporting documents for the payment of Feasibility Study of Gandara River Basin Irrigation Project	Administrator; Acting Administrator; Acting Dep. Admin.; Manager, Engineering Dept.; Acting Manager, Accounting Div.; Payee -NIACI	19,998,848.51	Certificate of final acceptance not submitted. For issuance of ND
2014-001-101 (13)/ 1-9-2014	Lack of supporting documents for the payment of mobilization fee for Contract No. SRIPD-C-19 Construction of Barbar Earthfill Dam and its Appurtenant Structures	Administrator; Senior Deputy Administrator; Acting Deputy Administrator for Eng'g and Operations; Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; Head, CAS CMD Eng'g Dept.; Project Manager SRIP; Engineer B, CAS CMD; Acting Manager, Accounting Div.	40,971,251.80	Management submitted documents but incomplete. No Multi-Year Obligation Authority to cover the full funding cost of the Project.
2014-003-101 (13)/ 1-22-2014	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP11-C-BRISN-3 Rehabilitation of Diversion Works, Main Canal West, Extension Area including appurtenant structures and supply delivery installation of Steel Gates for Batutu River Irrigation System	Deputy Administrator for Eng'g and Operations; Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Eng'r. A CAS-CMD; Senior Financial Planning Officer	6,037,604.65	Management submitted documents but incomplete.
2014-004-101 (13)/ 1-22-2014	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP11-C-BRISN-1 Rehabilitation of Diversion Works, Main Canal East, Lateral A-1 East including repair of service roads, appurtenant structures and supply delivery installation and commissioning of Steel Gates for Batutu River Irrigation System	Deputy Administrator for Eng'g and Operations; Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Eng'r. A CAS-CMD; Senior Financial Planning Officer	5,703,508.77	Management submitted documents but incomplete.
2014-005-101 (13)/ 1-22-2014	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP2-C-NVBISN-1R Rehabilitation/ Restoration of Nueva Vizcaya-Bagabag Irrigation System including supply delivery installation and commissioning of Steel Gates and Construction of Gatekeepers Quarter	Deputy Administrator for Eng'g and Operations; Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Engr. A CAS-CMD; Senior Financial Planning Officer	11,171,650.38	For issuance of NSSDC

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2014-007-101 (13)/ 1-24-2014	Lack of supporting documents for the payment of Contract No. PIDP2-C-ZRISI-1R Rehabilitation / Restoration of Zinandungan River Irrigation System	Deputy Administrator for Eng'g and Operations; Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Engr. A CAS-CMD; Senior Financial Planning Officer	4,254,200.18	Management submitted documents but incomplete.
2014-008-101 (13)/ 2-5-2014	Lack of supporting documents for the payment of Contract No. PIDP2-C-BCISN-1R, Rehabilitation/ Restoration and Extension of Banurbur Creek Irrigation Sytem including supply, delivery, installation and commissioning of steel gates and construction of Operation House	Deputy Administrator for Eng'g and Operations; Deputy Administrator for Administrative and Finance; Manager, Engineering Dept.; PMO Manager, PIDP; Head, CAS CMD Eng'g Dept.; Acting Manager, Accounting Div.; Supervising Engr. A CAS-CMD; Senior Financial Planning Officer	9,811,452.27	Management submitted documents but incomplete.
2014-009-102 (13)/ 2-19-2014	Lack of supporting documents for the settlement of Progress Billing No. 33 (GOP Portion) Contract No. ARIP-C-1 Re-regulating pond facilities of Agno River Irrigation Project	Administrator; Manager, Accounting Div.; Acting Manager Accounting Div.; Deputy Administrator Eng'g and Operations; Project Manager-ARIP; Manager Construction Div.; Manager Engineering Div.; Manager, Budget Division	27,140,711.89	For issuance of NSSDC.
2014-010-102 (13)/ 2-19-2014	Lack of supporting documents for the seminar-workshop conducted	Deputy Administrator Eng'g and Operations; Manager, Budget Division; Project Manager- NISRIIP; Acting Manager Accounting Div.	197,500.00	Management submitted documents but incomplete.
2013-004-101(12)/ 4-29-2013	Contract Price Escalation Nos. 1-3 for Contract No. BHIP2-C-2, Construction of Irrigation Canal and Appurtenant Structures for Bohol Irrigation Project, Stage I	Administrator; Manager, Accounting Div.; Acting Manager Accounting Div.; Senior Deputy Administrator; Project Manager BHIP; Asst. Project Manager; Chief, Contract Admin Section	39,078,014.61	Management submitted documents but incomplete.
2013-003-101(11)/ 4-22-2013	Lack of documents to support the time extensions granted for the payment of Contract No. SJPIPD-C-1 Construction of Main Canal and Construction of Pumping Station/Building including pull out, transfer, installation and commissioning of two (2) units 460 kw.	Administrator; Acting Senior Deputy Adm.; OIC Deputy Adm.; Acting Deputy Administrator for Eng'g and Operations; Manager, Eng'g Dept.; Dep. Adm. Administrative and Finance; Acting Manager Acctg. Div.	42,016,752.06	For issuance of NSSDC.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2013-006-102 (13)/ 8-2-2013	Non submission of documents necessary for the evaluation of the revised contract due to time extension to support the payment of GOP Progress Billing No. 32 under Contract No. ARIP-C-1.	Administrator; OIC Deputy Administrator for Eng'g and Operations; Manager, Eng'g Dept.; Manager, Construction Div.; Project Manager ARIP; Acting Manager, Accounting Div.	4,614,325.52	For issuance of NSSDC
12-017-101(11)/ 11-26-2012	Lack of supporting documents for payment of lodging fees of NIA officials	Manager, Engineering Dept.; Acting Manager, Financial Management Dept.; Acting Manager, Budget Div	48,093.75	Management submitted documents but incomplete.
12-016-101 (11)/ 11-26-2012	Lack of supporting documents for payment of lodging fees of NIA officials	Acting Deputy Administrator for Eng'g and Operations; Acting Manager, Financial Management Dept.; Acting Manager, Budget Div	26,550.00	Management submitted documents but incomplete.
12-015-101 (11)/ 12-4-2012	Lack of supporting documents for the payment of meals and accommodation of Irrigators Association National Congress	Manager, Institutional Dev't Div.; Acting Manager, Financial Management Dept.; Acting Manager, Budget Div.	433,625.00	For issuance of NSSDC.
12-012-101 (11) / 6-25-2012	Non submission of documents to support the payment of Monetary Incentives for CY 2010 National Level Outstanding Irrigators Association both CIA and NIA	Acting Deputy Administrator for Eng'g and Operations; Acting Manager Budget Div.; Manager, Operations Dept.; Acting Manager, Financial Management Dept.; Manager, Institutional Dev't. Div.	150,000.00	For issuance of ND.
12-011-101(11) / 6-25-2012	Non submission of documents to support the payment of meals and accommodation spent during the Irrigators Association National Congress	Manager, Institutional Dev't. Div.; Manager, Operations Dept.; Manager, Financial Management Dept.; Acting Manager Budget Div.	214,625.00	For issuance of NSSDC.
11-007-102 (07)/ 11-29-2011	Lack of documents for the payment of additional cost in Item B Sub-Item Diversion and Care of River and Irrigation Canal during Construction & Dewatering Foundation under Contract No. CMIPPI-C-S1 (JBIC Financed Portion)	Administrator; Manager, Accounting Div.; Assist. Administrator for PDI	34,538,860.49	No action from Management.
11-004-102 (11)/ 09-21-2011	Payment of Progress Billing No. 5 for the Contract No. SPISP-C-3 Construction of Binalawan Concrete Butress Dam and Appurtenant Facilities	Administrator; Senior Deputy Adm.; Manager, Eng'g Dept & Project Manager SPISP; Manager, Accounting Div.; Project Eng'r. – SRIP MO; Resident Eng'r – MBCIIP SRIP SMO; Payee	858,675.92	No action from Management.
			P 1,162,080,209.81	
CAR				
No details submitted to COA-NIA CO by the CAR Audit Team			1,865,776.99	

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
Region II RO	Various PIDP –Fund 102 transactions		6,838,723.79	No details submitted to COA-NIA CO by the RO II Audit Team
	Various Fund 101 transactions		6,500,983.84	
NIA QIMO	Various Fund 101 transactions		200,953.26	No details submitted to COA-NIA CO by the NIA QIMO Audit Team
NIA CBIMO	Various Fund 101 transactions		1,752,956.17	No details submitted to COA-NIA CO by the NIA CBIMO Audit Team
	Various Fund 102 transactions		90,315.12	-do-
			15,383,932.18	
RO III BANE	various		1,058,212.15	No details submitted to COA-NIA CO by the NIA RO III BANE Audit Team
UPRIIS	various		63,840.00	No details submitted to COA-NIA CO by the NIA UPRIIS Audit Team
CMIPP	None			
RO IV-A	None			
RO IV-B	None			
RO V	various		459,700.87	No details submitted to COA-NIA CO by the NIA RO V Audit Team
Region VI				
Regional Office				
12-004-101-(11)/08-28-2012	Travelling expenses was charged to Capital Outlay	G. Corsiga, M. A. Gadong, et al.	10,016.00	For issuance of ND
09-002-101 (09)/11-13-2009	Lack of Supporting Documents	G. Abuzo, E. Lomigo, et al.	98,000.00	For issuance of ND
09-001-101 (09)/11-13-2009	-do-	G. Abuzo, E. Lomigo, et al.	112,506.00	For issuance of ND
09-002-102 (09)/11-13-2009	Conduct of training lack of supporting documents	G. Abuzo, L. Gallego, et al.	80,793.75	For issuance of ND
09-001-102 (09)	Conduct of training lack of supporting documents	G. Abuzo, L. Gallego, et al.	112,031.25	For issuance of ND
NIA - Iloilo-Guimaras IMO				
2010-002-101/10/14/2012	Lack of Supporting Documents	F. Colorado, J. Villanueva, et al.	268,195.11	For issuance of ND
11-003-101/6/8/2011	Lack of Authority to Disburse	F. Colorado, J. Villanueva, et al.	4,544,858.14	For issuance of ND
11-002-101/3/7/2011	Payment of Collective Negotiation Agreement (CNA) incentive for CY 2010.	F. Colorado, J. Villanueva, et al.	295,000.00	For issuance of ND

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2010-001-101/ 10/15/2010	Lack of Supporting Documents	F. Colorado, J. Villanueva, et al.	28,960.72	For issuance of ND
			5,550,360.97	
<u>Jalaur River Multi-Purpose Project Stage II</u>				
15-4-101-JRMP II-(15)/ 09-23-2015	Disbursement Vouchers relative to the payments of construction materials for the various projects of NIA-JRMP II.	G. P. Corsiga, J. B. Borres, J. N. S. Plaza, G. C. Olla, J. L. Dato-on. D. Icoy et. al.	957,519.17	Period for compliance with the requirements of the NS not yet lapsed
15-3-101 JRMP II-(15)/ 09-14-2015	Disbursement voucher relative to Payment of NIAEASP II snacks	L. G. B. Causing, J. L. Dato-on, et al.	7,032.00	Justification submitted for evaluation.
			964,551.17	
Region VIII	No details		4,510.00	No details submitted to COA-NIA CO by the NIA RO VIII Audit Team
<u>Region X</u>				
<u>NIA Bukidnon Irrigation Management Office</u>				
2015-010-101 IRPEP/ 7-8-2015	Non-submission of color shaded plans indicating portion to be repaired and Agency's detailed estimates/back-up computation for Item Diversion and Care of River	NIA Regional Offices Official Payee- MACRO ASIA Construction	29,449,996.46	For issuance of ND
2015-023-101 IRPEP/ (2014) 11-19-2015	Non-submission of Approved Program of Work; plans/drawings and specifications; bidding documents; affidavit and certificate of site inspection; printed copy of ITB posted in PhilGEPS and affidavit of publication and newspaper clippings.	NIA Regional Offices Official	9,357,296.63	For issuance of ND
2015-026-101 (2014)/ 12-28-2015	Non submission of materials testing result, statement o time elapsed and work accomplished.	NIA Regional Offices Official Payee – Domugan Construction	3,660,676.28	-do-
2015-027-101 (2014)/	Non submission of materials testing result, statement o time elapsed and work accomplished.	NIA Regional Offices Official	7,327,192.74	-do-
IRPEP	Payment of 3 rd and Final Billing to Wiro Construction	-do-	1,865,731.22	-do-
IRPEP	Various payments CIBR & CDR Vouchers	-do-	23,948.76	-do-
IRPEP	Various payments CIBR & CDR Vouchers	-do-	22,683.04	-do-
IRPEP	Various payments CIBR	-do-	9,533.02	-do-

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
IRPEP	Payment to DJ Nipa Stick Dealer & Construction Materials –CM 45-07-606	NIA Regional Offices Official	19,975.40	For issuance of ND
IRPEP	Monetization of Leave Credits	-do-	3,582.55	-do-
IRPEP	Payment of 5 th partial billing to Fortstone Construction Enterprises	-do-	418,606.68	-do-
2016-017-101 (2015)	Non liquidation Cash Advance for Midyear Assessment on September 7-11, 2015 charged to NIS RIP Fund 102	-do-	815.00	-do-
	Non liquidation Cash Advance for FPPF on November 8 & 14, 2015 charged to NIS RIP Fund 102	-do-	547.96	-do-
			52,160,585.74	
RO XI	Various		139,500.00	No details submitted to COA-NIA CO by the NIA RO XI Audit Team
RO XII	No details		4,300.00	No details submitted to COA-NIA CO by the NIA RO XII Audit Team
RO XIII	Various		2,564,274.31	No details submitted to COA-NIA CO by the NIA RO XIII Audit Team
TOTAL GENERAL FUND (In Pesos)			P 1,242,299,754.19	
TOTAL GENERAL FUND (In US\$)			US\$ 3,863,966.92	

II. CORPORATE FUND

Central Office

2015-003-501b/ 11-04-15	Lack of Supporting Documents necessary for auditorial review of payments of contract No. NIACO-S-2R Supply and Delivery of Twenty (20) units pick-up Truck	Administrator; Acting Manager, Accounting Division; Manager, Operations Manager and Chairman, Committee on Inspection and Acceptance; Manager, Property & Procurement Division and Member, Committee on Inspection and Acceptance; Chairman, Vice-Chairman & Members of BAC-A ; Head and Members of Technical Working Group; Head, BAC Secretariat; Payee – Nissan Westgate/Shaw	P 29,200,000.00	Issued ND No. 2016-002-501 dated April 25, 2016.
2015-002-501/ 10-08-15	Deficiency of Supporting documents in the Construction of Umayam Diversion Dam & its Appurtenant structures, Contract No. UMRIPD-C-1	Administrator; Deputy Administrator for Engineering and Operations; Payee - KYRO Builders	173,036,646.04	With COA-TAS; under review.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2015-001-501/ 08-28-15	Lack of Supporting documents necessary for the auditorial review of the payment of janitorial services	Deputy Administrator for Administrative and Finance; Acting Manager, Accounting Division; Payee - M8 Manpower Services	878,355.13	Issued AOM April 2016
			203,115,001.17	
Region II				
2015-501-001(2015)/ CBIMO 12-11-15	Official receipt from recipient Irrigators Association (IAs) to acknowledge payment to Irrigators Association (IA) share in the collection of Irrigation Fees of the Cagayan-Batanes Irrigation Management Office and its attached Irrigation Systems was not attached.	Acting Division Manager- Francis C. Yu; Cashier B- Victorio F. Urbina; Leonardo B. Villegas- Principal Engineer A/IAAPIS; & Rolando P. Sorita- Principal Engineer C/EAAS.	407,630.44	With partial settlement of P218,878.56 as of April 30, 2016.
2014-001-501/ 12/05/2014	Fund transferred to the Provincial Government of Quirino	Mr. Dante C. Adriano, Engr. Gileu Michael O. Dimoloy, Engr. Estanislao R. Najera, Provincial Government of Quirino	438,384.83	With partial settlement.
2015 -02-501/ 12/18/2015	Payment of Irrigators Association share of Incentives.	Mr. Dante C. Adriano, Engr. Gileu Michael O. Dimoloy TresardenIA/ Ernesto Ancheta Pagbabago ng Kabuhayan/Rodolfo Biernes Triple San IA/ Lito Benedicto Nanguyatan IA /Laureto Santiago	132,054.64	For further validation.
			978,069.91	
UPRIIS				
13-03-501(13) DV/ 09-07-13	Jennifer Divina - Payment of Advertisement	Cashier B – Jennifer Divina	1,000.00	Documents submitted for further evaluation.
14-01-501(13) DI/ 10-09-14	Freddie M. Toquero - payment of First 30 days Relocation allowance	Administrative Officer – Melinda S. Ramos; Head, Acctg unit – Consuelo Lladones; Payee – Freddie M. Toquero	24,000.00	Documents submitted for further evaluation.
14-02-501(13) DI/ 10-09-14	Arnel V. Tabilon - payment of First 30 days Relocation allowance	Administrative Officer – Melinda S. Ramos; Head, Acctg unit – Consuelo Lladones; Division Manager – Freddie M. Toquero; Payee – Arnel Tabilon	24,000.00	Documents submitted for further evaluation.
			49,000.00	
Region V				
NS 12-001-101 (12) 05-09-2012	The amount of P459,700.87 was suspended in audit. Per COA Resolution No. 91-052, the project was 36.10% above COA estimate and 26.10% above authorized limit.	Engr. William P. Ragodon – Regional Manager; Maria S. Ilarde – FMD Manager; Engr. Alan N. Fabricante – Acting IMO Head – Sorsogon & Masbate	459,700.87	With justification.

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
NS 12-002-101 (12)/ 05-09-2012	The amount of P89,975.28 was suspended in audit. Per COA Resolution No. 91-052, the project was 19.78% above COA estimate and 9.78% above authorized limit.	Engr. William P. Ragodon – Regional Manager; Maria S. Ilarde – FMD Manager; Engr. Alan N. Fabricante – Acting IMO Head – Sorsogon & Masbate	89,975.28	With justification.
NS 12-009-101/ 10-03- 2012	The amount of P136,472.77 was suspended in audit. Per COA Resolution No. 91-052, the project was 20.26% above COA estimate and 10.26% above authorized limit.	Engr. William P. Ragodon – Regional Manager; Maria S. Ilarde – FMD Manager; Engr. Alan N. Fabricante – Acting IMO Head – Sorsogon & Masbate	136,472.77	With justification.
NS 12-011-101/ 11-05- 2012	The amount of P4,902,538.59 was suspended in audit. Per Section 68 of Rule 22 of RA No. 9184, once the cumulative amount of liquidated damages reaches 10% of the amount of the contract, the procuring entity shall rescind the contract without prejudice to other courses of action and remedies open to it. Also, Item 3.A.2.C of Appendix 4 of RA No. 9184 also states that termination of contract shall be made if the contractor abandons the contract works, refuses or fails to comply with a valid instruction of the Procuring Entity (PE) or fails to proceed expeditiously and without delay despite a written notice by the PE.	Engr. William P. Ragodon – Regional Manager; Engr. Edmundo T. Villaluz – Project-in-Charge	4,902,538.59	With justification.
NS 12-012-101/ 11-05- 2012	The amount of P3,758,313.48 was suspended in audit. Per Section 68 of Rule 22 of RA No. 9184, once the cumulative amount of liquidated damages reaches 10% of the amount of the contract, the procuring entity shall rescind the contract without prejudice to other courses of action and remedies open to it. Also, Item 3.A.2.C of Appendix 4 of RA No. 9184 also states that termination of contract shall be made if the contractor abandons the contract works, refuses or fails to comply with a valid instruction of the PE or fails to proceed expeditiously and without delay despite a written notice by the PE.	Engr. William P. Ragodon– Regional Manager; Engr. Felizardo A. Olfindo – Project-in-Charge	3,758,313.48	With justification.
			9,347,000.99	

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
Region VI				
10-001-501 RO/ 10-28-10	Expenses for 47th NIA Anniversary	E. Lomigo, W. Garsulao, et al.	150,000.00	For issuance of Notice of Disallowance (ND)
09-001-501 RO/ 11-13-09	Payment for Collective Negotiation Agreement (CNA) lack of supporting papers	V. Ramirez, E. Carreon, et al.	1,573,658.72	-do-
2013-001-501 (2012) Iloilo-Guimaras IMO/ 01-10-13	Payment of CY 2012 Collective Negotiation Agreement (CNA)	J. Dato-on, F. Colorado, J. Villanueva, et al.	2,329,000.00	For issuance of ND.
11-001-501 COB Iloilo-Guimaras IMO/ 02-18-11	BAC Honoraria CY 2010	F. Colorado, J. Villanueva, L.G. Causing, BAC Members et al.	64,000.00	-do-
2010-002-501 DA Iloilo-Guimaras IMO/ 07-02-10	One unit Motor Engine Toyota 2L	F. Colorado, J. Villanueva, et. al	78,553.57	-do-
2010-001-501 DA Iloilo-Guimaras IMO/ 07-02-10	Partial Payment of Siwaragan CIS	F. Colorado, J. Villanueva, et. al.	1,900,000.00	-do-
2012-003-501 Antique IMO/ 03-12-12	Non-submission of supporting documents of the salary claim under unnumbered general payroll headed by Engr. Jose R. Oredina for the period January 1-15, 2012.	Timoteo D. Acosta, Jr.	13,298.76	-do-
2011-007-501(10) Antique IMO/ 07-19-2011	Payment of CNA Incentive is contrary to rules and regulations, hence considered irregular.	-do-	48,000.00	-do-
2011-006-501(10) Antique IMO/ 07-19-11	-do-	NIA Antique IMO Officers & Employees	1,302,000.00	-do-
2011-005-501(10) Antique IMO/ 07-01-11	Payment of Cost of Living and Amelioration Allowance without specific authority from DBM/President of the Republic of the Philippines.	-do-	497,301.80	-do-
2011-004-501(10) Antique IMO/ 07-01-11	-do-	-do-	49,490.00	-do-
2011-003-501(10) Antique IMO/ 07-01-11	-do-	-do-	1,008,300.00	-do-
2011-002-501(10) Antique IMO/ 03-17-11	Payment of CNA Incentive is contrary to rules and regulations, hence considered irregular.	Timoteo D. Acosta, Jr.	369,000.00	-do-

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2011-001-501(10) Antique IMO/ 03-17-11	-do-	-do-	2,317,500.00	For issuance of ND
2010-002-501(10) Antique IMO/ 04-26-10	Payment of Cost of Living Allowance and Amelioration Allowance.	Timoteo D. Acosta, Jr.	226,245.76	-do-
2010-001-501(10) Antique IMO/ 04-26-10	Payment of CNA CY 2010.	-do-	150,000.00	-do-
2011-001-(2010) Capiz IMO/ 01-26-11	Payment of CNA	Various NIA employees	50,000.00	-do-
2011-002-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-003-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-004-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-005-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-006-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-007-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-008-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-009-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-010-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-011-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
2011-012-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2011-013-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	For issuance of ND
2011-014-(2010) Capiz IMO/ 01-26-11	-do-	-do-	50,000.00	-do-
15-04-501-JRMP II(12)/ 09-11-2015	Expenses in connection with PICE Seminar-Workshop	E. R. Carreon, M. A. G. Santander, et al.	27,920.00	Justification submitted for evaluation
15-03-501-JRMP II(12)/ 09-10-2015	Expenses in connection with PICE Mid-year Convention 2012	G. P. Corsiga, M. A. G. Santander, et al.	66,856.90	-do-
15-02-501-JRMP II(12)/ 09-09-2015	-do-	-do-	223,848.90	-do-
			13,094,974.41	
Region VII				
2011-011- 501(10)/ 02-07-11	Monthly Retainer's fee of Atty. Salvador D. Diputado	Atty. Salvador D. Diputado et al.	84,000.00	
2011-001-501 COB(11)/ 09-05-11	CNA Incentives CY 2009	Diosdado A. Rosales et al.	306,000.00	
2011-002-501 COB(11)/ 09-05-11	CNA Incentives CY 2010	Diosdado A. Rosales et al.	768,000.00	
			1,158,000.00	
Region VIII				
2016-012- 501(16)/ 2016	U-Gasoline Filling & Service Station		271,440.45	
2016-014-501 COB(16) 2016	Ricy Bocboc		10,600.00	
			282,040.45	
Region IX				
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	83,967.00	For issuance of NSSDC
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	14,662,542.65	-do-
ZAMB-13-001	Liquidation report No. 06-13-43 dtd. 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	-do-

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
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 UPRIS, Region 4A	Melvin P. Maata	99,966.72	For issuance of NSSDC
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 UPRIS 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	For Issuance of ND
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	For Issuance of ND
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	For Issuance of ND
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	For issuance of NSSDC
RO-14-002(13)	Payment for travel to Boracay Island, Malay, Aklan for the AGIA Seminar	Various	176,055.92	For Issuance of ND
			15,277,837.80	
Region X				
2014-001-101-2013/09-10-14	Contract project with L-Beths Construction for Manupali River IS	Felix M. Razo, Sharon Rose S. Sabenecio, Avelino Andilab	22,570,512.00	
2015-001-101-2013/03-2-15	Contract project with L-Beths Construction under Contract Ref No. CW-BUK-CF(PABLO)-2013-PULRIS-NEGO	Felix M. Razo, Sharon Rose S. Sabenecio, Avelino Andilab, Hilarion C. Cedeño, Jimmy L. Apostol	16,966,788.82	
2016-001-101(2015)/02-16-16	Unsubmitted payrolls and supporting documents	Engr. Joecarmine L. Gubat Alfredo C. Donque	388,329.78	

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2016-001-501 (2015)/ 2-16-16	Unsubmitted payrolls and supporting documents	Engr. Joecarnine L. Gubat Alredo C. Donque	68,384.56	
2016-001-Special (2015)/ 02-16-16	Unsubmitted payrolls and supporting documents	Engr. Joecarnine L. Gubat Alredo C. Donque	642.81	
2016-002-Special(2015) / 03-17-16	Unsubmitted liquidation of cash advances	Alredo C. Donque, et al.	56,600.00	
2016-002-501 (2015)/ 03-17-16	Unsubmitted liquidation of cash advances	Alredo C. Donque, et al.	106,406.16	
2016-003-501(2015) LAMISCA	Use of cash advance other than its intended purpose	Engr. Joecarnine L. Gubat Vivan M. Rubante Dorris S. Gorra	30,000.00	
2016-003-Special Fund-2016/ 07-22-16	Lack of supporting documents for the payment of expenses incurred during coordination meeting and performance assessment	Engr. Joecarnine L. Gubat Vivan M. Rubante	74,550.00	
2016-004-Special Fund-16 LAMISCA	Use of cash advance other than its intended purpose	Engr. Joecarnine L. Gubat Vivan M. Rubante Nelsa P. Dicap	35,000.00	
2015-027-101(2014)/ 12-28-15	Construction of lateral canal	Engr. Jimmy L. Apostol Ms. Adelina T. Calonge Engr. Elpedio D. Lucernas	7,327,192.74	
2015-026-101(2014)/ 12-22-15	Construction for the completion of Ogee Dam of Bonacao CIS	Engr. Jimmy L. Apostol Ms. Adelina T. Calonge Engr. Elpedio D. Lucernas	3,660,676.28	
2015-020-101- IRPEP(2014)/ 09-08-15	Construction of Dam Rehabilitation and replacement and raising of Teruvian Grills of BRIS	Engr. Jimmy L. Apostol Ms. Adelina T. Calonge Engr. Elpedio D. Lucernas	9,357,296.63	
2015-010-101- IRPEP(2014)/ 07-08-15	Construction of Dam Rehabilitation of Pulangui River Irrigation System	Engr. Jimmy L. Apostol Ms. Adelina T. Calonge Engr. Elpedio D. Lucernas	29,449,996.46	
2016-020-(2015) 501 COB, 501 LFP's, 501 CARP IC/ 11-24-16	Cash in Bank Register report and Cash Disbursement Register report covering the check issued and payroll, respectively	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros	55,547.33	
2016-019-(2015) 501 LFP's, 501 CARP IC, 501 IRPEP, 501 NISRIP, 501 COB/ 11-23-16	Cash in Bank Register report covering check issued. Cash Disbursement Register report covering the payroll.	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros	106,543.46	
2016-017-(2015) 102 NISRIP, 501 FAPS/ 11-04-16	Transactions of NIA-BIMO for granting Cash Advances to officers	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge	1,362.96	

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2016-016-(2015) 501 IRPEP, 501 COB/ 10-03-16	Transactions of NIA-BIMO for granting Cash advance to officers for the period July 1-31, 2016	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros Ms. Belna M. Acobo	10,000.00	
2016-015-(2015) 501 COB, 501 TALAKAG LFP, 501 LFP, ARISP III LP, 501 CARP IC/ 09-19-16	Cash in Bank Register report and Cash Disbursement Register report covering the check issued and payroll	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros	114,035.12	
2016-014-(2015) 501 COB, 501 LFP/IMTSS, 501 Talakag LFP's 501 CARP IC/ 09-13-16	Cash in Bank Register report covering the the check issued. Cash Disbursement Register report covering the payroll.	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros	559,448.67	
2016-011-(2015) 501 COB, 501 TALAKAG BSGC, 501 LFP, ARISP III LP, 501 CARP-IC & 501 NISRIP/ 07-29-16	Cash in Bank Register report and Cash Disbursement Register report covering the check and payroll.	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros	377,345.80	
2016-010-(2015) 501 COB, 501 IRPEP, & 501 LFP's/IMTSS, 501 Talakag LFP's, ARISP III LP, MINSAAD GOP/ 07-22-16	Cash in Bank Register report covering the check issued. Cash Disbursement Register report covering the payroll	Engr. Aguinaldo Y. Cruz Ms. Adelina T. Calonge Ms. Imelda P. Monteros	43,596.93	
2016-008-(2015) 501 COB, 501 LFP's/IMTSS/ 07-07-2016	Financial Transactions to COB and LFP Funds of NIA-BIMO	Engr. Aguinaldo Y. Cruz Adelina T. Calonge Jimmy Apostol Imelda P. Monteros	3,152.07	
2016-007-(2015) 501 COB, 501 Talakag, 101 IRPEP CW, 501 IMTSS/LFP, 501 IRPEP, 101, 102 PIDP LP/PC 501 CARP IC, 501 NISRIP, ARISP III LP, GOP, 501 TALAKAG LFP/BSGC/ 06-09-16	Cash in Bank Register Reports and Cash Disbursement Register Report covering payments of payroll.	Engr. Aguinaldo Y. Cruz Adelina T. Calonge Imelda P. Monteros	528,155.00	
2016-002-(2015) 501 COB, 501 Talakag, 501 PIDP-PC, 501 IMTSS/LFP, 501 IRPEP, 101, 501 CARP IC, 501 NISRIP, ARISP III LP/ 03-22-2016	Financial transactions to various funds of NIA-BIMO with the information taken from the submitted report CIBR and CDR.	Engr. Aguinaldo Y. Cruz Adelina T. Calonge Imelda P. Monteros	3,303,094.89	
			95,194,658.47	
Region XI				
2015-003-501-(RO)/ 7/15/15	Non-submission of original docs. to support liquidation of CA	Estela B. Buenaventura	104,183.90	

NS No./Date	Nature/Particulars	Persons Responsible	Amount	Status
2015-002-501-(R0) 6/19/15		Lolita de Juan/Lenita de Juan-Clemente	66,000.00	
2015-001-501-(R0) 6/19/15		Southern Banawe	56,000.00	
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 Alfaro	130,887.99	
			503,231.87	
Region XII				
SILBRIS 2014-001-501(14)	Payment of VIG CY 2013	NIA Employees	699,931.89	
SCIMO/MABARIS 2014-001-501(14)	Payment of VIG CY 2013	NIA Employees	1,411,497.06	
			2,111,428.95	
Region XIII				
10-013-501 COB-(09) 01-06-10	CNA payment	Joel P. Morgado	180,000.00	For ND issuance
12-002-501COB-(12) 11-19-12	payment of travel-non submission of required supporting doc	Engr. Albarito B. Dimson	7,198.00	For ND issuance
			187,198.00	
TOTAL CORPORATE FUND			P 341,298,442.02	
III. SPECIAL FUND				
Region VI				
09-004-158 (07)/ 12-21-2009	Various NIA employees	Lack of supporting documents on liquidation of cash advance	16,000.00	For issuance of ND
09-003-158 (07) 12-21-2009	-do-	-do-	10,000.00	-do-
09-002-158 (07) 11-12-2009	-do-	-do-	8,958.00	-do-
09-001-158 (07) 11-12-2009	-do-	-do-	11,710.25	-do-
09-001-158A2 (07) 11-12-2009	-do-	-do-	9,972.25	-do-
			56,640.50	
Region IX				
Various NS		Various payees	15,527,615.80	For verification.
Region XIII				
10-001-158 CARP-(09) 01/06/2010	Lack of documentation on the payment of CNA.	Various personnel	105,000.00	Unsettled; for issuance of ND.
TOTAL SPECIAL FUND			P 15,689,256.30	
GRAND TOTAL ALL FUNDS (IN PESOS)			P 1,599,287,452.51	
GRAND TOTAL (IN US\$)			US\$ 3,863,966.92	