

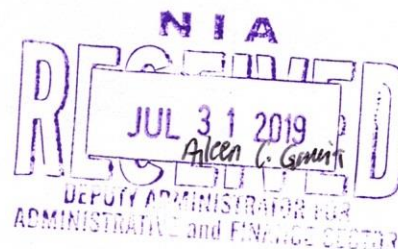


Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CORPORATE GOVERNMENT SECTOR
Cluster 5 – Agricultural and Natural Resources

July 31, 2019

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



Dear Administrator Visaya:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our Report on the results of the audit of the accounts and transactions of the **National Irrigation Administration (NIA)** for the years ended December 31, 2018 and 2017.

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 in view of the following:

1. The net off book adjustments on the Net Assets/Equity in the total net negative amount of P9.348 billion and inactive accounts of 75 completed projects with Net Assets/Equity net positive amount of P22.726 billion, equivalent to 3.63 per cent and 8.82 per cent, respectively, of the total Net Assets/Equity of P257.628 billion as at December 31, 2018 cast doubt on the reliability of the respective balances of assets, liability and equity accounts, which consequently affected the fair presentation of the Financial Statements (FS) as a whole, as required under Paragraph 7 of Philippine Public Sector Accounting Standards (PPSAS) 1. Of the total Net Assets/Equity adjustments for 75 completed projects of P22.726 billion, 56.16 per cent or P12.763 billion for 39 completed projects were not supported with documentation such as schedules or subsidiary records, thus further affecting the reliability of the account balances presented in the Statements of Financial Position (SFP).
2. The prior period errors and other adjustments aggregating P5.289 billion in the Statements of Changes in Net Assets/Equity (SCNA/E), are not supported with appropriate documents and are not adequately disclosed and properly presented. These also cast doubt on the reliability of the account balances presented in the SCNA/E and likewise affected the fair presentation of the SFP.

3. The carrying amount of the Property, Plant and Equipment (PPE) aggregating P267.696 billion, as stated in the SFP, cannot be relied upon due to adverse effects of the: (a) variances of P66.857 billion between the accounting records and Report on Physical Count of Property, Plant and Equipment (RPCPPE) as well as the Engineering and Operations Division (EOD) reports; (b) inadequate accounting and property records to substantiate the PPE items costing P62.029 billion; and (c) non-reclassification of completed infrastructure projects and non-infrastructure PPEs amounting to P30.756 billion and P492.084 million, respectively, from Construction in Progress (CIP) to the appropriate accounts i.e., asset/expense account. Also, the non-disposal of unserviceable properties aggregating P65.754 million resulted in the non-derecognition of said properties from the books.

4. The net amount of Receivables of P33.499 billion in the SFP is overstated due to non-provision of Allowance for Impairment of P7.277 billion for accounts aged 10 years and above to bring the balance of the Accounts Receivable-Irrigation Service Fees aggregating to P23.500 billion to its net realizable value. Also, the Inter-agency Receivables account balance of P14.506 billion is unreliable due to: (a) negative/abnormal balances totaling P14.895 million; (b) incomplete subsidiary records and schedules and unsupported accounts of P7.000 million; and (c) discrepancies of P14.058 billion between books and confirmed balances rendered.

5. The Inter-agency Payables account balance of P79.924 billion in the SFP particularly the Due to National Government Agencies and Due to Government Owned and Controlled Corporations accounts could not be ascertained due to: (a) unreconciled variance amounting to P11.557 billion between the records of NIA and confirmed balances of the Source Agencies (SAs); (b) absence of subsidiary records and supporting documents for accounts totaling P3.316 billion; (c) abnormal balances aggregating P1.149 billion; and (d) misclassification of transactions to the account totaling P7.320 million. Likewise, Financial Liabilities account of P12.371 billion included outstanding balances of Accounts Payable (AP) of P12.320 billion in Notes 16 to FS. The AP balance is doubtful because of: (a) dormant and long outstanding accounts without supporting claims aggregating P2.484 billion; (b) absence of complete subsidiary records; (c) discrepancies of P851.025 million between books and confirmed balances; and (d) negative balances aggregating P1.149 billion.

6. The reciprocal accounts totaling P1.346 billion which were not eliminated during the process of combination of the Trial Balances of Central Office (CO) and Regional Offices (ROs) at year-end overstated the intra-agency receivable and payable accounts by P1.107 billion and P239.447 million, respectively, in the SFP.

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

1.1 Direct the Accounting Division-CO and concerned ROs, which implemented the subject completed projects, to exert best efforts to retrieve documents pertinent to the off-book adjustments and inactive accounts and effect the necessary adjustments.

2.1 Direct the Accounting Division to:

- a. Present the correction of prior period errors and other adjustments by restating the comparative amounts for the period(s) presented in which errors/adjustments occurred and provide adequate disclosures thereof in the Notes to FS in compliance with PPSAS 3;
- b. Revise the Notes to FS to adequately provide appropriate description of the effect of adjustment in the Accumulated Surplus/Deficit account;
- c. Prepare duly-supported list/schedules showing the details of prior period errors and lump-sum other adjustments; and
- d. Verify and analyze the unaccounted adjustments.

3.1 Instruct the Accounting Division/Section of the CO and concerned ROs to:

- a. Coordinate with the Property Division and EOD on the reconciliation of records and facilitate the submission of reconciliation report;
- b. Maintain and regularly update subsidiary ledgers (SLs) for all PPE accounts, and conduct a continuous analysis of the accounts to ensure the reconciliation of the same with the general ledger;
- c. Refrain from recording the CIP account of non-infrastructure PPE items, and charging of expenses which are non-capitalizable and non-project related, and adjust the non-infrastructure PPEs and expenses recorded in the CIP account to the appropriate accounts;
- d. Coordinate with the proper office/s in exerting efforts to complete the documentation necessary to reclassify the cost of items in the CIP account to the PPE accounts;
- e. Provide full and adequate disclosure on the PPEs in the Notes to FS in order to provide reliable and useful information to users; and
- f. Dispose the unserviceable properties and derecognize the carrying amount from the books pursuant to Paragraph 82 of PPSAS 17.

3.2 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;

3.3 Direct the Project Management Office, Accounting Division/Section, and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset accounts;

3.4 Instruct the Inventory Team/Committee to conduct inventory count of all PPE items to establish the actual existence thereof and include the same in the RPCPPE;

3.5 Require the concerned ROs to:

a. Prioritize speedy acquisition of land titles in the name of NIA for all the parcels of land where their office buildings and/or irrigation canals are situated in order to establish absolute right over said property and to avoid further risk of future claims by private individuals which may result in loss on the part of the government;

b. Facilitate the transfer of ownership of the vehicle acquired thru Lease Agreement under the NIA's name and as basis of the Accounting Section to record in the books; and

c. Create a Committee which would facilitate the proper disposal of unserviceable properties in accordance with Section 79 of PD No. 1445.

4.1 Direct the concerned personnel of the Accounting Division/Section of the CO and concerned ROs to:

a. Provide the Allowance for Impairment to bring the carrying amount of the AR-ISF to its net realizable value;

b. Analyze the abnormal/negative balances and prepare the necessary adjustments;

c. Update recording in the SLs indicating therein all required/necessary information to facilitate tracking of recorded transactions and prepare ageing schedules as required under Annex 3 of COA Circular No. 2016-005 dated December 19, 2016;

d. Investigate the unsupported adjustment of P7 million and make the necessary correction, if warranted;

e. Reconcile the variance between the book balance and the confirmed amounts by the implementing agencies; and

f. Request for the authority to write-off the accounts which no longer exist in the books of the debtors applying the guidelines in COA Circular No. 2016-005 dated December 19, 2016 on the writing off of dormant accounts.

5.1 Direct the Accounting Division/Section, CO and concerned RO/Upper Pampanga River Integrated Irrigation System to:

a. Reconcile the variance between the book balances and confirmed amounts by the SAs;

- b. Exert best efforts to analyze the long outstanding/non-moving and misclassified accounts and accounts with abnormal/negative balances, and effect the necessary adjustments in the books;
- c. Prepare the updated and complete detailed schedules and SLs as well as supporting documents pertaining to the accounts;
- d. Maintain and update SLs for each contractor/supplier starting from their respective inception dates;
- e. Review/analyze the payables account to ascertain the cause of abnormal/negative balances and determine the validity of dormant/long-outstanding payables and revert to the Accumulated Surplus/(Deficit) account those not supported with valid claims; and
- f. Prepare an updated ageing schedule of payables.

6.1 Direct the Accounting Division/Section of CO and ROs to exert best effort to verify the reciprocal accounts to eliminate the balances during the process of combination.

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

7. Proper planning and implementation of projects were not strictly observed, as: (a) 299 irrigation contracts/projects with total contract cost of P20.704 billion incurred significant delays of up to 2,287 calendar days (CDs) owing to the unsatisfactory performance of contractors, among others; (b) defaulting contractors for 44 contracts costing P12.245 billion were not imposed with liquidated damages (LDs); (c) 20 on-going contracts aggregating P9.039 billion that have already incurred huge negative slippages ranging from 15 per cent to 87.84 per cent were neither terminated nor rescinded; (d) performance securities of 472.067 million were not forfeited for 43 terminated contracts costing P2.207 billion; (e) change orders (ChOs)/variation orders (VOs) and contract time extensions (CTEs) were granted to contractors for 42 contracts/projects with total cost of P544.184 million notwithstanding the inadequate evaluation and incomplete documentation, among others, thus, resulting in wastage of government resources.

7.1 We recommended that Management:

- a. Adhere strictly to the provisions of Section 17.6 of the Republic Act No. 9184 and Item 1 of Annex "A" of its Revised Implementing Rules and Regulations that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of the Right of Way are duly complied with and approved to ensure that all contracts are efficiently carried out to avoid delays in the implementation of the irrigation projects;

- b. Require the Managers of the Implementing Units to:
 - b.1. Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;
 - b.2. Evaluate meticulously and judiciously requests for changes in the scope of works/quantities of work items and time extensions to ensure that ChOs/VOs and CTEs are duly approved by NIA Administrator or his authorized representative and both are duly supported with complete documents;
 - b.3. Turn over immediately the operations and maintenance of all completed and operational communal irrigation projects to the concerned Irrigators Associations (IAs) duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the Agency and the IAs;
- c. Require the Accounting Division/Section of CO and concerned ROs/Irrigation Management Offices to immediately impose LDs for projects that incurred negative slippages without valid justification and approved CTEs;
- d. Rescind/terminate 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;
- e. Require the Legal Department and Internal Audit Services to conduct investigations to determine persons responsible for: (i) not imposing LDs; (ii) approving/granting of ChOs/VOs and CTEs without proper evaluation and documentation; and (iii) not terminating the contracts that incurred huge negative slippage due to contractor's fault; and
- f. Require the Legal Department to file appropriate case against the persons responsible, if warranted.

7.2 We likewise recommended that Management:

- a. Create an inspectorate team to conduct a thorough inspection and turnover of completed projects to the IAs for operation and maintenance, and render the necessary reports thereon; and
- b. Ensure that a thorough inspection and validation of the actual accomplishments on all infrastructure projects submitted for progress billing is conducted and that the status reports showing the accurate actual work accomplished as compared to the contractor's Statement of Work Accomplished are prepared.

The audit observations together with the recommended courses of action, which were discussed by the Audit Teams with concerned Management officials and staff during the exit conference conducted on July 9, 2019, 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:


MARY S. ADELINO
Director IV
Cluster Director

Copy furnished:

*The President of the Republic of the Philippines
The Vice President
The President of the Senate
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 National Library
The UP Law Center*

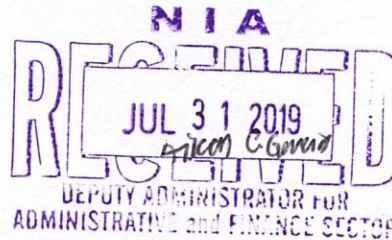


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Cluster 5 – Agricultural and Natural Resources

July 31, 2019

THE BOARD OF DIRECTORS
National Irrigation Administration
EDSA, Quezon



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- b. Revise the Notes to FS to adequately provide appropriate description of the effect of adjustment in the Accumulated Surplus/Deficit account;
- c. Prepare duly-supported list/schedules showing the details of prior period errors and lump-sum other adjustments; and
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3.1 Instruct the Accounting Division/Section of the CO and concerned ROs to:

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- e. Provide full and adequate disclosure on the PPEs in the Notes to FS in order to provide reliable and useful information to users; and
- f. Dispose the unserviceable properties and derecognize the carrying amount from the books pursuant to Paragraph 82 of PPSAS 17.

3.2 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;

3.3 Direct the Project Management Office, Accounting Division/Section, and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset accounts;

3.4 Instruct the Inventory Team/Committee to conduct inventory count of all PPE items to establish the actual existence thereof and include the same in the RPCPPE;

3.5 Require the concerned ROs to:

- a. Prioritize speedy acquisition of land titles in the name of NIA for all the parcels of land where their office buildings and/or irrigation canals are situated in order to establish absolute right over said property and to avoid further risk of future claims by private individuals which may result in loss on the part of the government;
- b. Facilitate the transfer of ownership of the vehicle acquired thru Lease Agreement under the NIA's name and as basis of the Accounting Section to record in the books; and
- c. Create a Committee which would facilitate the proper disposal of unserviceable properties in accordance with Section 79 of PD No. 1445.

4.1 Direct the concerned personnel of the Accounting Division/Section of the CO and concerned ROs to:

- a. Provide the Allowance for Impairment to bring the carrying amount of the AR-ISF to its net realizable value;
- b. Analyze the abnormal/negative balances and prepare the necessary adjustments;
- c. Update recording in the SLs indicating therein all required/necessary information to facilitate tracking of recorded transactions and prepare ageing schedules as required under Annex 3 of COA Circular No. 2016-005 dated December 19, 2016;
- d. Investigate the unsupported adjustment of P7 million and make the necessary correction, if warranted;
- e. Reconcile the variance between the book balance and the confirmed amounts by the implementing agencies; and
- f. Request for the authority to write-off the accounts which no longer exist in the books of the debtors applying the guidelines in COA Circular No. 2016-005 dated December 19, 2016 on the writing off of dormant accounts.

5.1 Direct the Accounting Division/Section, CO and concerned RO/Upper Pampanga River Integrated Irrigation System to:

- a. Reconcile the variance between the book balances and confirmed amounts by the SAs;
- b. Exert best efforts to analyze the long outstanding/non-moving and misclassified accounts and accounts with abnormal/negative balances, and effect the necessary adjustments in the books;

- c. Prepare the updated and complete detailed schedules and SLs as well as supporting documents pertaining to the accounts;
- d. Maintain and update SLs for each contractor/supplier starting from their respective inception dates;
- e. Review/analyze the payables account to ascertain the cause of abnormal/negative balances and determine the validity of dormant/long-outstanding payables and revert to the Accumulated Surplus/(Deficit) account those not supported with valid claims; and
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7.1 We recommended that Management:

- a. Adhere strictly to the provisions of Section 17.6 of the Republic Act No. 9184 and Item 1 of Annex "A" of its Revised Implementing Rules and Regulations that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of the Right of Way are duly complied with and approved to ensure that all contracts are efficiently carried out to avoid delays in the implementation of the irrigation projects;
- b. Require the Managers of the Implementing Units to:
 - b.1. Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;

b.2. Evaluate meticulously and judiciously requests for changes in the scope of works/quantities of work items and time extensions to ensure that ChOs/VOs and CTEs are duly approved by NIA Administrator or his authorized representative and both are duly supported with complete documents;

b.3. Turn over immediately the operations and maintenance of all completed and operational communal irrigation projects to the concerned Irrigators Associations (IAs) duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the Agency and the IAs;

c. Require the Accounting Division/Section of CO and concerned ROs/Irrigation Management Offices to immediately impose LDs for projects that incurred negative slippages without valid justification and approved CTEs;

d. Rescind/terminate 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;

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f. Require the Legal Department to file appropriate case against the persons responsible, if warranted.

7.2 We likewise recommended that Management:

a. Create an inspectorate team to conduct a thorough inspection and turnover of completed projects to the IAs for operation and maintenance, and render the necessary reports thereon; and

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The 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 July 9, 2019, 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:



MARY S. ADELINO

Director IV

Cluster Director

Copy furnished:

*The President of the Republic of the Philippines
The Vice President
The President of the Senate
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 National Library
The UP Law Center*



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

ANNUAL AUDIT REPORT

on the

**NATIONAL IRRIGATION ADMINISTRATION
(NIA)**

For the Years Ended December 31, 2018 and 2017

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 Irrigation Offices (RIOs) including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIIS), 50 Irrigation Management Offices (IMOs) inclusive of nine interim IMOs, and 10 Project Management Offices (PMOs).

As at December 31, 2018, NIA had personnel complement of 6,911 composed of 3,418 permanent employees; 642 daily/contract of service/job order; and 2,851 project-based paid personnel.

FINANCIAL HIGHLIGHTS (In Million Pesos)

The funding sources for the implementation of NIA Irrigation Development Program were appropriated under the General Appropriations Act (GAA) of fiscal year (FY) 2018, RA No.10964 for the National Irrigation Administration (Section XXXVI-Budgetary Support to Government Corporations, K.10. Other Executive Offices-NIA), summarized as follows:

I. Allotments received and Obligations

	CY 2018 Irrigation Program (In Thousand Pesos)			
	Appropriation	Allotment	Release Cash/ Non Cash	Obligation
CY 2018 Irrigation Program				
General Administration and Support	P 11,382,793	P 11,382,793	P 11,382,793	P 10,967,561
Support to Operations	2,264,716	2,264,716	849,668	1,479,609
Operations	28,021,653	28,021,653	9,741,451	26,454,218
Total	P 41,669,162	P 41,669,162	P 21,973,912	P 38,901,388

	Carry Over Funds (In Thousand Pesos)		
	Unobligated Balance 2017	Release Cash/ Non Cash	Obligation
Various Projects	P 4,313,541	P 14,372,163	P 2,006,180

II. Sources of Funds

	2018	2017
Subsidy Income from National Government-GAA	33,304.104	31,689.502
Revenue from Operations	873.207	1,120.478
	34,177.311	32,809.980

III. Uses of Funds

	2018	2017
Implementation of the Project/Capital Outlay	21,676.722	24,696,616
Personnel Services	2,652.703	1,898,712
Maintenance and Other Operating Expenses	1,325.605	2,666,254
Loan Repayment	525.560	1,498,870
Others	-	809,863
	26,180.590	31,570.315

IV. Comparative Financial Position

	2018	2017 (as restated)	Increase/ (Decrease)
Assets	386,318.888	351,618.080	34,700.808
Liabilities	128,690.381	120,617.804	8,072.577
Equity	257,628.507	231,000.276	26,628.231

V. Comparative Financial Performance

	2018	2017 (restated)	Increase/ (Decrease)
Income (includes gain on foreign exchange)	34,177.311	32,809.980	(1,367.331)
Expenses (includes depreciation and loss on foreign exchange)	5,048.456	1,364.315	3,684.141
	29,128.855	31,445.665	(2,316.810)

SCOPE OF AUDIT

The audit covered the examination, on a test basis, of the accounts and financial transactions of NIA for the period January 1 to December 31, 2018 in accordance with International Standards of Supreme Audit Institutions (ISSAI) to enable us to express an opinion on the fairness of the presentation of the financial statements for the years ended December 31, 2018 and 2017. Also, we conducted our audit to assess compliance with pertinent laws, rules and regulations, as well as adherence to prescribed policies and procedures.

AUDITOR'S OPINION

We do not express an opinion on the fairness of the presentation of the financial statements of NIA as at December 31, 2018 and 2017 in view of the following:

1. The net off book adjustments on the Net Assets/Equity (NA/E) in the total negative amount of P9.348 billion and inactive accounts of 75 completed projects with NA/E positive net amount of P22.726 billion, equivalent to 3.63 per cent and 8.82 per cent, respectively, of the total NA/E of P257.628 billion as at December 31, 2018 cast

doubt on the reliability of the respective balances of assets, liability and equity accounts, which consequently affected the fair presentation of the Financial Statements (FS) as a whole, as required under Paragraph 7 of Philippine Public Sector Accounting Standards (PPSAS) 1. Of the total NA/E adjustments for 75 completed projects of P22.726 billion, 56.16 per cent or P12.763 billion for 39 completed projects were not supported with documentation such as schedules or subsidiary records, thus further affecting the reliability of the account balances presented in the Statement of Financial Position (SFP).

2. The prior period errors and other adjustments aggregating P5.289 billion in the Statements of Changes in Net Assets/Equity (SCNA/E), are not supported with appropriate documents and are not adequately disclosed and properly presented. These also cast doubt on the reliability of the account balances presented in the SCNA/E and likewise affected the fair presentation of the SFP.

3. The carrying amount of the Property, Plant and Equipment (PPE) aggregating P267.696 billion, as stated in the SFP, cannot be relied upon due to adverse effects of the: (a) variances of P66.857 billion between the accounting records and Report on Physical Count of Property, Plant and Equipment (RPCPPE) as well as the Engineering and Operations Division (EOD) reports; (b) inadequate accounting and property records to substantiate the PPE items costing P62.029 billion; and (c) non-reclassification of completed infrastructure projects and non-infrastructure PPEs amounting to P30.756 billion and P492.084 million, respectively, from Construction in Progress (CIP) to the appropriate accounts i.e., asset/expense account. Also, the non-disposal of unserviceable properties aggregating P65.754 million resulted in the non-derecognition of said properties from the books.

4. The net amount of Receivables of P33.499 billion in the SFP is overstated due to non-provision of Allowance for Impairment of P7.277 billion for accounts aged 10 years and above to bring the balance of the Accounts Receivable-Irrigation Service Fees aggregating to P23.500 billion to its net realizable value. Also, the Inter-agency Receivables account balance of P14.506 billion is unreliable due to: (a) negative/abnormal balances totaling P14.895 million, (b) incomplete subsidiary records and schedules and unsupported accounts of P7.000 million and (c) discrepancies of P14.058 billion between books and confirmed balances rendered.

5. The Inter-agency Payables account balance of P79.924 billion in the SFP particularly the Due to National Government Agencies and Due to Government Owned and Controlled Corporations accounts could not be ascertained due to: (a) unreconciled variance amounting to P11.557 billion between the records of NIA and confirmed balances of the Source Agencies (SAs); (b) absence of subsidiary records and supporting documents for accounts totaling P3.316 billion; (c) abnormal balances aggregating P1.149 billion; and (d) misclassification of transactions to the account totaling P7.320 million. Likewise, Financial Liabilities account of P12.371 billion included outstanding balances of Accounts Payable (AP) of P12.320 billion in Notes 16 to FS. The AP balance is doubtful because of: (a) dormant and long outstanding accounts without supporting claims aggregating P2.484 billion; (b) absence of complete subsidiary records; (c) discrepancies of P851.025 million between books and confirmed balances; and (d) negative balances aggregating P1.149 billion.

6. The reciprocal accounts totaling P1.346 billion which were not eliminated during the process of combination of Trial Balances of Central Office (CO) and Regional Offices (ROs) in the SFP overstated the intra-agency receivable and payable accounts by P1.107 billion and P239.447 million, respectively, as at year-end.

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

1.1 Direct the Accounting Division-CO and concerned ROs, which implemented the subject completed projects, to exert best efforts to retrieve documents pertinent to the off-book adjustments and inactive accounts and effect the necessary adjustments.

2.1 Direct the Accounting Division to:

- a. Present the correction of prior period errors and other adjustments by restating the comparative amounts for the period(s) presented in which errors/adjustments occurred and provide adequate disclosures thereof in the Notes to FS in compliance with PPSAS 3;
- b. Revise the Notes to FS to adequately provide appropriate description of the effect of adjustment in the Accumulated Surplus/Deficit account;
- c. Prepare duly-supported list/schedules showing the details of prior period errors and lump-sum other adjustments; and
- d. Verify and analyze the unaccounted adjustments.

3.1 Instruct the Accounting Division/Section of the CO and concerned ROs to:

- a. Coordinate with the Property Division and EOD on the reconciliation of records and facilitate the submission of reconciliation report;
- b. Maintain and regularly update subsidiary ledgers (SLs) for all PPE accounts, and conduct a continuous analysis of the accounts to ensure the reconciliation of the same with the general ledger;
- c. Refrain from recording the CIP account of non-infrastructure PPE items, and charging of expenses which are non-capitalizable and non-project related, and adjust the non-infrastructure PPEs and expenses recorded in the CIP account to the appropriate accounts;
- d. Coordinate with the proper office/s in exerting efforts to complete the documentation necessary to reclassify the cost of items in the CIP account to the PPE accounts;
- e. Provide full and adequate disclosure on the PPEs in the Notes to FS in order to provide reliable and useful information to users; and
- f. Dispose the unserviceable properties and derecognize the carrying amount from the books pursuant to Paragraph 82 of PPSAS 17.

3.2 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;

3.3 Direct the Project Management Office, Accounting Division/Section, and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset accounts;

3.4 Instruct the Inventory Team/Committee to conduct inventory count of all PPE items to establish the actual existence thereof and include the same in the RPCPPE;

3.5 Require the concerned ROs to:

a. Prioritize speedy acquisition of land titles in the name of NIA for all the parcels of land where their office buildings and/or irrigation canals are situated in order to establish absolute right over said property and to avoid further risk of future claims by private individuals which may result in loss on the part of the government;

b. Facilitate the transfer of ownership of the vehicle acquired thru Lease Agreement under the NIA's name and as basis of the Accounting Section to record in the books; and

c. Create a Committee which would facilitate the proper disposal of unserviceable properties in accordance with Section 79 of PD No. 1445.

4.1 Direct the concerned personnel of the Accounting Division/Section of the CO and concerned ROs to:

a. Provide the Allowance for Impairment to bring the carrying amount of the AR-ISF to its net realizable value;

b. Analyze the abnormal/negative balances and prepare the necessary adjustments;

c. Update recording in the SLs indicating therein all required/necessary information to facilitate tracking of recorded transactions and prepare ageing schedules as required under Annex 3 of COA Circular No. 2016-005 dated December 19, 2016;

d. Investigate the unsupported adjustment of P7.000 million and make the necessary correction, if warranted;

e. Reconcile the variance between the book balance and the confirmed amounts by the implementing agencies; and

f. Request for the authority to write-off the accounts which no longer exist in the books of the debtors applying the guidelines in COA Circular No. 2016-005 dated December 19, 2016 on the writing off of dormant accounts.

5.1 Direct the Accounting Division/Section, CO and concerned RO/Upper Pampanga River Integrated Irrigation Systems to:

- a. Reconcile the variance between the book balances and confirmed amounts by the SAs;
- b. Exert best efforts to analyze the long outstanding/non-moving and misclassified accounts and accounts with abnormal/negative balances, and effect the necessary adjustments in the books;
- c. Prepare the updated and complete detailed schedules and SLs as well as supporting documents pertaining to the accounts;
- d. Maintain and update SLs for each contractor/supplier starting from their respective inception dates;
- e. Review/analyze the payables account to ascertain the cause of abnormal/negative balances and determine the validity of dormant/long-outstanding payables and revert to the Accumulated Surplus/Deficit account those not supported with valid claims; and
- f. Prepare an updated ageing schedule of payables.

6.1 Direct the Accounting Division/Section of CO and ROs to exert best effort to verify the reciprocal accounts to eliminate the balances during the process of combination.

OTHER SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

7. Proper planning and implementation of projects were not strictly observed, as: (a) 299 irrigation contracts/projects with total contract cost of P20.704 billion incurred significant delays of up to 2,287 calendar days (CDs) owing to the unsatisfactory performance of contractors, among others; (b) defaulting contractors for 44 contracts costing P12.245 billion were not imposed with liquidated damages (LDs); (c) 20 on-going contracts aggregating P9.039 billion that have already incurred huge negative slippages ranging from 15 per cent to 87.84 per cent were neither terminated nor rescinded; (d) performance securities of P472.067 million were not forfeited for 43 terminated contracts costing P2.207 billion; (e) change orders (ChOs)/variation orders (VOs) and contract time extensions (CTEs) were granted to contractors for 42 contracts/projects with total cost of P544.184 million notwithstanding the inadequate evaluation and incomplete documentation, among others, thus, resulting in wastage of government resources.

7.1 We recommended that Management:

- a. Adhere strictly to the provisions of Section 17.6 of the Republic Act No. 9184 and Item 1 of Annex "A" of its Revised Implementing Rules and Regulations that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of the Right of Way are duly complied with and approved

to ensure that all contracts are efficiently carried out to avoid delays in the implementation of the irrigation projects;

b. Require the Managers of the Implementing Units to:

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

b.2. Evaluate meticulously and judiciously requests for changes in the scope of works/quantities of work items and time extensions to ensure that ChOs/VOs and CTEs are duly approved by NIA Administrator or his authorized representative and both are duly supported with complete documents;

b.3. Turn over immediately the operations and maintenance of all completed and operational communal irrigation projects to the concerned Irrigators Associations (IAs) duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the Agency and the IAs;

c. Require the Accounting Division/Section of CO and concerned ROs/Irrigation Management Offices to immediately impose LDs for projects that incurred negative slippages without valid justification and approved CTEs;

d. Rescind/terminate 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;

e. Require the Legal Department and Internal Audit Services to conduct investigations to determine persons responsible for: (i) not imposing LDs; (ii) approving/granting of ChOs/VOs and CTEs without proper evaluation and documentation; and (iii) not terminating the contracts that incurred huge negative slippage due to contractor's fault; and

f. Require the Legal Department to file appropriate case against the persons responsible, if warranted.

7.2 We likewise recommended that Management:

a. Create an inspectorate team to conduct a thorough inspection and turnover of completed projects to the IAs for operation and maintenance, and render the necessary reports thereon; and

b. Ensure that a thorough inspection and validation of the actual accomplishments on all infrastructure projects submitted for progress billing is conducted and that the status reports showing the accurate actual work accomplished as compared to the contractor's Statement of Work Accomplished are prepared

SUMMARY OF UNSETTLED AUDIT DISALLOWANCES, CHARGES AND SUSPENSIONS

As at December 31, 2018, the total unsettled disallowances, charges and suspensions for all funds amounted P3.067 billion, P1.931 million and P1.721 billion, respectively. Also, disallowances in CO and ROs that attained its finality of decision of P1.172 million and P42.259 million, respectively, or a total amount of P43.431 million were recognized in the books under Receivables-Disallowance/Charges account as disclosed in Note 8.5 to FS.

In addition, there was unsettled suspensions of US\$ 3.864 million under General Fund. The details and status are presented in Annexes A, B, and C of this Report.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 183 audit recommendations embodied in the CYs 2017 and 2016 Annual Audit Reports (AARs) for all funds (General, Corporate and Special), 19 were fully implemented, thus, deleted and excluded from this Status. Forty-seven audit recommendations in CY 2016, which were reiterated in CY 2017, were also deleted from this Status. Notice of Disallowance was issued for one audit recommendation, thus, excluded from this Status but incorporated in Annex B - Status of Unsettled Notices of Disallowances. Lastly, 35 audit recommendations were partially implemented; 15 were not implemented; while 66 were revised and reformulated to be more specific, measurable, and doable.

TABLE OF CONTENTS

	Page
PART I - AUDITED FINANCIAL STATEMENTS	
Independent Auditor's Report	1
Statement of Management's Responsibility for Financial Statements	5
Statements of Financial Position	6
Statements of Financial Performance	7
Statements of Changes in Net Assets/Equity	8
Statements of Cash Flows	9
Statement of Comparison of Budget and Actual Amounts	10
Notes to Financial Statements	12
PART II - OBSERVATIONS AND RECOMMENDATIONS	65
PART III - STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS	133
PART IV - ANNEXES	
A - Disbursements in Regional Offices Without Complete and Proper Documentation	165
B - Status of Unsettled Audit Disallowances as of December 31, 2018	168
C - Status of Unsettled Audit Charges as of December 31, 2018	240
D - Unsettled Audit Suspensions as of December 31, 2018	241



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

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

National Irrigation Administration
EDSA, Quezon City

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We have audited the financial statements of the **National Irrigation Administration (NIA)** which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows for the years then ended, statement of comparison of budget and actual amounts for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements prepared by the NIA in accordance with the Philippine Public Sector Accounting Standards (PPSAS). Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The net off book adjustments on the Net Assets/Equity (NA/E) in the total net negative amount of P9.348 billion and inactive accounts of 75 completed projects with NA/E net positive amount of P22.726 billion, equivalent to 3.63 per cent and 8.82 per cent, respectively, of the total NA/E of P257.628 billion as at December 31, 2018 cast doubt on the reliability of the respective balances of assets, liability and equity accounts, which consequently affected the fair presentation of the Financial Statements (FS) as a whole, as required under Paragraph 7 of Philippine Public Sector Accounting Standards (PPSAS) 1. Of the total NA/E adjustments for 75 completed projects of P22.726 billion, 56.16 per cent or P12.763 billion for 39 completed projects were not supported with documentation such as schedules or subsidiary records, thus further affecting the reliability of the account balances presented in the Statement of Financial Position (SFP).

Also, the prior period errors and other adjustments aggregating P5.289 billion in the Statement of Changes in Net Assets/Equity (SCNA/E), are not supported with appropriate documents and are not adequately disclosed and properly presented. These also cast doubt on the reliability of the account balances presented in the SCNA/E and

likewise affected the fair presentation of the SFP.

Moreover, the carrying amount of the Property, Plant and Equipment (PPE) aggregating P267.696 billion, as stated in the SFP, cannot be relied upon due to adverse effects of the: (a) variances of P66.857 billion between the accounting records and Report on Physical Count of Property, Plant and Equipment (RPCPPE) as well as the Engineering and Operations Division reports; (b) inadequate accounting and property records to substantiate the PPE items costing P62.029 billion; and (c) non-reclassification of completed infrastructure projects and non-infrastructure PPEs amounting to P30.756 billion and P492.084 million, respectively, from Construction in Progress to the appropriate accounts i.e., asset/expense account. Also, the non-disposal of unserviceable properties aggregating P65.754 million resulted in the non-derecognition of said properties from the books.

Likewise, the net amount of Receivables of P33.499 billion in the SFP is overstated due to non-provision of Allowance for Impairment of P7.277 billion for accounts aged 10 years and above to bring the balance of the Accounts Receivable-Irrigation Service Fees aggregating to P23.500 billion to its net realizable value. Also, the Inter-agency Receivables account balance of P14.506 billion is unreliable due to: (a) negative/abnormal balances totaling P14.895 million, (b) incomplete subsidiary records and schedules and unsupported accounts of P7.000 million and (c) discrepancies of P14.058 billion between books and confirmed balances rendered.

Further, the Inter-agency Payables account balance of P79.924 billion in the SFP particularly the Due to National Government Agencies and Due to Government Owned and Controlled Corporations accounts could not be ascertained due to: (a) unreconciled variance amounting to P11.557 billion between the records of NIA and confirmed balances of the Source Agencies; (b) absence of subsidiary records and supporting documents for accounts totaling P3.316 billion; (c) abnormal balances aggregating P1.149 billion; and (d) misclassification of transactions to the account totaling P7.320 million. Likewise, Financial Liabilities account of P12.371 billion included outstanding balances of Accounts Payable (AP) of P12.320 billion in Notes 16 to FS. The AP balance is doubtful because of: (a) dormant and long outstanding accounts without supporting claims aggregating P2.484 billion; (b) absence of complete subsidiary records; (c) discrepancies of P851.025 million between books and confirmed balances; and (d) negative balances aggregating P1.149 billion.

Lastly, the reciprocal accounts totaling P1.346 billion which were not eliminated during the process of combination of Trial Balances of Central Office and Regional Offices at year-end overstated the intra-agency receivable and payable accounts by P1.107 billion and P239.447 million, respectively, in the SFP.

As a result of the matters discussed in the preceding paragraphs, we were unable to determine the necessary adjustments on the above stated accounts and other affected accounts due to the inadequacy of accounting and property records as well as project documents.

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of NIA in accordance with the ethical requirements that are relevant

to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of Matter

Without modifying our disclaimer of opinion, we draw attention to paragraph 4 of Note 1 to financial statements which discusses the approval of Republic Act (RA) No. 10969, or the Free Irrigation Service Act, amending RA No. 3601, on February 2, 2018 which provides condonation and writing off of all unpaid irrigation service fees and corresponding penalties of farmers with eight hectares and below, and all loans, past due accounts and penalties of farmers and Irrigators Associations and corresponding interests and penalties.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PPSAS, 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.

In preparing the financial statements, management is responsible for assessing the NIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NIA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audit conducted in accordance with ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAI, we exercise professional judgment and maintain profession skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

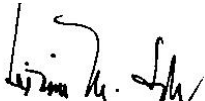
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NIA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NIA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NIA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under BIR Revenue Regulations 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2018 required by the Bureau of Internal Revenue as disclosed in Note 37 to financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PPSAS. Such supplementary information is the responsibility of management.

COMMISSION ON AUDIT



DIVINA M. TELAN

OIC-Supervising Auditor
Audit Group B - National Irrigation Administration
Cluster 5, Corporate Government Sector

July 9, 2019



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

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of NATIONAL IRRIGATION ADMINISTRATION (NIA) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing NIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate NIA or to cease operations, or has no realistic alternative to do so.

The Board of Directors reviews and approves the financial statements, including the schedules therein, and submits the same to the stakeholders.

The Commission on Audit, through its authorized representative, has examined the financial statements of NIA pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 28 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions and the auditor, in its report to the Board of Directors, has expressed its opinion on the fairness of presentation upon completion of such audit.


GEN RICARDO R VISAYA (Ret)

Vice Chairman of the Board / Administrator


MGEN ROMEO G GAN (Ret)

Deputy Administrator
For Administrative and Finance Sector


EDITHA D. MORALES

Manager
Financial Management Department

Signed this 12th day of 2019 MARCH

NATIONAL IRRIGATION ADMINISTRATION
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2018 and 2017 and January 1, 2017
(In Philippine Peso)

	Note	2018	2017 (As Restated)	January 1, 2017 (As Restated)
ASSETS				
Current assets				
Cash and cash equivalents	7	6,426,650,087	9,847,413,417	7,805,409,697
Receivables, net	8	33,498,666,514	36,533,077,947	36,910,314,982
Inventories, net	9	117,194,910	111,515,587	117,111,950
Prepayments	10	5,744,338,751	4,166,041,626	2,547,908,473
Other current assets	11	26,591,970	26,591,970	21,667,455
Total current assets		45,813,442,232	50,684,640,547	47,402,412,557
Non-current assets				
Financial assets	12	72,699,124,300	69,342,413,375	66,401,148,202
Investment property	13	49,769,000	49,769,000	-
Property, plant and equipment, net	14	267,695,700,602	231,464,695,393	210,274,973,130
Biological assets	15	549,229	549,229	547,909
Other non-current assets		60,302,324	76,012,793	117,149,214
Total non-current assets		340,505,445,455	300,933,439,790	276,793,818,455
TOTAL ASSETS		386,318,887,687	351,618,080,337	324,196,231,012
LIABILITIES				
Current liabilities				
Financial liabilities	16	12,370,930,603	4,980,401,754	5,059,721,796
Inter-agency payables	17	79,924,017,136	80,247,689,702	80,320,520,491
Intra-agency payables	18	239,446,824	558,031,928	478,622,940
Trust liabilities	19	1,179,351,071	905,728,299	771,831,473
Provisions	20	308,131,451	159,761,880	-
Other payables	21	2,785,810,339	2,081,684,721	1,847,043,402
Total current liabilities		96,807,687,424	88,933,298,284	88,477,740,102
Non-current liabilities				
Financial liabilities	16	7,606,340,534	8,581,340,534	9,556,340,534
Deferred credits	22	24,276,352,931	23,103,165,665	22,568,896,906
Total non-current liabilities		31,882,693,465	31,684,506,199	32,125,237,440
		128,690,380,889	120,617,804,483	120,602,977,542
NET ASSETS (TOTAL ASSETS LESS TOTAL LIABILITIES)		257,628,506,798	231,000,275,854	203,593,253,470
NET ASSETS/EQUITY				
Accumulated Surplus/(Deficit)	23	252,069,314,934	225,441,083,990	198,034,061,606
Government Equity	24	5,559,191,864	5,559,191,864	5,559,191,864
TOTAL NET ASSETS/EQUITY		257,628,506,798	231,000,275,854	203,593,253,470

The Notes on pages 12 to 64 form part of these Financial Statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Note	2018	2017 (As Restated)
REVENUE			
Service and business income	25	750,187,009	1,021,594,546
TOTAL REVENUE		750,187,009	1,021,594,546
CURRENT OPERATING EXPENSES			
Personnel services	26	2,344,571,621	1,898,712,469
Maintenance and other operating expenses	27	1,325,605,179	1,141,315,705
Financial expenses	28	525,560,028	526,073,262
Non-cash expenses	29	5,850,068,747	1,714,399,829
TOTAL CURRENT OPERATING EXPENSES		10,045,805,575	5,280,501,265
DEFICIT FROM CURRENT OPERATIONS		(9,295,618,566)	(4,258,906,719)
Other non-operating income	30	117,180,195	88,193,064
Gains on foreign exchange	31	5,840,321	10,690,313
Losses		(3,396,456)	-
DEFICIT BEFORE TAX		(9,175,994,506)	(4,160,023,342)
Less: Income tax expense		-	-
DEFICIT AFTER TAX		(9,175,994,506)	(4,160,023,342)
Assistance and subsidy	32	33,304,103,946	31,689,502,092
NET SURPLUS FOR THE PERIOD		24,128,109,440	27,529,478,750

The Notes on pages 12 to 64 form part of these Financial Statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2018
(In Philippine Peso)

	Accumulated Surplus/(Deficit)	Government Equity	Total
	Note 23	Note 24	
BALANCE AT JANUARY 1, 2017, as restated	198,034,061,606	5,559,191,864	203,593,253,470
Changes in Net Assets/Equity for CY 2017			
Add/(Deduct):			
Surplus for the period, (as restated)	27,529,478,750	-	27,529,478,750
Adjustments due to accounting errors	(122,456,366)	-	(122,456,366)
BALANCE AT DECEMBER 31, 2017, AS RESTATED	225,441,083,990	5,559,191,864	231,000,275,854
Changes in Net Assets/Equity for CY 2018			
Add/(Deduct):			
Surplus for the period	24,128,109,440	-	24,128,109,440
Other adjustments	2,500,121,504	-	2,500,121,504
BALANCE AT DECEMBER 31, 2018	252,069,314,934	5,559,191,864	257,628,506,798

The Notes on pages 12 to 64 form part of these Financial Statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018
(In Philippine Peso)

	Note	2018	2017 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflows			
Receipt of assistance/subsidy	32	33,304,103,946	31,698,045,070
Collection of revenue		701,699,968	756,364,288
Trust receipts		121,803,686	103,046,978
Collection of receivables		23,618,444	103,228,849
Receipt of inter/intra-agency fund transfers		-	147,147,496
Other receipts		385,177,465	782,525,209
Total cash inflows		34,536,403,509	33,590,357,890
Adjustments on inactive completed projects		36,243,914	47,542
Adjusted cash inflows		34,572,647,423	33,590,405,432
Cash outflows			
Payment of expenses		5,191,415,022	2,701,518,324
Remittance of personnel benefit contributions		2,900,415,515	1,405,184,316
Prepayments		1,706,739,547	2,759,880,249
Payment of accounts payable		977,978,044	503,846,192
Release of inter/intra-agency fund transfers		957,036,216	427,889,768
Grant of cash advances		243,290,208	122,355,747
Refund of deposits		38,311,980	18,738,084
Other disbursements		2,821,334,129	214,035,178
Total cash outflows		14,836,520,661	8,153,447,858
Net cash provided by operating activities		19,736,126,762	25,436,957,574
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows			
Receipt of interest earned		15,142,709	20,011,955
Proceeds from sale/disposal of PPE		3,295,117	1,901,692
Total cash inflows		18,437,826	21,913,647
Cash outflows			
Purchase/construction of PPE		21,676,721,928	21,917,997,501
Total cash outflows		21,676,721,928	21,917,997,501
Net cash used in investing activities		(21,658,284,102)	(21,896,083,854)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflows			
Payment of loan to National Development Company (NDC)		975,000,000	975,000,000
Payment of interest on loan to NDC		523,870,000	523,870,000
Total cash outflows		1,498,870,000	1,498,870,000
Net cash used in financing activities		(1,498,870,000)	(1,498,870,000)
Net (decrease)/increase in cash and cash equivalents		(3,421,027,340)	2,042,003,720
Effect of exchange rate changes		264,010	-
Cash and cash equivalents, January 1		9,847,413,417	7,805,409,697
Cash and cash equivalents, December 31	7	6,426,650,087	9,847,413,417

The Notes on pages 12 to 64 form part of these Financial Statements.

NATIONAL IRRIGATION ADMINISTRATION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Philippine Peso)

		Budgeted Amount		Actual Amounts	Difference
	Notes	Original	Final	on Comparable Basis	Final Budget and Actual
RECEIPTS					
Service and business income	25	473,896,789	473,896,789	750,187,009	(276,290,220)
Irrigation Service Fee (ISF)		-	-	67,494,238	-
CIP/CIS/RIS amortization & equity		-	-	10,626,114	-
Pump amortization and equity		-	-	561,783	-
Fines & penalties - service income		-	-	7,016,051	-
Rent income		-	-	97,362,204	-
Management fee		-	-	14,104,652	-
Service fees		-	-	479,256,025	-
Energy delivery fee - NPC		-	-	73,765,942	-
Other non-operating income	30	43,007,634	43,007,634	117,180,195	(74,172,561)
Interest		-	-	18,083,844	-
Miscellaneous income		-	-	98,149,541	-
Other fines and penalties		-	-	867,128	-
Income from grants and donations in kind		-	-	79,682	-
Gains on on foreign exchange	31	-	-	5,840,321	(5,840,321)
Assistance and subsidy	32	45,982,702,858	45,982,702,858	33,304,103,946	12,678,598,912
Total Receipts		46,499,607,281	46,499,607,281	34,177,311,471	12,322,295,810
PAYMENTS					
Personnel services (PS)	26				
Basic salaries		1,659,924,876	1,657,990,876	1,335,437,278	322,553,598
Other Compensation		761,793,394	750,129,394	682,602,033	67,527,361
Year-end bonus		138,327,073	134,299,073	210,905,684	(76,606,611)
Personnel Economic and Relief Allowance (PERA)		136,368,000	136,368,000	105,261,966	31,106,034
Representation and Transportation Allowance (RATA)		23,172,000	23,172,000	19,610,067	3,561,933
Clothing allowance		34,092,000	34,092,000	25,195,570	8,896,430
Cash gift		28,410,000	28,410,000	41,951,784	(13,541,784)
Overtime and night pay		15,617,760	15,617,760	18,901,017	(3,283,257)
Honoraria - Bids and Awards Committee (BAC)		2,000,000	-	1,453,579	(1,453,579)
Longevity pay		2,500,000	2,500,000	3,011,000	(511,000)
Other bonuses and allowances:		381,306,561	375,670,561	256,311,366	119,359,195
Performance-based bonus		137,600,000	137,600,000	42,096,838	95,503,162
Medical allowance		3,045,600	3,045,600	2,429,713	615,887
Per diems		2,376,000	768,000	216,000	552,000
Meal allowance		1,005,048	1,005,048	747,903	257,145
Children allowance		330,840	330,840	175,273	155,567
Special counsel allowance		600,000	600,000	207,500	392,500
Collective Negotiation Agreement (CNA)		-	-	83,464,500	(83,464,500)
Anniversary bonus		-	-	11,056,000	(11,056,000)
PIB		-	-	103,934,463	(103,934,463)
Other bonuses and allowances		236,349,073	232,321,073	11,983,176	220,337,897
Personnel benefit contributions		233,917,346	170,392,346	180,914,471	(10,522,125)
Life and retirement insurance		199,190,985	141,942,985	153,217,699	(11,274,714)
Philhealth contributions		21,089,561	14,812,561	16,549,093	(1,736,532)
Pag-ibig contributions		6,818,400	6,818,400	5,438,789	1,379,611
ECC contributions		6,818,400	6,818,400	5,708,890	1,109,510
Other personnel benefits	20 & 26	263,337,277	263,337,277	453,749,290	(190,412,013)
Terminal leave benefits		179,033,121	179,033,121	428,409,106	(249,375,985)
Retirement benefits		55,862,156	55,862,156	6,477,683	49,384,473
Productivity enhancement incentive		28,410,000	28,410,000	13,645,175	14,764,825
Subsistence allowance		32,000	32,000	27,840	4,160
Other personnel benefits		-	-	5,189,486	(5,189,486)
Total personnel services		2,918,972,893	2,841,849,893	2,652,703,072	189,146,821
Maintenance and other operating expenses (MOOE)					
Supplies and material expenses	27	283,127,419	100,603,419	147,857,968	(47,254,549)
Fuel, oil and lubricants		133,463,841	50,419,841	76,036,726	(25,616,885)
Office supplies		88,016,919	24,712,919	40,207,284	(15,494,365)
Other supplies		50,250,322	20,849,322	27,595,862	(6,746,540)

	Notes	Budgeted Amount		Actual Amounts	Difference
		Original	Final	on Comparable Basis	Final Budget and Actual
<i>Drugs and medicine</i>		5,984,422	2,006,422	830,949	1,175,473
<i>Accountable forms</i>		3,432,215	1,951,215	154,527	1,796,688
<i>Medical, dental and laboratory supplies</i>		1,646,500	551,500	14,856	536,644
<i>Textbook and instructional materials</i>		333,200	112,200	-	112,200
<i>Food supplies</i>		-	-	407,255	(407,255)
<i>Semi-expandable-machinery and equipment</i>		-	-	1,446,320	(1,446,320)
<i>Semi-expandable furniture, fixtures and books</i>		-	-	1,164,189	(1,164,189)
Professional services		143,098,609	143,098,609	197,036,437	(53,937,828)
<i>Auditing services</i>		105,300,509	105,300,509	159,886,193	(54,585,684)
<i>Consultancy services</i>		19,800,000	19,800,000	33,844,526	(14,044,526)
<i>Other professional services</i>		10,958,000	10,958,000	1,806,729	9,151,271
<i>Legal services</i>		7,040,100	7,040,100	1,498,989	5,541,111
General Services		24,405,259	24,405,259	21,633,335	2,771,924
<i>Janitorial services/general services</i>		15,207,659	15,207,659	14,984,376	223,283
<i>Security services</i>		8,451,600	8,451,600	6,400,809	2,050,791
<i>Environment & sanitary service</i>		746,000	746,000	-	746,000
<i>Other general services</i>		-	-	248,150	(248,150)
Travelling		65,104,108	65,104,108	60,843,720	4,260,388
Training		76,737,567	45,097,567	121,463,998	(76,366,431)
Utility		114,302,464	114,302,464	180,326,667	(66,024,203)
<i>Electricity</i>		97,959,497	97,959,497	172,780,980	(74,821,483)
<i>Water</i>		16,342,967	16,342,967	7,481,422	8,861,545
<i>Other Utility Expenses</i>		-	-	64,265	(64,265)
Repair and maintenance		404,638,743	137,240,742	152,749,824	(15,509,082)
<i>Machineries and equipment</i>		120,848,175	34,701,175	33,360,454	1,340,721
<i>Transportation equipment</i>		114,594,429	56,355,429	62,621,016	(6,265,587)
<i>Infrastructure, Irrigation/ Agricultural equipment</i>		92,020,826	20,661,826	38,161,221	(17,499,395)
<i>Office buildings and other structure</i>		51,228,514	19,285,514	17,475,833	1,809,681
<i>Furniture and fixtures</i>		16,950,599	3,727,598	486,932	3,240,666
<i>Other property and equipment</i>		8,996,200	2,509,200	511,760	1,997,440
<i>Land and land improvements</i>		-	-	132,608	(132,608)
Communication expense		41,374,309	21,388,310	14,564,893	6,823,417
<i>Telephone expenses</i>		25,692,979	15,056,600	7,593,290	7,463,310
<i>Internet subscription</i>		7,290,012	4,439,205	4,887,838	(448,633)
<i>Cable, Satellite, Telegraph</i>		4,977,668	416,259	458,327	(42,068)
<i>Postage and courier services</i>		3,413,650	1,476,246	1,625,438	(149,192)
Taxes, insurance premiums and other fees		98,139,659	98,139,659	23,290,051	74,849,608
<i>Taxes, duties and licenses</i>		82,759,785	82,759,785	7,489,373	75,270,412
<i>Insurance expense</i>		10,343,169	10,343,169	10,579,649	(236,480)
<i>Fidelity bond premiums</i>		5,036,705	5,036,705	5,221,029	(184,324)
Other maintenance and operating expenses		1,193,517,963	1,184,132,963	405,838,286	778,294,677
<i>Representation expenses</i>		11,831,910	11,453,910	18,053,367	(6,599,457)
<i>Rent expenses</i>		7,115,945	7,115,945	13,119,622	(6,003,677)
<i>Printing and publication</i>		5,908,175	5,616,175	3,824,088	1,792,087
<i>Advertising</i>		4,639,180	1,188,180	665,792	522,388
<i>Subscription expenses</i>		4,531,369	765,369	866,623	(101,254)
<i>Transportation and delivery expenses</i>		2,172,873	674,873	692,552	(17,679)
<i>Membership dues and contributions</i>		965,816	965,816	151,853	813,963
<i>Awards and rewards</i>		500,000	500,000	631,900	(131,900)
<i>Donations/Grants/Subsidies/Contributions</i>		186,000	186,000	1,088,177	(902,177)
<i>Survey expenses</i>		-	-	1,921,987	(1,921,987)
<i>Other maintenance and operating expenses</i>		1,155,666,695	1,155,666,695	364,822,325	790,844,370
<i>Contractual services</i>		-	-	25,295,845	(25,295,845)
<i>Job order</i>		-	-	33,524,136	(33,524,136)
<i>Irrigator's share</i>		-	-	180,172,256	(180,172,256)
<i>Laboratory analysis of soil & water sample</i>		-	-	-	-
<i>Collection expenses</i>		-	-	24,665	(24,665)
<i>Loss on sale of palay</i>		-	-	3,565	(3,565)
<i>Motorcycle allowance</i>		-	-	22,105	(22,105)
<i>Sports</i>		-	-	1,279,850	(1,279,850)
<i>Other miscellaneous expenses</i>		-	-	17,833,070	(17,833,070)
<i>Extraordinary expenses</i>		548,000	548,000	8,352,774	(7,804,774)
<i>Others</i>		1,155,118,695	1,155,118,695	98,314,059	1,056,804,636
Total other maintenance and operating expenses		2,444,446,100	1,933,513,100	1,325,605,179	607,907,921
Capital outlay		39,637,318,288	39,637,318,288	21,676,721,928	17,960,596,360
Financial expenses	28	1,498,870,000	1,498,870,000	525,560,028	973,309,972
Total Payments		46,499,607,281	45,911,551,281	26,180,590,207	19,730,961,074
		-	588,056,000	7,996,721,264	(7,408,665,264)

The Notes on pages 12 to 64 form part of these Financial Statements.

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

(All amounts in Philippine Peso unless otherwise stated)

1. 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.

NIA 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. NIA houses its Central Office (CO) at NIA Complex, EDSA, Diliman, Quezon City.

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, NIA also assumed the irrigation activities of other government agencies, including those of the Irrigation Service Unit of the then Presidential Assistance on Community Development. Thereafter, with the passage 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.

In 2017, with the pronouncement of the current administration, NIA no longer collects Irrigation Service Fee. To formally adopt the Free Irrigation Service Act, RA No. 10969, amending RA No. 3601 was approved by the President last February 2, 2018 implementing the scope of Free Irrigation Service and the Condonation and Writing Off of Loans, Past Due Accounts and Penalties of Farmers and Irrigators Association with landholdings of eight hectares and below only.

In order to achieve its mandate, NIA has the following objectives:

- a. Develop and maintain irrigation systems in support of the agricultural program of the government;
- b. Provide adequate level of irrigation service on a sustainable basis in partnership with the farmers and local government units;
- c. Provide technical assistance to institutions in the development of water resources for irrigation; and
- d. Improve and sustain the operation of NIA as a viable corporation and service-oriented agency.

With these objectives, NIA is tasked to:

- a. Investigate, study, and develop all available water resources in the country, primarily for irrigation purposes;
- b. Plan, design, construct, and/or improve all types of irrigation projects and appurtenant structures;
- c. Operate, maintain, and administer all national irrigation systems (NIS);
- d. Supervise the operation, maintenance, and repair, or otherwise, administer temporarily all communal and pump irrigation systems constructed, improved, and/or repaired wholly or partially with government funds;
- e. Delegate the partial or full management of NIS to duly organized cooperatives or associations; and
- f. Construct multiple-purpose water resources projects designed primarily for irrigation, and secondarily for hydraulic power development and/or other uses such as flood control, drainage, land reclamation, domestic water supply, roads and highway construction, and reforestation, among others, provided, that the plans, designs, and the construction thereof, shall be undertaken in coordination with the agencies concerned.

The then NIA Consult, Inc. (NIACI), a wholly owned subsidiary of NIA was fully absorbed by the latter on June 30, 2018 in view of its abolition by the Office of the President of the Philippines on August 17, 2014.

Vision

By 2020, NIA is a professional and efficient irrigation agency contributing to the inclusive growth of the country and in the improvement of the farmers' quality of life.

Mission

To construct, operate and maintain irrigation systems consistent with integrated water resource management principles to improve agricultural productivity and increase farmers' income.

The financial statements of NIA were approved and authorized for issue by the NIA Governing Board on March 12, 2018.

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. NIA had 6,911 and 5,398 personnel in CYs 2018 and 2017, respectively. The breakdown is as follows:

	2018	2017
Monthly Paid – Rationalized		
Permanent – Corporate Operating Budget (COB) charged filled	3,418	3,870
Casual/Daily Paid		
COB charged	642	453
Project charged	2,851	1,075
	6,911	5,398

NIA is composed of the Central Office (CO), 16 Regional Irrigation Offices (RIOs) including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIIS), 67 Irrigation Management Offices (IMOs) inclusive of 13 interim IMOs, and 10 Project Management Offices (PMOs), manages 242 NISs nationwide with a total service area of 859,948 hectares with firm-up service area of 770,103 hectares. The total irrigated areas were 644,813 hectares during the dry season (November to April), 660,781 hectares during the wet season (May to October), and 23,488 hectares for the third crop (Quick Turn-Around program and Ratooning).

1.2 Projects and Operational Profile

NIA pursued the implementation of 140 infrastructure projects for CY 2018. Of the total number, 40 projects are in Luzon, 31 in Visayas, and 18 in Mindanao and 51 in selected provinces nationwide. Other activities for the year were planning and development of irrigation projects, repair, rehabilitation and restoration projects of national and communal irrigation systems, organization and development of Irrigators Associations (IAs), implementation and monitoring of Irrigation Management Transfer (IMT), and execution and monitoring of climate change adoption works.

The CY 2018 program included the: generation of 33,247 hectares; restoration of 14,460 hectares; repair and rehabilitation works of 354 kilometer (km) earth canal; 1,530 km concrete lined canal, 176 km high density polyethylene (HDPE) pipe, 391,148 square meter (sq.m) of coconet slope protection area, 53 km concrete roads, 227 km gravel and 5,152 unit of canal structures.

NIA accomplished 31,872 hectares new area generation, and 17,608 hectares area restoration. Repair works dwelt on 583.90 km of earth canals, 2,195 km of canal lining, 168.55 km of HDPE pipe, 643,538 sq. m. of coconet slope protection area, 80.62 km concrete roads, 235.28 km gravel and 7,094 unit of canal structures. These included accomplishments under the CY 2018 Program and carry-over projects from years 2014 to 2017.

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) 2018, RA No.10964 for NIA (Section XXXVI-Budgetary Support to Government Corporations, K.10. Other Executive Offices-NIA), summarized as follows:

	CY 2018 Irrigation Program (In Thousand Pesos)			
	Appropriation	Allotment	Release Cash/ Non Cash	Obligation
CY 2018 Irrigation Program				
General Administration and Support	11,382,793	11,382,793	11,382,793	10,967,561
Support to Operations	2,264,716	2,264,716	849,668	1,479,609
Operations	28,021,653	28,021,653	9,741,451	26,454,218
Total	41,669,162	41,669,162	21,973,912	38,901,388

	Carry Over Funds (In Thousand Pesos)		
	Unobligated Balance 2017	Release Cash/ Non Cash	Obligation
Various Projects	4,313,541	14,372,163	2,006,180

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Philippine Peso, which is also the country's functional currency and amounts are rounded off to the nearest thousand, unless otherwise stated.

The financial statements are presented in comparative figures with the immediately preceding year.

The financial statements in compliance with the adopted Philippine Public Sector Accounting Standards (PPSAS) require the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies.

3. ADOPTION OF PHILIPPINE PUBLIC SECTOR ACCOUNTING STANDARDS

The financial statements have been prepared in compliance with the PPSAS prescribed for adoption by the Commission on Audit (COA) in COA Resolution No. 2014-003 dated January 24, 2014. Said COA Resolution prescribed the adoption of 25 PPSAS effective January 1, 2014 by non-government business enterprises (Non-GBEs), as amended by COA Resolution No. 2015-040 dated December 1, 2015, moving the effectivity of the adoption of the PPSAS from May 22, 2015 to January 1, 2016. These PPSAS were based on the International Public Sector Accounting Standards (IPSASs) which were published in the 2012 Handbook of International Public Sector Accounting Pronouncements (HIPSAP) of the International Public Sector Accounting Standards Board. COA Resolution No. 2017-006 dated April 26, 2017 prescribed the adoption of additional six PPSAS and updates on the PPSAS prescribed in COA Resolution No. 2014-003 in accordance with the 2016 Edition of the HIPSAP. Further, COA Circular No.2017-004 dated December 13, 2017 was issued prescribing the guidelines on the implementation of the PPSAS by Non-GBEs which were not able to adopt the PPSAS in CY 2016 and shall be considered first-time adopter in CY 2017 and on the years thereafter.

These are the NIA's first financial statements prepared in accordance with PPSAS and PPSAS 33 *First-time Adoption of Accrual Basis PPSAS* has been applied. The accounting policies have been consistently applied throughout the year presented.

3.1 Accounting Standards that are Relevant for Adoption by NIA

Below is a list of PPSAS issued as at December 31, 2018 that are adopted for the first time by the NIA in preparing the financial statements for the year ended December 31, 2018, the comparative information presented in these financial statements for the year ended December 31, 2017 and in the preparation of an opening PPSAS statement of financial position at January 1, 2017 (the NIA's transition date to PPSAS).

Effective for periods beginning January 1, 2014

- **PPSAS 1, Presentation of Financial Statements**

This Standard sets overall considerations for the presentation of financial statements, guidance for their structure, and minimum requirements for the content of financial statements prepared under the accrual basis of accounting.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- **PPSAS 2, Cash Flows Statements**

This Standard requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement that classifies cash flows during the period from operating, investing, and financing activities.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors

This Standard prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates, and correction of errors.

- PPSAS 4, The Effects of Changes in Foreign Exchange Rates

The Standard prescribes the guidelines on how to recognize foreign currency transactions and foreign operations in the Financial Statement of an entity, and how to translate financial statements into a presentation currency.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 5, Borrowing Costs

This Standard prescribes the accounting treatment for borrowing costs. The Standard generally requires the immediate expensing of borrowing costs. However, the Standard permits, as an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset. (See Notes 16.1 and 28)

- PPSAS 9, Revenue from Exchange Transaction

This Standard provide guidance for identification, measurement and disclosure of revenues of public sector entities derived from exchange transactions. An exchange is one in which the entity receives asset or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange. These transactions are rendering of services, sale of good and use by other entity assets yielding interest, royalties, and dividends.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 12, Inventories

This Standard sets out the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized. This Standard provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS. (See Notes 4.6 and 9)

- PPSAS 13, Leases

This Standard prescribes, for lessees and lessor, the appropriate policies and disclosures to apply in relation to finance and operating leases. It also prescribes

specific identifications of transactions, which are considered as lease agreement and those which are not. Also, it presents the two specific classifications of lease agreement and how they are presented in the financial statements. (See Notes 4.10, 25 and 27.10)

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 14, Events After the Reporting Date

This Standard prescribes the circumstances in which adjustments for events after the reporting period are required. It also prescribes the disclosure requirements regarding the date of authorization for issue and information received after the reporting period.

It requires that an entity should not prepare its financial statements on going concern basis if events after the reporting date indicate that going concern assumption is not appropriate.

- PPSAS 16, Investment Property

This Standard prescribes the accounting treatment for investment property and related disclosure requirements. Investment Property shall be measured initially at cost except when it is acquired through a non-exchange transaction such as donation, or when it pertains to a property interest held under an operating lease. After initial recognition, the entity shall choose either fair value or cost model and shall apply that valuation policy to all its Investment Property. At any case, the fair value shall be determined either for measurement (if the entity uses the fair value model) or disclosure (if it uses the cost model). (See Notes 4.7, 4.10, 13)

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 17, Property, Plant and Equipment

This Standard prescribes the guidelines on the recognition, measurement at recognition, measurement after recognition, depreciation, impairment, derecognition and disclosure requirements dealing with transactions and events affecting Property, Plant and Equipment of the Philippine public sector. The principal issues in accounting for Property, Plant, and Equipment are: (a) the recognition of the assets, (b) the determination of their carrying amounts, and (c) the depreciation charges and impairment losses to be recognized in relation to them. (See Notes 4.8 and 14)

In accordance with COA Circular No. 2016-006 dated December 29, 2016, the P15,000 capitalization threshold for Property, Plant and Equipment was applied. Tangible items below the capitalization threshold of P15,000 were accounted as semi-expendable property (if not yet issued to end-user), expense accounts (if issued within the year), or accumulated surplus/(deficit) (if issued in prior years).

- PPSAS 19, Provisions, Contingent Liabilities and Contingent Assets

This Standard defines provisions, contingent liabilities and contingent assets, and identifies the circumstances in which provision should be recognized, how they should be measured, and the disclosures that should be made about them. It also requires that certain information be disclosed about contingent liabilities and contingent assets in the notes to the financial statements to enable users to understand the nature, timing and amount. (See Notes 4.11 and 20)

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 20, Related Party Disclosures

This Standard sets out the requirement of the disclosure of the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes, and to facilitate a better understanding of the financial position and performance of the reporting entity. The principal issues in disclosing information about related parties are: (a) identifying which parties control or significantly influence the reporting entity, and (b) determining what information should be disclosed about transactions with those parties. (See Notes 4.15 and 34)

The NIA has provided additional disclosures on the key management personnel and key management personnel compensations as required by this Standard.

- PPSAS 21, Impairment of Non-cash Generating Asset

The objective of this Standard is to prescribe the procedures that an entity applies to determine whether a non-cash-generating asset is impaired and to ensure that impairment losses are recognized. This Standard also specifies when an entity would reverse an impairment loss and prescribes disclosures.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers)

This Standard prescribes the requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. This Standard deals with issues that need to be considered in recognizing and measuring revenue from non-exchange transactions, including the identification of contributions from owners. (See Note 30)

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 24, Presentation of Budget Information in Financial Statements

This Standard prescribes a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities. This Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts. The main issue in the implementation of this Standard is how the comparison of budget and actual amounts shall be presented in the financial statements. (See Notes 4.14 and 36)

The Statement of Comparison of Budget and Actual Amount (SCBAA) and the disclosure on the material differences between the budget and actual amounts were prepared in accordance with this Standard.

- PPSAS 26, Impairment of Cash Generating Asset

The objective of this Standard is to prescribe the procedures that an entity applies to determine whether a cash-generating asset is impaired, and to ensure that impairment losses are recognized. This Standard also specifies when an entity should reverse an impairment loss, and prescribes disclosures.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 27, Agriculture

This Standard prescribes the accounting treatment and disclosures related to agricultural activity. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into biological assets. (See Notes 4.9 and 15)

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 28, Financial Instruments: Presentation

This Standard establishes principles for presenting financial instruments as liabilities or net assets/equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends or similar distribution, losses and gains; and circumstances in which financial assets and financial liabilities should be offset.

This Standard complement the principles for recognizing and measuring financial assets and financial liabilities in PPSAS 29, "*Financial Instruments: Recognition and Measurement*," and for disclosing information about them in PPSAS 30, "*Financial Instruments: Disclosure*."

- PPSAS 29, Financial Instruments: Recognition and Measurements

This Standard prescribes the accounting principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It complements the principles for presenting information about financial instruments in PPSAS 28, “Financial Instruments: Presentation” and for disclosing information about them in PPSAS 30, “Financial Instruments: Disclosures.” (See Note 4.3)

It also prescribes principles for hedge accounting. Hedge accounting aims to reduce the volatility of an entity’s financial performance by offsetting gains and losses on certain instruments. An entity may elect to apply hedge accounting, but only if prescribed conditions are met.

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 30, Financial Instruments: Disclosures

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for entity’s financial position and financial performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

The principles in this Standard complement the principles for presenting and recognizing and measuring financial assets and financial liabilities in PPSAS 28, “*Financial Instruments: Presentation*” and PPSAS 29, “*Financial Instruments: Recognition and Measurement*.”

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

- PPSAS 32, Service Concession Arrangements: Grantor

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity. Arrangements within the scope of this Standard involve the operator providing public services related to the service concession asset on behalf of the grantor. (See Notes 25.2 and 25.3)

There is no material difference in recognition and measurement with the previous standard upon application of this PPSAS.

Effective for periods beginning January 1, 2017

- PPSAS 33, First-time Adoption of Accrual Basis PPSASs

This Standard provides guidance to a first-time adopter that prepares and presents financial statements following the adoption of accrual basis PPSASs, in order to present high quality information: (See Note 5)

- (a) That provides transparent reporting about a first-time adopter's transition to accrual basis PPSAS;
- (b) That provides a suitable starting point for accounting in accordance with accrual basis PPSAS irrespective of the basis of accounting the first-time adopter has used prior to the date of adoption; and
- (c) Where the benefits are expected to exceed the costs.

The NIA did not adopt any of the transitional exemptions in PPSAS 33 that may impact fair presentation of the financial statements.

3.2 Currently effective Standards that are not relevant and not adopted by NIA

The following Standards are mandatorily effective for annual periods beginning on or after January 1, 2018, but are not relevant to the NIA's financial statements:

- PPSAS 6 - *Consolidated and Separate Financial Statements*

The Standard sets out requirements of the preparation and presentation of consolidated financial statements of an economic entity under the accrual basis of accounting. It contains guidance on the scope of a consolidated group of economic entity and described the consolidation procedures.

- PPSAS 8 - *Interest in Joint Ventures*

This Standard apply in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, revenue and expenses in the financial statements of venturers and investors, regardless of the structures or forms under which the joint venture activities take place.

- PPSAS 31 - *Intangible Assets*

This Standard requires recognition of an intangible asset if, and only if, specified criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets, and requires specified disclosures about intangible assets.

- PPSAS 34 - *Separate Financial Statements*

This Standard establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- PPSAS 36 - *Investments in Associates and Joint Ventures*

This Standard prescribes the accounting for investments in associates and joint ventures and set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

- PPSAS 37 - *Joint Arrangements*

This Standard establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly.

- PPSAS 38 - *Disclosure of Interests in Other Entities*

This Standard require an entity to disclose information that enables users of its financial statements to evaluate: (a) The nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and (b) The effects of those interests on its financial position, financial performance and cash flows.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Accounting

The NIA's financial statements are prepared on an accrual basis in accordance with the PPSAS.

4.2 Combination of Financial Statements

Financial statements are combination of financial report of NIA CO and 16 RIOs including the UPRIIS and the MARIIS, and 10 PMOs in accordance with NIA's One Fund Accounting System Manual.

All significant intra-agency receivables/ intra-agency payables transactions are eliminated in the combination.

The combined financial statements reflect the assets, liabilities, revenues and expenses of NIA's CO and ROs/PMOs.

Financial statements of inactive accounts with total Net Assets/Equity of P22.726 billion from ROs/PMOs are included in the preparation of Combined Financial Statements. These inactive accounts' balances are accounts of 75 completed projects in Corporate and General Funds that were forwarded from previous years despite their being turned-over to their respective ROs/PMOs. Such projects are completed and turned-over to their respective ROs/PMOs but the accounts in their respective Financial Statements still exist. Of these accounts, 39 completed projects with a total Net Assets/Equity of P12.763 billion are not supported with documentation.

A. Inactive accounts

	Net Assets/ Equity
Corporate Fund	4,005,144,238
General Fund	8,757,824,501
Total Net Assets/Equity	12,762,968,739

B. Off-book Adjustments

These entries are result of prior year intra-agency transactions and working paper adjustments which are recognized in the preparation of Financial Reports, hence some of the accounts are for verification for the reason that its supporting documents are not available. The following are the adjustments made which were recognized in the combined financial statements:

Account Name	Net Off-book Adjustments
Cash and Cash Equivalents	(273,362,281)
Receivables	(11,398,069,218)
Inventories	72,430,081
Prepayments	(77,500)
Investments	(18,000)
PPE	2,250,868,425
Total Assets Adjustments	(9,348,228,493)
Financial Liabilities	(20,720,715)
Intra-agency Payables	(8,004,458,977)
Inter-agency Payables	(1,428,906,214)
Trust Liabilities	555,917
Other Payables	(28,221,641)
Deferred Credits	70,423,513
Total Liability Adjustments	(9,411,328,117)
Net Assets/Equity Adjustments	63,099,624
Net off-book adjustments to Net Assets/Equity	(9,348,228,493)

C. NIA Consult Inc. (NIACI)

The Financial Statement of NIACI is consolidated in the NIA Corporate Fund due to its abolition by the Office of the President of the Philippines on August 7, 2014. It also approved the reversion of its assets and liabilities to NIA, its parent GOCC.

4.3 Financial Instruments

a. Financial assets

Initial recognition and measurement

Financial assets within the scope of PPSAS 29, *Financial Instruments: Recognition and Measurements* are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The NIA determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that NIA commits to purchase or sell the asset.

NIA's financial assets include: cash and cash equivalents, trade and other trade receivables and other investment. (See Notes 7, 8 and 12)

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.

2. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit. (See Note 8)

3. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the NIA has the positive intention and ability to hold it to maturity. (See Note 12)

Held-to-maturity investments, which consist of government treasury bills, are initially measured at its selling price upon placement and as indicated on the Confirmation of Sale without Recourse. Upon termination of the treasury bills, any discount or premium on acquisition and fees/costs and taxes due are recognized in the surplus or deficit.

Derecognition

NIA derecognizes a financial asset or where applicable, a part of a financial asset or part of similar financial assets of NIA when:

1. The contractual rights to the cash flows from the financial asset expired or waived; and
2. The NIA has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or

more recipients in an arrangement that meets the conditions set forth in PPSAS 29 *Financial Instruments: Recognition and Measurement*; and either the entity has:

- transferred substantially all the risks and rewards of ownership of the financial asset; or
- neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset

Impairment of financial assets

NIA assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. (See Note 8.1)

Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty.
- Default or delinquency in interest or principal payments.
- The probability that debtors will enter bankruptcy or other financial reorganization.
- Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

b. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

NIA’s financial liabilities include trade payables to suppliers, employees and other contractors as well as notes payable. (See Note 16)

Subsequent measurement

The measurement of financial liabilities depends on their classification.

1. Financial liabilities at fair value through surplus or deficit.

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by PPSAS 29.

2. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. The recognition of a new liability and the difference in the respective carrying amounts is recognized in surplus or deficit.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. (See Note 7)

4.5 Receivables

Receivables are recognized initially at transaction cost. These are subsequently measured at amortized cost less provision for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that NIA will not be

able to collect the amounts due according to the original terms of settlement of the receivable accounts. (See Note 8)

Trade receivables are financial assets with fixed or determinable payment that are not quoted in an active market. They arise when NIA provides money, goods, or services directly to a debtor/customer with no intention of trading receivables. Receivables are carried at cost or amortized cost in the statement of financial position. Receivables are included in current assets if maturity is within 12 months of the financial reporting date while those maturity beyond 12 months are identified as non-current assets.

Recoverability of specific receivables is evaluated based on the best available facts and circumstances, the length of NIA's relationship with its debtors, the debtors' payment behavior and known market factors. These specific reserves are re-evaluated and adjusted if additional information received affects the amount estimated to be uncollectible.

Allowance for impairment-accounts receivable

Allowance for impairment of accounts receivable was provided in the books specifically on NIA fees in accordance with Corporate Order No. 04, series of 2016.

The policy of providing allowance includes the aging of receivables method of estimating uncollectible accounts. By this method, the accounts are classified according to age from one day to over 10 years and provisions for the allowance for impairment-accounts receivable shall be as follows:

1	-	60 days	1 per cent
61	-	180 days	2 per cent
181 days	-	1 year	3 per cent
More than 1 year to 10 years			5 per cent
Over 10 years			100 per cent
Accounts with legal constraints			100 per cent

Writing-off of receivables

The policy under Memorandum Circular (MC) No. 81 s. 2017 includes that the following conditions must be present to support the request for approval to COA for writing-off of receivables:

- A. Absence of records or documents to validate/support the claim and/or unreconciled receivable accounts
- B. Death of the accountable officer/employee/debtor
- C. Unknown whereabouts of the accountable officer/employee/debtor, and that he/she could not be located despite diligent efforts to find him/her
- D. Incapacity to pay or insolvency
- E. Exhaustion of all possible remedies by the Management to collect the receivables and to demand liquidation of each advances and fund transfers
- F. No pending case in court involving the subject dormant accounts.

Writing off and Condonation of Irrigation Service Fee

With the passage of RA No. 10969 or the “Free Irrigation Service Act”, NIA issued its Implementing Rules and Regulations (IRR) under MC No. 108 S. 2018 to set a policy for collection and writing off of receivables for Irrigation Service Fee (ISF). The IRR state the following:

1. Upon the effectivity of RA No. 10969, all farmers with landholdings of eight hectares and below are exempted from paying ISF for water derived from national irrigation systems (NIS) and communal irrigation systems (CIS) that were, or are to be, funded, constructed, maintained and administered by the NIA and other government agencies, including those that have been turned over to irrigators associations (IAs).
2. A registry of farmer and other irrigation system users shall also be prepared and maintained which shall contain the name of farmer/landowner, actual tiller, size, and location of the landholding, and Original Certificate of Title (OCT) number.
3. Farmers with more than eight hectares of land, corporate farms, and plantations drawing water for agricultural crop production, fishponds, and other persons, natural or juridical, drawing water for non-agricultural purposes from NIS and CIS, or using the irrigation systems as drainage facilities, shall continue to be subject to the payment of ISF.
4. All unpaid ISF and the corresponding penalties of farmers with eight hectares and below to NIA, and all loans, past due accounts and the corresponding interests and penalties of IAs to NIA will be condoned and written off from the books of NIA. Upon completion of the Registry described in Rule 4.2 of the IRR, NIA shall, in compliance with Article 1270 of the Civil Code, secure the written acceptance of each farmer or landowner whose debt is to be condoned considering that condonation or remission is essentially gratuitous. Furthermore, the condonation and writing off of indebtedness pursuant to Section 5 of the IRR shall be in accordance with all applicable accounting and auditing guidelines and procedures.

4.6 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Subsequently, inventories are valued using the weighted average method. (See Note 9)

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of NIA.

4.7 Investment property

Investment Property (IP) is measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing IP at the time that cost is incurred if the recognition criteria are met and excludes the cost of day-to-day maintenance of an IP. (See Note 13)

IP acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, IP is measured using the cost model and is depreciated over its estimated useful life using the straight-line method of depreciation. It adopted the life span for buildings of 30 years prescribed by the Commission on Audit for PPE in determining its estimated useful life.

IPs are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from IP only when there is a change in use.

NIA uses the following criteria to distinguish IP from owner-occupied property and from property held for sale in the ordinary course of operations (inventory):

A property (land or a building - or part of a building - or both) shall be recorded and classified as IP if it is held to earn rentals or for capital appreciation, or both rather than for:

- Use in the production or supply of goods or services, or for administrative purposes; or
- Sale in the ordinary course of operations.

4.8 Property, plant and equipment

Recognition

An item is recognized as Property, Plant, and Equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- tangible items;
- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity;
- The cost or fair value of the item can be measured reliably; and
- The cost is at least P15,000.

Measurement at recognition

An item recognized as PPE is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Expenditure that is directly attributable to the acquisition of the items; and
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement after recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses. (See Note 14)

When significant parts of PPE are required to be replaced at intervals, NIA recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, depreciation starts in the month succeeding the month of acquisition.

ii. Depreciation method

The straight-line method of depreciation is adopted unless another method is more appropriate for Entity's operation.

iii. Estimated useful life

NIA uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience, as follows:

Buildings	30 years
Machinery and equipment	10 years
Motor vehicles	7 years
Furniture and fixtures	10 years
Office equipment	5 years

iv. Residual value

NIA uses a residual value equivalent to at least five per cent (5%) of the cost of the PPE.

Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

Derecognition

NIA derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized. (See Note 14)

4.9 Biological assets

Biological Assets are measured at fair value less costs to sell. The fair value of livestock is determined based on market prices of biological assets of similar age, breed and genetic merit. Agricultural produce are initially measured at its fair value less cost to sell at the time of produce. The fair value of agricultural produce are based on market prices in the local area. (See Note 15)

4.10 Leases

Operating lease - NIA as a lessor

Leases other than finance lease are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term.

Leases in which NIA does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. (See Note 25)

The depreciation policies for PPE are applied to similar assets leased by the entity.

Operating lease - NIA as a lessee

NIA adopts Lease Purchase Agreement (LPA) in acquiring motor vehicles in its ROs. Rental payments is recognized as Rent/Lease expense and PPE-Donation is recognized upon full payment of the motor vehicle equivalent to its contract cost. (See Note 27.10)

4.11 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the NIA has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the NIA expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

Employee benefits

The employees of NIA are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

NIA recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

Contingent liabilities

The NIA does not recognize a contingent liability, but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The NIA does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NIA in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

4.12 ADJUSTMENTS OF DUE TO CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Due to Change in Accounting Policy

NIA has determined and restated accounts with the net effect in the financial statements due to change in accounting policy.

Due to Change in Accounting Estimates

NIA recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

Due to Prior Period Errors

Prior period errors are omission from and misstatement in an entity's financial statements for one or more period arising from a failure to use or misuse of reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements. NIA shall correct in accordance with 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 prior period(s) presented in which the error occurred; or
- (b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period

presented.

4.13 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Rendering of Services

NIA recognizes revenue from rendering of services based on the stage of completion when the outcome of the transaction can be measured reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours. (See Note 25)

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to NIA.

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period. (See Note 30)

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue. (See Note 25)

4.14 Budget Information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in Note 36.

These budget figures are those approved by the governing body.

4.15 Related Parties

The NIA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over NIA, or vice versa.

Members of key management are regarded as related parties and comprise of the Chairman, Members of the Governing Board, and the Principal Officers. (See Note 34)

4.16 Measurement Uncertainty

The preparation of combined financial statements in conformity with PPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, impairment of assets, etc.

Estimates are based on the best information available at the time of preparation of the combined financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these combined financial statements. Actual results could differ from these estimates.

5. EXPLANATION OF TRANSITION TO PPSAS

As stated in Note 2, these are the NIA's first financial statements prepared in accordance with PPSAS, although the revised chart of accounts was already adopted in CY 2017. The accounting policies set out in Note 4 have been applied in preparing the financial statements for the year ended December 31, 2017, the comparative information presented in these financial statements for the year ended December 31, 2017 and in the preparation of an opening PPSAS statement of financial position as at January 1, 2017. (NIA's date of transition)

In preparing its opening statement of financial position, NIA has adjusted amounts reported previously in financial statements prepared in accordance with previous Generally Accepted Accounting Principles (GAAP). An explanation of how the transition from previous GAAP to PPSAS has affected NIA's financial statements is set out in the following tables:

Reconciliation of Net Assets/Equity As of January 1, 2017					
Effect of transition to PPSAS					
	GAAP	Reclassification	Difference in recognition and measurement	PPSAS	
ASSETS					ASSETS
Current Assets					Current assets
Cash and cash equivalents	7,805,409,697	-	-	7,805,409,697	Cash and cash equivalents
Receivables- net	36,910,314,982	-	-	36,910,314,982	Receivables -net

Reconciliation of Net Assets/Equity
As of January 1, 2017

Effect of transition to PPSAS					
	GAAP	Reclassification	Difference in recognition and measurement	PPSAS	
Inventories - net	117,111,950	-	-	117,111,950	Inventories
	-	2,547,908,473	-	2,547,908,473	Prepayments
Other current assets	2,569,575,928	(2,547,908,473)	-	21,667,455	Other current asset
Total Current Assets	47,402,412,557	-	-	47,402,412,557	Total Current Assets
Non-current assets					Non-current assets
Investments	66,401,148,202	-	-	66,401,148,202	Financial Assets
PPE-net	210,392,122,344	(117,149,214)	-	210,274,973,130	PPE - net
	-	117,149,214	-	117,149,214	Other Assets
Other non-current assets	547,909	(547,909)	-	-	
	-	547,909	-	547,909	Biological assets
Total Non-current Assets	276,793,818,455	-	-	276,793,818,455	Total Non-current Assets
TOTAL ASSETS	324,196,231,012	-	-	324,196,231,012	TOTAL ASSETS
LIABILITIES					LIABILITIES
Current Liabilities					Current Liabilities
Payables	6,906,765,198	(1,847,043,402)	-	5,059,721,796	Financial liabilities
Trust liabilities	771,831,473	-	-	771,831,473	Trust liabilities
Inter-agency payables	80,320,520,491	-	-	80,320,520,491	Inter-agency payables
Intra-agency payables	478,622,940	-	-	478,622,940	Intra-agency payables
	-	1,847,043,402	-	1,847,043,402	Other payables
Total Current Liabilities	88,477,740,102	-	-	88,477,740,102	Total Current Liabilities
Non-Current Liabilities					Non-Current Liabilities
Long-term liabilities	9,556,340,534	-	-	9,556,340,534	Financial liabilities
Deferred credits	22,568,896,906	-	-	22,568,896,906	Deferred credits
Total Non-current Liabilities	32,125,237,440	-	-	32,125,237,440	Total Non-current Liabilities
TOTAL LIABILITIES	120,602,977,542	-	-	120,602,977,542	TOTAL LIABILITIES
EQUITY					NET ASSETS/EQUITY
Accumulated surplus/(deficit)	209,545,939,028	(11,511,877,422)	-	198,034,061,606	Accumulated surplus/(deficit)
Capital stock	5,559,191,864	-	-	5,559,191,864	Government equity
Retained earnings	(11,511,877,422)	11,511,877,422	-	-	
Equity	203,593,253,470	-	-	203,593,253,470	Total Net Assets/Equity
TOTAL LIABILITIES AND EQUITY	324,196,231,012	-	-	324,196,231,012	TOTAL LIABILITIES AND NET ASSETS/EQUITY

Reconciliation of Net Assets/Equity
As of December 31, 2017

Effect of transition to PPSAS					
	GAAP	Reclassification	Difference in recognition and measurement	PPSAS	
ASSETS					ASSETS
Current Assets					Current Assets
Cash and cash equivalents	9,847,365,875		47,542	9,847,413,417	Cash and cash equivalents
Receivables - net	36,483,169,619	49,908,328	-	36,533,077,947	Receivables -net
Inventories	111,515,587	-	-	111,515,587	Inventories
	-	4,166,041,626	-	4,166,041,626	Prepayments
Other current assets	4,242,541,924	(4,215,949,954)	-	26,591,970	Other current asset
Total Current Assets	50,684,593,005	-	47,542	50,684,640,547	Total Current Assets
Non-current Assets					Non-current Assets

Reconciliation of Net Assets/Equity As of December 31, 2017					
Effect of transition to PPSAS					
	GAAP	Reclassification	Difference in recognition and measurement	PPSAS	
Investments	69,342,413,375	-	-	69,342,413,375	Financial assets
PPE-net	231,815,682,001	(125,781,793)	(225,204,815)	231,464,695,393	PPE - net
		49,769,000		49,769,000	Investment Property
	-	76,012,793	-	76,012,793	Other asset
Other non-current assets	549,229	(549,229)	-	-	
	-	549,229	-	549,229	Biological assets
Total Non-current Assets	301,158,644,605	-	(225,204,815)	300,933,439,790	Total Non-current Assets
TOTAL ASSETS	351,843,237,610	-	(225,204,815)	351,618,080,337	TOTAL ASSETS
LIABILITIES					
Current Liabilities					
Payables	7,221,848,355	(2,241,446,601)	-	4,980,401,754	Financial liabilities
Trust liabilities	905,728,299	-	-	905,728,299	Trust liabilities
Inter-agency payables	80,247,758,798	-	(69,096)	80,247,689,702	Inter-agency payables
Intra-agency payables	558,031,928	-	-	558,031,928	Intra-agency payables
		159,761,880		159,761,880	Provisions
	-	2,081,684,721	-	2,081,684,721	Other payables
Total Current Liabilities	88,933,367,380	-	(69,096)	88,933,298,284	Total Current Liabilities
Non-Current Liabilities					
Long - term liabilities	8,581,340,534	-	-	8,581,340,534	Financial liabilities
Deferred credits	23,103,165,665	-	-	23,103,165,665	Deferred credits
Total Non-current Liabilities	31,684,506,199	-	-	31,684,506,199	Total Non-current Liabilities
Total Liabilities	120,617,873,579	-	(69,096)	120,617,804,483	Total Liabilities
EQUITY					
Accumulated surplus/(deficit)	237,618,717,792	(11,952,545,625)	(225,088,177)	225,441,083,990	Accumulated surplus/(deficit)
Capital stock	5,559,191,864			5,559,191,864	Government equity
Retained earnings	(11,952,545,625)	11,952,545,625	-	-	
	231,225,364,031	-	(225,088,177)	231,000,275,854	Total Net Assets/Equity
TOTAL LIABILITIES AND EQUITY	351,843,237,610	-	(225,157,273)	351,618,080,337	TOTAL LIABILITIES AND NET ASSETS/ EQUITY

Reconciliation of Surplus/Deficit For the year ended December 31, 2017					
Effect of transition to PPSAS					
	Previous GAAP	Reclassification	Difference in recognition and measurement	PPSAS	
REVENUE					
Operating income		1,021,594,546	-	1,021,594,546	REVENUE
Irrigation Service Fee	236,131,874	(236,131,874)	-	-	Service business income
10% Discount on ISF	(952,625)	952,625	-	-	-do-
Rent income	100,960,708	(100,960,708)	-	-	-do-
Fines and penalties-service income	28,297,529	(28,297,529)	-	-	-do-
Non-operating income			-	-	
Management fees from subsidy income	18,757,013	(18,757,013)	-	-	-do-
CIP/CIS/RIS amortization and equity	43,430,996	(43,430,996)	-	-	-do-
Pump amortization and	13,763,155	(13,763,155)	-	-	-do-

Reconciliation of Surplus/Deficit For the year ended December 31, 2017						
Effect of transition to PPSAS						
	Previous GAAP	Reclassification	Difference in recognition and measurement	PPSAS		
equity						
Service fees -						
FGEN,BHEPP,SNAP	524,532,734	(524,532,734)	-	-	-do-	
Energy deliver fees-NPC	56,673,162	(56,673,162)	-	-	-do-	
		88,192,909	155	88,193,064	Other non-operating income	
Interest income	15,051,414	(15,051,414)	-	-	-do-	
Other fines and penalties	1,748,285	(1,748,285)	-	-	-do-	
Income from grants and donations	85,760	(85,760)	-	-	-do-	
Miscellaneous income	71,307,450	(71,307,450)	-	-	-do-	
Gains	10,690,313	-	-	10,690,313	Gains on foreign exchange	
TOTAL REVENUE	1,120,477,768	-	155	1,120,477,923	TOTAL REVENUE	
EXPENSES					CURRENT	OPERATING
					EXPENSES	
Personnel services	2,058,474,349	(159,761,880)	-	1,898,712,469	Personnel services	
Maintenance and other operating expenses	2,695,953,654	(1,554,637,949)	-	1,141,315,705	Maintenance and other operating expenses	
Financial expenses	526,073,262	-	-	526,073,262	Financial expenses	
	-	1,714,399,829	-	1,714,399,829	Non-cash expenses	
TOTAL EXPENSES	5,280,501,265	-	-	5,280,501,265	TOTAL	CURRENT
					OPERATING EXPENSES	
				(4,160,023,342)	SURPLUS/(DEFICIT)	
				-	BEFORE TAX	
				-	Less: Income tax expense	
				(4,160,023,342)	SURPLUS/(DEFICIT)	
					AFTER TAX	
Net financial assistance/ subsidy	31,689,502,092	-	-	31,689,502,092	Assistance and Subsidy	
SURPLUS FOR THE PERIOD	27,529,478,595			27,529,478,750	NET SURPLUS/(DEFICIT) FOR THE PERIOD	

6. RISK MANAGEMENT OBJECTIVES AND POLICIES

This note presents information about NIA's exposure to risks and NIA's objectives, policies and processes for measuring and managing risks.

NIA has an overall responsibility for the establishment and oversight of NIA's risk management framework. NIA has established a committee and technical working group, which is responsible for the preparation of outline of Disaster Risk Reduction Management Plan.

The Committee's role is to design the framework, which will help NIA to develop and implement an effective and pro-active risk management plan in response to the circumstances the organization may face, perform risk assessment and develop strategies to mitigate risks using the resources available. The NIA Risk Reduction Management Plan (NIANDRRMP) 2019-2023 was covered by Memorandum Circular No. 2019-035 dated May 10, 2019. The Plan is aligned with the objectives of the NDRRMP 2011-2028 that will address four areas of components such as: (a) Disaster Prevention and Mitigation, (b) Disaster Preparedness, (c) Disaster Response, and (d) Disaster Rehabilitation and Recovery. The MC will take effect immediately.

6.1 Risk Management Framework

The Risk Management Team shall perform oversight function in ensuring that the established risk controls and related activities are consistently implemented; plan and coordinate effective and efficient use of risk control tools; and ensure that risk-related information are maintained and retained.

7. CASH AND CASH EQUIVALENTS

This account includes the following:

	2018	2017 (As restated)
Cash in bank-local currency, current account	5,873,473,965	9,034,895,652
Cash in bank-local currency, time deposit	383,533,661	375,486,905
Cash in bank- foreign currency savings account	62,507,095	167,262,120
Cash in bank-local currency, savings account	51,343,704	112,221,827
Cash in bank- foreign currency time deposit	42,492,912	38,968,581
Cash-collecting officers	10,494,902	116,152,733
Petty cash	2,732,638	2,354,389
Cash-treasury/agency deposit, regular	71,210	71,210
	6,426,650,087	9,847,413,417

Cash in bank-local currency-current account includes the amount of cash maintained with authorized government depository banks by the CO, ROs, PMOs and IMOs.

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. The account represents US Dollar deposit with the Land Bank of The Philippines (LBP). The year-end balance of the foreign currency deposit shall be translated using the Bangko Sentral ng Pilipinas (BSP) closing rate effective CY 2019.

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

Cash in bank-foreign currency-time deposit account represents US Dollar time deposit with the Philippine Veterans Bank.

Included in the Cash and Cash equivalents are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Cash in bank-local currency, current account	3,574,688	87,929,392	(231,448,260)
Petty cash	(5,458)	461,592	97,454
Cash-collecting officers	(65,383)	174,907	-
Cash in bank-local currency, savings account		(4,782,761)	
Cash in bank-local currency, time deposit			(42,011,475)
Cash-treasury/agency deposit, regular		25,946	

	3,503,847	83,809,076	(273,362,281)
<i>Refer to Note 4.2</i>			

8. RECEIVABLES, net

This account consists of the following:

	2017	2017
	(As restated)	
Accounts receivable	17,311,797,231	20,775,652,806
Inter-agency receivables	14,505,819,991	14,531,897,761
Intra-agency receivables	1,106,825,221	669,594,625
Advances	53,819,541	49,908,328
Loans receivable - others	4,924,651	2,784,408
Other receivables	515,479,841	503,240,019
	33,498,666,511	36,533,077,947

Included in the Receivables are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Accounts receivable			
Accounts receivable - ISF	-	-	59,450,665
Accounts receivable - ISF back account	-	(100)	-
Accounts receivable - pump/CIP/CIS	-	8,000	-
Accounts receivables - others	4,734,342	157,340	-
Allowance for impairment	(9,166,855)	-	(807,566)
	(4,432,513)	165,240	58,643,099
Inter-agency receivables			
Due from GOCCs	529,700	704,079	17,532,300
Due from NGAs	-	24,481,721	4,615,004
Due from LGUs	-	148,925	7,000,000
	529,700	25,334,725	29,147,304
Intra-agency receivables			
Due from central office	-	200	(9,554,772)
Due from regional offices	-	492,679,204	(11,502,062,434)
Due from other funds	-	48,843,044	1,171,518
	-	541,522,448	(11,510,445,688)
Advances			
Advances to officers and employees	2,100,074	269,771	-
Advances to special disbursing officer	-	2,456,151	14,960,103
Advances for payroll	-	186,961	-
	2,100,074	2,912,883	14,960,103
Other receivables			
Receivable-disallowances and charges	5,676,611	131,685	2,119,331
Due from officers and employees	-	1,036,866	4,595,547
Other receivables	19,222,497	5,228,610	2,911,086
	24,899,108	6,397,161	9,625,964
Loans receivable - others	2,144,068	-	-
Net Total	25,240,437	576,332,457	(11,398,069,218)

Refer to Note 4.2

8.1 Accounts receivable

	2017	2017
	(As restated)	
Accounts receivable-ISF back account	14,978,554,228	13,745,470,395
Accounts receivable-pump/CIP/CIS-non-current	7,803,373,069	5,960,180,543
Accounts receivable-pump/CIP/CIS-current	503,828,556	2,325,494,586
Accounts receivable-others	134,630,367	138,077,620
Accounts receivable-ISF	80,067,332	135,186,009
	23,500,453,552	22,304,409,153
Allowance for impairment	(6,188,656,314)	(1,528,756,347)
	17,311,797,238	20,775,652,806

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 projects (CIP), communal irrigation systems (CIS) 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.

8.2 Inter-agency receivable

	2018	2017 (As restated)
Due from Government-Owned and/or Controlled corporations (GOCCs)	13,462,349,963	13,471,022,766
Due from National Government (NGAs)	855,670,572	856,701,834
Due from Local Government Units (LGUs)	187,799,463	204,173,161
	14,505,819,998	14,531,897,761

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.

Due from NGAs account 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; (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).

Due from LGUs account represents advances made as a result of 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.

8.3 Intra-agency receivable

	2018	2017 (As restated)
Due from Regional Offices (RO)	1,106,825,229	492,696,204
Due from Central Office (CO)	-	19,282,200
Due from Other Funds (OF)	-	157,616,221
	1,106,825,229	669,594,625

Due from ROs is the reciprocal account of Due to CO which are both closed at year-end during consolidation of financial statements. However, due to inadequate reconciliation, the accounts remain open as at December 31, 2018.

Due from OF account represents advances or borrowings from the General Fund to the Corporate Fund with repayment condition as soon as funds are available.

The balances of the reciprocal accounts were due to timing difference in recording transaction, thus, reconciliation of the accounts shall be undertaken by both CO and concerned ROs.

8.4 Advances

	2018	2017 (As restated)
Advances to special disbursing officer	22,873,203	21,571,955
Advances to officers and employees	21,861,556	19,301,725
Advances for payroll	8,325,340	8,772,802
Advances for operating expense	759,450	261,846
	53,819,549	49,908,328

8.5 Other Receivables

	2018	2017 (As restated)
Receivables-disallowances/charges	43,431,286	36,013,740
Due from officers and employees	12,182,739	11,452,553
Other receivables	459,865,823	455,773,726
	515,479,848	503,240,019

Receivables-disallowances/charges account is used to record the amount of disallowances/charges in audit due from officers and employees and other persons liable that have become final and executory.

Due from officers and employees account refers to the balance of cash advances which remained unliquidated as at December 31, 2018.

9. INVENTORIES, net

	2018	2017 (As restated)
Inventory held for consumption, net	115,911,040	110,637,565
Semi-expendable furniture and fixtures	606,715	604,339
Semi-expendable information and communication technology	319,482	67,509
Semi-expendable office equipment	235,156	120,414
Semi-expendable machinery and equipment	85,760	85,760
Semi-Expendable printing equipment	30,387	-
Semi-expendable communication equipment	6,370	-
	117,194,910	111,515,587

9.1 Inventory held for consumption consist of:

	2018	2017 (As restated)
Merchandise inventory	59,558,586	59,558,586
Allowance for impairment	(93,179)	(93,179)
Merchandise inventory - net	59,465,407	59,465,407
Office supplies inventory	31,508,051	47,606,172
Fuel, oil and lubricants inventory	6,691,249	2,130,839
Construction materials inventory	69,477	30,497
Other supplies and materials inventory	18,176,856	1,404,650
	115,911,040	110,637,565

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

Semi expendable accounts such as: Semi-expendable - machinery and equipment, Semi-expendable office equipment, Semi-expendable-information and communication equipment and Semi-expendable-furniture and fixtures accounts are used to recognize tangible items with cost below the capitalization threshold of P15,000. Semi-expendable items remain as inventory until their issuance to the end user.

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

Included in the Inventory Held for consumption are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Merchandise inventory	-	74,675	47,407,269
Office supplies inventory	-	563,797	25,149,220
Construction materials inventory	-	30,497	-
Other supplies and materials inventory	318,393	106,065	(126,408)
	318,393	775,034	72,430,081

Refer to Note 4.2

10. PREPAYMENTS

Prepayments consist of the following:

	2018	2017 (As restated)
Advances to contractors	5,727,962,185	4,149,665,061
Other prepayments	8,666,344	8,666,344
Prepaid rent	7,510,434	7,510,433
Deposit on Letters of Credit	199,788	199,788
	5,744,338,751	4,166,041,626

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

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

11. OTHER CURRENT ASSETS

This account is composed of Guarantee deposits in the total amount of P26.592 million.

Included in Prepayments and Other current assets are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Advances to contractors	307,290	11,012,444	-
Prepaid rent	-	7,510,434	-
Guaranty deposit	-	12,198	-
Deposit on letters of credit	-	2,700	-
Other prepayments	-	68,984	(77,500)
	307,290	18,606,760	(77,500)

Refer to Note 4.2

12. FINANCIAL ASSETS

This account consists of:

	2018	2017 (As restated)
Financial Assets – held to maturity		
Investment in stocks	1,207,000	11,207,000
Investment in bonds	1,600	1,600
Other investments and marketable securities	15,900	15,900
	1,224,500	11,224,500
Other investment - CE Casecnan	72,697,899,800	69,331,188,875
	72,699,124,300	69,342,413,375

The Investment in stock account 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 COA, it was agreed that NIA would book up the advances by debiting Other Investment - CE Casecnan account and crediting Due to the National Treasury account.

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

The account includes off-book adjustments of P18,000.

13. INVESTMENT PROPERTY

This account is composed of:

	Land	Building	Total
As at December 31, 2018:			
Cost, January 1, 2018	48,300,000	1,469,000	49,769,000
Additions:	-	-	-
Balance, December 31, 2018	48,300,000	1,469,000	49,769,000
As at December 31, 2017:			
Cost, January 1, 2017	-	-	-
Additions:	48,300,000	1,469,000	49,769,000

Balance, December 31, 2017	48,300,000	1,469,000	49,769,000
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These properties were leased out to third parties under operating lease for 25 years, which was terminated in 2017. However, the Contract was extended until October 2018.

The building will be depreciated over its estimated useful life using the straight-line method of depreciation effective CY 2019.

14. PROPERTY, PLANT AND EQUIPMENT, net

An illustration of the analysis of this account is shown below:

	Infrastructure Assets irrigation systems	Land	Land and land improvements	Building and improvements	Machineries, equipment, furniture and fixtures	Construction in progress (CIP)	Total
Cost, 1-1-18	78,404,460,209	5,707,608,614	32,809,401,670	1,663,693,527	4,007,298,755	125,335,805,824	247,928,268,599
Additions	-	-	-	619,980,594	1,932,512,108	19,079,055,255	21,631,547,957
CIP transfer to PPE account	6,026,205,912	-	559,315,509	-	17,495,091	(6,603,016,512)	-
Adjustment	9,132,036,469	3,084,345	(660,721,672)	(556,982,147)	(1,657,547,020)	10,183,422,308	16,443,292,283
Cost, 12-31-18	93,562,702,590	5,710,692,959	32,707,995,507	1,726,691,974	4,299,758,934	147,995,266,875	286,003,108,839
Less: Accumulated depreciation, 1-1-18	1,219,339,436	-	12,734,041,890	366,787,317	2,143,404,563	-	16,463,573,206
Depreciation charges	328,213,584	-	230,158,661	57,095,096	257,251,595	-	872,718,936
Adjustment	1,115,616,542	-	(25,554,015)	(1,322,819)	(117,623,613)	-	971,116,095
Accumulated depreciation, 12-31-18	2,663,169,562	-	12,938,646,536	422,559,594	2,283,032,545	-	18,307,408,237
Net, December 31, 2018	90,899,533,028	5,710,692,959	19,769,348,971	1,304,132,380	2,016,726,389	147,995,266,875	267,695,700,602

	Infrastructure assets irrigation systems	Land	Land and land improvement	Building and improvements	Machineries, equipment, furniture and fixtures	CIP	Total
Cost, 1-1-17, as restated	66,965,145,276	5,755,038,448	32,970,353,635	1,612,515,916	3,888,829,099	115,010,671,660	226,202,554,034
Additions	10,384,808,145	870,166	1,564,958	26,028,535	84,468,884	10,760,512,657	21,258,253,345
CIP transfer to PPE account	72,175,564	-	1,017,970	946,220	45,449,458	(77,096,138)	42,493,074
Reclassification of PPE account	5,323,115	(48,300,000)	-	(1,469,000)	(5,323,115)	-	(49,769,000)
Adjustment	977,008,109	-	(163,534,893)	25,671,856	(6,125,571)	(358,282,355)	474,737,146
Cost, 12-31-17, as restated	78,404,460,209	5,707,608,614	32,809,401,670	1,663,693,527	4,007,298,755	125,335,805,824	247,928,268,599
Less: Accumulated depreciation, 1-1-17, as restated	1,162,392,743	-	11,685,931,823	327,658,259	1,963,595,378	-	15,139,578,203
Depreciation charges	18,398,530	-	1,139,122,120	41,625,363	165,169,345	-	1,364,315,358
Adjustment	38,548,163	-	(91,012,053)	(2,496,305)	14,639,840	-	(40,320,355)
Accumulated depreciation, 12-31-17, as restated	1,219,339,436	-	12,734,041,890	366,787,317	2,143,404,563	-	16,463,573,206
Net, 12-31-17, as restated	77,185,120,773	5,707,608,614	20,075,359,780	1,296,906,210	1,863,894,192	125,335,805,824	231,464,695,393

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 rebounded 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 CYs 1990 to 1996.

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

Tangible items with capitalization threshold of P15,000 shall be accounted for as semi - expendable property.

NIA reviewed the carrying value of property and equipment for any impairment as at December 31, 2018. Based on its evaluation, no impairment loss has occurred and no property and equipment has been pledged as security for liabilities.

Included in PPE are the NIACI, inactive, and off-book accounts as disclosed in Note 4.2, as follows:

	NIACI	Inactive Accounts	Off-book Adjustment
Land	-	2,187,932,171	-
Other land improvements	-	2,694,894,350	34,957,074
Buildings	-	491,886,348	6,351,475
Office equipment	80,991	12,546,807	525,888
Furniture and fixtures	172,692	55,362,575	7,230
Info. & communication technology equipment	-	2,531,159	998,364
Books	-	7,909	-
Agricultural and forestry equipment	-	487,481,979	-
Communication equipment	673	686,939	179,465
Construction & heavy equipment	-	-	(46,527,104)
Disaster response and rescue equipment	-	69,500	(741)
Technical and scientific equipment	-	6,441,052	(780,962)
Other machineries and equipment	-	-	9,370,225
Machinery	-	60,867,044	(228,173)
Other machineries and equipment	-	23,291,634	(146,732)
Motor vehicles	-	658,437	(7,397,432)
Other transportation equipment	144,907	-	(135,621)
Other property, plant and equipment	-	690,900	-
Water supply systems	-	649,136,034	-
Construction in progress - infrastructure assets	-	6,328,067,642	-
CIP - agency assets	-	54,233,923	2,664,850
CIP - irrigation, canals and laterals	-	554,449,790	2,124,999,078
Other assets	-	1,041,380	-
Other current assets	-	-	(108,096,066)
Other assets-unserviceable assets	-	10,891,881	234,127,607
	399,263	13,623,169,454	2,250,868,425

15. BIOLOGICAL ASSETS

This account consists of work/zoo animals in NIA Region V.

16. FINANCIAL LIABILITIES

16.1 Financial Liabilities-Current

This account consists of:

	2018	2017 (As restated)
Accounts payable	12,319,915,243	4,780,946,316
Due to officers and employees	50,887,338	128,022
Notes payable	128,022	199,327,416
	12,370,930,603	4,980,401,754

Accounts payable pertains mostly to claims of contractors, who are either foreign or local, on their project accomplishments; and claims of suppliers for the delivery of goods. Due and demandable Accounts payable are usually submitted to the Department of Budget and Management for their approval and release of Cash Subsidy for payment.

Due to Officers and Employees account consists of payables to NIA employees.

The account under noncurrent financial liabilities consists of long-term liabilities, loans and advances payable.

Included in Financial liabilities are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Accounts payable	23,452,808	17,823,512	(20,720,715)
Due to officers and employees	-	4,687,682	-
	23,452,808	22,511,194	(20,720,715)

Refer to Note 4.2

16.2 Financial Liabilities-non current

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

	2018	2017 (As restated)
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	975,000,000	1,950,000,000
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
	7,606,340,534	8,581,340,534

Loans payable - Domestic and Advances payable to NGAs 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 BTr. 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). The required fund, in the total amount of P3.700 billion, was not programmed in the proposed FY 2006 GAA, the NIA Board of Directors authorized the 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 interim financing, 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.

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.

17. INTER-AGENCY PAYABLES

	2018	2017 (As restated)
Due to National Treasury	65,388,452,176	65,383,858,910
Due to Other NGAs	13,730,039,792	13,819,466,766
Due to Bureau of Internal Revenue (BIR)	423,661,129	403,258,426
Due to Other GOCCs	306,141,718	578,029,036
Due to Government Service Insurance System (GSIS)	30,111,911	24,074,715
Due to Local Government Units (LGUs)	27,270,022	25,188,710
Due to PhilHealth	9,178,978	6,643,571
Due to Pag-IBIG fund	9,161,410	7,169,568
	79,924,017,136	80,247,689,702

Due to National Treasury is the amount of the cash advances made by the BTr on the 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 BIR account consists of taxes withheld from employees and other entities.

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.

Due to GSIS, Due to Home Development Mutual Fund (Pag-IBIG), and Due to Philippine Health Insurance Corporation (PhilHealth) accounts represent employees' premium payments and other payables withheld for remittance to the concerned government agencies/institutions.

Included in Inter-agency payables are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Due to National Treasury	-	-	45,061,604
Due to other NGAs	-	485,529,747	(1,473,326,513)
Due to BIR	2,860,757	4,736,596	5,076
Due to other GOCCs	11,292	2,698,831	(639,281)
Due to GSIS	-	198,878	-
Due to LGU	-	92,093	-
Due to PhilHealth	1,720	172,579	1,288
Due to Pag-IBIG fund	1,502	81,082	5,214
	2,875,271	493,509,806	(1,428,892,612)

Refer to Note 4.2

18. INTRA-AGENCY PAYABLES

	2018	2017 (As restated)
Due to Other Funds (OFs)	131,441,894	222,140,354
Due to Regional Offices (ROs)	108,004,930	275,404,403
Due to Central Office (CO)	-	60,487,171
	239,446,824	558,031,928

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

Included in Intra-agency payables are the following:

	Inactive Accounts	Off-book Adjustment
Due to CO	928,342,150	(8,009,927,223)
Due to ROs	58,349,062	7,743,512
Due to OFs	-	(2,288,868)
	986,691,212	(8,004,472,579)

Refer to Note 4.2

19. TRUST LIABILITIES

	2018	2017 (As restated)
Guarantee/security deposit payables	1,146,887,410	870,890,638
Performance/bidders/bail bonds	30,824,503	33,198,503
Customers deposit payable	1,639,158	1,639,158
	1,179,351,071	905,728,299

Guaranty/Security Deposit Payables account represents “retention money” from claims of contractors implementing NIA’s projects to cover for uncorrected discovered defects and third party liabilities.

Included in Trust Liabilities are the following:

	Inactive Accounts	Off-book Adjustment
Guarantee/security deposit payables	99,307	5,157
Performance/bidders/bail bonds	18,047	550,760
	117,354	555,917

Refer to Note 4.2

20. PROVISIONS

This account is used in accruing the money value of leave credits of NIA employees in compliance with PPSAS 19. The unused vacation and sick leave of employees were recognized in the books in the total amount of P308.131 million as of December 31, 2018 and P159.762 million as of December 31, 2017.

21. OTHER PAYABLES

This account consists of other liabilities not falling under any of the specific payable account amounting to P2.786 billion and P2.081 billion in CYs 2018 and 2017, respectively.

Included in Other payables are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Other Payables	1,958,116	8,297,718	(28,221,641)

Refer to Note 4.2

22. DEFERRED CREDITS

This account includes the following:

	2018	2017 (As restated)
Deferred credits	23,867,677,355	20,197,439,584
Other deferred credits	408,675,576	2,905,726,081
	24,276,352,931	23,103,165,665

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.

Included in Deferred Credits/Unearned income are the following:

	NIACI	Inactive Accounts	Off-book Adjustment
Deferred credits	-	1,021,921	70,423,513
Other deferred credits	-	(746,675)	-
	-	275,246	70,423,513

23. ACCUMULATED SURPLUS/(DEFICIT)

Accumulated Surplus/(Deficit) as at January 1, 2017	209,545,939,028
Add/Deduct : Retained Earnings January 1, 2017	(11,511,877,422)
Accumulated Surplus/(Deficit) as at January 1, 2017, as restated	198,034,061,606
Add/Deduct:	
Net Income for CY 2017 after Subsidy, as reported	27,529,478,595
Adjustment made to interest income of PIDP	155
Net Income for CY 2017 after subsidy, as restated	27,529,478,750
Adjustments	(122,456,366)
Accumulated Surplus/(Deficit) as at December 31, 2017, as restated	225,441,083,990
Add:	
CY 2018 net income after subsidy, as reported	24,128,109,440
Reclassification of PPE to its proper account and amount	1,500,196,500
Adjustment to erroneous entry made to various accounts	402,297,942
LARISEP	35,059,323
Transfer of fund	22,296,725
Tax remittance advice	12,399,183
Interest income earned	1,298,891
CARP transactions	110,792
Reactivation of dormant account	10
Other adjustments	1,780,410,633
Bank charges	(7,320)
Liquidation of cash advance	(14,015)
Reclassification of inventory account	(84,113)
Unrecorded transactions	(103,494)
Transactions subject to verification	(764,242)
Refund of cash	(827,361)
Transfer of interest income earned	(1,431,523)
Closure of dormant accounts	(3,122,057)
Reports of Check Issued	(3,459,357)
Adjustment made by CO to various accounts	(99,902,455)
Various accounts closed to Accumulated surplus/(deficit)	(117,883,679)
Prior years' depreciation expense for PPE	(1,026,348,879)
Accumulated Surplus/(Deficit), December 31, 2018	252,069,314,934

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.

It also includes inactive accounts and Off-book adjustment amounting to P4.005 million and P18.773 million, respectively.

24. GOVERNMENT EQUITY

The share capital amounted to P5.559 billion as at December 31, 2018, having no movement from January 1, 2017.

25. SERVICE AND BUSINESS INCOME

This account comprises:

	2018	2017 (As restated)
Service fees	479,256,025	524,532,734
Rent income	97,362,204	100,960,708
Energy delivery fees-NPC	73,765,942	56,673,162
Irrigation service fees	67,494,238	235,179,248
Management fees	14,104,652	18,757,013
CIP/CIS/RIS amortization & equity	10,626,114	43,430,996
Fines and penalties-service income	7,016,051	28,297,529
Pump amortization & equity	561,783	13,763,155
	750,187,009	1,021,594,545

25.1 Service fees

Service Fees are fees collected for the services rendered or performed by NIA for the operation, maintenance and rehabilitation of the Non-power Components and other appurtenant structures in 360 MW Magat Hydro Electric Power Plant and 112 MW Pantabangan-Masiway Hydro Electric Power Plant in accordance with the Operation and Maintenance Agreement (O&MA) entered into between:

1. NIA and SN Aboitiz Power, Inc. (SNAP) for the Magat Electric Power Plant dated December 13, 2006; and
2. NIA and First Gen Hydro Power Corporation (FGHCP) for the Pantabangan-Masiway Hydro Electric Power Plant dated November 13, 2006.

The Service fees are collected on a *monthly basis per cubic meter of water used for power generation*. NIA exclusively use the service fees collected to fulfill its obligations and discharge its responsibilities as provided in the Agreement.

25.2 Energy delivery fees - NPC

Energy delivery fees- NPC are management fees collected from the Power Sector Asset and Liabilities Management Corporation (PSALM) in behalf of National Power Corporation (NPC) pursuant to the Power Purchase Agreement (PPA) entered between NIA and NPC relative to Energy Delivery from CE-Casecan Water and Energy Co. Inc. (CECWECI).

25.3 Irrigation service fees

Irrigation Service Fees (ISF) refer to the charge or levy being imposed upon users of irrigation water and services provided by an irrigation system. This include collections from farmers with more than eight hectares of land, corporate farms, and plantations

drawing water for agricultural crop production; fishponds, and other persons, natural or juridical, drawing water for non-agricultural purposes from NIS and CIS, or using the irrigation systems as drainage facilities who shall continue to be subject to the payment of ISF pursuant to RA No.10969.

26. PERSONNEL SERVICES

This account consists of the following:

	2018	2017 (As restated)
Salaries and wages	1,335,437,278	1,095,887,518
Other compensation	682,602,033	552,375,128
Personnel benefit contributions	180,914,471	150,064,189
Other personnel benefits	145,617,839	100,385,634
	2,344,571,621	1,898,712,469

26.1 Salaries and wages

Salaries and Wages account represents payment of services rendered by NIA employees occupying regular positions.

26.2 Other compensation

	2018	2017 (As restated)
Year-end bonus	210,905,684	158,180,817
Personnel economic relief allowance (PERA)	105,261,966	94,614,399
Cash gift	41,951,784	39,771,524
Clothing/uniform allowance	25,195,570	19,226,658
Overtime and night pay	18,901,017	10,959,875
Representation allowance (RA)	10,819,820	9,214,060
Transportation allowance (TA)	8,790,247	7,354,961
Longevity pay	3,011,000	2,300,100
Honoraria	1,453,579	615,758
Other bonuses and allowances	256,311,366	210,136,976
	682,602,033	552,375,128

26.3 Personnel benefit contributions

These are NIA's share in premium contributions, i.e., GSIS, Pag-IBIG and PhilHealth:

	2018	2017 (As restated)
Retirement and life insurance premium	153,217,699	128,826,598
PhilHealth contributions	16,549,093	11,626,655
Pag-IBIG contributions	5,438,789	4,839,467
Employees compensation insurance premium	5,708,890	4,771,469
	180,914,471	150,064,189

26.4 Other personnel benefits

	2017
--	------

	2018	(As restated)
Terminal leave benefits	120,277,655	79,575,839
Productivity incentive allowance	13,645,175	16,186,500
Retirement gratuity	6,477,683	1,723,023
Subsistence allowance	27,840	27,885
Others	5,189,486	2,872,387
	145,617,839	100,385,634

27. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2018	2017 (As restated)
Professional services	197,036,437	41,239,283
Utility expenses	180,326,667	132,477,968
Repairs and maintenance	152,749,824	121,034,199
Supplies and material expenses	147,857,968	98,436,513
Training expenses	121,463,998	44,214,101
Travelling expenses	60,843,720	37,919,208
Taxes, insurance premiums and other fees	23,290,051	18,073,299
General services	21,633,335	18,669,667
Communication expenses	14,564,893	16,930,924
Other maintenance and operating expenses	405,838,286	612,320,543
	1,325,605,179	1,141,315,705

27.1 Professional services

	2018	2017 (As restated)
Auditing services	159,886,193	35,795,376
Consulting services	33,844,526	4,082,806
Other professional services	1,806,729	700,635
Legal services	1,498,989	660,466
	197,036,437	41,239,283

Other professional services account includes payment of services of personnel under Job order contract.

27.2 Utility expenses

	2018	2017 (As restated)
Electricity expenses	172,780,980	127,133,621
Water expenses	7,481,422	5,344,347
Other utility expenses	64,265	-
	180,326,667	132,477,968

27.3 Repairs and maintenance

	201	2017 (As restated)
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	2017	2017
	(As restated)	(As restated)
Repairs and maintenance-transportation equipment	62,621,01	52,270,526
Repairs and maintenance-infrastructure assets	38,161,221	22,688,289
Repairs and maintenance -machinery and equipment	33,360,45	23,256,255
Repairs and maintenance-buildings and other structures	17,475,83	12,341,973
Repairs and maintenance-other property, plant & equipment	511,76	1,507,377
Repairs and maintenance-furniture & fixtures	486,93	309,754
Repairs and maintenance -land improvements	132,60	8,660,025
	152,749,82	121,034,199

27.4 Supplies and materials expenses

	2017	2017
	(As restated)	(As restated)
Fuel, oil and lubricants expenses	76,036,726	47,822,889
Office supplies expenses	40,207,284	28,310,884
Other Supplies and materials expenses	27,595,862	20,710,566
Semi-expandable-machinery and equipment expenses	1,446,320	159,848
Semi-expendable furniture, fixtures and books expenses	1,164,189	349,176
Drugs and medicines expenses	830,949	556,867
Food supplies expense	407,255	144,243
Accountable forms expenses	154,527	249,019
Medical, dental & laboratory supplies expenses	14,856	68,896
Textbooks and instructional materials expenses	-	64,125
	147,857,968	98,436,513

27.5 Training expenses

Represents expenses incurred in attending various trainings to expand knowledge and skills required.

27.6 Travelling expenses

	2017	2017
	(As restated)	(As restated)
Travelling expenses - local	55,046,826	37,177,724
Travelling expenses - foreign	5,796,894	741,484
	60,843,720	37,919,208

27.7 Taxes, insurance premiums and other fees

	2017	2017
	(As restated)	(As restated)
Insurance expenses	10,579,649	6,501,187
Taxes, duties and licenses	7,489,373	7,983,098
Fidelity bond premiums	5,221,029	3,589,014
	23,290,051	18,073,299

27.8 General services

	2017	2017
	(As restated)	(As restated)

Janitorial services	14,984,376	11,397,675
Security services	6,400,809	5,851,309
Other general services	248,150	1,420,683
	21,633,335	18,669,667

27.9 Communication expenses

	2018	2017 (As restated)
Telephone expenses	7,593,290	12,207,434
Internet subscription expenses	4,887,838	2,772,872
Postage and courier services	1,625,438	1,082,270
Cable, satellite, telegraph, and radio expenses	458,327	868,348
	14,564,893	16,930,924

27.10 Other maintenance and operating expenses

	2018	2017 (As restated)
Representation expenses	18,053,367	12,718,913
Rent/lease expenses	13,119,622	3,807,367
Printing and publication expenses	3,824,088	1,847,634
Survey expense	1,921,987	619,569
Donations	1,088,177	16,000
Subscription expenses	866,623	596,476
Transportation and delivery expenses	692,552	708,589
Advertising, promotional and marketing expenses	665,792	416,220
Awards/rewards expenses	631,900	226,000
Membership dues & contributions to organizations	151,853	77,788
Others maintenance and operating expenses	364,822,325	591,285,987
	405,838,286	612,320,543

Other maintenance and operating expenses are further broken down as follows:

	2018	2017 (As restated)
Irrigator's share	180,172,256	153,233,037
Job order	33,524,136	18,087,992
Contractual services	25,295,845	24,010,903
Extraordinary expenses	4,940,197	4,404,553
Sports	1,279,850	1,389,031
Collection expenses	24,665	238,924,638
Motorcycle allowance	22,105	128,574
Loss on sale of palay	3,565	-
Laboratory analysis of soil & water sample	-	218,685
Other miscellaneous expenses	21,245,647	15,391,070
Others	98,314,059	135,497,503
	364,822,325	591,285,986

28. FINANCIAL EXPENSES

	2018	2017 (As restated)
Interest expense	525,533,123	526,045,036
Bank charges	26,905	28,226
	525,560,028	526,073,262

29. NON-CASH EXPENSES

	2018	2017 (As restated)
Impairment on loans and receivables	4,669,218,360	190,322,591
Vacation and Sick Leave	308,131,451	159,761,880
Depreciation - infrastructure assets	328,213,584	18,398,530
Depreciation - land improvements	230,158,661	1,139,122,120
Depreciation-other property, plant and equipment	135,562,280	4,815,613
Depreciation-machinery and equipment	101,169,914	138,296,302
Depreciation-buildings and other structures	57,095,096	41,625,364
Depreciation-transportation equipment	16,583,614	19,114,919
Depreciation-furniture, fixtures and books	3,935,787	2,942,510
	5,850,068,747	1,714,399,829

30. NON-OPERATING INCOME

	2018	2017 (As restated)
Miscellaneous income	98,149,541	71,307,450
Interest	18,083,844	15,051,569
Other fines and penalties	867,128	1,748,285
Income from grants and donations in kind	79,682	85,760
	117,180,195	88,193,064

Interest income includes interest earned from high yield savings account in Development Bank of the Philippines (DBP), United Coconut Planters Bank (UCPB) and Land Bank of the Philippines (LBP) amounting to P11,070,249. In 2017, majority of it came from DBP. Other fines and penalties - are income from the imposition of penalties/fines due to late deliveries of purchased supplies, equipment, etc. from contractors/suppliers and surcharges due to late payment of rentals from tenants.

Income from grants and donations in kind pertains to 10 sets of irrigation pumps from the received by MARIIS from the DA - RO No. II in 2010 to mitigate the effect of El Niño phenomenon.

31. GAINS

Gains refer to gain from foreign currency transactions.

32. ASSISTANCE AND SUBSIDY

NIA received subsidy from the National Government in the total amount of P33.304 billion and P31.689 billion in 2018 and 2017, respectively.

33. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

	2018	2017 (As restated)
Surplus for the year	24,128,109,440	27,529,478,750
Subsidy from the national government for capital expenditures	(21,676,721,928)	(21,736,172,266)
Non-cash (income/expenses):		
Impairment loss	4,669,218,360	190,322,591
Prior period adjustments	2,500,121,504	(122,456,366)
Depreciation	872,718,936	1,364,315,358
Terminal leave benefits	308,131,451	159,761,880
Adjustments in inactive completed projects	36,243,914	47,542
Gain from sale/disposal of PPE	(5,860,691)	(103,576)
Expenses for Financing Activities - NDC interest:	523,870,000	523,870,000
(Increase)/decrease in asset accounts:		
Receivables (net)	3,034,411,433	377,237,035
Other non-current assets	15,710,469	41,136,421
Inventories	(5,679,323)	5,596,363
Investment property	(49,769,000)	-
Prepayments	(1,578,297,125)	(1,618,133,153)
Other investment	(3,356,710,925)	(2,941,265,173)
Other current asset	-	(4,924,515)
Increase/(decrease) in liability accounts:		
Financial liabilities	7,390,528,849	(79,320,042)
Deferred credits	1,173,187,266	534,268,759
Other payables	852,495,189	394,403,199
Trust liabilities	273,622,772	133,896,826
Intra-agency payables	(318,585,104)	79,408,988
Inter-agency payables	(323,672,566)	(72,830,788)
Other Adjustments	1,273,053,841	20,678,419,741
Total Cash provided from Operating Activities	19,736,126,762	25,436,957,574

34. RELATED PARTY TRANSACTIONS

34.1 Related Party Transactions

NIA does not have control or significant influence over other parties in making financial or operating decisions, nor dealings with related parties involving transfer of resources and obligations between NIA and other parties.

34.2 Key Management Personnel

The key management personnel of the NIA are the Administrator, Senior Deputy Administrator, and two Deputy Administrators. The NIA Board consists of the Chairman, Vice Chairman and the four board members, representing the Department of Public Works & Highways, National Power Corporation, National Economic and Development

Authority and one representing the Private sector which all are appointed by the President of the Philippines. The Cabinet Secretary of the Office of the Cabinet Secretary or his authorized representative acts as Ex-Officio Chairman of the Board and is not remunerated by NIA.

34.3 Key Management Personnel Compensation

The aggregate remuneration of the members of the governing body and the number of members determined on a fulltime equivalent basis receiving remuneration within this category, are shown on the next page:

	2018	2017 (As restated)
Basic salary	6,023,556	3,574,036
Allowances and other benefits	2,365,659	2,102,233
Extraordinary and Miscellaneous Expenses	546,319	508,255
Per diem	225,000	270,000
	9,160,534	6,454,524

**Based on the Report on Salaries and Allowances (ROSA) including Extraordinary and Miscellaneous Expenses by Principal Officers and Members of Governing Board*

35. CAPITAL MANAGEMENT

The primary objective of the NIA's capital management is to ensure that resources of NIA is geared towards the attainment of its mandate and the implementation of its objectives through the programs to be undertaken for the promotion and advancement of the irrigation development with the participation of the private sector and for the improvement of the working conditions of the farmers. NIA manages its net assets/equity by establishing controls in collection of fees and other sources of revenues, monitoring status of projects and periodic reporting of funds and disbursements while maintaining compliance to rules, regulations, and other legal requirements.

36. BUDGET INFORMATION

The proposed NIA Corporate Operating Budget (COB) for FY 2018 in the amount of P46.500 billion was approved by the NIA Board on February 14, 2018 and submitted to the Department of Budget and Management (DBM) for review/evaluation. The COB was approved by DBM on October 24, 2018 amounting to P45.912 billion. Changes between the original and final budget was due to DBM's approved level of Personnel Services and MOOE broken down as follows:

	Proposed	Approved	Variance
Personnel services	2,918,972,893	2,841,849,893	77,123,000
Maintenance and other Operating Expenses	3,943,316,100	3,432,383,100	510,933,000
Capital Outlay	39,637,318,288	39,637,318,288	-
	46,499,607,281	45,911,551,281	588,056,000

The COB was sourced from the Internally Generated Income of NIA and the subsidy from the National Government. The allocation covers NIA's operating requirements, contractual obligations & for the implementation of infrastructure projects.

Material differences between the actual expenses as against the budget as presented in SCBAA is also noted particularly on the following:

- a. Expended at the time of receipt of variance for over provision of expenses listed below per DBM approval, received by the office of Administrator on October 29, 2018;

Particulars	2018
Personnel services	
Honoraria	2,000,000
Life & retirement insurance premium	57,248,000
PhilHealth contribution	6,277,000
	65,525,000
Maintenance and other operating expenses	
Communication expenses	19,986,000
Repairs and maintenance - government vehicles	58,239,000
Supplies and material expenses	99,480,000
Training and seminar expenses	31,640,000
Fuel, oil and lubricants	83,044,000
Representation expense	378,000
Subscription expense	3,766,000
	296,533,000
	362,058,000

- b. There are accrued expenses obligated in 2017 but had been paid/expensed during the year 2018;
- c. Charged to savings, which refer to portions or balances of allotment pertaining to personnel services and maintenance and other operating expenses which have not been obligated; and
- d. Reclassification recognized in 2018, transactions from CY 2010 to 2018 booked up under Construction in Progress account (Fund 102 PIDP) to expense accounts. These are expenses paid for consultancy services, training expenses, rent expense and survey expense.

37. DISCLOSURES REQUIRED BY BIR UNDER REVENUE REGULATION (RR) NO. 15-2010

In compliance with RR No. 15-2010, amending RR No. 21-2002, "[I]n addition to the disclosures mandated under the xxx, and such other standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements shall include information on taxes, duties and license fees paid or accrued during the taxable year."

NIA has been regularly deducting taxes from salaries and other benefits due from its employees as well as from cost of goods and services procured. Likewise, the amounts withheld from the same were remitted to the BIR within the prescribed deadlines.

Taxes and licenses

Taxes and licenses, local and national, under "Operating Expenses" for CY 2018 , include licenses and permit fees in the total amount of P7,489,373 comprising P312,093 and P7,177,280 in the Central Office (CO) and Regional Offices (ROs), respectively.

Withholding taxes

The amount of withholding taxes paid/accrued for CY 2018 in NIA Central Office and Regional Offices amounted to:

	2018
Withholding taxes on compensation and benefits	54,722,981
Creditable withholding taxes	689,557,421
	744,280,402

As at year end, the breakdown of creditable withholding taxes in CO for CY 2018 are as follows:

Percentage		2018
10	Withholding tax on professionals	5,356,867
2	Income payments made by GOCCs to suppliers of services	169,789,295
1	Income payments made by GOCCs to suppliers of goods	21,273,383
3	Withholding percentage tax	7,981,739
5	Withholding VAT	483,339,300
	Others	1,816,837
		689,557,421

The balance of the Due to BIR totaling P423,661,129, net of negative balance of P6,600,461 is composed of prior years' balances totaling P151,540,674, accounts of NIACI of P2,860,757, accounts of completed projects classified as inactive accounts totaling P4,736,596 and off-book adjustment of P5,076. These accounts will be subject to further analysis, adjustment, if necessary, and remittance to the BIR. The remaining balance of P264,518,026 pertained to taxes withheld in December 2018 due for remittance in January 2019.

38. COMPLIANCE WITH GSIS LAW, REPUBLIC ACT (RA) NO. 8291

NIA has been regularly deducting premiums from its employees and remitting the total amount withheld as well as the government share to GSIS. The employees' and employer's shares remitted to GSIS for CY 2018 are as follows:

	2018
Employee's Share	142,572,361
Employer's Share	153,217,699
	295,790,060

The balance of the Due to GSIS totaling P30,111,911 comprises prior years' balances totaling P3,509,742 and accounts of completed projects classified as inactive accounts

totaling P198,878 which will be subject to further analysis, adjustment, if necessary, and remittance to the GSIS while P26,403,291 pertained to deductions withheld in December 2018 due for remittance in January 2019.

39. COMPLIANCE WITH HDMF LAW, HDMF CIRCULAR NO. 275

NIA has been regularly deducting monthly contributions and remitting the total amount withheld as well as the government share to the nearest Pag-IBIG branch or its authorized collecting banks, together with the duly accomplished Membership Contribution Remittance Form (MCRF), in accordance with HDMF circular no. 275. The employees' and employer's shares remitted are as follows:

	2018
Employee's Share	25,763,164
Employer's Share	5,438,789
	31,201,953

The balance of the Due to Pag-IBIG Fund of P9,161,410 comprises prior years' balances totaling P705,721, accounts of NIACI of P1,502, accounts of completed projects classified as inactive accounts totaling P81,082 and off-book adjustment of P5,214. These accounts will be subject to further analysis, adjustment, if necessary, and remittance to the Pag-IBIG while P8,367,891 pertained to deductions withheld in December 2018 due for remittance in January 2019.

40. COMPLIANCE WITH PHIC CIRCULAR NO. 0001, S 2014

NIA has been regularly deducting premiums from its employees and remitting the total amount withheld as well as the government share to PHIC. The employees' and employer's shares remitted to PHIC for CY 2018 are as follows:

	2018
Employee's Share	17,762,625
Employer's Share	16,549,093
	34,311,718

The balance of the Due to PhilHealth of P9,178,978 comprises prior years' balances totaling P1,714,192, accounts of NIACI of P1,720, accounts of completed projects classified as inactive accounts totaling P172,579 and off-book adjustment of P1,288 which will be subject to further analysis, adjustment, if necessary, and remittance to the PhilHealth while P7,286,499 pertained to deductions withheld in December 2018 due for remittance in January 2019.

PART II - OBSERVATIONS AND RECOMMENDATIONS

A. FINANCIAL

1. The net off-book adjustments on the Net Assets/Equity in the total net negative amount of P9.348 billion and inactive accounts of 75 completed projects with Net Assets/Equity net positive amount of P22.726 billion, equivalent to 3.63 per cent and 8.82 per cent, respectively, of the total Net Assets/Equity of P257.628 billion as at December 31, 2018 cast doubt on the reliability of the respective balances of asset, liability, and equity accounts, which consequently affected the fair presentation of the Financial Statements (FS) as a whole, as required under Paragraph 7 of Philippine Public Sector Accounting Standard (PPSAS) 1. Of the total Net Assets/Equity adjustments for 75 completed projects of P22.726 billion, 56.16 per cent or P12.763 billion for 39 completed projects were not supported with documentation such as schedules or subsidiary records, thus, further affecting the reliability of the account balances presented in the Statement of Financial Position (SFP).

Net Off-book negative adjustments of P9.348 billion

1.1 Paragraph 27 of the PPSAS 1 states that:

Xxx. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities xxx set out in PPSASs. Xxx.

1.2 Further, Paragraph 3.26 of the Conceptual Framework for General Purpose Financial Reporting (GPFR) By Public Sector Entities provides that:

Verifiability is the quality of information that helps assure users that information in GPFRs faithfully represents the economic and other phenomena that it purports to represent. Supportability is sometimes used to describe this quality when applied in respect of explanatory information and prospective financial and non-financial quantitative information disclosed in GPFRs—that is, the quality of information that helps assure users that explanatory or prospective financial and non-financial quantitative information faithfully represents the economic and other phenomena that it purports to represent. Xxx.

1.3 Verification of consolidated Trial Balances (TBs) supporting the balance of accounts in the SFP and the disclosures in Note 4.2 of the FS as at December 31, 2018 revealed off-book debit and credit adjustments in the asset, liability, and equity accounts totaling P12.127 billion in the Corporate/General Funds (C/GFs) of NIA.

1.4 Further analysis of the off-book adjustments disclosed a net negative effect of P9.348 billion or 3.63 per cent of the total net assets/equity of P257.628 billion as stated in the SFP of NIA as at December 31, 2018, as shown in Table 1.

Table 1 - Summary of Off-book Adjustments

Account Name	Corporate Fund (CF)		General Fund (GF)		Total		Net Off-book Adjustments
	Debit	Credit	Debit	Credit	Debit	Credit	
Cash and Cash Equivalents	P 97,454	P 273,459,735	P -	P -	97,454	P 273,459,735	P (273,362,281)
Receivables	107,274,360	11,503,539,699	7,081,194	8,885,073	114,355,554	11,512,424,772	(11,398,069,218)
Inventories	72,556,489	126,408	-	-	72,556,489	126,408	72,430,081
Prepayments	-	77,500	-	-	-	77,500	(77,500)
Investments	-	18,000	-	-	-	18,000	(18,000)
PPE	2,403,641,864	102,621,263	1,676,819	51,828,995	2,405,318,683	154,450,258	2,250,868,425
	2,583,570,167	11,879,842,605	8,758,013	60,714,068	2,592,328,180	11,940,556,673	(9,348,228,493)
Financial Liabilities	20,720,715	-	-	-	20,720,715	-	(20,720,715)
Intra-agency Payables	7,960,246,435	7,743,513	51,969,657	13,602	8,012,216,092	7,757,115	(8,004,458,977)
Inter-agency Payables	1,473,979,395	45,073,181	-	-	1,473,979,395	45,073,181	(1,428,906,214)
Trust Liabilities	-	555,917	-	-	-	555,917	555,917
Other Payables	28,221,641	-	-	-	28,221,641	-	(28,221,641)
Deferred Credits	-	70,423,513	-	-	-	70,423,513	70,423,513
Total Liability Adjustments	9,483,168,186	123,796,124	51,969,657	13,602	9,535,137,843	123,809,726	(9,411,328,117)
Net Assets/Equity Adjustments	-	63,099,624	-	-	-	63,099,624	63,099,624
Net off-book adjustments to Net Assets/Equity	9,483,168,186	186,895,748	51,969,657	13,602	9,535,137,843	186,909,350	(9,348,228,493)
Total debit and credit adjustments	P 12,066,738,353	P 12,066,738,353	P 60,727,670	P 60,727,670	P 12,127,466,023	P 12,127,466,023	
Net off-book adjustments to Net Assets/Equity							(9,348,228,493)
Total Net Assets/Equity per SFP							P 257,628,506,798
Percentage of Net off-book adjustments to Net Assets/Equity							3.63%

1.5 Note 4.2 to FS disclosed that the off-book adjustments are the results of entries in prior years' intra-agency transactions which were recognized only in the preparation of financial reports and are not posted in the General Ledger (GL) due to absence of documentation. Considering the lapse of time that said off-book adjustments exist, the balances of the accounts affected should have been adjusted already as of the date of the preparation of the FS.

Balances of inactive account for 75 completed projects already turned-over to NIA

1.6 Note 4.2 to FS further disclosed that the FS of inactive accounts with total Net Assets/Equity of P22.726 billion from Regional Offices/Project Management Offices (ROs/PMOs) are included in the preparation of Combined Financial Statements. These inactive accounts' balances are accounts of 75 completed projects in the C/GFs that were forwarded from previous years despite their being turned-over to their respective ROs/PMOs but the accounts in their respective Financial Statements still exist/not closed. Of these accounts, 56.16 per cent or a total of P12.763 billion for 39 completed projects are not supported with documentation.

1.7 Analysis of the inactive accounts also disclosed a net assets/equity adjustments of P22.726 billion or 8.82 per cent of the net assets/equity of P257.628 billion, as shown in Table 2.

Table 2 – Summary of Inactive Accounts

Account Name	CF	GF	Net Assets/ Equity Adjustments
Cash and Cash Equivalents	P 52,596,847	P 31,212,229	P 83,809,076
Receivables	570,015,090	6,317,367	576,332,457
Inventories	638,472	136,562	775,034
Prepayments	7,588,915	11,017,844	18,606,759
PPE	4,869,989,431	18,701,005,544	23,570,994,975
	5,500,828,755	18,749,689,546	24,250,518,301
Financial Liabilities	15,407,794	7,103,400	22,511,194
Intra-agency Payables	986,691,212	13,602	986,704,814
Inter-agency Payables	488,654,632	4,855,175	493,509,807
Trust Liabilities	-183,523	300,877	117,354
Other Payables	4,839,156	16,271,766	21,110,922
Deferred Credits	275,246	-	275,246
Total Liability Adjustments	1,495,684,517	28,544,820	1,524,229,337
Net Assets/Equity Adjustments	P 4,005,144,238	P 18,721,144,726	P 22,726,288,964
Total Net Assets/Equity per SFP			P 257,628,506,798
Percentage of inactive accounts to Net Assets/Equity			8.82%
Total Net Assets/Equity for 39 Projects			
Corporate Fund			P 4,005,144,238
General Fund			8,757,824,501
Total Net Assets/Equity			P 12,762,968,739
Percentage over total completed projects			56.16%

1.8 The inactive account balances of 75 completed projects in C/GFs were forwarded from previous years despite their being turned-over to their respective ROs/PMOs. Of these projects, 39 completed projects were not supported with documentation.

1.9 Thus, the inclusion of the off-book adjustments and the balances of inactive accounts in the combined FS without supporting documents cast doubt on the reliability of the respective account balances which consequently affected the faithful representation of the financial position of NIA as at December 31, 2018.

1.10 We recommended and Management agreed to direct the Accounting Division – Central Office (AD-CO) and concerned ROs, which implemented the subject completed projects, to exert best efforts to retrieve the documents pertinent to the off-book adjustments and inactive accounts and effect the necessary adjustments.

1.11 Management commented that retrieval of all available documents/data shall be exerted for the off-book adjustments since these are historical records. Likewise, a memorandum was sent to concerned regions/projects to submit their TBs to prove that these accounts are still existing.

2. Prior period errors and other adjustments aggregating P5.289 billion are not supported with appropriate documents and are not adequately disclosed and properly presented in the Statements of Changes in Net Assets/Equity (SCNA/E) as required in the PPSAS 3.

2.1 Paragraph 47 of PPSAS 3 provide the accounting treatment for prior period errors, as follows:

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 net assets/equity for the earliest prior period presented.

Xxx

2.2 Contrary to the said Standard, the prior period errors for CYs 2016 to 2018 with an absolute amount of P5.289 billion was presented as reduction/addition from/to Accumulated Surplus/(Deficit) instead of restating the comparative amounts for the period(s) presented in which error occurred; or restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented, summarized as follows:

Year	Absolute Amount
2016	P 2,666,069,970
2017	122,456,366
2018	2,500,121,504
	P 5,288,647,840

2.3 Review of the SCNA/E for the said years, however, disclosed the following observations:

a. The forwarded balance aggregating P122.456 million as at January 1, 2017 net assets/equity balance of P203.593 billion was not restated for prior period errors, which were identified only in CY 2017. The details of the said balance and the affected accounts cannot be verified due to the absence of documents, such as schedules and SLs.

b. In addition to the CY 2016 prior period adjustments of P2.666 billion, other adjustments of P2.500 billion in 2018, the composition of which is shown in Table 3 and summarized in the CY 2018 SCNA/E, or a total of P5.166 billion, were also not duly supported with documents and without adequate information/disclosures whether the same pertained to changes in accounting policy or simply errors for the current or prior period to allow proper presentation and adjustments.

Table 3 - Composition of Other Adjustments

Particulars	Amount
Other adjustments	P 1,780,410,632
Reclassification of Property, Plant and Equipment (PPE) to its proper account	1,500,196,500
Adjustment of erroneous entry made to various accounts	402,297,942
LARISEP	35,059,323
Transfer of fund	22,296,725
Tax Remittance Advice	12,399,183
Interest income earned	1,298,891
CARP transactions	110,792
Reactivation of dormant account	10

Particulars	Amount
Bank charges	(7,319)
Liquidation of cash advance	(14,015)
Reclassification of inventory account	(84,113)
Unrecorded transactions	(103,494)
Subject for verification	(764,242)
Refund of cash	(827,361)
Transfer of interest income earned	(1,431,523)
Closure of dormant accounts	(3,122,057)
Reports of Check Issued	(3,459,357)
Adjustment made by CO to various accounts	(99,902,455)
Various accounts were closed to Accumulated Surplus	(117,883,679)
Depreciation expense of PPE of prior years	(1,026,348,879)
	P 2,500,121,504

2.4 The presentation of the balances in the SCNA/E also contradicts Paragraphs 33 and 54 of the same PPSAS, which require that the nature, among others, of prior period errors be disclosed. The entity is also given the option, under Paragraph 119(c) of PPSAS 1, to present, either on the face of the SCNA/E or in the Notes to the FS, to the extent that components of net assets/equity are separately disclosed, a reconciliation between the carrying amount of each component of net assets/equity at the beginning and the end of the period, separately disclosing each change.

2.5 Also, the nature and amount of correction for each line item affected was not disclosed at all in the Notes to FS. Selected CY 2018 other adjustments, as disclosed in Note 23 to FS include, among others the following:

- a. Lump-sum other adjustments of P1.780 billion, the materiality of which should have been provided with appropriate details considering that, other immaterial adjustments, for as low as P10, were nevertheless disclosed in the Notes to FS;
- b. Prior years' depreciation expense of P1.026 billion, which should have been presented as adjustment of CY 2017 and/or of prior years' SCNA/E;
- c. Vague particulars of Other Adjustments such as reclassification of PPE account and adjustment of erroneous entry amounting to P1.500 billion and P402.928 million, respectively, which were not descriptive enough of their effects in the Accumulated Surplus/(Deficit) account; and
- d. Unaccounted adjustment of P0.764 million.

2.6 Hence, the reliability of the Accumulated Surplus/(Deficit) account could not be established, thereby affecting the fairness of its presentation in the SCNA/E.

2.7 We recommended and Management agreed to direct the AD to:

- a. **Present the correction of prior period errors and other adjustments by restating the comparative amounts for the period(s) presented in which errors/adjustments occurred and provide adequate disclosures thereof in the Notes to FS in compliance with PPSAS 3;**

- b. Revise the Notes to FS so as to adequately provide appropriate description of the effect of adjustment in the Accumulated Surplus/(Deficit) account;
- c. Prepare duly-supported list/schedules showing the details of prior period errors and lump-sum other adjustments; and
- d. Verify and analyze the unaccounted adjustments.

3. The reliability of the Property, Plant and Equipment (PPE) balance of P267.696 billion is adversely affected by: (a) the variance of P66.857 billion between the Report on Physical Count of Property, Plant and Equipment (RPCPPE) and the accounting records, as well as the Engineering and Operations Division (EOD) reports; (b) inadequate accounting and property records to substantiate the PPE items of P62.029 billion; (c) non-reclassification of completed infrastructure projects amounting to P30.756 billion from Construction-in-Progress (CIP) to the appropriate asset accounts; (d) non-infrastructure PPEs aggregating to P492.084 million recorded as CIP were not reclassified to appropriate asset/expense account; and (e) non-disposal of unserviceable properties aggregating P65.754 million, resulting in the non-derecognition from the books.

3.1 Paragraph 29 of PPSAS 1 requires an entity to present information in a manner that meets a number of qualitative characteristics that make the FS information useful to users. These attributes include reliability, which is defined in Appendix A of PPSAS 1 as:

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.

3.2 In the SFP as at December 31, 2018, the PPE account has a carrying amount of P267.696 billion that consists of sub-accounts as disclosed in Note 14 to FS and shown in Table 4.

Table 4 - Composition of PPE account as at December 31, 2018

	Carrying Amount				% to Total
	GF	CF	SF	Total	
CIP	P 81,857,302,478	P 64,976,071,451	P 1,161,892,946	P 147,995,266,875	55.28
Infrastructure Assets					
Irrigation Systems	62,150,953,644	27,417,266,055	1,331,313,330	90,899,533,029	33.96
Land and Land Improvements	13,842,506,197	11,076,603,982	560,931,750	25,480,041,929	9.52
Machineries, Equipment, Furniture and Fixtures, and Other Assets	1,154,082,713	854,580,666	8,063,010	2,016,726,389	0.75
Buildings and Improvements	161,699,510	1,141,479,815	953,055	1,304,132,380	0.49
	P 159,166,544,542	P 105,466,001,969	P 3,063,154,091	*P 267,695,700,602	100.00

**inclusive of net debit off-book adjustment of P2,250,868,425 discussed in Observation No. 1*

Variance of P66.857 billion between the RPCPPE and accounting records and EOD reports

3.3 Item V(4) of COA Circular No. 80-124 dated January 18, 1980 provides that:

All inventory reports shall be prepared xxx and certified correct by the committee in charge thereof, xxx. The reports shall be properly reconciled with accounting and inventory records.

3.4 RPCPPE is required under Section 38, Chapter 10 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.

3.5 Verification of records of the CO, eight ROs and six PMOs showed a total variance of P66.857 billion between the RPCPPE and GL, summary of which is shown in Table 5.

Table 5 - Summary of Variance between PPE Balances in GL and RPCPPE

Office/RO	Per GL	Per RPCPPE	Variance Absolute Amount
CO	P 52,082,204,562	P 8,797,835,267	P 43,284,369,295
V	9,565,654,812	1,808,740,558	7,756,914,254
IV-B	71,642,800	3,934,097,169	3,862,454,369
III	3,744,612,771	388,302,816	3,356,309,955
II - Magat River Integrated Irrigation System (MARIIS)	10,104,760,830	7,425,851,384	2,678,909,446
III - Balog-Balog Multipurpose Project (BBMP) II	3,828,837,232	1,357,454,929	2,471,382,303
XIII	1,886,865,151	731,596,514	1,155,268,637
XI	1,847,339,506	958,130,010	889,209,496
Cordillera Administrative Region (CAR)	657,108,001	62,601,681	594,506,320
VIII	666,423,639	117,459,589	548,964,050
II	15,442,125,820	15,265,945,869	176,179,951
V - Participatory Irrigation Development Project (PIDP)	40,609,615	4,567,029	36,042,586
II - PIDP	617,569,519	583,075,449	34,494,070
IV-B - National Irrigation System Rehabilitation and Improvement Project (NISRIP)	338,612	12,429,710	12,091,098
XIII - PIDP	2,288,735	2,145,480	143,255
			P 66,857,239,085

3.6 The variance was due to the absence of regular reconciliation of records by Accounting Division/Section (AD/S) and Property Division coupled with the non-updating/non-maintenance of their respective records as well as the inability to conduct complete physical count.

3.7 In the CO under the GF, PPE account sub-classified as Land, Other Land Improvements, Water Supply Systems, Construction and Heavy Equipment, Motor Vehicles, and CIP-Land Improvement sub-accounts with total cost of P27.699 billion were not accounted at all in the RPCPPE. Likewise, in RO III, PPE items totaling P525.819 million were not supported with RPCPPE.

3.8 Also, in the CO under the GF and in Region I, various missing/unlocated PPE items amounting to P15.537 million and P8.224 million, respectively, were included in the RPCPPE.

3.9 On the other hand, in the CO and two ROs, there was a difference of P21.249 billion between accounting records for CIP account balance and EOD's report of on-going civil work contracts, summarized in Table 6.

Table 6 - Comparison between CIP balance and Total Contract Payments of On-going Contracts per EOD Report

Office	Accounting Records	EOD Report	Variance
CO	P 19,835,390,012	P 2,818,819,858	P 17,016,570,154
RO III	5,728,717,673	1,621,201,804	4,107,515,869
RO VII	176,675,459	51,981,610	124,693,849
	P 25,740,783,144	P 4,492,003,272	P 21,248,779,872

3.10 The non-preparation of inventory report, non-conduct of physical count and the variance between balances of physical count vis-à-vis accounting records and EOD reports casted doubt on the existence as well as accuracy of the balance of PPE, which consequently, affected the fairness of the presentation of the account in the FS.

Inadequate accounting and property records to substantiate the PPE items of P62.029 billion

3.11 Section 114(2), Chapter 2 of Presidential Decree (PD) No. 1445 requires the keeping of subsidiary records, which is consistent with Section 111 of the same Chapter of the PD that the accounts of an agency shall be kept in such detail as necessary.

3.12 Section 42, Chapter 10 of the GAM for NGAs, Volume I provides that the Accounting Division shall maintain PPE Ledger Card (PPELC) for each category of PPE to record promptly the acquisition, description, custody, estimated useful life, depreciation, impairment, disposal and other information about the asset while the Property Division shall maintain Property Card (PC) to account for the receipt and disposition of the asset. The balance per PC shall be reconciled with PPELC.

3.13 Likewise, for CIP accounts, subsidiary records such as CIP Ledger Card (CIPLC) shall also be maintained for each on-going project, which is provided under Appendix 77 of the GAM for NGAs, Volume II. Instructions stated in the said Appendix require that the CIPLC shall be kept in the Accounting Division/Unit for each project and that the Accounting Staff in charge in maintaining the CIPLC shall record promptly the construction costs and other information about the asset constructed.

3.14 Verification revealed that records of AD and Property Division of the CO, four ROs, and two PMOs are incomplete/inadequate for PPE accounts aggregating P62.029 billion, shown in Table 7.

Table 7 - PPE account Balances with Inadequate Accounting and Property Records

Office/PMO	Amount
CO	P 40,951,855,056
CAR	7,416,424,240
III	5,728,717,673

X	5,835,560,052
XIII	1,537,678,654
III - BBMP II	547,536,451
X – NISRIIP	11,613,776
	P 62,029,385,902

3.15 The accounting and property records are not adequately maintained and if records are maintained, these are not updated. The SLs are not updated to support the GLs balances while PPELCs and CIPLCs are neither maintained nor updated.

3.16 In addition, in CO, comparison of balances of the CIP accounts under the GF disclosed a variance between TB vis-à-vis the SLs in the amount of P4.214 billion. The same observation was noted in the SF of RO VIII, which disclosed a variance of P78.935 million in the PPE accounts.

3.17 In view of the foregoing, the reliability of PPE balances could not be ascertained and information regarding acquisition, description, depreciation, receipt, issuances, transfers, disposal, among others, about the PPE could not be accounted for and easily kept track, thereby affecting the fairness of the presentation of the PPE account in the SFP.

Non-reclassification of completed infrastructure projects amounting to P30.756 billion from CIP to the appropriate asset accounts

3.18 Section 8(g), Chapter 10 of the GAM for NGAs, Volume I, which provides that:

Xxx. As soon as the construction is completed, the “Construction in Progress” account shall be reclassified to the proper asset account. Xxx.

3.19 Likewise, NIA Memorandum Circular (MC) Nos. 43 and 44 both dated July 20, 2007 provide for the guidelines, procedures, and journal entries for the transfer of all completed projects to the proper asset accounts.

3.20 Verification of the CIP account of P147.995 billion in Table 4 revealed that completed projects amounting to P30.756 billion were not reclassified to the appropriate asset accounts, as shown in Table 8.

Table 8 - Cost of Completed Irrigation Projects still under CIP Account

Office/PMO/IIS	Amount
CO	P 8,073,035,591
VIII	4,323,980,508
II	1,605,750,373
XI	1,207,132,640
IX	947,441,066
IV-B	734,672,673
II - MARIIS	731,221,668
II - PIDP	179,426,657
I	71,153,766
IX - PIDP	9,120,173
Sub-total	17,882,935,115
Various ROs' non-moving sub-account balances in Table 9	12,872,951,951

Office/PMO/IIS	Amount
	P 30,755,887,066

3.21 Further shown in Table 9 are the CIP sub-account balances of ROs accumulating to P12.873 billion, which have been non-moving for at least nine years. It could not be ascertained as to how long these accounts have been non-moving prior to CY 2010 in view of inadequacy of supporting documents such as prior years' schedules and trial balances (TBs). Nonetheless, these non-moving accounts included the cost of long completed projects, which completion dates back to 1991 or 17 years ago.

Table 9 - Non-moving CIP Sub-account Balance of ROs/PMOs/IIS

No. of years non-moving / Fund	CIP			Total Cost	
	Land Improvements	Infrastructure Assets	Buildings & Other Structures		
8 to at least 9 years:					
101	P	-	P 257,771,218	P 61,901	P 257,833,119
102-Regular		-	3,209,769,617	-	3,209,769,617
171		764,284	-	-	764,284
		764,284	3,467,540,835	61,901	3,468,367,020
6 to 7 years:					
101		14,650,409	11,191,941	-	25,842,350
102-Regular		61,945	382,399,557	-	382,461,502
		14,712,354	393,591,498	-	408,303,852
4 to 5 years:					
101		-	2,915,502,234	-	2,915,502,234
102-Regular		-	6,050,491,380	-	6,050,491,380
102-NISRIP		-	30,287,465	-	30,287,465
		-	8,996,281,079	-	8,996,281,079
	P 15,476,638	P 12,857,413,412	P 61,901		P 12,872,951,951

3.22 The non-reclassification of the completed projects to its appropriate assets accounts was due to the lack of monitoring and coordination between the EOD, Irrigation Management Offices (IMOs) or Project Management Offices (PMOs), and Accounting Division/Section for the completion and submission of the turn-over documents consisting of: (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 (FMD) as to the correctness of the financial aspects and approved by the Regional Irrigation Manager (RIM); and (ii) physical inventory and inspection report of the completed project by the EOD. These documents are the bases of the AD/S for reclassifying completed projects to proper asset accounts.

3.23 While the abovementioned condition does not affect the total cost of the PPE, the non-reclassification of completed projects resulted in the overstatement of the CIP account by P30.756 billion and understatement of the Infrastructure Assets account by the same amount. Consequently, the depreciation on the aforesaid PPE items to reflect the carrying amount had not been computed, thus, overstating the carrying amount of PPE by the unrecognized accumulated depreciation.

Non-infrastructure PPEs aggregating to P492.084 million recorded as CIP were not reclassified to appropriate asset/expense account

3.24 Section 5, Chapter 10 of the GAM, Volume I, provides for the measurement and recognition of PPE. It enumerated the composition of the cost of PPE which is also in accordance with Paragraphs 30 and 31 of PPSAS 17.

3.25 Likewise, Paragraph 33 of the same PPSAS enumerated the example of costs that are not costs of an item of PPE, among which is the administration and other general overhead cost. Furthermore, Paragraph 35 of PPSAS 17 states that:

Some operations occur in connection with the construction or development of an item of property, plant, and equipment, but are not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management. These incidental operations may occur before or during the construction or development activities. Xxx. Because incidental operations are not necessary to bring an item to the location and condition necessary for it to be capable of operating in the manner intended by management, the revenue and related expenses of incidental operations are recognized in surplus or deficit, and included in their respective classifications of revenue and expense.

3.26 Further review and analysis of CIP accounts of CO and eight ROs/IIS revealed that non-infrastructure PPEs, non-capitalizable, and non-project related expenditures amounting to P492.084 million were erroneously charged and misclassified as CIP account, summary of which is shown in Table 10.

Table 10 - Non-infrastructure PPEs, Non-capitalizable, and Non-project related Expenditures booked under CIP Account

Office/IIS	Amount	Nature of transactions	Should be Account
III	P 172,509,786	-Units/sets of pumps/engines	-Inventory account
II	88,226,960	-do-	-do-
XIII	74,043,737	-Desktops, laptops, mobile phones, Other IT Equipment, furniture and fixtures and air conditioner	-Appropriate PPE account
		-salaries and wages, remittances of loans, premiums of mandatory contributions, replenishment of petty cash fund, traveling expenses, meals and catering services, trainings and seminars, power cost and other maintenance and operating expenses	-Appropriate Expense account
I	47,942,179	-Trainings and Personnel Services	-do-
CO	41,186,566	-Pick-up truck, back hoe, training expenses, meals, honorarium, among others	Appropriate PPE and expense account
II-MARIIS	22,464,542	-various expenses, office equipment and IT equipment	-Appropriate expense and PPE accounts
CAR	18,006,149	-per diems, remittances to PhilHealth and Pag-IBIG mandatory contributions, IT supplies & equipment,	-Appropriate-Expense, PPE and Inventory

Office/IIS	Amount	Nature of transactions	Should be Account
IV-B	14,571,211	spare parts, among others - All expenses except for non-cash such as depreciation	accounts -Appropriate expense accounts
V	13,132,382	- wages, training and other operating expenses	-do-
P 492,083,512			

3.27 The practice of recording non-infrastructure PPEs, non-capitalizable and non-project expenditures which are not directly attributable to the on-going projects, and costs not related to the operations and maintenance of irrigation systems, as CIP-Infrastructure Assets, instead of its appropriate accounts resulted in the misclassification and/or over/understatement of the asset and expense accounts. The inappropriate recording might have also caused the accumulation of the huge amount of the CIP account as at year-end, thus, significantly affecting the reliability of balances of the same and other PPE related accounts.

Inadequate disclosures of the PPE account in the Notes to FS

3.28 Paragraphs 88 to 94 of PPSAS 17 enumerated the information on PPE that needed to be disclosed in the FS. Paragraph 88, in particular, requires disclosures such as the useful lives of the PPE and reconciliation of the carrying amount at the beginning and end of the period showing additions, disposals, depreciation, other changes, among others.

3.29 Review of the Notes to FS as at year-end for PPE revealed the lacking information such as the following:

- a. In Note 4.8 to FS, useful lives of the following PPE sub-accounts: land improvements, water supply system (infrastructure assets), Information Technology (IT) equipment, watercrafts, other transportation equipment, books, work of arts and archaeological specimens, among others;
- b. In Note 14, the nature/description of net positive adjustments in the cost and accumulated depreciation of PPE accumulating to P16.440 billion and P971.116 million, respectively. Further, said adjustments were not duly supported with a schedule; and
- c. Also, in Note 14, the disposal of PPE item/s in relation to the proceeds from sale/disposal of PPE amounting to P3.295 million as reported in the Statements of Cash Flows (SCFs).

3.30 Said omissions are, thus, not compliant with Paragraph 88 of PPSAS 17, hence, depriving users of useful financial information that may be used for decision-making purposes.

Non-disposal/non-derecognition of the unserviceable properties of P65.754 million

3.31 Paragraph 82 of PPSAS 17 states that:

The carrying amount of an item of PPE shall be derecognized: (a) On disposal; or (b) When no future economic benefits or service potential is expected from its use or disposal.

3.32 Various unserviceable properties in CO and seven ROs aggregating P65.754 million reported in the RPCPPE were not yet disposed of as at December 31, 2018 contrary to Section 79 of PD No. 1445 which requires destruction or sale of unserviceable property, thus exposing their conditions to further deterioration resulting in the inability of NIA to maximize the value that can be derived therefrom. The Inventory and Inspection Report of Unserviceable Property (IRRUP) is not prepared to support the PPE for disposal. The composition of unserviceable properties is shown in Table 11.

Table 11 - Summary of Unserviceable Properties

Office/RO	Amount
II - ARIIS	P 27,536,243
III	21,054,754
I	8,618,466
XI	2,790,612
CO	2,736,760
III - BBMP II	2,476,426
II - PIDP	540,896
	P 65,754,157

Other noted deficiencies in the PPE account

3.33 The Management Letters (MLs) of the Audit Teams in CAR and ROs I, III and VI disclosed that parcels of land situated in Apayao, Ilocos Norte and Pangasinan IMOs were not covered with Certificates of Title under the name of NIA, thus ownership could not be established aside from the fact that it could become a subject of future litigation.

3.34 On the other hand, donated parcels of land in Iloilo and Guimaras IMOs, a service vehicle in RO II acquired thru Lease Agreement and donated/transferred PPE items worth P5.952 million in BBMP were not recorded in the books due to the absence of complete documentation.

3.35 The non-recognition of the PPE items in the books understated the account and other related accounts, contrary to Paragraph 14 of PPSAS 17 which states that:

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

(a) It is probable that future economic benefits or service potential associated with the item will flow to the entity; and

(b) The cost or fair value of the item can be measured reliably.

3.36 In view of the deficiencies noted, the reliability of the carrying amount of PPE account totaling P267.696 billion could not be ascertained.

3.37 We recommended that Management:

a. Instruct the Accounting Division/Section (AD/S) of the CO and concerned ROs to:

a.1. Coordinate with the Property Division and EOD on the reconciliation of records and facilitate the submission of reconciliation report;

a.2. Maintain and regularly update SLs for all PPE accounts, and conduct a continuous analysis of the accounts to ensure the reconciliation of the same with the GL;

a.3. Refrain from recording the CIP account of non-infrastructure PPE items, and charging of expenses which are non-capitalizable and non-project related, and adjust the non-infrastructure PPEs and expenses recorded in the CIP account to the appropriate accounts;

a.4. Coordinate with the proper office/s in exerting efforts to complete the documentation necessary to reclassify the cost of items in the CIP account to the PPE accounts;

a.5. Provide full and adequate disclosure on the PPEs in the Notes to FS in order to provide reliable and useful information to users; and

a.6. Dispose the unserviceable properties and derecognize the carrying amount from the books, pursuant to Paragraph 82 of PPSAS 17.

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

c. Direct the PMO, AD/S, and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset accounts; and

d. Instruct the Inventory Team/Committee to conduct inventory count of all PPE items to establish the actual existence thereof and include the same in the RPCPPE.

3.38 We further recommended that Management require the concerned ROs to:

a. Prioritize speedy acquisition of land titles in the name of NIA for all the parcels of land where their office buildings and/or irrigation canals are situated in order to establish absolute right over said property and to avoid further risk of future claims by private individuals which may result in loss on the part of the government;

b. Facilitate the transfer of ownership of the vehicle acquired thru Lease Agreement under the Agency's name and as basis of the Accounting Section to record in the books; and

c. Create a Committee which would facilitate the proper disposal of unserviceable properties in accordance with Section 79 of PD No. 1445.

3.39 During the exit conference held last July 9, 2019, the Administrator acknowledged all the audit observations and recommendations presented to Management and he ensured that all the issues will be taken as part of the agenda in the Regional Managers Conference held on July 11 and 12, 2019.

3.40 In addition, the Manager, Administrative Department informed that they have already scheduled a meeting with the Financial Management Department (FMD) to address the issues in the audit observations. She added that the Audit Teams will be informed of whatever outcome of the discussions and agreed upon between the FMD and the Property Section, Administrative Department regarding the matter. She also added that a memorandum will be prepared and issued within 3rd week of July 2019 for the creation of Technical Working Group (TWG) to handle the Audit Observations issued on PPE.

4. The Accounts Receivable-Irrigation Service Fees (AR-ISF) account balance aggregating P23.500 billion included accounts aged more than 10 years, which were not adequately provided with Allowance for Impairment (AI). Thus, the provision of P6.189 billion was understated by P7.277 billion to bring the carrying amount of AR-ISF account to its net realizable value.

4.1 Paragraph 67 of PPSAS 29 provides, among others, that an entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the entity shall measure the amount of loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in surplus or deficit.

4.2 In conformity with the above cited PPSAS, NIA's policy in providing AI, as disclosed in Note 4.5 of the FSs states that *"allowance includes the aging of receivables method in estimating uncollectible accounts. By this method, the accounts are classified according to age from one day to over 10 years and provisions for allowance for impairment-accounts receivable shall be as follows:*

Age	Percentage
1 - 60 days	1 per cent
61 - 180 days	2 per cent
181 - 1 year	3 per cent
More than 1 year	5 per cent
Over 10 years	100 per cent
Accounts w/ legal constraints	100 per cent

4.3 In Note 8.1 to FS, total AR-ISF balances amounted to P23.500 billion as at December 31, 2018 with breakdown in Table 12.

Table 12 - AR-ISF balance as at December 31, 2018

		Amount
AR - ISF*	P	80,067,332
- ISF back account		14,978,554,228
- Pump/communal irrigation pump (CIP/CIS), current		503,828,556
- Pump/CIP/CIS, non-current		7,803,373,069
- Others		134,630,367
		*P23,500,453,552

CIP-Communal Irrigation Project; CIS-Communal Irrigation System

**inclusive of debit off-book adjustment of P59,450,665, as discussed in Observation No. 1*

4.4 These accounts included the landholdings of farmers of eight hectares and below and past due accounts of Irrigators Associations (IAs) subject for write-off and condonation pursuant to RA No. 10969, the Free Irrigation Service Act. With the signing into law of the Act, NIA ceased collection of irrigation fees from farmers.

4.5 Contrary to the accounting policy cited in Paragraph 4.2 above, the AI balance of P6.189 billion as at December 31, 2018 is understated by an aggregate of P7.277 billion, as shown in Table 13.

Table 13 - Recomputation of under provision for AI as at December 31, 2018

Year	Particulars	AR	Provision (In %)	Allowance for Impairment*
2000	Beginning balance	P 4,259,968,110	100	P 4,259,968,110
2001-2009	Total yearly transactions	8,677,073,503	100	8,677,073,503
2010-2018	-do-	10,563,411,939	5	528,170,597
	Total, per audit	P 23,500,453,552		13,465,212,210
	Total, per books			6,188,656,314
	Understatement			P 7,276,555,896

**inclusive of credit off-book adjustment of P807,566, as discussed in Observation No. 1*

4.6 Compared to last year's provision of P1.529 billion, current year's provision increased by 304.77 per cent or P4.660 billion; however, the amount was still inadequate due to non-provision of 100 per cent AI for accounts aged 10 years and above.

4.7 The Implementing Rules and Regulations (IRR) of RA No. 10969 was approved only in April 2019, hence the AR-ISF balance still included the accounts that are subject to write-off and condonation. Meanwhile, the accounts should be adequately provided with AI to bring the carrying amount AR-ISF to its net realizable value at year end.

4.8 **We recommended that Management direct the concerned personnel of the AD/S of the CO and concerned ROs to provide the AI to bring the carrying amount of the AR-ISF to its net realizable value.**

4.9 Management explained that the AR-ISF in CO of P48.000 million will be subject to verification and adjustment, where necessary. They added that the issue will be resolved by the IRR of RA No. 10969.

5. **The Inter-agency Receivables (I-aR) balance of P14.506 billion could not be relied upon due to: (a) negative/abnormal balances totaling P14.895 million, (b) incomplete subsidiary records and schedules and unsupported accounts of P7.000 million, and (c) discrepancies of P14.058 billion between book and confirmed balances.**

5.1 In Note 8.2 to Financial Statements, the I-aR account has a balance of P14.506 billion as at December 31, 2018 with breakdown in Table 14.

Table 14 - Outstanding balances of Inter-agency Receivables as at December 31, 2018

Particulars	GF	SF	CF	Total
Due from GOCCs	P 419,413	P 197,100	P 13,461,733,450	P 13,462,349,963
Due from NGAs	83,145,857	1,464,261	771,060,454	855,670,572
Due from LGUs	128,614,833	-	59,184,631	187,799,464
	P 212,180,103	P 1,661,361	P 14,291,978,535	*P 14,505,819,999

GOCCs – Government-owned and Controlled Corporations

NGAs – National Government Agencies

LGUs – Local Government Units

*inclusive of debit off-book adjustment of P29,147,304 discussed in Observation No. 1

5.2 Review of the I-aR account revealed the following observations:

Negative/abnormal balances totaling 14.895 million

5.3 The negative balances aggregating to P14.895 million remained in the books notwithstanding that the same observations had been raised by the Audit Team to the Management in the prior years' audit. Table 15 shows the offices/funds with reported negative I-aR balances as at December 31, 2018.

Table 15 - Accounts with Abnormal/Negative Outstanding Balances

Office/Fund	Due from NGAs	Due from GOCCs	Due from LGUs	Total
CO				
CF	P 5,713,117	P 4,549,185	P -	P 10,262,302
GF	3,504,249	-	-	3,504,249
	9,217,366	4,549,185	-	13,766,551
RO V	-	-	1,128,240	1,128,240
	P 9,217,366	P 4,549,185	P 1,128,240	P 14,894,791

5.4 The absence of details of the negative/abnormal balances precluded the Audit Team from conducting a comprehensive analysis of individual balances and from ascertaining what caused the existence of negative balances in the I-aR account.

*Incomplete subsidiary records and schedules
and unsupported accounts of P7.000 million*

5.5 The subsidiary records and ageing schedules covering CY 2018 for FS accounts, including that of I-aR accounts are incomplete. Further, review of the GF-TB of the CO and ROs revealed an unsupported off-book adjustment, as discussed in Observation No. 1, increased the Due from LGUs account under Fund 101-CO books by P7.000 million.

5.6 The incomplete subsidiary records and ageing schedules and the unsupported off-book adjustment likewise precluded the Audit Team from conducting thorough analysis of the individual balances and from ascertaining the reliability of the I-aR balances.

*Discrepancies of P14.058 billion between
book and confirmed balances*

5.7 Confirmation by the Audit Team from the Implementing Agencies comprising LGUs, NGAs, and GOCCs disclosed that I-aR balances recorded in the books of accounts of NIA - CO were either no longer recognized as liabilities, incorrect balance, or no available data in the books of Implementing Agencies. The result of the confirmations vis-a-vis book balances is summarized in Table 16.

**Table 16 - Difference between Book Balances and Confirmed Amounts
as at December 31, 2018**

	Book Balances		Confirmed Amounts		Difference
LGUs					
Maguindanao Provincial Government	P	36,600,000	P	-	P 36,600,000
Bicol River Basin Watershed Management Project Project Management Office (BRBWMP- PMO)		29,700,000		-	29,700,000
Zambales Provincial Government		113,279		63,321	49,958
		66,413,279		63,321	66,349,958
NGAs					
Department of Public Works and Highways (DPWH)		582,214,625		-	582,214,625
Department of Environment and Natural Resources (DENR) - Provincial Environment and Natural Resources Office		3,697,050		-	3,697,051
Bureau of the Treasury (BTr)		2,348,000		-	2,348,000
DENR - Nabunturan Compostela Valley		2,187,952		-	2,187,952
DENR - Region II		1,500,000		-	1,500,000
DENR - Negros Oriental		386,019		-	386,018
Dangerous Drugs Board		272,505		-	272,505
National Commission on Indigenous People		88,000		53,040	34,960
DPWH - B		20,000		-	20,000
Philippine Drug and Enforcement Agency		18,000		-	18,000
Department of Health - Caraga Center for Health Development		13,036		-	13,036
DPWH - A		6,250		-	6,250
DENR - Forest Management Bureau		(1,415,537)		147,032	(1,562,569)
		591,335,900		200,072	591,135,828
GOCCs					
National Power Corporation		13,399,734,967		-	13,399,734,967

	Book Balances	Confirmed Amounts	Difference
Philippine Crop Insurance Corporation	767,763	-	767,763
Philippine National Bank	22,571	-	22,571
National Electrification Administration	134,730	-	134,730
	13,400,660,031	-	13,400,660,031
	P 14,058,409,210	P 263,393	P 14,058,145,817

5.8 The aforementioned discrepancies of P14.058 billion, which represents 97 per cent of the P14.506 billion total balance of I-aR account at year-end, cast doubt on the validity and reliability of the account balance in the FS.

5.9 Thus, abnormal/negative balance, the incomplete SLs and Ageing Schedules and unsupported account as well as the discrepancies between book and confirmed balances affected the reliability of the account balance of P14.506 billion as at year-end.

5.10 **We recommended and Management agreed to direct the AD to:**

- a. **Analyze the abnormal/negative balances and prepare the necessary adjustments;**
- b. **Update recording in the SLs indicating therein all required/ necessary information to facilitate tracking of recorded transactions and prepare ageing schedules as required under Annex 3 of COA Circular No. 2016-005 dated December 19, 2016;**
- c. **Investigate the unsupported adjustment of P7 million and make the necessary correction, if warranted;**
- d. **Reconcile the variance between the book balance and the confirmed amounts by the Implementing Agencies; and**
- e. **Request for the authority to write-off the accounts which no longer exist in the books of the debtors applying the guidelines in COA Circular No. 2016-005 dated December 19, 2016 on the writing off of dormant accounts.**

5.11 Management commented that the receivable from NPC of P13.400 billion will be dropped from the books after retrieval of records containing the original entry and reconciliation with the NPC.

6. **The reliability of the Inter-agency Payable (I-aP) account balances, particularly the Due to NGAs and Due to GOCCs accounts could not be ascertained due to: (a) unreconciled variance amounting to P11.557 billion between the records of NIA and the confirmed balances of Source Agencies (SAs); (b) long-outstanding balances in the total amount of P15.384 billion; (c) absence of subsidiary records and supporting documents for accounts amounting to P3.316 billion; (d) inclusion of abnormal balances aggregating P1.149 billion; and (e) misclassification of transactions to the account totaling P7.320 million, thus, adversely affecting the FS presentation as at year-end.**

6.1 As discussed in Paragraph 3.1 above, Paragraph 29 of PPSAS 1 requires an entity to present information in a manner that meets a number of qualitative characteristics that make the FS information useful to users, which include, among others, the reliability of the financial information.

6.2 In addition, COA Circular No. 94-013 dated December 13, 1994, covered the *Rules and Regulations in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agencies*.

6.3 NIA received funds from NGAs and GOCCs for the implementation of various projects. As at December 31, 2018, the outstanding balances of I-aP accounts of Due to NGAs and Due to GOCCs accounts totalled P14.036 billion as disclosed in Note 18 to FS, broken down in Table 17.

Table 17 - Due to NGAs and GOCCs Account Balances

Particulars	CO	RO	Total
I. Due to NGAs			
CF	P 13,240,411,184	P142,190,059	P13,382,601,243
SF	99,724,369	67,243,128	166,967,497
GF	2,377,229	178,093,823	180,471,052
Sub-total	13,342,512,782	387,527,010	13,730,039,792
II. Due to GOCCs			
CF	283,074,260	4,690,624	287,764,884
GF	7,816,510	6,959,663	14,776,173
SF	-	3,600,661	3,600,661
Sub-total	290,890,770	15,250,948	306,141,718
	13,633,403,552	402,777,958	14,036,181,510

* inclusive of debit off-book adjustment totaling P1,473,965,794, as discussed in Observation No. 1

6.4 Audit of the Due to NGAs and GOCCs accounts of C/G/SFs in CO and two ROs disclosed the following observations:

Discrepancy in the balances of the Due to NGAs and GOCCs accounts of P11.411 billion and 145.690 million, respectively, between the book and amounts confirmed by the SAs

6.5 Results of confirmation of the balances of six NGAs and three GOCCs differed by P11.411 billion and P145.690 million, respectively, with the book balances, as shown in Table 18.

Table 18 - Comparison Between Book Balance and Confirmed Amount

SA	Book Balance	Confirmed Amount	Difference (In absolute figure)
I. Due to NGAs			
CF			
BTr	P 10,642,728,307	P -	P 10,642,728,307
Department of Agriculture (DA)	535,072,973	156,255,696	378,817,277
Department of Finance (DOF)	252,410	-	252,410
	11,178,053,690	156,255,696	11,021,797,994
GF			
DPWH	790,613	119,873,463	119,082,850
Philippine Council for Agriculture and Fisheries (PCAF)	971,839	15,320,028	14,348,189
	1,762,452	135,193,491	133,431,039
SF			
Department of Agrarian Reform (DAR)	166,967,497	423,109,543	256,142,046

				11,411,371,079
II. Due to GOCCs				
CF				
Metropolitan Waterworks and Sewerage System	145,617,378	-	145,617,378	
Philippine Amusement and Gaming Corporation	55,000	-	55,000	
National Electrification Administration	17,800	-	17,800	
	145,690,178	-	145,690,178	
				P 11,557,061,257

6.6 As shown in Table 18, confirmation received from the BTr and DOF disclosed zero balances while DA revealed unliquidated balances in four projects way back in 1987 and 2005 totaling P156.256 million, of which P6.155 million pertain to 2018 fund balance, presented as follows:

Construction and Rehabilitation of Communal Irrigation System	10/20/1987	P 140,505,868
Implementation of Farm to Market Road Development Program	12/27/2005	4,156,822
Special Activities	2009	(16,875)
Balance of fund transfer from the Implementation of RPEP-CARP	-	5,455,341
2 nd tranche of financial assistance to NIA Region 8, Employees affected by Typhoon Yolanda	9/28/2018	6,154,541
		P 156,255,697

6.7 Likewise, confirmation with the DPWH and the National Agricultural and Fishery Council, now PCAF, disclosed the variances aggregating P133.431 million. Inquiry with Management revealed that the fund transfer received from DPWH had been released to ROs. As such, the Audit Team requested for pertinent details including the status of implementation of the project/s funded from the aforesaid fund transfer, schedule of releases to and liquidations made by the concerned ROs, Memorandum of Agreement (MOA), and a copy of Management's confirmation reply, if any, to the confirmation request of DPWH Audit Team. To date, however, said requested documents have not been provided by Management. Consequently, the variance of P133.431 million between the books and confirmed amounts casts doubt on the accuracy and reliability of the Due to NGAs account balance.

6.8 Moreover, the Due to NGAs account balance of P166.967 million under NIA CAR-IC of SF- (F 158) comprises balances of six completed projects namely: Agrarian Reform Infrastructure Support Project (ARISP) Phases 1-3, Agrarian Reform Communities Development Project (ARCDP) Phase II, Mindanao Sustainable Settlement Area Development Project (MINSSAD), Calamity Assistance Relief Effort (CARE) and Mindanao Sustainable Agrarian and Agriculture Development Project (MinSAAD), currently an on-going project. While ARISP I and CARE projects were already completed and fully liquidated in the books of DAR, but the records are still subject to reconciliation.

6.9 In CY 2018, the PMO, NIA-CARP-IC returned to DAR the unutilized balance of ARISP III totaling P14.638 million with remaining unremitted balance of P20.149 million. Likewise, unused cash fund balances of ARISP II and ARCDP III of P4.372 million and P217,241, respectively, or a total of P4.589 million remained unremitted to DAR as at year-end, contrary to Item 4.9 of COA Circular No. 94-013 which provides that *"the IA [Implementing Agency] shall return to the SA any unused balance upon completion of the project."*

6.10 The total variances of P11.557 billion between the books and confirmed amounts cast doubt on the reliability of the account balances.

Long outstanding/non-moving accounts in both Due to NGAs and Due to GOCCs in the total amount of P15.379 billion and P4.983 million, respectively

6.11 Verification disclosed that the Due to NGAs and Due to GOCCs accounts have balances totaling P15.491 billion and P156.918 million, respectively, as at year-end as shown in Table 19.

Table 19 - Long Outstanding/Non-Moving Accounts

Account Name	Fund	Balance	Less than 5 years	5 years to 10 years	More than 11 years
Due to NGAs	501	P 15,489,509,238	P 110,555,135	P -	*P 15,378,954,103
	101/102	1,767,260	1,762,452	-	4,808
		15,491,276,498	112,317,587	-	15,378,958,911
Due to GOCCs	501	150,600,178	145,617,378	-	4,982,800
	101/102	6,318,153	6,299,864	18,289	-
		156,918,331	151,917,242	18,289	4,982,800
		P 15,648,194,829	P 264,234,829	P 18,289	P 15,383,941,711

**net of negative balances*

6.12 As shown above, P15.384 billion account balances had been dormant for more than 11 years while P264.235 million had been non-moving for less than five years for both accounts. These account balances are no longer supported with cash fund, as Cash and Cash Equivalents balance as at year-end was only P6.427 billion.

Absence of subsidiary records and supporting documents for accounts amounting to P3.316 billion in CO, CAR, and RO VII

6.13 While schedules were provided by Management to support the accounts in GF, the same were not, however, aged and without details.

6.14 Likewise, subsidiary records of CF have no details such as description as to the nature of the project, period of implementation, amount of fund received from the SA and liquidations submitted by NIA to SA to determine the status of the projects' fund balances. It included unidentified accounts in both Due to NGAs and Due to GOCCs of P3.138 billion and P133.564 million, respectively.

6.15 In addition, subsidiary records were not maintained for both Due to NGAs and Due to GOCCs of CF and GF (F-101) in CAR totaling P42.197 million and P24,352, respectively. Meanwhile, P2.311 million accounts were not also supported with subsidiary record in RO VII.

Negative balances in all funds in CO in the total amount P1.149 billion

6.16 Negative balances totaling P1.149 billion were noted in the schedules and SLs in all funds in the CO, presented in Table 20.

Table 20 - Accounts with Negative Balances

Fund	Net	Positive	Negative
Due to NGAs			
CF	P 14,228,207,950	P 15,365,082,226	P 1,136,874,276
SF	166,967,497	174,245,716	7,278,219
	14,395,175,447	15,539,327,942	1,144,152,495
Due to GOCC			
CF	281,773,731	286,163,560	4,389,829
	P 14,676,949,178	P 15,825,491,502	P 1,148,542,324

6.17 The negative balances had been non-moving from five to more than 11 years for CF. We noted that error in recording interfund transactions are among the causes of the abnormal balances. The negative balances consequently understated the account balances by P1.149 billion.

Misclassification of transactions in CO and RO VII to Due to NGAs and Due to GOCCs accounts of P7.320 million net of negative balance of P40,062

6.18 It was also noted that prior year's transactions in CF-CO totaling P2.208 million and negative balance of P40,062 were inadvertently recorded to Due to NGAs and Due to GOCCs, respectively, instead of Due to Other Funds while P5.153 million in RO VII was erroneously charged to Due to NGAs instead of Due to CO.

6.19 The absence of complete and detailed supporting schedules and SLs precluded the Audit Teams from ascertaining the accuracy of the account balances.

6.20 In view of the foregoing observations, the reliability of the balances of Due to Other NGAs and Due to GOCCs accounts totaling P13.720 billion and P306.142 million, respectively, as at December 31, 2018 could not be ascertained.

6.21 We recommended that Management direct the AD/S of the CO and concerned ROs to:

- a. Reconcile the variance between the book balances and confirmed amounts by the SAs;**
- b. Exert best efforts to analyze the long outstanding/non-moving and misclassified accounts and accounts with abnormal/negative balances, and effect the necessary adjustments in the books; and**
- c. Prepare the updated and complete detailed schedules and SLs as well as supporting documents pertaining to the accounts.**

6.22 The AD committed to analyze the negative balances and prepare SLs upon reconciliation of the balances as well as confirmation letters which will be sent to the concerned SAs.

7. The outstanding balance of Accounts Payable (A/P) account of P12.320 billion as at December 31, 2018 was doubtful due to: (a) dormant and long-outstanding A/P accounts without supporting claims aggregating P2.484 billion that overstated the account by the same amount; (b) accounts not duly supported with complete subsidiary records; (c) discrepancies of P851.025 million between books and confirmed balances; (d) negative balances aggregating P819.723 million; and (e) non-accrual of unpaid cost of physical accomplishments of eight NISRIIP contracts totaling P356.167 million. Likewise, the Guaranty Deposits Payable (GDP) account under GF showed negative balance of P38.954 million, dormant accounts of P117.497 million and discrepancy of P21.435 million between books and confirmed amount.

7.1 Section 98 of PD No. 1445 provides that:

Reversion of unliquidated balances of accounts payable. The Commission, upon notice to the head of 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 and against which no actual claim, administrative or judicial, has been filed or which is not covered by perfected contracts on record. This section shall not apply to unliquidated balances of accounts payable in trust funds as long as the purposes for which the funds were created have not been accomplished.

7.2 In Note 16 to FS, A/P has an outstanding balance of P12.320 billion as at December 31, 2018. Audit of the accounts disclosed deficiencies in the books as discussed in the succeeding paragraphs.

Dormant/long outstanding payables without supporting claims aggregating P2.484 billion

7.3 Review of A/P balances disclosed outstanding accounts for more than two years with accumulated balance of P2.484 billion without supporting claims and details. The amount represents 20.08 per cent of the Financial Liabilities (FL) account balance of P12.371 billion, as summarized in Table 21.

Table 21 - Long-outstanding A/P sub-accounts

Fund	Particulars	No. of Years Dormant	Balance*		% of account to fund balance
			Long outstanding	Total Account	
CO					
GF					
F-101	Non-moving since CY 2014	5	P 13,805,524	P -	-
	Non-moving since CY 2015	4	159,620	-	-
			13,965,144	18,144,178	76.97
F-102- R	Prior to CY 2005	13 or more	612,809,638	-	-
	No details (various projects)		638,707,348	-	-
			1,251,516,986	2,993,569,908	41.81
CF	Non-moving since 2003 and 2009	11 or more	1,211,302,394	1,271,097,178	95.30

			2,476,784,524	4,282,811,264	57.83
RO					
UPRIIS	Non-moving since 2008 and	9 or			
CF	2009	more	6,929,113	89,091,475	7.78
			P 2,483,713,637	P 4,371,902,739	56.81

**excluding negative balances*

7.4 The payables under GFs 101 and 102-R included accounts that pertained to terminated contracts. Consequently, the non-reversion of long-outstanding payable of P2.484 billion to Accumulated Surplus account overstated the reported balances of the C/GFs accounts in CO and UPRIIS, respectively, by the same amount.

Accounts not duly supported with subsidiary records

7.5 Section 4.6 of PD No. 1445 provides for the fundamental principles for government financial transactions and operations among which is that, claims against government funds shall be supported with complete documentation. Also, Section 114 (2) thereof states that subsidiary records shall be kept where necessary.

7.6 For GF maintained in CO, subsidiary records for each creditor starting from transaction date, updates schedules as at year-end and other supporting documents/details were not provided by Management to the Audit Team despite repeated requests. The account included balances from contractors/creditors whose projects had been long completed but without complete supporting documents.

7.7 In like manner, accounts in UPRIIS totaling P20.976 million were also not supported with documentation such as list of creditors for obligations due to landowners.

7.8 The absence of these documents precluded the Audit Teams from completely validating the reliability and fairness of FS presentation of A/P.

Discrepancies of P851.025 million between books and confirmed balances

7.9 Confirmation with creditors whose book balances have either positive or zero amounts, revealed that account balances for GFs 102-R and 101 differed from confirmed balances in the aggregate amount of P905.339 million. The results of confirmation vis-à-vis books are summarized in Table 22.

Table 22 - A/P books vis-à-vis confirmation results as of December 31, 2018

Fund	No. of Creditors	Per Books	Per Confirmation	Variance (In absolute figure)
GF- F102 (R)	10	P 1,002,121,957	P 123,839,880	P 878,282,077
GF- F101	2	4,179,034	31,236,057	27,057,023
	12			P 905,339,100

7.10 Confirmation letters were also sent to 40 creditors for CF accounts with balances amounting to P100,000 and above, however, no reply was received.

7.11 Said confirmation results, cast doubt also on the reliability and validity of dormant/long outstanding payable accounts, as discussed in the succeeding paragraphs.

Negative balances aggregating P819.723 million for C/GFs

7.12 As at December 31, 2018, these negative balances in the A/P accounts amounted to P819.723 million as presented in Table 23.

Table 23 - Negative Abnormal Balances in the A/P

Fund	Positive Balance	Negative Balance	Net Positive Balance
GF- F102 (R)	P 2,975,425,730	P (793,866,995)	P 2,181,558,735
GF- F101	18,144,178	P (724,576)	17,419,602
Sub total	2,993,569,908	(794,591,571)	2,198,978,337
Corporate Fund *	1,296,228,555	(25,131,377)	1,271,097,178
	P 4,289,798,463	P (819,722,948)	P 3,470,075,515

**inclusive of debit off-book adjustment of P20,720,015, as discussed in Observation No. 1*

7.13 Moreover, confirmation letters sent to the 37 creditors with negative balances under GF- F102-R disclosed that only 13.51 per cent or five creditors responded, whose accounts balances were equivalent only to 14.73 per cent of the total account balance of P764.828 million covered by confirmation letters sent. Nonetheless, said creditors confirmed a zero, if not a positive outstanding balance, while the non-response of other creditors suggests that they may have already been overpaid by NIA. These negative balances reduced the A/P balance by P819.723 million.

Unaccrued A/P totaling P356.167 million

7.14 Further review of Implementation Status on On-going Civil Works Contracts (ISOGCWC) as at December 31, 2018 showed that there were eight NISRIP contracts, which cost of physical work accomplishment exceeded the amount paid (financial percentage of accomplishment) aggregating P356.167 million, as shown in Table 24. It appeared, however, that said amount was not accrued in the books as the A/P balance as at December 31, 2018 amounted only to P61.571 million. Moreover, it could not be ascertained whether said account balance includes accruals pertinent to the aforesaid eight contracts as no schedule showing details thereof had been provided by Management. Notwithstanding, the non-accrual of unpaid cost of physical accomplishments understated the A/P account by P356.167 million.

Table 24 - Contracts with Unpaid Cost of Work Accomplishments under General Fund

Contract No.	Contract Amount	Work Accomplishment			
		Percentage	Value	Paid	Unpaid
	(a)	(b)	(c) = (a) x (b)	(d)	(e) = (c) – (d)
NISRIPD-C-2	P 189,363,679	90.06	P 170,540,929	P 140,974,953	P 29,565,976

Contract No.	Contract Amount	Work Accomplishment			
		Percentage	Value	Paid	Unpaid
	(a)	(b)	(c) = (a) x (b)	(d)	(e) = (c) – (d)
NISRIPD-C-5	179,806,711	81.24	146,074,972	84,737,158	61,337,814
NISRIPD-C-6	171,973,176	56.85	97,766,751	47,482,123	50,284,628
NISRIPD-C-8	139,759,328	94.47	132,030,637	73,699,971	58,330,666
NISRIPD-C-10	92,790,077	95.54	88,651,640	53,018,105	35,633,535
NISRIPD-C-12	161,442,819	74.90	120,920,671	48,162,591	72,758,080
NISRIPD-C-4	133,850,154	100.00	133,850,154	108,974,495	24,875,659
NISRIPD-C-7	104,294,596	100.00	104,294,596	80,913,960	23,380,636
	P 1,173,280,540		P 994,130,350	P 637,963,356	P 356,166,994

7.15 The non-accrual of the unpaid cost of work accomplishment runs counter to the definition of accruals in Paragraph 19(b) of PPSAS as *“liabilities to pay for goods or services that have been received or supplied, but have not been paid, invoiced, or formally agreed with supplier.”*

7.16 Likewise, review of Guaranty Deposit payable (GDP) balances under GF in the CO, disclosed similar observations, such as the existence of negative balance, unreverted long-outstanding dormant accounts and discrepancies of balances per NIA books vis-à-vis confirmed amounts as presented in Table 25.

Table 25 - Summary of Deficiencies in the balance of GDP

a. Negative balance

Fund	Positive Balance	Negative Balance	Net Positive Balance
GF-F101	P 187,244,703	P (431,986)	P 186,812,717
F102-R	110,654,392	(38,522,266)	72,132,126
	P 297,899,095	P (38,954,252)	P 258,944,843

b. Long-outstanding accounts

Fund	Particulars	No. of Years Dormant	Balance*		% of account to fund balance
			Long outstanding	Total Account	
101	Dated CY 2005	13	P 37,897,086	P -	-
	Dated CY 2009	9	384,941	-	-
	No details	Undetermined	16,584,891	-	-
			54,866,918	187,244,703	29.30
102 R	Dated CYs 1997-2010	8 or more	62,630,031	110,654,392	-
			P 117,496,949	P 297,899,095	39.44

*excluding negative balances

c. Discrepancies per NIA books vis-à-vis confirmed amounts

Fund	No. of Creditors	Per Books	Per Confirmation	Variance
GF-101	1	P 18,868,950	P 19,689,454	P (820,504)
GF 102 (R)	6	25,634,032	46,248,376	(20,614,344)
	7	P 44,502,982	P 65,937,830	P (21,434,848)

The aforementioned deficiencies rendered the reliability and validity of the A/P and GDP account balances of P12.319 billion and P1.147 billion, respectively, doubtful as at year-end.

7.18 We recommended and Management agreed to direct the AD/S of CO, concerned ROs and UPRIS to retrieve all documents pertinent to the recorded payables and utilize the same to:

- a. Maintain and update SLs for each contractor/supplier starting from their respective inception dates;**
- b. Review/analyze the payables account to ascertain the cause of abnormal/negative balances and determine the validity of dormant/long-outstanding payables and revert to the Accumulated Surplus/(Deficit) account those not supported with valid claims; and**
- c. Prepare an updated ageing schedule of payables.**

8. Reciprocal accounts totaling P1.346 billion were not eliminated during the process of combination of Trial Balances of CO and ROs at year-end, thereby, overstating receivable and payable accounts by P1.107 billion and P239.447 million, respectively, in the Statement of Financial Position.

8.1 The reciprocal accounts are the following accounts:

Intra-agency Receivables (I-aRs)		Intra-agency Payables (I-aPs)
Due from Regional Office (RO)	-	Due to CO
Due from Central Office (CO)	-	Due to RO
Due from Other Funds (OFs)	-	Due to OFs

8.2 The Accounting Policy on the Combination of Financial Statements is disclosed in Note 4.2 to FS. The policy provides that the combined financial statements reflect the assets, liabilities, revenues and expenses of the Administration's CO and ROs/PMOs. All significant intra-agency receivables/ intra-agency payables transactions are eliminated in the combination.

8.3 These reciprocal accounts are temporary accounts maintained to serve the purpose of monitoring recording intra-office transactions for convenience in setting up and offsetting internal transactions. As a result of elimination process, the same should have zero balances in the combined financial statements (CFS) at the end of the accounting period.

8.4 Verification of the reciprocal accounts in Note 8.3 for I-aRs of P1.107 billion and Note 18 for I-aPs of P239.447 million disclosed that these amounts were not eliminated after the offsetting of internal transactions during the combination of the FS of CO and ROs at year-end, as shown in Table 26.

Table 26 – Balances of Reciprocal Accounts

	Due from RO	Due to CO	Elimination Process	Balances
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CF- F 501	P 1,104,533,848	P (2,350,381)	P (2,350,381)	P 1,106,884,229
SF- F 158	17,000	76,000	17,000	59,000
	1,104,550,848	(2,274,381)	(2,274,381)	1,106,825,229
	Due from CO	Due to RO		
CF- F 501	(202,017)	(485,457)	(202,017)	(283,440)
SF- F 158	19,282,200	127,570,570	19,282,200	108,288,370
	19,080,183	127,085,113	19,080,183	108,004,930
	Due from OF	Due to OF		
CF- F 501	279,225,160	407,094,925	279,225,160	127,869,765
SF- F 158	1,653,701	5,225,830	1,653,701	3,572,129
	280,878,861	412,320,755	280,878,861	131,441,894
				1,346,272,053
I-aRs				1,106,825,229
I-aPs				P 239,446,824

* the balances are inclusive of off-book adjustments in Due from RO of P12,122,081,375 and Due to CO of P8,577,976,508, as discussed in Observation No. 1

8.5 It was further noted that despite the existence of various reconciling items, no reconciliation was undertaken to identify the transactions so that necessary adjustments could be taken up in the books.

8.6 In view of the significant amount of the balance of the I-aR and I-aP, the reliability of the reciprocal accounts as at year end could not be ascertained.

8.7 We recommended that Management direct the AD/S of both the CO and ROs to exert best effort to verify the reciprocal accounts to eliminate the balances during the process of combination.

8.8 Management informed that they have already coordinated with the ROs. Management further stated that they will exert more effort to reconcile and analyze the reciprocal accounts and will effect adjustments, where warranted.

9. The reliability of the Cash In Bank (CIB) account balance of P6.413 billion was doubtful due to: (a) delayed/non-preparation of 77 Bank Reconciliation Statements (BRSS) for accounts aggregating P627.115 million; (b) variance of P189.64 million between balances of books and banks as well as GL and SL; (c) long outstanding unsupported/unidentified reconciling items amounting to P62.606 million; (d) negative balances totaling P141.873 million and non-translation of US Dollar foreign currency deposit of \$0.785 million or equivalent to P42.493 million which resulted in the unrecognized Loss on Foreign Exchange of P1.082 million; and (e) non-restoration of unreleased/staled checks to cash balance at year end aggregating P5.381 million, both resulted in the net understatement of the CIB account by 4.299 million.

9.1 In Note 7 to FS, the balances of the CIB account amounted to P6.413 billion as at December 31, 2018, summarized for all funds in Table 27.

Table 27 - CIB balances as at December 31, 2018

Fund	Amount
CF	P4,718,748,197
GF	1,188,876,862
SF	505,726,278
	*P6,413,351,337

*inclusive of credit off-book adjustment of P273,459,735, as discussed in Observation No. 1

9.2 Notwithstanding, the actions undertaken by Management on the submission of BRS and adjustments made on long outstanding accounts, still related audit observations were noted during the year as discussed in the succeeding paragraphs.

Delayed/non-preparation of 77 BRSs for CIB accounts totaling P627.115 million

9.3 Section 74 of PD No. 1445 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.

9.4 Audit disclosed that 77 BRSs were either prepared late or not prepared at all in nine ROs with total CIB balances as at December 31, 2018 amounting to P627.115 million, breakdown is shown in Table 28.

Table 28 - CIB accounts as at December 31, 2018 with BRSs either prepared late or not prepared at all

RO	No of Bank Accounts	Amount
XIII	5	P 207,264,870
IV-B	9	142,891,314
IV-A	8	69,545,286
VI	5	57,335,138
XI	18	37,994,850
X	13	30,626,512
IX	1	27,279,235
V	15	27,158,028
I	3	27,019,314
	77	P 627,114,547

9.5 The delay or non-preparation of BRSs were attributed to bank statements and its supporting debit/credit memos that were not obtained on a timely manner from the depository banks by Management, hence the reconciling items could not be immediately detected and recorded in the books.

Variances of P189.643 million between balances of books and banks as well as GL and SL

9.6 During the year, a variance of P189.643 million were noted between balances of books and banks, GL and SL and GL with CB of CO-Corporate Fund (CF) and seven ROs CIB accounts with breakdown in Table 29. Comparison of the CY 2018 balances per books and banks with last year's figure of P1.678 billion disclosed that the variance was reduced to P104.550 million or 6.23 per cent.

Table 29 - Variances between books with bank balances and GL and SL

a. Books vis-à-vis banks

Office/RO	Per books	Per banks	Variance (In absolute figure)
CO-CF	P2,471,802,162	P2,441,059,086	P 30,743,076
XIII	207,264,870	247,019,367	39,754,497
IV-B	135,190,263	120,206,792	14,983,471
VIII	71,174,266	84,902,592	13,728,326
X	30,735,952	25,395,971	5,339,981
			P104,549,351

b. GL against SL

Office/RO	Per GL	Per SL	Variance (In absolute figure)
VIII	P 97,195,796	P 62,070,660	P 35,125,136
IV-B	131,158,222	138,859,273	7,701,051
			P 42,826,187

9.7 The unadjusted/unrecorded reconciling book items in CO pertained to transactions in CF, attributed mostly to balances of two closed Philippine National Bank (PNB) accounts and two Land Bank of the Philippines (LBP) Current Accounts totaling P70.809 million and P6.655 million, respectively, or a total of P77.464 million, net of various reconciling items such as unrecorded transactions and book errors of P46.719 million under LBP and Philippine Veterans Bank (PVB) accounts. The reconciling items included unreceipted rental payments of lessees credited directly to the account of NIA through Advice to Debit Account (ADA) from the lessee's depository bank account.

9.8 In RO IV-B, the variance between per books and per banks of P14.983 million and GL against SL of P7.701 million, respectively, pertained to prior years' reconciling items which were not yet identified by the Accounting Section (AS). The variance between the GL and SL had been reported in previous Management Letters (MLs), however, no action had been undertaken by Management to address the variance.

9.9 In RO VIII, the variance between per books and per banks balances of P13.728 million comprises unrecorded deposits from CYs 2015 to 2017, unrecorded disbursements from CYs 2015 to 2016 and outstanding checks which included staled checks.

9.10 In RO X, the unreconciled variance of P5.340 million was noted in the books of Bukidnon Irrigation Management Office (BIMO). Management disclosed on February 14, 2019 that reconciliation per fund is on-going.

9.11 On the other hand, in RO XIII, the data provided in the SL was inadequate while disclosures in the Notes to FS pertaining to its depository accounts were not complete. Hence, the causes of the variance could not be verified by the Audit Team.

9.12 Thus, reconciling items and errors could not be timely identified to facilitate the adjustments either in the books or banks' records.

Long outstanding unsupported/unidentified reconciling items amounting to P62.606 million

9.13 On the other hand, BRSs of CO and six ROs included reconciling items aggregating P62.606 million which had been long outstanding, unadjusted/unrecorded and unidentified/unsupported reconciling items, details is shown in Table 30.

Table 30 - Long outstanding unadjusted/unrecorded/unidentified/unsupported reconciling Items

Office/RO	Unadjusted/unrecorded book reconciling items	Unidentified/unsupported reconciling items	Total
CO	*P 30,874,887	P -	P 30,874,887
IV-A	5,307,610	14,315,111	19,622,721
V	5,814,905	679,756	6,494,661
XI	5,369,339	-	5,369,339
I	116,350	-	116,350
III	76,400	-	76,400
IV-B	-	51,347	51,347
	P 47,559,491	P 15,046,214	P 62,605,705

**net of negative balance*

9.14 The long outstanding and unsupported/unidentified reconciling items rendered the year-end balance of CIB unreliable.

Negative/abnormal balances totaling P141.873 million

9.15 The CIB accounts with balances totaling P6.413 billion were net of abnormal/negative balances of P141.873 million due to errors in recording of transactions. The breakdown of the negative balances is presented in Table 31.

Table 31 - CIB accounts with abnormal/negative balances

Office/RO	Amount
CO	P 68,905,769
V	47,511,761
VI	10,167,838
IV-A	7,929,351
III	7,358,231
	P 141,872,950

9.16 In CO, the amount of P68.906 million comprises negative balances under the Corporate and General Funds (C/GFs) of P52,075 and P68.854 million. Analysis disclosed that crediting LBP Account No. 1872-1005-94 for funds transferred to ROs instead of PNB Account No. 137432800013 caused the negative balance of the PNB Current Account. Records showed that no actual transfer took place between the two banks to support the Advice Debit Account (ADA) to PNB Branch Offices in the ROs. It is worth mentioning, however, that the negative balance of P68.854 million under Special Fund (SF) was adjusted in February 2019.

9.17 The negative balance of P7.358 million in RO III pertained to two closed LBP bank accounts which were not supported with documentation; hence, nature could not be identified.

9.18 In ROs IV-A, V and VI, the abnormal balances of P7.929, P47.512 and P10.168 million, respectively, were carried over balances in previous years.

9.19 The existence of negative/abnormal balances consequently understated the year-end balances of CIB account by P141.873 million.

Non-translation of US Dollar foreign currency time deposit amounting to \$0.785 million or equivalent to P42.493 million resulted in the unrecognized Loss on Foreign Exchange of P1.082 million

9.20 Further audit disclosed that US Dollar foreign currency time deposit totaling \$0.785 million was not translated using the Bangko Sentral ng Pilipinas (BSP) closing rate of P52.724: US\$1.00 as at December 31, 2018 as required in Section 27 of the Philippine Public Sector Accounting Standards (PPSAS) 4, on Effects of Changes in Foreign Exchange Rates.

9.21 The difference of P1.082 million between the book balance of P42.493 million as presented in Note 7 to FS and the translated amount of P41.411 million [(US\$785,423 x 52.724)] represents the unrecognized Loss on Foreign Exchange (FOREX) which consequently overstated the CIB account by the same amount.

Non-restoration of unreleased/unadjusted staled checks to cash balance at year-end aggregating P5.381 million understated the account by the same amount

9.22 It was further noted that unreleased checks and staled checks totaling P5.256 million and P125,739, respectively, that were reported in CO, CAR and ROs VIII and XI, were not restored to cash balance at year-end as required under Section 56 Chapter 19 of the GAM for NGAS, Volume I, which provides that:

All unreleased checks at the end of the year shall be reverted back to the cash accounts. A JEV [Journal Entry Voucher] shall be prepared to recognize the restoration of the cash equivalent to the unreleased checks and the recognition of the appropriate liability/payable account. Xxx. There shall be no physical cancellation of the checks. The JEV supporting such restoration shall form part of the supporting document to the financial statements to be submitted to COA at year end. At the start of the ensuing year, another JEV shall be drawn to reverse the previous entry made and recognize the availability of the checks for release. Xxx.

9.23 The unreleased checks in CO and RO VIII were not supported with schedules which should have been the basis in the preparation of JEV to recognize the restoration of cash equivalent to the unreleased checks and recognition of the appropriate payable accounts.

9.24 Thus, the non-translation of the US Dollar foreign currency deposit, non-restoration of unreleased checks and non-adjustment of staled checks understated the year-end balance of the CIB and the corresponding payable accounts by P4.299 million, respectively.

9.25 We recommended that Management require the AD/S of CO and concerned ROs to:

- a. Prepare regularly the monthly BRSs for all bank accounts to determine the causes of variances/discrepancies between balances of books and bank records and to effect the necessary adjustments in the books and coordinate with the bank for the correction of their records, where appropriate, and ensure that CIB balances are properly accounted for;**
- b. Exert best efforts to locate the supporting documents/records and identify the long outstanding reconciling items in the GL and SL and ROs' and IMO's records and negative cash balances and prepare the necessary adjustments;**
- c. Maintain/update SLs/CBs for all CIB accounts for proper monitoring of transactions affecting the cash accounts;**
- d. Translate the foreign currency time deposit using the BSP closing rate at year-end to recognize the effect of change in foreign currency rate on the CIB balance; and**
- e. Direct the Cash Division of CO to provide the schedule of unreleased checks at year-end to the AD as basis in preparing the JEV and recording the restoration of the cash equivalent of the unreleased/staled checks in the CIB account and the recognition of the appropriate payable/liability account, thereof.**

9.26 In CO, the Cash Division had already coordinated with NIA's lessees on the submission of a copy of the List of Due and Demandable Accounts Payable-(LDDAP)-ADA upon credit of payment to NIAs depository bank. Management also added that the Schedule of Unclaimed Checks was already submitted to the Bookkeeping Section of the Accounting Division. The reconciling items were recorded in March 2019.

10. The buildings or part of a building or both that are leased out to external/third parties were not recognized, measured and classified as Investment Property (IP) as required under Paragraph 7 of PPSAS 16 resulting in the overstatement of PPE account by P357.290 million and understatement of IP account by the same amount.

10.1 Paragraph 13 of PPSAS 17 on PPE, defines, among others, PPE as tangible items that: (a) are held for use in the production or supply of goods or services, for

rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.

10.2 Also, Paragraph 7 of PPSAS 16, defines, among others, IP as property (land or a building - or part of a building - or both) which are held to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services, or for administrative purposes; or (b) sale in the ordinary course of operations.

10.3 Further, Paragraph 14 of the same PPSAS clarifies the treatment for properties held by public sector that comprises: (a) a portion that is held to earn rentals or for capital appreciation rather than to provide services, and (b) another portion that is held for use in production or supply of goods or services or for administrative purposes, to wit:

Xxx. If these portions could be sold separately (or leased out separately under a finance lease), an entity accounts for the portion separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

10.4 Note 14 to FS showed the cost of the Building and Improvements account of P1.726 billion included the amount of leased out properties to external/third parties with estimated cost of P357.290 million, as presented in Table 32.

Table 32 - List of properties under Lease Agreement as at December 31, 2018

Location	Lessee	Lease Term	Space (in m ²)	Estimated Cost
EDSA cor. NIA-PDEA Rd.	New Kanlaon Construction, Inc. (NKCI)	Long term lease for 25 years	2,508	P 344,079,965
7 th Floor, Building A , PNB Parking Area, NIA Ground & 1 st Floor, ICC Building	Philippine Crop Insurance Corporation (PCIC)	Renewable annually	1,050.58	5,864,453
1 st and 2 nd Floor ICC Building	Bureau of Fisheries and Aquatic Resources, Region-IV A (BFAR IVA)	Renewable every six months and annually	934.68	5,217,486
5 th Floor, DCIEC Building	Philippine Carabao Center	One year	131.32	733,043
Roof Deck, Building A	SMART	10 years and renewed for another 5 years	73.65	410,843
3 rd Floor, DCIEC Building	LPA & Partners	Annually	62	346,091
Ground Floor	National Water Resources Board (NWRB)	Annually	58.87	328,619
Testing Room, NIA Ground				
1 st Floor, ICC Building	Malayang Law Office	Every 6 months	30	167,463
1 st Floor, ICC Building	Tiger Security Agency	Annually	25.50	142,344
				P 357,290,307

Note: The estimated cost of the leased premises was prorated based on the cost of office buildings of P179,494,639 and land of P3,469,061,406 due to lack of subsidiary ledger.

10.5 Notwithstanding NIA's adoption of PPSAS, the leased out properties were not measured, recognized and disclosed as IP.

10.6 In view of the foregoing, the current intentions and conditions of the building estimated at P357.290 million suggest that the assets, are by nature, IP rather than PPE. Thus, the PPE is overstated by an estimated amount of P357.290 million and understated the IP account by the same amount.

10.7 We recommended and Management agreed to recognize the leased properties as IP and prepare the necessary adjusting entries and provide adequate disclosure in the Notes to FS relative to the allowance for depreciation of the IP account.

11. Merchandise inventory totaling P12.077 million which were no longer in stock and property records remained recorded in the books thereby misstating the Inventory and Accumulated Surplus/(Deficit) accounts.

11.1 Inventories, as defined in PPSAS 12, include “*assets held for sale or distribution in the ordinary course of operations.*” Likewise, Section 44 of the same PPSAS provides that “*When inventories are sold, exchanges, or distributed, the carrying amount of those inventories shall be recognized as expense in the period in which the related revenue is recognized. Xxx.*”

11.2 In CY 2018, verification of Merchandise Inventory account of P59.559 million in Note 9.1 to FS disclosed that the P11.350 million items were no longer in stock and records of the Procurement and Property Division of CO as well as in ROs VI and IX of P475,737 and P251,322, respectively, but were still reflected in the books of accounts.

11.3 The inventory balance, which is no longer supported with actual stock on hand, resulted in the overstatement of Inventory and Accumulated Surplus/Deficit accounts.

11.4 We recommended that Management instruct the AD of CO, ROs VI and IX to reconcile its records with the Procurement and Property Division as basis in preparing the adjusting entries on the Inventory and Retained Earnings accounts.

11.5 In CO, Management commented that the merchandise inventory determined to be non-existing will be adjusted in accounting and property records as soon as proper supporting documents are gathered. The inventory account was dropped from the books of RO IX in March 2019.

11.6 As a rejoinder, the adjustment of the inventories must be properly supported with Supplies Adjustment Sheets or compliance with the submission of Request for Relief of Property Accountability by the accountable officer as basis in dropping the inventories from the books of accounts.

B. COMPLIANCE

IMPLEMENTATION OF PROJECTS/CONTRACTS

12. Proper planning and implementation of projects were not strictly observed, as: (a) 299 irrigation contracts/projects with total contract cost of P20.704 billion incurred significant delays of up to 2,287 calendar days (CDs) owing to the unsatisfactory performance of contractors, among others; (b) defaulting contractors for 44 contracts costing P12.245 billion were not imposed with liquidated damages; (c) 20 on-going contracts aggregating P9.039 billion that have

already incurred huge negative slippages ranging from 15 per cent to 87.84 per cent were neither terminated nor rescinded; (d) performance securities of 472.067 million were not forfeited for 43 terminated contracts costing P2.207 billion; (e) change/variation orders and contract time extensions were granted to contractors for 42 contracts/projects with total cost of P544.184 million notwithstanding the inadequate evaluation and incomplete documentation, among others, thus, resulting in wastage of government resources.

12.1 In line with the mandate of NIA, which is to contribute to the country's program on rice self-sufficiency and alleviation of poverty through irrigation development, infrastructure contracts are entered into with contractors for the development and management of water resources for irrigation, consistent with the agricultural development program of the government.

12.2 Review of project implementation during the year disclosed the following observations:

Unsatisfactory performance of contractors coupled with inadequate planning, inefficient execution of surveys and investigations and the recurring issues on the acquisition of Right of Way (ROW)

12.3 Review disclosed that Management had not been able to fully address the recurring issue on considerable delays in the implementation of NIA projects. As at December 31, 2018, the aforesaid delays, ranging from 1 to 2,287 calendar days (CDs), had been noted in the implementation of 299 contracts/projects with total cost of P20.704 billion. Details are summarized in Table 33.

Table 33 - Delayed Implementation of NIA Contracts/Projects

Office	No. of Contracts	Delay (in CDs)	Contract Cost	Cause of Delay					
				(a)	(b)	(c)	(d)	(e)	(f)
CO*	55	15 - 2,287	P 17,633,127,886	✓	✓	✓	✓	✓	✓
ROs:									
ARISEP*	75		870,025,755						✓
XI	30	58 - 2016	818,464,315			✓			✓
BBMP	8		392,937,144		✓				✓
V	45	1 - 228	366,332,860	✓	✓	✓		✓	
II**	16		241,599,764			✓			✓
I*	27	33 - 129	133,985,140						✓
III	12	24 - 223	102,764,320	✓		✓		✓	✓
IX***	5		60,889,836			✓	✓		✓
XIII	7	30 - 152	44,365,544	✓					
VI	11	6 - 181	32,433,363						
CAR	8	18 - 498	7,318,565		✓				
	244		3,071,116,606						
	299	1 - 2,287	P 20,704,244,492	4	4	6	2	3	8

(a) Unworkable site brought about by bad weather condition, flooding and water delivery

(b) Unsatisfactory performance of Contractors / Insufficient manpower and equipment of contractors

(c) Unresolved ROW

(d) Peace and order situation

(e) Existence of standing crops

(f) Poor project planning, supervision, monitoring, and control

* Includes projects that were originally programmed to be completed in CY 2018

** Projects were originally programmed to be completed in CY 2016

*** Projects were originally programmed to be completed in CYs 2018-2019
 ARISEP-Agno River Irrigation System Extension Project
 BBMP-Balog-Balog Multi-Purpose Project

12.4 Hence, the delay in the completion of the contract works unduly deprived the farmer-beneficiaries of the immediate use of the said irrigation facilities, and could further result in wastage of government resources when the unfinished/uncompleted contracts would eventually be terminated.

Non-imposition of liquidated damages (LDs), non-termination of contracts with more than 15 per cent negative slippage and non-forfeiture of performance securities

12.5 Sections 8.1 and 8.4 of Annex “E” of the Revised IRR of Republic Act (RA). 9184, otherwise known as the “Government Procurement Reform Act,” 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.

12.6 In the CO and five ROs, LDs on the delay in project completion were not yet imposed against defaulting contractors for 44 contracts with total cost of P12.245 billion, as presented in Table 34.

Table 34 - Delayed Implementation of Contracts/Projects without LDs

RO/Project	No. of Projects/Contracts	Contract cost
CO	25	P 12,126,814,929
ROs:		
IX	2	47,216,872
XIII	7	44,365,544
VI	1	16,012,575
CAR	8	7,318,565
II	1	3,100,258
		118,013,814
	44	P 12,244,828,743

12.7 Also, included in the 299 contracts in Table 33 were 72 on-going contracts aggregating P13.993 billion, which already incurred negative slippages ranging from 0.11 per cent to 87.84 per cent in the CO and in three ROs, as shown in Table 35.

Table 35 - Contracts Implemented by CO and ROs with Negative Slippages

Project	No. of Contacts	Amount	Negative Slippage (In Percent)
CO	25	P 13,522,892,379	2.00 to 87.84
ROs:			
V	36	289,350,701	0.11 to 81
IX	4	60,410,721	7.28 to 15
BBMP	7	119,899,974	18.25 to 88.56
	47	469,661,396	
	72	P 13,992,553,775	

12.8 Of the 72 contracts in Table 35, on-going contracts aggregating P9.039 billion that have already incurred huge negative slippages ranging from 15 per cent to 87.84 per cent were neither terminated nor rescinded as shown in Table 36 contrary to Section of Annex I of the Revised Implementing Rules and Regulations (RIRR) of RA No. 9184 on the "Guidelines on Termination of Contracts" which provides that:

In contracts for Infrastructure Projects: The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation: a) Due to the Contractor's fault and while the project is on-going, it has incurred negative slippage of fifteen percent (15%) or more in accordance with Presidential Decree 1870; Xxx.

Table 36 - Ongoing Contracts/projects with huge negative slippage

Project	No. of contacts	Slippage (in %)	Amount
CO	10	16 to 87.84	P 8,598,844,047
ROs:			
IX	2	15	47,216,872
BBMP	8	18.25 to 88.56	392,937,144
	10		448,637,103
	20		P 9,038,998,063

12.9 The aforementioned problems and issues encountered by NIA that caused delays in the implementation of the contracts/projects could have been avoided had Management considered/addressed the same during the planning phase and dutifully complied with the prerequisites to ensure efficient implementation of infrastructure projects pursuant to RA No. 9184 and its Revised IRR, particularly the following provisions:

Section 17.6 - 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.

Item 1, Annex "A" - Detailed Engineering for the Procurement of Infrastructure projects of the RIRR 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.

12.10 On the other hand, while 43 contracts implemented by CO and two ROs with total costs of P2.207 billion were terminated due to the contractors' fault, appropriate actions against the contractors were, however, not undertaken such as, the forfeiture of the performance security in favor of NIA amounting to P472.067 million or equivalent to 10 per cent of the total contract cost of P2.207 billion. Details are summarized in Table 37.

Table 37 - Terminated Contracts

Project	No. of Projects/Contracts	Contract cost	Amount of Performance Security
CO	8	P 1,854,600,678	P 349,278,135
ROs:			
II	27	301,359,808	107,635,829
BBMP	8	50,902,520	15,153,352
	35	352,262,328	122,789,181
	43	P 2,206,863,006	P 472,067,316

12.11 The damages suffered by the agency due to delayed/non-completion of the contracts/projects within the timelines may not be recovered due to non-imposition of LDs and non-forfeiture of performance securities against the contractors, an indication of agency's laxity in enforcing the stipulations specified in the contract agreements to the disadvantage of the government.

Inadequate evaluation and incomplete documentation to support the granting of Change Orders (ChOs)/Variation Orders (VOs) and Contract Time Extensions (CTEs)

12.12 Paragraph 3.1, Annex "E" of the RIRR of RA No. 9184 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.

12.13 Moreover, Annex "B" of COA Memorandum No. 2005-027 dated February 28, 2005, as restated under Item 9.1.1.2 of Revised Documentary Requirements for Common Government Transactions prescribed by COA Circular No. 2012-001 dated June 14, 2012, provides for the documentary requirements to determine the reasonableness of the cost of ChO/VO. Likewise, Annex "E" of the same COA Memorandum provides for the documents required to validate the reasonableness of the grounds for the issuance and the period of the requested CTE for infrastructure projects.

12.14 Review disclosed that ChOs/VOs granted to contractors for 35 contracts/projects with total costs of P400.466 million were not adequately supported with required documents, as listed in Table 38.

Table 38 - Deficiencies/Lacking Documents to Support ChOs/VOs

RO	No. of projects/ contracts	Contract cost	Deficiencies/lacking documents
II	15	P 175,023,912	- Approved VO
IV-B	5	40,089,887	- Revised plans and approved as built-in-plans
VIII	12	134,772,181	- Approved VO
			- Justification on the changes/revision of the contract price of the items of work for the projects implemented supported with necessary documents
XI	2	31,072,860	- Duly-approved revised Program of Work
			- 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
			- Agency's report establishing the necessity/ justification(s) for the need of such ChO and/or EWO which shall include: (a) the computation as to the quantities of the additional works involved per item indicating the specific stations where such works are needed; (b) the date of inspection conducted and the results of such inspection; (c) a detailed estimate of the unit cost of such items of work for new unit costs including those expressed in volume/area/lump-sum/lot
			- Approved/revised Program Evaluation and Review Technique/Critical Path Method (PERT/CPM) Network Diagram which shall be color-coded, reflecting the effect of additional time on the contract period and the corresponding detailed computations for the additional time for the subject ChO/Extra Work Order
BBMP	1	19,506,835	- Duly-accomplished BURS
			- Duly-dated approved ChO
35		P 400,465,675	

12.15 Moreover, as observed in the previous years' audit, contractors who incurred delay in the implementation of projects were subsequently granted with CTEs. Further examination, however, disclosed that CTEs granted for seven contracts valued at P143.718 million in RO II were not supported with complete documents such as copies of CTEs, approved suspension orders, and resume orders.

12.16 In view of the absence of duly-approved and duly-supported ChOs/VOs/CTEs, the validity of granting the same could not be ascertained, thereby, payments made pertinent thereto are considered irregular expenditures.

Other deficiencies

12.17 Other deficiencies noted in the audit of infrastructure projects:

*Incurrence of increased commitment fees
due to accumulation of unsettled cost of
work on the implementation of foreign-
funded projects*

a. In CO, the implementation of 12 foreign-funded civil work contracts under NISRIP with an aggregate cost of P1.692 billion resulted in unnecessary government losses, such as the incurrence of increased loan commitment charges, which is attributed mainly to the accumulation of unsettled cost of work accomplishments aggregating to at least P356.167 million. Management, however, alleged that Contractors usually delay the submission of their claims for progress payments. Notwithstanding, it should be noted that the Project Management Office (PMO) has the responsibility, as part of their monitoring process, to require the Contractors to promptly claim payment and to facilitate the expeditious processing of documentary requirements, in coordination with the Accounting Division, considering that the low disbursement of funds would consequently result in the incurrence of increased commitment fees.

*Discrepancies between Approved
Budget of Contract (ABC) and results
of COA Technical Audit Specialists
(TAS)*

b. In RO IV-B, 20 out of 23 infrastructure projects with a total cost of P108.75 million implemented by NIA MOMARO IMO and PIMO were found contrary to the provisions of approved contracts and applicable laws and regulations, as reported by the TAS. Also, review of TAS disclosed that the ABC and the costs of five contracts were higher than the COA Cost Estimate by P2.483 million and P2.431 million, respectively, due to the application of 12 per cent instead of the required five per cent VAT, per COA Resolution No. 2015-014 dated April 6, 2015 and NIA MC No. 2016-064 dated November 24, 2016. On the other hand, Management released the retention money to contractors in the total amount of P4.637 million notwithstanding the deficiencies observed in the implementation of seven projects.

*Unreliable report on project
accomplishments*

c. In RO V, the status report of irrigation development projects in Camarines Norte IMO disclosed that, out of the 31 programmed to be accomplished in CY 2018, 24 projects were already reported as complete, albeit without inspection, acceptance, and turn over, thus, rendering the report unreliable. It was also confirmed from various contractors that the projects were not yet fully accomplished as payments received from the agency amounted only to 15 per cent mobilization fees.

*Deficiencies in reported project
accomplishments*

d. In RO VIII, of the 455 scope/items of work of 89 irrigation projects implemented in year 2017 amounting to P688.514 million, 228 scope/items of work covered by 49 projects amounting to P362.955 million were either not implemented/without accomplishment, not in accordance with technical specifications, or non-compliance with the prescribed contract time/duration, thus, defeating the purpose of providing efficient, effective, and sustainable service to the farmers. Moreover, the actual status/extent of work accomplishment were inconsistent with that reported by management, thus, casting doubt on the propriety of the payments pertinent thereto.

Inconsistencies on reported work accomplishments

e. In RO XI, result of inspection disclosed that items of work indicated in the approved Accomplishment Report and in the Master List of Activities were not accomplished or undertaken for infrastructure project costing P1.067 million under contract no. LMC No. 2013-05, specifically the rubble masonry within the curtain wall and concrete blocks. Non-accomplishment of the various items of work which are part of the contract agreement is deemed irregular. On the other hand, the Construction of Mercedes Small Irrigation Project (SIP) amounting to P9.4 million has no sufficient source of water supply, thus, serving no purpose to its farmer beneficiaries and may result in wastage of government resources.

Operations and Maintenance of completed communal irrigation projects not yet turned-over to Irrigators Associations (IAs)

f. In RO XIII, of the 126 completed and/or rehabilitated communal irrigation projects implemented and funded out of the CYs 2015 to 2018 appropriations with a total contract amount of P806.151 million, 61 per cent or 77 projects aggregating P527.897 million were not yet turned-over to the concerned IAs as of year-end, hence, unnecessary responsibility and control for its maintenance and monitoring still rest with NIA.

12.18 We recommended that Management:

a. Adhere strictly to the provisions of Section 17.6 of the RA No. 9184 and Item 1 of Annex "A" of its RIRR that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of the ROW are duly complied with and approved to ensure that all contracts are efficiently carried out to avoid delays in the implementation of the irrigation projects;

b. Require the Managers of the Implementing Units to:

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

b.2. Evaluate meticulously and judiciously requests for changes in the scope of works/quantities of work items and time extensions to ensure that ChOs/VOs and CTEs are duly approved by NIA Administrator or his authorized representative and both are duly supported with complete documents;

b.3. Turn over immediately the operations and maintenance of all completed and operational communal irrigation projects to the concerned IAs duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the Agency and the IAs;

c. Require the AD/S of the CO and concerned ROs/IMOs to immediately impose LDs for projects that incurred negative slippages without valid justification and approved CTEs;

d. 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;

e. Require the Legal Department and Internal Audit Services to conduct investigations to determine persons responsible for: (i) not imposing LDs; (ii) approving/granting of ChOs/VOs and CTEs without proper evaluation and documentation; and (iii) not terminating the contracts that incurred huge negative slippage due to contractor's fault; and

f. Require the Legal Department to file appropriate case against the persons responsible, if warranted.

12.19 We likewise recommended that Management:

a. Create an inspectorate team to conduct a thorough inspection and turnover of completed projects to the IAs for operation and maintenance, and render the necessary reports thereon; and

b. Ensure that a thorough inspection and validation of the actual accomplishments on all infrastructure projects submitted for progress billing is conducted and that the status reports showing the accurate actual work accomplished as compared to the contractor's Statement of Work Accomplished (SWA) are prepared.

12.20 Management gave the following comments:

a. In the CO, the NISRIP PMO informed that the contract duration includes the water closure whereby the system is totally closed during the dry months in order to give way to construction, which actually takes four to five months. The IAs were informed of this agreement during the planning stage. The unworkable days which are the rainy days are also included in the contract duration. These are based on historical records, due to the abnormal climate conditions, the actual rainy days exceed the pre-determined unworkable days. Before the start

of the scheduled closure period, the IAs usually request for the extension of water delivery without postponing the next scheduled water delivery; hence, the construction period becomes shorter. Other reasons cited are the quarrying issues in Malatgao RIS in Palawan and Dumacaa RIS in Quezon. On the other hand, they also stated that they are not remiss in reminding the contractors to file billing claims for their accomplishments citing the need for immediate disbursement as the loan is subject to commitment charges. These reminders are communicated to the contractors through letters as well as during the monthly coordination meeting. The PMO even encourages the contractors that their staff can stay in the office during the preparation of the billing. Further, the two contract with more than 15% negative slippage were not terminated for the reasons, such as the contractor committed to finish the project subject to liquidated damages and the other contract was under suspension effective May 5, 2018, the completion date of which on June 3, 2018 will be revised. Moreover, the contractors with more than 15% negative slippages were terminated and the remaining works were repackaged and recommended for procurement in the IMO/RIO. Contractors are also constantly being reminded to file their billing claims for their accomplishment so as to hasten disbursements through letters and the coordination meetings. Moreover, the contractors were informed that LD would be imposed once their billing claims are filed. On the other hand, the performance bonds of three terminated contracts have been forfeited by NIA. While, Contract Time Extensions are valid and duly supported by documents.

b. Under the CF-CO, Management stated that NIA CO constantly reminds the Implementing Units on their responsibility to compel the Contractors to comply with their contractual obligations and expedite the completion of their contracts. The Contractors are reminded through warning letters on the status of their contracts. Also, Management informed that liquidated damages (LD) were already imposed to contractors with expired contracts. The LDs were deducted from their progress billings.

12.21 As a rejoinder, we appreciated Management comments that they will be instituting measures to address the problems and issues on the delayed implementation of the projects which will be monitored and validated in CY 2019. We also enjoin Management to submit the lacking documents to substantiate the accomplishments, the grant of change and variation orders and time extensions. Moreover, we further recommend that Management strategize and ensure that terminated contracts would be completed as soon as possible.

13. Copies of 526 perfected contracts with aggregate amount of P5.721 billion in nine ROs were submitted to the Audit Teams seven to 467 days late while 115 contracts in three ROs worth P1.190 billion were not submitted at year-end, thereby, precluding the Audit Teams from conducting timely review and communicating audit results.

13.1 Item 3.1.1 of COA Circular No. 2009-001 dated February 12, 2009, states that:

Within five (5) working days from the execution of a contract by the government xxx including government-owned and controlled corporations xxx, a copy of said contract and each of all the documents forming part

thereof by reference or incorporation shall be furnished to the Auditor of the agency concerned. Xxx

13.2 Notwithstanding the issuance of the above-mentioned COA regulations a total of 134 perfected contracts in ROs VI, VII, and VIII remained unsubmitted as at December 31, 2018 while 526 contracts in nine ROs were submitted late to the Audit Teams as presented in Table 39.

Table 39 - Unsubmitted and Delayed Submission of Contracts

A	Unsubmitted as at 12.31.2018		Submitted late		
	No. of contracts	Amount	No. of contracts	Amount	No. of Days Delayed
I	-	P -	62	P 29,350,833	18-161
II	-	-	84	1,001,844,578	*Based on aging
III	-	-	184	2,246,187,089	16-540
IV A	-	-	31	158,493,922	4-87
IV B	-	-	19	127,464,753	7-225
VI	53	82,443,498	11	3,159,830	254-361
VII	19	459,210,265	-	-	-
VIII	62	648,279,316	83	1,172,867,632	48-267
XI	-	-	28	743,797,989	7-172
XIII	-	-	24	237,824,476	217-265
	134	P 1,189,933,079	526	P 5,720,991,102	

13.3 As reported in the MLs of the concerned ROs, these contracts pertained to irrigation projects in various Irrigation Management Offices (IMOs) in CYs 2017 and 2018.

13.4 The non-submission of contracts and supporting documents deterred the Audit Teams to conduct timely review and evaluation of procurements made by the Agency, and the conduct of appropriate procedures as necessary to establish the propriety and validity of transactions. Thus, early recognition and detection of defects and/or deficiencies, if any, could not be rectified immediately, to the disadvantage of the government.

13.5 We emphasize that pursuant to Item 4. 0 of the above cited Circular, on the penalty clause, any unjustified failure of the officials and employees concerned to comply with the requirements imposed shall be subject to administrative disciplinary action provided in (a) Section 127 of PD No. 1445; (b) Section 55, Title I-B, Book V of the Revised Administrative Code of 1987; and Section 11 of RA No. 6713.

13.6 We recommended and Management agreed that the Bids and Awards Committee (BAC)/Legal Department timely submit the contracts and all supporting documents, as required by COA Circular No. 2009-001 dated February 12, 2009, to give ample time to the Audit Teams in conducting review and evaluation of the procurements made by NIA.

14. Inadequate evaluation and validation procedures in the conduct of bidding, post qualification and awarding by the BAC and its TWG resulted in the award of

106 contracts amounting to P4.345 billion to bidders with the lowest calculated bid who did not pass the eligibility requirements as they have: (a) incomplete documentary/eligibility requirements; (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; and (c) deficient legal, technical, and financial eligibility documents. Likewise, contract was awarded without first securing authorities/permits to enter or proofs of acquisition of ROW. All are contrary to the Revised IRR of RA No. 9184 and Government Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects.

14.1 The 2016 RIRR of RA No. 9184 was promulgated for the purpose of prescribing the necessary rules and regulations for the modernization and standardization of the procurement activities of the Government of the Philippines. Said Revised IRR includes provisions on determining the eligibility of bidders using the prescribed criteria, as well as, the authenticity of all statements made and documents submitted by the bidder with the Lowest Calculated Bid.

14.2 NIA CO and seven ROs awarded 106 contracts with an aggregate contract cost of P4.345 billion to ineligible contractors due to deficient documentary requirements as required by the RIRR of RA No. 9184, as shown in Table 40.

**Table 40 - Schedule of deficiencies in documentary requirements
as required by the RIRR of RA No. 9184**

Observation	Office	RIRR of RA 9184 provision	No. of Contracts	Amount	Lacking Documents/ Deficiencies
1. Incomplete documentary/eligibility requirements	CAR	Section 25.2	13	P 12,639,205	a. PHILGEPS Certificate of Registration and Membership; a. Authenticated photocopy of approved APP and any amendment thereto; b. Notice of Post Qualification; c. Detailed Estimate of Program of Work; and d. Printout copy of Notice of Award (NOA), Notice to Proceed (NTP) and Contract of Award in the PhilGEPS.
	IV A	Section 37.2.3(f)	22	47,453,927	Department of Labor and Employment (DOLE)-approved Construction Safety and Health Program (CSHP)
	IV B	Section 37.2.3(f)	27	195,389,701	a. CSHP;
					b. Non-indication of

Observation	Office	RIRR of RA 9184 provision	No. of Contracts	Amount	Lacking Documents/ Deficiencies
					<p>minimum number of years and relevant experience of key personnel; and</p> <p>c. Non-discretionary "pass/Fail" criteria were not properly applied.</p>
2. Inadequate procedures in the conduct of post-qualification evaluation	CAR	Section 37.2.3 (f)	22	24,238,976	Construction Schedule
	IV B	Sections 23.1, 34.3, and 65.30	2	46,376,808	Non-disclosure of on-going projects by the concerned contractors in the Statement of On-going Contracts
	V	Section 34.3	<i>Not indicated</i>	<i>Not indicated</i>	<p>a. Delayed projects; and</p> <p>b. Contractors pledged the same equipment and proposed the same personnel that have already been pledged to their on-going contracts.</p>
	VII	Sections 23.4.2.4 and 23.4.2.6	7	76,000,118	<p>a. Inadequate Net Financial Contracting Capacity is below the Approved Budget of the Contract (ABC);</p> <p>b. Single Largest Completed Contract (SLCC) similar to the contract to be bid was only 37.85 per cent of the ABC, less than the 50-per cent requirement; and</p> <p>c. Undisclosed on-going contracts with NIA.</p>
	VIII	Sections 23.1 and 34	4	65,063,485	Non-submission of eligibility documents such as tax clearance, latest income and business tax returns, and CSHP
	XIII	Sections 25.3, 37.1.3, and 37.4.1	4	183,136,274	<p>a. Nonconformity with the Omnibus Sworn Statements using the prescribed form;</p> <p>b. Non-submission of Certificates of PHILGEPS Registration; and</p> <p>c. Nonconformity with the required form for Surety Bond for Bid Security and Performance Bond.</p>
3. Failure to post	CO	Sections 37.2.2,	1*	3,688,688,600	a. Posting of PS six days

Observation	Office	RIRR of RA 9184 provision	No. of Contracts	Amount	Lacking Documents/ Deficiencies
performance security by the awarded contractors within the prescribed period/ prior to the signing of contract	CAR	39.1, and 39.4	3	5,958,327	after the signing of contract; and b. Validity period of PS is within the prescribed period. Posting of PS six days after the signing of contracts
4. Failure to obtain authority authority/permit to enter or proof of acquisition of Right-of-Way (ROW) prior to awarding of contract/ Late posting of Notice of Award (NOA) and Notice to Proceed (NTP) and incomplete posting of Invitation to Bid (ITB)	CO	Sections 17.6, 37.1.6, 37.4.2, and 21.2.1(a)	1	Same with the amount of CO in No. 3	a. Award of contract prior to acquisition of permits from Project Affected Persons (PAPs); b. Delay in posting of NOA and NTP for 262 and 66 calendar days, respectively; and c. ITB was posted in the NIA conspicuous places for one day only.
			106	P4,344,945,421	

**Chico River Pump Irrigation Project (CRPIP)*

14.3 We recommended that Management require the:

a. BAC and its TWG of the CO and concerned ROs to ensure that the documentary requirements as well as the procedures in the RIRR of RA No. 9184 and GPPB Manual of Procedures for the Procurement of Infrastructure Project in the opening and examination of bids and in the conduct of post qualification are strictly followed to assure Contractor's compliance with the eligibility requirements.

b. Internal Audit Services to conduct investigation to determine liability of the contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract; and 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.

c. Concerned BAC/TWG of the CO and ROs to ensure the following:

c.1 Authorities/permits to enter or proofs of acquisition of ROW are obtained prior to awarding of contract;

c.2 Posting of ITB for seven days at any conspicuous place in accordance with Section 21.2.1(a) of the RIRR of RA No. 9184;

c.3 NOA and NTP are timely posted in the PhilGEPS, the NIA website, and in any conspicuous place in the premises of NIA within the period required in 2016 RIRR of RA No. 9184; and

c.4 Performance Security is posted not later than the date of contract signing and valid until the issuance by NIA of the Certificate of Final Acceptance.

14.4 The Administrator during the exit conference held last July 9, 2019 committed to take up the audit observations as one among the agenda in the Regional Managers Conference held last July 11-12, 2019.

14.5 We acknowledge the commitment of the Administrator to take the issues with the Regional Managers in their Regional Conference. As noted, most of the observations in this Report were already raised in previous years' audit which the Management still unable to address. The Audit Team, therefore, reiterates that the audit recommendations be fully implemented to ensure that the purpose of the infrastructure projects would timely benefit the farmers-beneficiaries and that the public resources will not be wasted.

15. Insurable properties in six ROs totaling P1.556 billion were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS), contrary to RA No. 656 as amended by PD No. 245 dated July 13, 1973 and COA Circular No. 2018-002 dated May 31, 2018, thus exposing NIA of not being indemnified for any damage or loss caused by accident or fortuitous event, such as, flood, typhoon, among others.

15.1 Republic Act (RA) No. 656, as amended by PD No. 245 dated July 13, 1973, aims to conserve and protect the resources of the government. It specifically 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.

15.2 COA Circular No. 2018-002 was issued to guide in the implementation of the provisions of RA No. 656 on the insurance and bonding of risks on insurable government assets and properties with the GIF. Item 5.1 of the Circular provides that:

Heads of government agencies shall direct the pertinent official under his/her supervision to:

- a. Xxx
- b. *Prepare the Property Inventory Form (PIF) listing of all the insurable properties, showing their latest appraised values/valuation, appraisal date, location, and other information (Annex A).*
- c. *Extract from the Report on the Physical Count of Property, Plant and Equipment, as well as from the Report on the Physical Count of Inventories, xxx the data for the PIF pertaining to the insurable assets*

and interest of the government (excluding impaired properties for disposal);

- d. Cause the appraisal of the insurable properties and other assets of their respective offices. Xxx, an in-house appraisal shall be sufficient if the property or insurable interest has a value of P10 million and below. Otherwise, an independent appraisal shall be necessary.
- e. Submit the consolidated PIF to the Supervising Auditor/Audit Team Leader and the GIF, GSIS, not later than April 30 each year;
- f. Xxx;
- g. Ensure centralized payment of insurance premiums of all assets/property, whether located in the Central/Head Office (C/HO) or Regional/District Offices xxx in order to avoid double payment. The Head of the agency shall issue specific guidelines/instructions to the R/DOs xxx to submit their respective accurate and updated PIF for consolidation at the C/HO.

15.3 In addition, Item 5.3 of the COA Circular also states that:

The Head of Agency, Accountant, Property Officer, Administrative Officer, Cashier, xxx or any government official of the xxx Government-Owned or Controlled Corporations, who are responsible for the payment of the premiums prescribed, who refuses or habitually neglects to comply with the time prescribed, shall be held liable for the payment of said premiums and shall pay to GSIS a fine of two per centum (2%) per month of said premiums from their due dates until received by the GIF, as provided for under Section 6(b) of RA No. 656.

15.4 During the year, uninsured properties with the GSIS increased from P311.349 million in 2017 to P1.556 billion in 2018 or equivalent to P1.245 billion or 399.87 per cent.

15.5 Reports from six ROs showed that insurable assets comprising buildings and related properties, heavy equipment, motor vehicles, office and IT equipment, furniture and fixtures, and other property and equipment under Corporate, General and Special Funds (C/G/SFs) totaling P1.556 billion were not insured with the GIF of GSIS contrary to the above-mentioned law and COA Circular. Details are shown in Table 41.

Table 41 - Insurable Assets without GSIS insurance coverage

Office/RO	Fund	Cost
III	C/G/SFs	P 1,182,553,748
VI	CF	200,389,520
X	CF	94,453,399
II	C/GF	62,978,508
I	C/G/SFs	11,696,021
XI	CF	3,821,464
		P 1,555,892,660

15.6 Properties without insurance coverage are exposed to the risk of non-indemnification or non-compensation in case of damage to or loss caused by accident and fortuitous events such as flood, typhoon, and earthquake, among others.

15.7 We recommended that Management adopt the guidelines prescribed under COA Circular No. 2018-002 in insuring the properties to the GIF of the GSIS to ensure that NIA's properties are protected in the event of accident, fire, earthquake, typhoon, flood and any other calamities to protect the interest of the government.

15.8 Top Management commented that a Memorandum Circular will be issued on the matter aligned with the provisions of COA Circular No. 2018-002.

16. Disbursements totaling P517.444 million for infrastructure projects, salaries, RATA, CNA, IAs incentives, trainings, among others, by nine ROs and 11 IMO were not completely and properly supported with documentations, thereby, casting doubt on the validity and propriety of the expenditures.

16.1 Section 4(6) of PD No. 1445 states that *"Claims against government shall be supported with complete documentation."*

16.2 Likewise, COA Circular No. 2012-001 dated June 14, 2012 prescribes the revised guidelines and documentary requirements for common government transactions.

16.3 It was reported in Management Letters (MLs) of ROs I, IV-A, V, VI, VII VIII, X, XI and XIII that disbursements in the total amount of P517.444 million for infrastructure projects, salaries, representation and transportation allowance, Collective Negotiation Agreement incentives, IAs incentives, among others, were not completely and properly supported with documentations. (with details in Annex A).

16.4 In RO V, the documents were already submitted, except for the Construction Safety and Health Program approved by the Department of Labor and Employment.

16.5 In view of the absence of complete and proper documentary requirements of disbursements in the ROs and IMOs, the validity and propriety of the paid transactions are doubtful.

16.6 We recommended that Management direct the concerned RO and IMOs to:

a. Require the Accounting Section to check the completeness of the supporting documents of the disbursement vouchers as prescribed in the COA Circular No. 2012-001 before payment to ensure the validity and propriety of transactions; and

b. Instruct the Accounting Section/payees concerned to submit all required supporting documents to facilitate the review and verification of the disbursements, otherwise the payments shall be issued with Notices of Suspension by the concerned Audit Teams in the ROs and IMOs.

16.7 Management commented that concerned ROs and IMO's will be reminded of the provisions of COA Circular No. 2012-001 in the Regional Conference held on July 11 and 12, 2019.

16.8 As a rejoinder, we enjoin compliance with the documentary requirements under COA Circular No. 2012-001 to ensure completeness of all supporting documents prior to payments.

17. Long outstanding fund transfers to implementing agencies of P124.563 million in CO and P3.660 million in RO V were not-liquidated, contrary to COA Circular No. 94-013 dated December 13, 1994. Moreover, information was inadequate on whether the transferred funds by CO to implementing agencies of P66.300 million were used only for intended purpose.

17.1 COA Circular No. 94-013 dated December 13, 1994 prescribes the rules and regulations pertinent to fund transfers. It was issued to ensure, among others, that the transferred funds to implementing agencies are used only for the intended purpose. Likewise, Paragraph 7 of COA Circular No. 2016-005 dated December 19, 2016 requires government entities, particularly its Accountants, to:

- a. Conduct regular and periodic verification, analysis, and validation of the existence of the receivables fund transfer and determine the implementing agencies concerned;
- b. Reconcile the unliquidated fund transfers between the source agency (SA) and implementing agencies, prepare the adjusting entry/ies for the reconciling items noted, and require liquidation of the balances;
- c. Prepare the necessary adjusting entry/ies for the recognition of the computed/ determined impairment, among others; and
- d. Prepare ageing of dormant fund transfers on a quarterly basis.

17.2 Review of the fund transfers to implementing agencies recorded under Inter-agency Receivable (I-aR) account revealed that Management was not able to closely monitor the projects implemented by IAs or transferred to other government agencies in view of the following:

Non-liquidation by implementing agencies of long outstanding fund transfers in the net amount of P124.563 million in CO and P3.660 million in RO V

17.3 As shown in Table 42, no decrease was noted from the balance of 2017 to 2018 except that of the Due from NGAs account under Fund 102-PIDP, which decrease represents partial settlement on the advances made by NIA to the Procurement Service.

Table 42 - Comparison between CY 2017 and CY 2018 I-AR

CY	Due From	Total
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	GOCCs	LGUs	NGAs	
2017	P 182,245	P 69,693,905	P 54,795,956	P 124,672,106
2018	182,245	69,693,905	54,686,419	124,562,569
Decrease	P -	P -	P 109,537	P 109,537

17.4 Inquiry with the AD on the status of implementation on the previous years' audit recommendations, specifically with regard to the liquidations of the I-aR balances, disclosed that they are still in the process of gathering the necessary documents to address the pertinent audit issues. It should be noted that the copy of demand letters provided by the Management to the Audit Team in December 2018 were all dated sometime in CY 2017, which suggests that no effort to demand for liquidation/recovery of the unexpended balance of receivable was made in CY 2018. Moreover, said demand letters were sent only to implementing Local Government Units (LGUs).

17.5 NIA CO inappropriately sent a demand letter dated August 29, 2017 to NIA RO No. V instead of to Bicol River Basin Watershed Management Project (BRBWMP), requiring the latter to submit statement of liquidation (SOL) and physical accomplishment report (PAR), to which NIA RO V rationally responded that their office has no records of the fund transfer amounting P29.700 million as the same was directly released by NIA CO to BRBWMP - PMO. It must bear stressing that, said implementing agency, along with Maguindanao Provincial Government, have zero recorded liquidation, to date.

17.6 In RO V, Due from LGUs account from the province of Masbate with outstanding balance of P3.660 million has been unliquidated, as the account had been inactive/dormant for at least five consecutive years. No verification, analysis, and validation of the existence of the inactive/dormant account have been conducted by the Accounting Section (AS), despite the considerable lapse of time.

Inadequacy of information on whether the transferred funds of P66.300 million were used only for intended purpose

17.7 The following results of confirmation also suggest that the projects were not implemented:

a. While Maguindanao Province confirmed a zero unliquidated fund balance, no information was, however, provided: (i) whether the project was implemented; and (ii) on the justification for the consecutive issuance of four checks to two construction companies, which total payments of P36.600 million is exactly equal to the amount of fund transferred, thus casting doubt on its regularity; and

b. The Office of the President, which the BRBWMP-PMO was representing in the Memorandum of Agreement (MOA) with NIA, confirmed a zero balance and noted that they have no records of fund transfer received from NIA.

17.8 Management was unable to, not only make prompt and continuous follow-up on the liquidations and/or demand the return of idle unused/ unexpended funds from IAs but also, validate the existence and status of project implementation of the said projects. As such, no information was made available on whether the transferred funds were used only for the intended purpose.

17.9 Non-liquidation by the implementing agencies of long outstanding fund transfers are indicative of Management's poor monitoring of implementation of pertinent projects.

17.10 **We recommended that Management:**

a. **Coordinate with the concerned LGUs, NGAs, and GOCCs and demand the immediate liquidation and return of the unexpended balance, if any, upon completion/termination of the project; and**

b. **Create an oversight committee that will be responsible for monitoring the subject projects, including a validation on whether the funds transferred were used only in accordance with the terms and conditions stipulated in the MOA and consistent with the applicable provisions of pertinent COA Circular on fund transfer to implementing agencies.**

17.11 Management commented that they will send follow up letters to the concerned LGUs, NGAs and GOCCs, the results of which will be their basis for action to be undertaken.

18. **Nine motor vehicles (MVs) costing P24.603 million were acquired through Lease Purchase Agreement (LPA) in ROs III, IV-B, and IX without securing evaluation and recommendation from the Department of Budget and Management (DBM) contrary to the guidelines set forth in Section 3 of Administrative Order (AO) No. 15, series of 2011, thus, payments are deemed irregular.**

18.1 Sections 9.0 and 9.1 of AO No. 233 dated August 1, 2008, as amended in Section 3 of AO No. 15 dated May 25, 2011, to read as follows:

"9.0 The authority to evaluate, recommend and approve the purchase of the following types of motor vehicles which are not classified under Section 2.0 or 7.0 is delegated to the following:

9.1 For motor vehicle acquisitions or departments, attached agencies, GOCCs, and GFIs, evaluating and recommending authority is vested with the DBM, while the approving authority is vested with the department secretary concerned;

9.2 Xxx; and

9.3 Xxx."

18.2 Notwithstanding the provisions of the above AO, ROs III, IV-B and IX entered into LPA for the acquisition of nine MVs without prior approval from the DBM Secretary, as shown in Table 43.

Table 43 - List of ROs which Procured MV through LPA

Vehicle	Qty.	Date of Lease Agreement	Rate per Hr./ Monthly Amortization	No. of Hrs. per Contract /Used/No. of Monthly amortization	Acquisition Cost (Rate per Hr. x No. of Hrs. Per Contract)	Amount Paid (12.31.2018)
Region III						
Toyota Fortuner	3	11/09/2016	P 475	7,128/5,425	P3,385,800	P2,576,875
		06/01/2017	475	7,260/4,898	3,448,500	2,329,246
		07/25/2017	475	6,713/3,216	3,188,675	1,527,614
Everest	1	11/20/2017	418	6,336/1,984	2,648,448	829,590
	4				12,671,423	7,263,325
Region IV B						
Toyota Fortuner	1	10/03/2017	86,640	36	3,126,175	1,215,760
Toyota Hilux	1	12/22/2017	66,830	36	2,405,750	534,640
	2				5,531,925	1,750,400
Region IX						
Isuzu D Max	2	07/28/2017	85,075	24	4,083,600	1,051,050
Isuzu MUX	1	07/28/2017	96,501	24	2,316,024	1,351,014
	3				6,399,624	2,402,064
	9				P24,602,972	P11,415,789

18.3 In RO III, Management entered into LPA with NIA Multi-Purpose Cooperative on various dates for the lease of four units motor vehicles: Toyota Fortuner and Ford Everest. Likewise, RO IX procured two units of brand new Isuzu D Max and one unit Isuzu MUX from a construction company. The MVs procured were funded under locally funded projects (LFPs) of CF. As stipulated in both lease contracts of ROs III and IX, ownership of the vehicles will be transferred to NIA through donation upon full payment of the maximum number of hours which is equivalent to the contract cost of the MVs.

18.4 Moreover, Mindoro Oriental-Marinduque-Romblon (MIMARO) Irrigation Management Office (IMO) of Region IV-B also acquired one unit of Toyota Fortuner and another unit of Toyota Hilux on an instalment basis from their Multi-Purpose Cooperative.

18.5 The acquisition of the MVs without adherence to the provision of Section 3 of AO No 15 which require evaluation and recommendation from the DBM prior to execution of contract is contrary to law and therefore constitute irregular transaction.

18.6 We recommended that Management:

- a. **Direct the Regional Irrigation Managers (RIMs) of ROs III, IV-B, and IX to secure approval of the DBM Secretary on the LPA of the MVs to support the validity of payments made; and**
- b. **Henceforth, adhere to the provisions of Section 3, AO No. 15 prior to acquisition of MVs through LPA to ensure the regularity of the transactions.**

18.7 During the exit conference, the Administrator commented that they will seek post approval from the DBM of the MVs purchased through LPA. They added that a memorandum to ROs regarding LPA will be issued.

18.8 As a rejoinder, we maintain our view that in the absence of approval from the Department Secretary of the DBM, the disbursements of funds for the said transactions are deemed irregular.

19. Expenses which are not related to Disaster Risk Reduction and Management Fund (DRRMF) and Quick Response Fund (QRF) totaling P9.064 million and P325,444 or a total of P9.389 million in CY 2018 were disbursed out of DRRMF and QRF, respectively, thereby, depleting the stand-by funds for the intended purpose. Moreover, RO IX had not prepared its DRRM Plan while Reports on the Receipts and Utilization of Funds in RO IV-B were not prepared monthly.

19.1 Section 2 of EO No. 888, s. 2010, enjoins government agencies to systematically institutionalize their disaster risk reduction (DRR) by, among others, integrating the same into their policies, plans, and programs.

19.2 Further, Section 1, Rule 19 of the Implementing Rules and Regulations (IRR) of RA No. 10121 specifically provides for the purpose of the National Disaster Risk Reduction and Management (NDRRM) fund. In particular, the NDRRM fund, which includes QRF, shall be used for DRR or mitigation, prevention and preparedness activities such as but not limited to training of personnel, procurement of equipment, and capital expenditures. It can also be utilized for relief, recovery, reconstruction and other work or services in connection with natural or human-induced calamities which may occur during the budget year or those that occurred in the past two years from the budget year.

19.3 On the other hand, Item 9 of Special Provisions of GAA for FY 2016 (for NIA), provides that:

Subsidy for Quick Response Fund. The amount of Five Hundred Million Pesos (P500,000,000) appropriated herein shall be used for the Quick Response Fund (QRF), which shall serve as a stand-by fund to be used for reconstruction and rehabilitation programs, activities, or projects [PAPs] including prepositioning of goods and equipment in order that the situation and living conditions of people in communities or areas stricken by calamities, epidemics, crises, and catastrophes, which occurred in the last quarter of the immediately preceding year and those occurring during the current year may be normalized as quickly as possible. In no case shall the QRF be used for pre-disaster activities, or any other purpose not authorized in this act. [Emphasis supplied]

19.4 Said provision in QRF was also similarly stipulated in Items 7 and 10 of the Special Provisions of GAA for NIA covering FYs 2016 and 2015, respectively.

19.5 In CYs 2016, 2017 and 2018, NIA was allocated DRRMF totaling P2.139 billion covered by Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA). Likewise, NIA was allocated QRF in the total amount of P1.500 billion in CYs 2015, 2016 and 2018 as shown in Table 44.

Table 44 - DRRMF & QRF Receipts/Utilization and Balances

CYs 2015-2018

ROs	Receipts				Utilization			Balance
	2015/2016	2016/2017	2018	Total	Disbursements	Unpaid Obligation	Total	
DRRMF	1,100,164,293	500,000,000	539,124,900	2,139,289,193	1,531,049,266	597,892,044	2,128,941,310	10,347,883
<i>Percentage of Utilization /Receipts (2,128,941,310/2,139,289,193)</i>							99.52	
QRF	500,000,000	499,920,933	499,999,680	1,499,920,613	1,240,970,333	252,523,451	1,493,493,784	6,426,759
<i>Percentage of Utilization /Receipts (1,493,493,784/1,499,920,613)</i>							99.57	

19.6 As presented in Table 57, a total of P2.129 billion or 99.52 per cent was utilized out of the P2.139 billion funds released to NIA for DRRMF covering CYs 2016-2018, leaving a balance of P10.348 billion. The utilized amount comprises actual disbursements of P1.531 billion and unpaid obligation of P597.892 million. Likewise, 99.57 per cent or P1.493 billion was utilized for QRF out of the P1.500 billion released in CYs 2015, 2016 and 2018, leaving a balance of P6.427 million.

19.7 Further, audit disclosed that expenses not related to DRRMF and QRF of P9.278 million and P325,344 were disbursed out of DRRMF and QRF, respectively, as shown in Table 45.

Table 45 – Expenses Not Related to DRRMF and QRF

RO	Expenses Not Related to		Total	Remarks
	DRRMF	QRF		
II	P 4,272,061	P 213,649	P 4,485,710	IT equipment, van rentals, honorarium
VI	2,353,204	-	2,353,204	Honorarium, uniform allowance, among others
III-UPRIIS	1,242,277	-	1,242,277	Equipment rental and salaries and wages
I	1,197,000	-	1,197,000	Salaries and wages
V	-	111,695	111,695	Traveling expenses, labor for repair of aircon
	P 9,278,192	P325,344	P 9,389,886	

19.8 The use of DRRMF and QRF for expenses which were not related to DRRM and/or disaster quick response contravened the very essence of DRRMF/QRF as the stand-by fund for the rehabilitation and restoration of irrigation facilities in order that the situation and living conditions of people living in communities or areas stricken by calamities, epidemics, crises and catastrophes, may be normalized as quickly as possible.

19.9 It was also reported that RO IX did not prepare DRRM Plan while RO IV-B did not prepare monthly report on Receipts and Utilization of DRRMF/QRF contrary to Section 4, Rule 19 of the IRR of RA No. 10121.

19.10 The utilization of DRRMF and QRF for non-DRRMF/QRF activities depleted the stand-by fund for reconstruction and rehabilitation of PAPs, which the QRF/DRRMF were established for.

19.11 **We recommended that Management:**

- a. Direct the concerned ROs to return the funds utilized for non-DRRMF and non-QRF activities;
- b. Henceforth, instruct the ROs to refrain from using the DRRMF/QRF on PAPs that do not directly address calamity-related risks and scenarios; and
- c. Instruct RO IX Management to formulate/prepare a DRRM Plan patterned with the Plan in the CO as a roadmap for courses of actions before, during, and after calamities/disasters and guide in monitoring and evaluating the implementation of DRRM-related PAPs and RO IV-B to prepare monthly Report on Receipts and Utilization of DRRMF/QRF in compliance with Section 4, Rule 19 of the IRR of RA No. 10121.

19.12 Management commented that it will require concerned ROs to comply with the recommendations.

19.13 As a rejoinder, we maintain our view that the DRRMF/QRF be utilized only for the purpose for which the fund was established as provided in the Special Provisions of GAA. The utilization thereof not in consonance with its purpose could be considered as irregular expenditure of government funds.

20. Cash advances (CAs) for foreign and local travels totaling P5.723 million in CO and RO IV- B were liquidated beyond the prescribed period with delay ranging from 4 to 331 days. Likewise, additional CAs totaling P5.677 million were granted to officers and employees in CO and two ROs even without liquidation of their previous CAs, thus exposing funds to possible misuse.

20.1 Section 14 of EO No. 298 dated March 23, 2004 specifically requires that the rendition of cash advances on official travel abroad shall be within 60 days from return to the Philippines while local travel shall be within 30 days after return of the employee to his permanent official station.

20.2 In addition, Item 4.1.2 of COA Circular No. 97-002 dated February 10, 1997 provides that:

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

20.3 Contrary to the above provisions, our review of CAs disclosed that liquidations and refunds of cash advances for foreign and local travels granted in CO and three ROs in CY 2018 aggregating P5.723 million were not liquidated within the prescribed period with delay ranging from 4 to 331 days, as shown in Table 46.

Table 46 - Summary of CAs that were not Liquidated within the Prescribed Period

Office	Amount	No. of Days Delayed
CO*	P 5,158,536	8-141
VI	300,940	11
CO**	138,280	4-331
IV-B	79,980	70-54

CAR	45,000	141
	P 5,722,736	

*foreign travel; **local travel

20.4 Inquiry with Management disclosed that the delay in the liquidation of the CAs for foreign travel, in particular, by the 34 officials and employees in CO and the two officials in CAR and RO VI were due to the strict review of claims and supporting documents attached to the liquidation voucher by the Accounting Division.

20.5 As at year end, cash advances for local and foreign travels of P13.811 million remained unliquidated in CO and ROs IV-A, VI, IV, XI, and XIII. Details are shown in Table 47.

Table 47 - Unliquidated Cash Advances as at December 31, 2018

Office	Amount
XIII	P 6,506,186
IX	3,026,490
VI	2,455,101
CO*	834,818
IV-A	778,422
XI	209,736
	P 13,810,753

*foreign travel

20.6 It was also noted that additional CAs for local travel were granted by CO, RO XI and XIII to its officers and employees amounting to P5.677 million even without liquidation of their previous CAs.

20.7 The late liquidations and the granting of additional CAs even if the previous ones are still unsettled indicated that there were lapses in monitoring the grant, utilization and settlement of cash advances. In addition, the possibility of fund misuse could not be discounted in delayed liquidation of CAs.

20.8 We emphasize the provision of NIA MC No. 65, s. 2010 on the withholding of salaries and other benefits due to officers and employees in the settlement of CAs which was not strictly enforced.

20.9 We recommended that Management require the AD/S of CO and concerned ROs to:

- a. Direct and remind concerned officers/employees to submit their liquidations reports with complete supporting documents and refund excess CAs within the prescribed period to avoid withholding of salaries and other benefits pursuant to the provisions of EO No. 298, COA Circular No. 97-002, and NIA MC No. 65, s. 2010; and
- b. Strictly monitor the CAs of the officers/employees to ensure that no additional CAs are given unless the previous ones are fully liquidated.

20.10 Management informed that upon approval and release of CA of NIA officials and employees in CO, a letter duly signed by the Accounting Manager is attached in the CA disbursement voucher which served as a reminder to the concerned officials and employees to liquidate their CAs within 60 days upon completion of the foreign travel and in the event the concerned officials and employees failed to liquidate within the 60 day-period, demand letters are sent directing them to liquidate their CAs immediately. They added that to improve the process of liquidation, and to ensure that funds are not expose to possible misuse and that expenses are recorded in the proper accounting period, a memorandum circular is drafted for finalization to remind all NIA officials and employees of the prescriptive period to render an account of the cash advance received and enumerating therein all the supporting documents to be attached, copy furnished the Audit Group once signed and numbered.

20.11 As a rejoinder, we appreciate Management's action on the issuance of a memorandum circular requiring/reminding employees to liquidate their cash advances within the prescribed period.

GENDER AND DEVELOPMENT (GAD)

21. The GAD Plan and Budget (GPB) and GAD Accomplishment Report (GAR) for FY 2018 were submitted late to the Philippine Commission on Women (PCW), resulting in non-endorsement by the PCW for implementation by NIA. Nonetheless, NIA registered a low utilization rate of 26.22 per cent or only P1.829 billion out of its budget allocation for GAD of P6.976 billion for Fiscal Year (FY) 2018.

21.1 PCW-NEDA-DBM Joint Circular No. 2012-01 prescribes the guidelines and procedures for the formulation; development; submission and implementation; monitoring and evaluation; including accounting on the results of the agency's GPBs and GARs.

21.2 PCW issued Memorandum Circular (MC) No. 2016-05 dated September 30, 2016 prescribing January 31, 2017 as the deadline for submission of FY 2018 GPB while MC No. 2018-05 dated September 27, 2018 prescribes January 31, 2019 as the deadline for submission of GAR to PCW Gender Mainstreaming Monitoring System (GMMS).

21.3 The GPB for FY 2018 of the NIA was submitted to the DBM thru NIA Budget and Revenue Division and not directly thru PCW as it was only in the first quarter of CY 2017 when NIA learned that the submission of GPB and GAR to PCW is thru GMMS. On the other hand, the GAR for FY 2018, which was submitted online to PCW, has not been officially transmitted back to NIA as of this writing.

21.4 During the year, the DBM approved NIA's Corporate Operating Budget (COB) in the total amount of P45.912 billion. Of this budget, P4.865 or 10.60 per cent was allocated for GPB, thus, compliant with the five per cent allocation requirement in Section 30, Paragraph 2 of the General Provisions of the FY 2018 General Appropriations Act.

21.5 Notwithstanding the absence of endorsement by the PCW of the GPB, NIA was able to implement a few of its GPB as revealed in the consolidated GAR which registered a utilization rate of only 26.22 per cent as presented in Table 48.

Table 48 - Comparison of Budget Allocation against Actual Utilization

Offices	Budget Allocation	Actual Utilization	Variance	Rate (In Percent)
	(a)	(b)	(c) = (a-b)	(d) = (b)/(a)
CO/PMOs/Systems	P 4,864,491,911	P 120,154,786	P 4,744,337,125	2.47
I	42,262,000	2,469,415	39,792,585	5.84
II	175,470,000	22,851,155	152,618,845	13.02
III	151,863,334	1,718,185	150,145,149	1.13
IV-A	232,524,925	116,606,605	115,918,320	50.15
IV-B	311,911,700	308,312,000	3,599,700	98.85
V	118,332,973	163,962,435	(45,629,462)	138.56
VI	325,894,848	16,438,268	309,456,580	5.04
VII	447,286,000	371,471,150	75,814,850	83.05
VIII	103,492,500	156,014,800	(52,522,300)	150.75
IX	2,140,000	397,646,610	(395,506,610)	185.82
X	69,115,660	68,900,209	215,451	99.69
XI	130,950,000	82,161,618	48,788,382	62.74
	P 6,975,735,851	P1,828,707,236	P 5,147,028,615	26.22

21.6 As presented in Table 54, ROs IV-B, VI and X utilized 98.85 per cent, 83.05 per cent and 99.69 per cent, respectively, of their GAD budget while ROs V, VIII and IX exceeded utilization of their budget by 138.56, 150.75 and 185.82 per cent, respectively. Meanwhile, all the other ROs, CO/ PMO/Systems registered low utilization rate of their budget allocation.

21.7 Thus, activities and programs in the GPB for FY 2018 were not all carried out during the year.

21.8 We recommended that Management instruct the GAD CO and ROs' Focal Persons to submit their GPB and GAR to PCW pursuant to existing regulations to ensure that the GPB are endorsed by the latter. In addition, implement GAD activities in accordance with the approved plan and budget to ensure that programmed activities during the year are effectively carried out.

21.9 Management assured a much better implementation of GADs programs, activities and projects derived from attribution process in FY 2019 and the succeeding years. They added that a Memorandum will be issued for the conduct of survey on Sex-Disaggregated Data, which shall be used to justify the implementation of PAPs.

21.10 We appreciate Management's actions on the audit recommendations which will be validated and monitored in CY 2019.

COMPLIANCE WITH TAX LAWS

22. Taxes withheld in prior and current years in CO, nine ROs and UPRIS with aggregate amount of P151.541 million, net of negative balance of P6.600 million were not remitted to the Bureau of Internal Revenue (BIR) within the prescribed reglementary period contrary to Section 272 of the Internal Revenue Code of 1997 and Revenue Regulation (RR) No. 2-98. The delay in the remittances of taxes

withheld may expose NIA to payment of interests, penalties and surcharges that might be imposed by the BIR.

22.1 Section 272 of the Internal Revenue Code of 1997 states that:

Every officer or employee of the Government of the Republic of the Philippines or any of its agencies and instrumentalities, its political subdivisions, as well as government-owned or controlled corporations, xxx, under the provisions of this Code or rules and regulations promulgated thereunder, is charged with the duty to deduct and withhold any internal revenue tax and to remit the same in accordance with the provisions of this Code and other laws. Xxxx.

22.2 Also, Section 2.81 of RR No. 2-98, as amended by Section 5 of RR No. 10-2008 provides 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.”*

22.3 The regulations of the BIR on the withholding of taxes and remittances thereto were partially complied by the Agency, in view of the following:

- a. Taxes withheld in prior years' (PYs') and current year's (CY's) in the total amount of P151.540 million were not remitted within the reglementary period in CO, nine ROs and UPRIIS as shown in Table 49.

Table 49 - Unremitted PYs' and CY's Taxes Withheld as at December 31, 2018

Office	F 501	F158	F 101	Total
CO	P 4,571,878	P -	P 46,129,646	P 50,701,524
CAR	12,325	46,298	18,469,494	18,528,117
I	-	-	392,696	392,696
UPRIIS	10,120,604	-	158,199	10,278,803
IV-A	14,559,478	-	452,766	15,012,244
V	2,246,437	362,733	2,485,620	5,094,790
VI	592,834	-	12,391,486	12,984,320
VIII	1,085,732	-	-	1,085,732
IX	6,323,845	280,184	2,572,905	9,176,934
XI	5,528,912	160,468	10,969,706	16,659,086
XIII	11,626,428	-	-	11,626,428
	P 56,668,473	P 849,683	P 94,022,518	P 151,540,674

The unremitted taxes increased by 29.37 per cent or 34.402 million compared to last year's total of P117.139 million as at December 31, 2017.

- b. The unremitted amounts of P4.572 and P49.130 million under CF and GF represent prior years' balances which were not aged and without details which remittance due dates and detailed composition of the line items such as Expanded Withholding Tax, Franchise Tax, Final Tax, Withholding Tax, among others, were not disclosed. The account of GF included the amount of P2.390 million, which had been non-moving from two to six years. Despite repeated verbal and written requests, schedules have not been provided by Management for GF.

c. Likewise, the balances under Due to BIR in the nine ROs pertained to prior years which are no longer supported with documentation.

d. In UPRIIS, the balance under GF of P158,199 had been dormant for several years, and reconciliation is on-going for the unremitted amount of P10.121 million under CF.

22.4 The absence of complete and detailed supporting schedules precluded the Audit Teams from ascertaining the reliability of the outstanding balances.

22.5 Records further showed that the Due to BIR account included negative abnormal balances in the total amount of P6.600 million, presented in Table 50.

Table 50 - Offices w/ Negative Balances

Office	Fund	Amount
CO	GF	P 5,771,908
	CF	308,829
V	SF	161,048
VI	CF	358,676
		P 6,600,461

22.6 These negative/abnormal balances consequently understated the account balance by P6.600 million.

22.7 In view of the foregoing, NIA might be charged with penalties, interests and surcharges due to non/delayed remittances of taxes withheld.

22.8 We emphasize that penalties and interest are personal liabilities of the officials and employees who failed to remit the taxes pursuant to National Internal Revenue Code of 1997, otherwise known as Republic Act No. 8424 dated January 1, 1998.

22.9 We recommended that Management direct the CO and concerned ROs to:

a. Exert utmost efforts to ensure that all taxes withheld are remitted on time to BIR to avoid incurrence of interests, penalties and surcharges; and

b. Effect adjustments to close the negative abnormal balances and determine the validity of prior year's accounts and effect adjustments where warranted.

22.10 Management commented that it already instructed personnel in the CO to check, reconcile records and ensure that all taxes are properly withheld and remitted to the BIR within the reglementary period. It also added that it will check with the BIR open cases of NIA, if any and ROs will also be instructed to do the same so that immediate action can be undertaken on this regard.

22.11 As a rejoinder, the Audit Teams will monitor and validate Agency's implementation of the above audit recommendations in CY 2019.

COMPLIANCE WITH GSIS, HMDF AND PHIC LAWS/REGULATIONS

23. Remittances to the GSIS, HMDF/Pag-IBIG and PHIC/PhilHealth of employer/employees' contributions and payments of loan amortizations in CO and two ROs aggregating P2.717 million for CY 2018 were delayed while prior year's premium contributions totaling P5.929 million remain unremitted as at December 31, 2018.

23.1 RA No. 8291 or the GSIS Law requires the employer to remit directly to the GSIS the employees' and employer's contributions within the first 10 days of the calendar month following the month to which the contributions apply. The Law further provides that 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 per cent simple interest per month. Such interest shall be paid by the employers concerned.

23.2 Likewise, Section 3, Rule VII of RA No. 9679 of the 2009 HDMF Law, provides, among others, that all employers shall remit to the Pag-IBIG their contributions and the contributions of their covered employees as well as the latter's loan amortizations or payments; penal sanctions shall be imposed upon the employers who fail to include the payment of contributions on time, or delay the remittance of the required contributions; and the heads of offices and agencies shall be administratively liable for non-remittance of the required contributions to the Pag-IBIG. In addition, Item 4 of HDMF Circular No. 275 dated January 22, 2010 provides that the employer shall remit the required monthly employer and employee contributions to the nearest Pag-IBIG branch or its authorized collecting banks in accordance with the following remittance schedule.

First Letter of employer's name	Due date
A to D	10 th to 14 th day of the month following the period covered
E to L	15 th to the 19 th day of the month following the period covered
M to Q	20 th to the 24 th day of the month following the period covered
R to Z, Numeral	25 th to the end of the month following the period covered

23.3 The same Item of the said HDMF Circular provides that failure of the employer to pay or remit the contributions on the prescribed schedules, the employer shall be charged a penalty equivalent to 1/10 of 1 per cent per day of delay of the month due starting the first day immediately following the due date until the date of full settlement.

23.4 On the other hand, Section 18.a of RA No. 10606 or the 2013 National Health Insurance Act and its IRR states that:

The monthly premium contribution of employed members shall be remitted by the employer on or before the date prescribed by the Corporation.

23.5 PhilHealth Circular (PC) No. 0001, s. 2014, dated January 9, 2014 prescribes the revised payment schedule for the applicable month starting March 2014 onwards for all government and private employers, as follows:

Existing	New Payment Schedule
Every 10 th day of the	Employers with *PENs Every 11 th -15 th day of the month following the

month following the applicable period	ending in 0-4	Employers with PENs ending in 5-9	applicable period Every 16 th – 20 th day of the month following the applicable period
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23.6 Further, PC No. 2016-0034 dated December 9, 2016 provides that interests and/or surcharges for late payments by employers both in the government and private sectors shall be equivalent to two per cent of principal amount or P200.00 whichever is higher, compounded monthly based on the number of months delayed. Also, a fraction of a month shall be computed as one whole month delayed; i.e. premium contribution delayed for one day shall already be considered a delay for one month.

23.7 During the year, NIA CO and its ROs partially complied with the requirements of the GSIS, Pag-IBIG and PhilHealth laws/regulations on deduction and remittance of employees' and employer's contributions and payments of loan amortization as deficiencies in remittances in CO and seven ROs of current and prior years' contribution as well existence of negative balances in the SLs of the three accounts, discussed as follows:

- a. In 2018, remittances of employer and employees' contributions and/or loan payments/amortizations by CO to GSIS, Pag-IBIG and PhilHealth totaling P2.718 million were delayed. Compared to last year's amount of P11.119 million, the amount significantly decreased by 75.56 per cent or P8.402 million. Details of remittances and number of days/months delayed are shown in Table 51.

Table 51 - Late Remittances to GSIS/Pag-IBIG/PhilHealth for CY 2018

Office	GSIS	Pag-IBIG	PhilHealth	Total Amount	Average No. of Days/Yrs. Delayed
VI	P 147,031	P 249,817	P 1,649,354	P 2,046,202	
CO	641,827	4,360	9,811	655,998	2 - 6 years
V	15,307	-	-	15,307	1-183 days
	P 804,165	P 254,177	P 1,659,165	P 2,717,507	

The unremitted balances to GSIS, Pag-IBIG and PhilHealth in RO VI pertained to prior year's transactions, thus subject to further verification and reconciliation by Management. It was also reported that balance of P2.046 million was net of negative/abnormal balance of P1.640 million which consequently reduced the account to 80.16 per cent.

The Due to GSIS of P0.642 million in CO represents unremitted balance from SF, net of negative balance of P59,516 under GF. Inquiry with the concerned personnel of the Accounting Section (PMO, NIA-CARP-IC) in charge of SF informed that the disbursement vouchers on the remittances of employer/employee contributions and loan amortizations to the GSIS are submitted to the Cash Division, CO before the due date since they are the ones in charge in remitting all payments of NIA CO to the GSIS.

Meanwhile, the Data Encoder who is the sole authorized personnel to prepare the Alpha List and Electronic Remittance File of all NIA remittances to the GSIS revealed that the late remittances pertained to contributions of newly hired casual

employees which are remitted only upon issuance of their Business Partner (BP) Number by the GSIS. The contributions of employees without leave of absence also formed part of the unremitted amount.

On the other hand, the Due to Pag-IBIG and PhilHealth of P4,360 and P9,811 under GF were net of negative balances of P83,894 and P918 or a total of P84,812, respectively.

In RO V, the unremitted balance of P15,307 represents contributions and loan amortizations from January to August 2018 of some personnel in the RO and Rinconada Integrated Irrigation System (RIIS).

- b. In five ROs, prior year's premium contributions of GSIS, Pag-IBIG and PhilHealth amounting to P5.929 million remained unremitted as at December 31, 2018. Details of unremitted contributions are shown in Table 52.

Table 52 - Unremitted PYs' Contributions by ROs to GSIS, Pag-IBIG and PhilHealth as at December 31, 2018

RO	GSIS	Pag-IBIG	PhilHealth	Total
V	P 1,445,325	P 174,408	P 1,628,614	P 3,248,347
XI	1,101,478	462,135	-	1,563,613
IV A	829,186	-	-	829,186
CAR	28,676	48,487	69,702	146,865
I	105,077	20,491	15,876	141,444
	P 3,509,742	P 705,521	P 1,714,192	P 5,929,455

In CAR, ROs I and XI, the unremitted balances pertained to prior years, some of which are no longer supported with documentation while the balance of P0.829 million was not supported with SL in RO IV A.

23.8 The delays in the remittances to GSIS, Pag-IBIG, and PhilHealth of contributions/premiums and loan amortizations would result in unnecessary cash outflows and additional expenses due to imposition of interest, penalties and surcharges. Also, same would cause errors in employees' records of their remittances that may affect their claims/benefits from these Agencies.

23.9 We recommended and Management agreed to require the AD/S of CO and concerned ROs to:

- a. Remit immediately the prior year's premium contributions and loans payments of GSIS, Pag-IBIG and PhilHealth amounting to P5.929 million to the GSIS, Pag-IBIG, and PhilHealth;
- b. Hold the concerned employee/s responsible for late remittances to the GSIS, Pag-IBIG, and PhilHealth for purposes of paying interests and penalties that may be imposed by the latter to NIA; and
- c. Henceforth, see to it that the employer and employees' contributions and loans payments are remitted on a timely manner to the GSIS, Pag-IBIG and PhilHealth to avoid interests, penalties and surcharges.

SUMMARY OF UNSETTLED AUDIT DISALLOWANCES, CHARGES AND SUSPENSIONS

24. As at December 31, 2018, the total unsettled disallowances, charges and suspensions for all funds amounted P3.067 billion, P1.931 million and P1.721 billion, respectively. Also, disallowances in CO and ROs that attained its finality of decision of P1.172 million and P42.259 million, respectively, or a total amount of P43.431 million were recognized in the books under Receivables-Disallowance/Charges account as disclosed in Note 8.5 to FS.

24.1 In addition, there was unsettled suspensions of US\$ 3.864 million under General Fund. Summary of unsettled disallowances, charges and suspensions is shown in Table 53. The details and status are presented in Annexes B, C and D of this Report.

Table 53 - Unsettled Audit Disallowances, Suspensions and Charges

a. Unsettled Notices of Disallowance (NDs)

Office/RO	NDs that Attained Its Finality	NDs with CGS Cluster 5 Decision	NDs with Appeal Memorandum	NDs within the Appeal Period	Total
General Fund:					
Central Office	P 10,182,442	P 23,283,850	P 2,124,840,911	P -	P 2,158,307,203
CAR	141,531	348,817	364,809	121,999	977,156
I	73,635	351,000	-	-	424,635
II	6,462	-	214,439	157,513	378,414
III	-	-	6,843,900	-	6,843,900
IVA	-	90,000	-	-	90,000
VI	1,220,211	-	1,122,000	1,500	2,343,711
VII	47,226	-	507,038	-	554,264
VIII	1,240	-	-	-	1,240
X	292,964	-	-	-	292,964
XI	113,083	80,060	-	-	193,143
XII	475,000	-	-	-	475,000
XIII	2,888,901	-	1,064,017	-	3,952,918
	5,260,253	869,877	10,116,203	281,012	16,527,345
	15,442,695	24,153,727	2,134,957,114	281,012	2,174,834,548

Office/RO	NDs that Attained Its Finality	NDs with CGS Cluster 5 Decision	NDs with Appeal Memorandum	NDs within the Appeal Period	Total
Corporate Fund:					
Central Office	P 7,205,215	P 32,761,787	P 138,186,798	-	P 178,153,800
CAR	137,459	11,413,461	8,567,798	-	20,118,718
I	670,000	14,912,398	12,301,940	-	27,884,338
II	1,533,566	5,174,122	139,305,732	-	146,013,420
III	19,206,000	90,991,274	156,289,998	-	266,487,272
IVA	-	10,490,345	-	-	10,490,345
IVB	-	11,685,367	5,979,776	-	17,665,143
V	-	-	5,811,180	-	5,811,180
VI	230,646	821,397	65,248,269	-	66,300,312
VII	96,663	-	22,365,922	-	22,462,585
VIII	11,683,704	-	28,828,529	-	40,512,233
IX	-	-	-	12,144,579	12,144,579
X	4,669,438	2,488,750	21,069,604	-	28,227,792
XI	5,046,391	16,030,394	2,571,750	-	23,648,535
XIII	8,934,536	8,966,750	2,702,017	-	20,603,303
	52,208,403	172,974,258	471,042,515	12,144,579	708,369,755
	59,413,618	205,736,045	609,229,313	12,144,579	886,523,555
Special Fund:					
Central Office	3,432,968	518,604	538,069	-	4,489,641
CAR	55,000	-	429,869	-	484,869
I	-	117,000	-	-	117,000
IVA	-	-	150,000	-	150,000
VI	84,255	-	298,000	-	382,255
XI	283,715	-	15,120	-	298,835
XIII	2,281	-	10,000	-	12,281
	425,251	117,000	902,989	-	1,445,240
	3,858,219	635,604	1,441,058	-	5,934,881
	P 78,714,532	P 230,525,376	P 2,745,627,485	P 12,425,591	P 3,067,292,985

b. Unsettled Notices of Charge (NCs)

Office/ RO	NCs that Attained Its Finality	NCs with CGS Cluster 5 Decision	NCs with Appeal Memorandum	NCs within the Appeal Period	Total
General Fund:					
Central Office	P -	P -	P 1,200,000	P -	P 1,200,000
Corporate Fund:					
I			189,892		189,892
II	31,660				31,660
X	509,261				509,261
	540,921	-	189,892	-	730,813
	P 540,921	P -	P 1,389,892	P -	P 1,930,813

c. Unsettled Notices of Suspension (NSs)

GF	CF	SF	Total
P 1,103,217,793	P 618,034,296	P 174,240	P 1,721,426,330
US\$ 3,863,967			US\$ 3,863,967

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

Of the 183 audit recommendations embodied in the CYs 2017 and 2016 Annual Audit Reports (AARs) for all funds (General, Corporate and Special), 19 were fully implemented, thus, deleted and excluded from this Status. Forty-seven audit recommendations in CY 2016, which were reiterated in CY 2017, were also deleted from this Status. Notice of Disallowance was issued for one audit recommendation, thus, excluded from this Status but incorporated in Annex B - Status of Unsettled Notices of Disallowances. Lastly, 35 audit recommendations were partially implemented; 15 were not implemented; while 66 were revised and reformulated to be more specific, measurable, and doable, as follows:

Observations and Recommendations	Actions Taken/Comments
<u>CY 2017 AAR</u>	
FINANCIAL OPERATIONS	
<p>1. The Prior Period Adjustments (PPAs) aggregating P102.632 million and P2.667 billion in Combined Statement of Changes in Net Assets/Equity (SCNA/E) for calendar years (CYs) 2017 and 2016, respectively, directly presented in the SCNA/E instead of restating the affected accounts in which errors occurred contrary to Philippine Public Sector Accounting Standard (PPSAS) 3, which could mislead the users of the financial information. Likewise, these adjustments have no disclosures and lacked appropriate supporting documents. Consequently, the fair presentation of the financial statements as a whole was adversely affected.</p> <p>We reiterated our recommendations that Management direct the Accounting Division to:</p>	
<p>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 FSs; and</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 2 of this Report.</p>
<p>b. Submit list/schedules showing the details of the PPAs supported with complete/appropriate documentation.</p>	<p>-do-</p>

Observations and Recommendations**Actions Taken/Comments**

2. The reliability and fairness of FSs presentation of Property, Plant and Equipment (PPE) account with carrying amount of P231.816 billion as at December 31, 2017 could not be established due to, among others: (a) capitalization of payments of P20.646 billion under PPE account without sufficient legal basis to confirm control over irrigation canals, laterals, regulating structure, and other non-power component of the project; (b) unreconciled variance of P68.086 billion between results of physical count vis-a-vis accounting records and Engineering and Operations Division (EOD) reports; (c) doubtful existence due to non-conduct of physical count for PPE items with total amount of P9.829 billion; (d) inadequate accounting and property records to substantiate the PPE items of P37.106 billion; (e) non-reclassification of long-completed irrigation projects amounting to P23.240 billion to proper asset accounts; (f) non-derecognition of the net carrying amount of the irrigation facilities that have undergone major rehabilitations/repairs; and (g) non-provision and incomplete details of depreciation expenses.

We reiterated our previous years' recommendations that Management:

- a. Coordinate with NPC/PSALM to secure documents necessary to support the transfer of control/ownership to NIA over the irrigation canals, laterals and the regulating structure, and other non-power component of the SRMPP and to substantiate the capitalization of the payments as PPE; Not Implemented.

- b. Instruct the Accounting Division/Section of the CO and concerned ROs to:

- b.1 Coordinate with the Property Division and EOD on the reconciliation of records and facilitate the submission of reconciliation report; Revised and reformulated in Part II- Observations and Recommendations No. 3 of this Report.

- b.2 Maintain and regularly update SLs Revised and reformulated in Part II-

Observations and Recommendations	Actions Taken/Comments
for all PPE accounts, and conduct a continuous analysis of the accounts to ensure the reconciliation of the same with the GLs;	Observations and Recommendations No. 3 of this Report.
b.3 Coordinate with the proper office/s in exerting efforts to complete the documentation necessary to reclassify the cost of items in the CIP account to the PPE accounts;	-do-
b.4 Derecognize the net carrying amount of the irrigation facilities that have undergone major rehabilitations/repairs, pursuant to Paragraph 85 of PPSAS 17;	-do-
b.5 Provide duly-supported depreciation for all depreciable assets;	-do-
c. 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;	-do-
d. Direct the PMO, Accounting Division/Section and EOD to jointly exert effort to complete the documentation necessary to transfer completed CIP to proper asset accounts; and	-do-
e. Instruct the Inventory Team/Committee to conduct inventory count of all PPE items to establish the actual existence thereof and include the same in the RPCPPE.	-do-
We further recommended that Management:	
a. Require the Property Officer of the concerned ROs to:	
a.1 Have the parcels of land covered by Deed of Donations executed by landowners necessary for the transfer and titling of the lands under Agency's name;	-do-

Observations and Recommendations**Actions Taken/Comments**

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| a.2. Require the Property Officer, RO V to immediately facilitate the transfer of ownership of the motor vehicles under Agency's name; | Revised and reformulated in Part II- Observations and Recommendations No. 3 of this Report. |
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 | |
| 3. The reliability and collectability of Accounts Receivable (AR)-Irrigation Service Fees (ISF) aggregating P22.304 billion could not be determined, due to: (a) non-provision for impairment loss on unpaid ISF of farmers with eight hectares landholdings and below and past due CIS accounts of IAs, thus, receivables are not reduced to its carrying amount; (b) inadequate details/SLs for receivables totaling P2.639 billion; (c) inclusion of non-moving/dormant accounts for more than 10 years to 18 years of P100.932 million; (d) unreconciled balances of P999.513 million between ROs and IMO's records, and between GLs and SLs maintained by the ROs; and (e) non-preparation of corollary entries upon collection of receivables resulting in overstatement of AR-ISF amounting to P4.036 million. Likewise, reliability and collectability of other Receivables accounts totaling P894.329 million could not be determined due to insufficient SL details or no SL at all and have been dormant for more than 10 years to 45 years. | |
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 | |
| We recommended that Management direct the concerned personnel of the Accounting Division/Section of the CO and concerned ROs to: | |
| a. Prepare schedules and analyze the AR-ISF to identify which are to be written-off and condoned pursuant to RA No. 10969; | Revised and reformulated in Part II- Observations and Recommendations No. 4 of this Report. |
| b. Provide provision for impairment losses on unpaid and past due AR-ISF of the farmers/IAs with eight hectares and below landholdings, pending issuance of the IRR of RA No. 10969, to bring the balance of the receivables to its carrying amount; | -do- |

Observations and Recommendations	Actions Taken/Comments
c. Maximize efforts on the possible collections of the dormant receivables, otherwise, comply with the documentary requirements for writing-off of dormant accounts pursuant to COA Circular No. 2016-005 dated December 19, 2016;	Revised and reformulated in Part II- Observations and Recommendations No. 4 of this Report.
d. Maintain SLs for all receivable accounts and include pertinent details such as; name of the debtors, their addresses and the amount due from them, among others;	-do-
e. Exert effort to reconcile the recorded balances of (i) AR-ISF in the RO books and IMO's records with proper coordination with the concerned personnel of the Billing Section of the IMOs and (ii) the GL and SLs, and henceforth conduct periodic reconciliation and monitoring of the account; and	-do-
f. Make the necessary adjusting entry to correct the balances of AR-ISF and Deferred Credits accounts and resolve the difference between the balances of these two accounts.	-do-
We further recommended that the ROs coordinate with the CO with regard to provision for impairment of AR-ISF.	-do-
4. The reliability of the year-end balance of the Cash In Bank (CIB) account totaling P9.729 billion was doubtful due to, among others: (a) delayed/non-preparation of Bank Reconciliation Statements (BRSs) for CIB accounts aggregating P3.198 billion; (b) long outstanding unsupported/unidentified reconciling items amounting to P223.047 million; (c) variance of P1.678 billion between balances of books and banks, GL and SL, and IMOs and ROs records; (d) SLs for CIB accounts are either not maintained or updated, if maintained contain insufficient data; (e) existence of negative balances totaling P54.668 million; and (f) net understatement of P16.087 million in CIB balance since Bangko Sentral ng Pilipinas closing rate as at December 31, 2017 was not used in translating foreign currency deposit, and unreleased checks were not restored to	

Observations and Recommendations	Actions Taken/Comments
cash balance at year-end.	
We recommended that Management require the Accounting Division/Section of CO and concerned ROs to:	
a. Prepare regularly the monthly BRSs for all bank accounts to determine the causes of variances/discrepancies between balances of books and banks records, SL and GL, and ROs and IMO's records to ensure that reconciling items are not missing funds but only errors that need adjustments in the books of accounts;	Revised and reformulated in Part II- Observations and Recommendations No. 9 of this Report.
b. Exert best efforts to locate the supporting documents/records and recognize the need to adjust the books for an unidentified and long outstanding reconciling items, and negative cash balances;	-do-
c. Maintain/update SLs for all CIB accounts for proper monitoring of transactions affecting the cash accounts;	-do-
d. Translate the amount of foreign currency deposit using the BSP closing rate at year-end; and	-do-
e. Coordinate with the Cash Division, CO on the submission of the schedule of unreleased checks at year-end, as basis in preparing the JEV and recording the restoration of the cash equivalent to the unreleased checks in the CIB account and recognition of the appropriate payable/liability account.	-do-
5. Accounts Payable (A/P) in CO, three ROs and Balog-Balog Multipurpose Project II (BBMP II) with balances amounting to P3.701 billion as at December 31, 2017 under the General and Corporate Funds were doubtful due to, among others: (a) accounts totaling P1.916 billion have no SLs or supporting documents and included costs of incomplete projects; (b) existence of long-outstanding balances ranging from 2 to 20 years amounting to P1.839 billion; (c) net of negative balances aggregating P0.795 billion; and (d) misclassification under	

Observations and Recommendations	Actions Taken/Comments
<p>AP of interest payable, settlements of disallowances, and officers and employees' claims for benefits totaling P1.252 billion.</p>	
<p>We recommended that Management direct the Accounting Division/Section of CO, concerned ROs and BBMP II to:</p>	
<p>a. Maintain/update SLs and exert efforts to locate the supporting documents, if possible;</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 7 of this Report.</p>
<p>b. Review/analyze/validate all documents supporting the claims to determine which accounts are to be reverted/retained/adjusted and effect the necessary correcting entries so as to fairly present the A/P account balance in the FSSs;</p>	<p>-do-</p>
<p>c. Reclassify the interest payable, disallowances, and officers and employees' claims for benefits and allowances from A/P to proper liabilities accounts; and</p>	<p>-do-</p>
<p>d. Henceforth, ensure that obligations are founded on valid claims, in accordance with the pertinent provisions of PD No. 1445, DBM-COA Joint Circular No. 99-6, and COA Circular No. 99-004.</p>	<p>-do-</p>
<p>6. The accuracy of the outstanding balances of the Due from Regional Offices (ROs) and the Due to Central Office (CO) accounts under the Corporate Fund in the amounts of P492.679 million and P60.411 million, respectively, after elimination of intra-office transactions, was doubtful due to inadequate reconciliation and lack of supporting documents.</p>	

We recommended that Management direct the Accounting Division, CO to:

Observations and Recommendations**Actions Taken/Comments**

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| a. Coordinate with ROs for the reconciliation of their respective records to account for the differences, and effect the necessary adjustments; and | Revised and reformulated in Part II- Observations and Recommendations No. 8 of this Report. |
| b. Prepare Aging Schedule to determine which accounts are already 10 years and above and request for write-off thereof pursuant to COA Circular No. 2016-005 dated December 19, 2016. | -do- |
7. The reliability of the year-end balance of Due to Other NGAs account under the Special Fund totaling P239.448 million could not be ascertained due to: (a) unreconciled variance amounting to P256.123 million between the records of NIA Project Management Office (PMO) Comprehensive Agrarian Reform Program-Irrigation Component (CARP-IC) and Department of Agrarian Reform (DAR); (b) differences of P8.139 million between balances per consolidated TB and PMO CARP-IC books/ROs individual TB; and (c) inclusion of negative balances aggregating P6.729 million.
- We recommended that Management direct the PMO CARP-IC and concerned ROs to:
- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| a. Prepare and submit monthly SOEs to ensure that consolidated SOEs are submitted on timely manner to DAR pursuant to Items 4.6 and 6.5 of COA Circular No. 94-013 and coordinate with DAR for the reconciliation of the variance to establish correct year-end balance of Due to Other NGAs account; and | Revised and reformulated in Part II- Observations and Recommendations No. 6 of this Report. |
| b. Exert best efforts to review and analyze the abnormal/negative balances as well as effect necessary adjustments in the books of accounts. | -do- |
8. Accuracy and fairness of FSs presentation of the outstanding balance of Inter-agency Receivable representing funds transferred by

Observations and Recommendations	Actions Taken/Comments
<p>NIA to various implementing agencies (ImAs) for the construction, repair/rehabilitation, and improvement of irrigation systems totaling P124.672 million under General Fund are doubtful in view of the: (a) absence of complete supporting schedules and SLs; (b) existence of abnormal/negative balance of P3.504 million; (c) variance of P29.750 million between book balance and confirmed balance; and (d) non-liquidation of long outstanding balance of P66.300 million.</p> <p>We recommended that Management direct the Accounting Division CO to:</p>	
<p>a. Ensure strict compliance with COA Circular No. 94-013 dated December 13, 1994 specifically on the proper maintenance of subsidiary records and supporting documents, as well as, enforcement of liquidations;</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 5 of this Report.</p>
<p>b. Prepare aging schedules of Inter-agency receivables, as required under Annex 3 of COA Circular No. 2016-005 dated December 19, 2016;</p>	<p>-do-</p>
<p>c. Conduct analysis on the abnormal/negative balances of the DENR-Agusan del Sur, ARMM, FMB and DOH-CARAGA Center for Health Development accounts accumulating to P3.504 million and effect the necessary adjustments;</p>	<p>-do-</p>
<p>d. Coordinate with the Provincial Government of Zambales and BRBWMP-PMO and reconcile the discrepancies between book balances and confirmed balances; and</p>	<p>-do-</p>
<p>e. Demand from the ImAs the immediate liquidation and return of the unused balance, if any, upon completion/termination of the project.</p>	<p>-do-</p>
<p>We further recommended that Management fast track the verification of the BRBWMP liquidations report and demand liquidations from the incumbent governors/provincial accountants/treasurers of the concerned LGUs.</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 5 of this Report.</p>

Observations and Recommendations**Actions Taken/Comments**

COMPLIANCE

9. Copies of 122 contracts with aggregate cost of P1.089 billion in ROs IV-A and VIII and 58 contracts of undetermined total cost in CAR were not submitted to the Audit Teams contrary to Item 3.1.1 of COA Circular No. 2009-001 dated February 12, 2009, thereby precluding the Audit Teams from conducting a timely and complete review to establish the propriety and validity of the covered transactions.

We recommended that Management ensure that the Bids and Awards Committee (BAC) timely submit the contracts and all supporting documents, as required in COA Circular No. 2009-001 dated February 12, 2009, to give ample time to the Audit Teams in conducting review and evaluation of the procurements made by the Agency.

Revised and reformulated in Part II- Observations and Recommendations No. 15 of this Report.

10. In three ROs and Jalaur River Multi-Purpose Project II (JRMPP II), insurable properties totaling P311.349 million 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 caused by accident or fortuitous event, such as, flood, typhoon, among others.

We reiterated our previous year's recommendations that Management require the Regional Irrigation Managers of the concerned ROs to:

- a. Prepare and submit inventory reports of all insurable properties to the GIF of the GSIS as basis for insurance coverage; and

Revised and reformulated in Part II- Observations and Recommendations No. 17 of this Report.

- b. Henceforth, ensure that all insurable assets and properties are adequately insured with the GIF of the GSIS to guarantee that

-do-

Observations and Recommendations	Actions Taken/Comments
<p>Agency's properties are protected in the event of accident, fire, earthquake, typhoon, flood and any other calamities.</p>	
<p>11. Payments totaling P154.298 million for infrastructure projects, Irrigators Associations' (IAs) incentives and payrolls for salaries and wages, among others, by RO VIII and four IMO's, were not completely and properly supported with documents contrary to Section 4 (6) of PD No. 1445 and COA Circular Nos. 2012-001 and 2009-001, thereby casting doubt on the validity of the expenditures.</p>	
<p>We recommended that Management direct the concerned RO and IMO's to:</p>	
<p>a. Require the Accounting Section to meticulously check the disbursement vouchers (DVs) and the completeness of the supporting documents as prescribed in the COA Circular No. 2012-001;</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 18 of this Report.</p>
<p>b. Instruct the Accounting Section/payees concerned to submit all required documents to facilitate review and verification, otherwise the payments shall be suspended in audit; and</p>	<p>-do-</p>
<p>c. Henceforth, see to it that all necessary documents are attached to the DVs before effecting payment.</p>	<p>-do-</p>
<p>12. NIA did not have a Disaster Risk Reduction and Management (DRRM) plan, thus, not in accordance with EO No. 888, s. 2010. Meanwhile, the Quick Response Fund (QRF) totaling P39.871 million was utilized for non-quick response activities, which is contrary to Republic Act (RA) No. 10121 and General Appropriations Act (GAA), thereby depleting the stand-by fund for reconstruction and rehabilitation programs, activities and projects (PAPs), which the QRF was established for.</p>	
<p>We recommended that Management:</p>	
<p>a. Formulate/prepare a DRRM Plan, in accordance with Section 2 of EO No. 888, s.</p>	<p>Revised and reformulated in Part II- Observations and</p>

Observations and Recommendations	Actions Taken/Comments
2010, as a roadmap for courses of actions before, during and after calamities/disasters and for monitoring and evaluation of the implementation of DRRM related PAPs;	Recommendations No. 21 of this Report.
b. Require the concerned ROs to return to QRF the amounts utilized for non-QRF activities; and	-do-
c. Henceforth, instruct the ROs to refrain from using the QRF on PAPs that do not directly address calamity-related risks and scenarios.	-do-
13. In RO II, consultancy services totaling P4.661 million were procured through shopping, instead of public bidding, causing piecemeal procurement and splitting of contracts contrary to Sections 7.1, 10 and 54.1 of the Revised IRR of RA No. 9184 and COA Circular No. 76-41 dated July 30, 1976; thus, there was no assurance that the most advantageous price was obtained by the Agency.	
We recommended that Management:	
a. Hold the concerned officials and employees of RO II accountable and responsible for splitting the procurement;	Not Implemented.
b. Stop the practice of splitting the contracts and henceforth, conduct public bidding in the procurement of consultancy services in compliance with the provisions of RA No. 9184 and its Revised IRR; and	-do-
c. Judiciously and meticulously plan procurement for consultancy to ensure that only those services that are beyond the optimum capability of the personnel of the Agency will be procured.	-do-
14. In CO and four ROs, liquidations and refunds of cash advances for local travels totaling P1.442 million were delayed, additional cash advances amounting to P343,051 were granted to officers and employees even their previous cash advances are still unsettled/unliquidated, and	

Observations and Recommendations**Actions Taken/Comments**

cash advances totaling P4.203 million remained outstanding at year-end contrary to EO No. 298 and COA Circular Nos. 2012-001 and 97-002 dated June 14, 2012 and February 10, 1997, respectively, which signified lapses in the granting, utilization and settlement of cash advances, thus exposing funds to possible misuse.

We recommended that Management require the Accounting Division/Section of CO and concerned ROs to:

a. Direct and remind concerned officers/employees to submit their liquidations reports with complete supporting documents and refund excess of their cash advances on timely manner to avoid withholding of salaries and other benefits due to them pursuant to COA Circular No. 97-002 dated February 10, 1997 and NIA MC No. 65, s. 2010; and

Revised and reformulated in Part II- Observations and Recommendations No. 22 of this Report.

b. Strictly monitor cash advances of the officers/employees to ensure that no additional cash advances are given unless the previous ones are fully liquidated and all cash advances are fully settled at year-end.

-do-

GENDER AND DEVELOPMENT (GAD)

15. GAD Plan and Budget (GPB) for Fiscal Year (FY) 2017 was not submitted to the Philippine Commission on Women (PCW) as the GAD Focal Point System (GFPS) was not familiar yet on the guidelines for the preparation and submission of the annual GPB contrary to PCW, National Economic and Development (NEDA) and DBM Joint Circular (JC) No. 2012-01, thereby precluding the assessment on the gender-responsiveness of the GAD programs, activities and projects (PAPs) undertaken by the NIA during the year.

We recommended that Management direct the NIA CO GFPS to prepare GPB using the prescribed templates and submit on timely manner to the PCW for review and assessment on the gender responsiveness of the GAD's

Revised and reformulated in Part II- Observations and Recommendations No. 23 of this Report.

Observations and Recommendations**Actions Taken/Comments**

PAPs and, its endorsement to the DBM by familiarizing on the guidelines and requirements prescribed under PCW, NEDA and DBM JC No. 2012-01 and PCW issuances on GAD.

COMPLIANCE WITH TAX LAWS

16. In seven ROs and JRMPP II, taxes withheld in prior and current years totaling P117.139 million remained unremitted to the Bureau of Internal Revenue (BIR) as at December 31, 2017, contrary to Section 272 of the Internal Revenue Code of 1997 and Revenue Regulation (RR) No. 2-98. Likewise, in RO IV-B, an interest amounting to P81,679 was paid due to late payments while in RO XIII, taxes were not withheld from contractors' advance Government Money Payments (GMP) and payments to suppliers out of cash advances amounting to P13.775 million.

We recommended that Management direct the concerned ROs to exert utmost efforts to ensure that all taxes withheld are remitted on time to BIR to avoid incurrence of interests, penalties and surcharges.

Revised and reformulated in Part II- Observations and Recommendations No. 24 of this Report.

COMPLIANCE WITH GSIS, HMDF AND PHIC LAWS/REGULATIONS

17. In CO, remittances to the GSIS, HMDF/Pag-IBIG and PHIC/PhilHealth of employer/employees' contributions and payments of loan amortizations for CY 2017 aggregating P11.119 million were delayed contrary to RA No. 8291 or the GSIS Law, RA No. 9679 or the 2009 HDMF Law, and RA No. 10606 or the 2013 National Health Insurance Act. Likewise, CO and two ROs were imposed with interests totaling P63,067 by the GSIS and PhilHealth due to late remittances. Moreover, in five ROs prior year's GSIS, Pag-IBIG and PhilHealth premium contributions totaling P4.486 million are still unremitted as at December 31, 2017.

We recommended that Management require

Observations and Recommendations	Actions Taken/Comments
the Accounting Division/ Section of CO and concerned ROs to:	
a. Remit the employer/employee contributions and loans payments to GSIS, Pag-IBIG and PhilHealth on timely manner to avoid interests, penalties and surcharges and ensure that the computations of GSIS employees and employer's contributions are correct to facilitate the remittances to GSIS; and	Revised and reformulated in Part II- Observations and Recommendations No. 25 of this Report.
b. Hold the concerned employee/s responsible for late remittances and require them to refund the interests for late payments to GSIS and PhilHealth.	-do-

COMPLIANCE WITH PROCUREMENT LAW

18. Inadequate/poor execution of the evaluation and validation procedures in the conduct of bidding, post qualification and awarding by the BAC and its TWG resulted in the award of 68 contracts amounting to P840.313 million 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; and (c) 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.

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

- a. Legal Department to:

- a.1 Conduct investigation to determine liability of the contractors for submitting deficient documents to support compliance with the eligibility requirements of the

Revised and reformulated in Part II- Observations and Recommendations No. 16 of this Report.

Observations and Recommendations	Actions Taken/Comments
Contract; and	
a.2 Take appropriate action against contractors found to be guilty of submitting eligibility requirements that contain false information and falsified documents that led to their awarding of the Contracts instead of disqualification and impose corresponding sanctions as provided in the Revised IRR of RA No. 9184, if warranted.	-do-
b. 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.	-do-

PERFORMANCE/VALUE FOR MONEY

19. The implementation of 436 irrigation contracts/projects with total contract cost of P11.938 billion resulted in significant delays, ranging from 2 to 2,558 calendar days in view of inadequate planning, and inefficient execution of surveys, investigation, and engineering design. Hence, the farmer-beneficiaries were not able to timely benefit from the said irrigation projects, and could further result in wastage of government resources when the unfinished/uncompleted contracts would be terminated. Also, defaulting Contractors, which 12 contracts in the aggregate cost of P68.943 million, were not imposed with liquidated damages and were granted with contract time extensions, the validity of which could not be ascertained due to inadequate evaluation and incomplete documentation. Moreover, increase/decrease in quantities of work items for 22 contracts with total cost of P552.201 million were considered unauthorized, since not covered with an approved change/variation orders.

We recommended that Management:

- a. Adhere strictly to the provisions of Revised and reformulated in Part II-

Observations and Recommendations	Actions Taken/Comments
<p>Section 17.6 of RA No. 9184 and Item 1 of Annex "A" of its Revised IRR that no bidding and awarding of contract for infrastructure projects be made unless the requisites thereof such as, detailed engineering investigations, surveys and designs, including the acquisition of the ROW, are duly addressed/complied with and approved to ensure that all contracts are efficiently carried out to avoid delays in the implementation of the irrigation projects;</p>	<p>Observations and Recommendations No. 14 of this Report.</p>
<p>b. Require the Managers of the Implementing Units to:</p>	
<p>b.1 Act with dispatch in resolving the existing issues/problems that are currently hampering/delaying the completion of the projects;</p>	<p>-do-</p>
<p>b.2 Evaluate meticulously and judiciously requests for changes in the scope of works/quantities of work items and time extension to ensure that COs/VOs and CTEs are duly approved by NIA Administrator or his authorized representative and both are duly supported with complete documents; and</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 14 of this Report.</p>
<p>b.3 Turn over immediately all completed and operational CIPs to the concerned IAs duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the Agency and the IAs;</p>	<p>-do-</p>
<p>c. Require the Accounting Division/Section of the CO and concerned ROs/IMOs to immediately enforce liquidated damages for projects that incurred negative slippages without valid justification and approved time extensions;</p>	<p>-do-</p>
<p>d. 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;</p>	<p>Revised and reformulated in Part II- Observations and Recommendations No. 14 of this Report.</p>

Observations and Recommendations	Actions Taken/Comments
e. Instruct the Legal Department and the Internal Audit Services Department to:	
e.1 Conduct investigation to determine persons responsible for: (i) not imposing liquidated damages; (ii) approving/granting of COr/VOs and CTEs without proper evaluation and documentation; (iii) not terminating the contracts that incurred huge negative slippage due to contractor's fault; (iv) allowing replacements of the key personnel without proper evaluation and approval; (v) payment of advance payments and progress billings based on incomplete supporting documents, such as, evaluation of the quality of work delivered; and	-do-
e.2 File appropriate case against the persons responsible, if warranted; and	-do-
f. Direct the concerned PMOs and ROs/IMOs to immediately submit to the Audit Teams for audit purposes, the lacking documents supporting the advance payments, PBs and; henceforth, ensure adequate supervision over the implementation of the contracts/projects.	-do-
20. Fund transfer amounting to P4.060 million, received on May 4, 2017 from the Department of Labor and Employment (DOLE) by NIA RO VI for livelihood projects of affected Indigenous Peoples (IPs) due to the construction of JRMPP II, remained unutilized as at year-end; thus, depriving the 406 intended beneficiaries of the eight barangays of the Municipality of Calinog, Iloilo, of the timely benefits that could have been derived from the livelihood projects.	
We recommended that Management direct JRMPP II to: (a) fast track the implementation of the livelihood projects to address the needs and improve the lives of the IP families affected by the construction of JRMPP II; and (b) strictly adhere to the terms and conditions of the MOA.	Revised and reformulated in Part II- Observations and Recommendations No. 19 of this Report.

CY 2016 AAR

Observations and Recommendations**Actions Taken/Comments**

21. 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.

We recommended that Management:

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

a.1 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;

Not Implemented.

a.2 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;

Partially Implemented.

Reconciliation is on-going.

Observations and Recommendations	Actions Taken/Comments
<p>a.3 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;</p>	<p>Partially Implemented.</p>
<p>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</p>	<p>Partially Implemented.</p> <p>Separate bank accounts for the two funds were already opened, however, actual cash balances has not yet been established.</p>
<p>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.</p>	<p>Partially Implemented.</p> <p>For CY 2018, USD foreign currency deposits totaling \$0.785 million was not translated using the BSP closing rate of P52.724:US\$1.00 of which the CO had already transferred its deposits from PNB to LBP. However, in RO IV-A, the transfer of all bank balances maintained in unauthorized depository banks to AGDBs has not yet been effected.</p>
<p>22. 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</p>	

Observations and Recommendations	Actions Taken/Comments
(BFAR), thereby casting doubt on the accuracy and reliability of the balances of the accounts as at December 31, 2016.	
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;	Partially Implemented. Copies of demand letters which were sent only to implementing LGUs inclusive of BRBWMP provided by Management to the Audit Team in December 2018 were all dated sometime in CY 2017.
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;	Not Implemented.
a.3 Maintain and update SLs for all receivable accounts;	Partially Implemented. SLs covering CY 2018 for FS accounts including I-AR accounts are incomplete.
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;	Partially Implemented.
a.5 Give priority on the retrieval of related information/details/ documents pertaining to the dormant accounts;	-do-
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;	Partially Implemented.
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	-do-

Observations and Recommendations	Actions Taken/Comments
<p>recording of the liquidations to the NPO and PS accounts; and</p>	
<p>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.</p>	<p>-do-</p>
<p>23. 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.</p>	
<p>We recommended that Management require the Regional Irrigation Managers of the concerned ROs to conduct immediate investigation on the reduction/ deduction made by the different IMO's on their accounts receivables and require the Accounting Section to make necessary adjustments in the books of accounts, if warranted.</p>	<p>Not Implemented.</p> <p>Inquiry with the Accounting Division disclosed that they are still in the process of gathering the necessary documents to address the pertinent issues.</p>
<p>24. 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</p>	

Observations and Recommendations	Actions Taken/Comments
<p>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.</p>	
<p>We recommended that Management require the concerned ROs to 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.</p>	Partially Implemented.
<p>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.</p>	<p>Not Implemented.</p> <p>Compared to CY 2017 provision of P1.529 billion, the AI balance of P6.189 billion as at December 31, 2018, the amount was still inadequate due to non-provision of 100 per cent AI for accounts aged 10 years and above.</p>
<p>25. 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.</p>	
<p>We recommended that Management direct the concerned Accountants of the CO and ROs to investigate the cause of the variance between the GL and the schedule of Accounts Payable.</p>	Partially Implemented.
<p>26. Existence of unreconciled variance totaling P430.431 million as at December 31, 2016 between the records of NIA and the Source</p>	

Observations and Recommendations	Actions Taken/Comments
<p>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.</p>	
<p>We reiterated our previous years' recommendations that Management:</p>	
<p>a. Require the Accountants in the CO and ROs to 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; and</p>	Partially Implemented.
<p>b. Refund immediately any unused funds to the NGAs, in compliance with COA Circular No. 94-013 dated December 13, 1994.</p>	<p>Partially Implemented.</p> <p>In CY 2018, the PMO-NIA-CARP-IC returned to DAR unutilized balance of ARISP III totaling P14.638 million with remaining unremitted balance of P20.149 million.</p>
<p>27. 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.</p>	
<p>We reiterated our previous year's audit recommendation that Management require the:</p>	
<p>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;</p>	Partially Implemented.
<p>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</p>	Partially Implemented.

Observations and Recommendations	Actions Taken/Comments
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.	Partially Implemented.
We further recommended that Management require the CO and ROs Accountants to periodically reconcile the reciprocal accounts to prevent accumulation of variances.	Partially Implemented.

STATUS OF IRRIGATION DEVELOPMENT

28. 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.

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.

Partially Implemented.

Review disclosed that Management had not been able to fully address the recurring issue on considerable delays in the implementation of NIA projects.

IMPLEMENTATION OF PROJECTS/CONTRACTS

29. 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

Observations and Recommendations**Actions Taken/Comments**

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.

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; Partially Implemented.

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 Partially Implemented.

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. Partially Implemented.

30. 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

Observations and Recommendations	Actions Taken/Comments
<p>likewise pledged to on-going projects with NIA and to contracts bidden 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.</p> <p>We reiterated our previous year's recommendations that Management require the:</p>	
<p>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;</p>	<p>Partially Implemented.</p>
<p>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;</p>	<p>Not Implemented.</p>
<p>c. Legal Department to:</p>	
<p>c.1 Conduct investigation to determine liability of the Contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract;</p>	<p>Not Implemented.</p>
<p>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</p>	<p>Partially Implemented.</p> <p>Blacklisting orders were served to various contractors. Sanctions imposed included disqualification for a period of one year from participating in the procurement activities and forfeiture of the Performance Bond.</p>
<p>d. Internal Audit Services and the Legal Department to conduct investigation to</p>	<p>Partially Implemented.</p>

Observations and Recommendations	Actions Taken/Comments
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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.

31. 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.

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 Reporting complete delivery of steel gates that were not actually delivered; Partially Implemented.

a.2 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; Partially Implemented.

a.3 Payment of the Reinforced Steel Bars (RSB) without the Mill Certificate; Partially Implemented.

a.4 Non-installation of RSB within the prescribed period; and Partially Implemented.

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. Not Implemented.

32. 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

Observations and Recommendations	Actions Taken/Comments
<p>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.</p> <p>We recommended that Management require the:</p> <p>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</p> <p>b. Legal Department and the Internal Audit Services to conduct investigations to determine persons liable and file appropriate charges, if warranted, for:</p> <p style="padding-left: 40px;">b.1 Implementing and payment of additional works/variation order of more than 20 per cent and without approved change order; and</p> <p style="padding-left: 40px;">b.2 Deletion of work items without evaluation and approval.</p>	<p>Not Implemented.</p> <p>Not Implemented.</p>

COMPLIANCE

GENDER AND DEVELOPMENT (GAD)

33. 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

Observations and Recommendations	Actions Taken/Comments
<p>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.</p> <p>We recommended that Management:</p> <p>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;</p>	<p>Partially Implemented.</p> <p>The GPB for FY 2018 was submitted to the DBM thru NIA Budget and Revenue Division and not directly thru PCW since it was only in the first quarter of CY 2017 when NIA learned that the submission of GPB and GAR to PCW is thru Gender Mainstreaming and Monitoring System (GMMS). On the other hand, the GAR for FY 2018, which was submitted online to PCW, has not been officially transmitted back to NIA as of this writing.</p>
<p>b. In concerned ROs to formulate a more comprehensive GPB that includes PAPs, which are aligned with the GAA and will result in tangible, visible and quantifiable results.</p>	<p>Not Implemented.</p>

COMPLIANCE WITH TAX LAWS

34. 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.

We recommended that Management:

Observations and Recommendations	Actions Taken/Comments
<p>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;</p>	<p>Partially Implemented.</p> <p>In CO and RO I, concerned personnel were instructed to check, reconcile records, and ensure that all taxes are properly withheld and remitted to the BIR within the reglementary period.</p>
<p>b. In concerned ROs to:</p>	
<p>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;</p>	<p>Partially Implemented.</p> <p>In UPRIIS, Management committed to complete its reconciliation by 2nd quarter of 2019 while ROs V, VI, IX and XI committed to reconcile the Due to BIR account.</p>
<p>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; and</p>	<p>Partially Implemented.</p>
<p>b.3 Ensure that penalties due to late remittances shall be borne by responsible officials of the Agency and not by the government.</p>	<p>Not Implemented.</p>

COMPLIANCE WITH GSIS REGULATIONS

35. Payroll deductions for GSIS loans totaling 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 totaling P1.543 million and dormant accounts totaling P2.360 million, rendering the balance of the account doubtful.

Observations and Recommendations	Actions Taken/Comments
We recommended that Management instruct the CO Accountant to exert effort in analyzing, reviewing and reconciling the balances of inactive/dormant accounts.	Partially Implemented. Review/reconciliation of unremitted payroll deductions is on-going.

Disbursements in Regional Offices without Complete and Proper Documentation CY 2018

IMO/RO	Amount	Lacking Documents
A. Infrastructure Projects		
IV-A	P53,057,264	<ul style="list-style-type: none"> • Authenticated photocopy of approved APP and any amendment thereto; • Construction Safety and Health Program (CSHP) approved by DOLE; • Notice of Post Qualification; • Detailed Estimates on Program of Work; and • Printout copy of posting of NOA and NTP and contract of award in the PhilGEPS.
		ROW
		<ul style="list-style-type: none"> • Certification by the implementing agency that the claim is not within the original ROW of a converted local road; • Certification from the Head of Implementing Office that there is no previous pending claim and previous payment on subject property; • Copy of latest updated master list of Project-Affected-persons (PAP) approved by Agency's authorized representative; • Environmental Clearance Certificate (ECC), as required under Section 8 of RA No. 8974; • Independent Appraisal Report/Regional Committee Resolution indicating the valuation of land, which should be based on the provisions of RA No. 8974, among others; and Other requirements for ROW Structure and Improvements.
V	7,092,386	15 % mobilization fee <ul style="list-style-type: none"> • Report on the Result of Inspection on the Manufacturing Plant by at least seven staffs from the procuring entity sponsored by the Contractor which was required under the Requirements for the Supply/Procurement of the project; • Contractor's shop drawing for the fabrication as evidence that the contractor had physically measured the existing rubber gate/tube to the extent or basis of installation, approved by the Engineer of NIA; • Certification from the lessor of equipment that the leased equipment by the contractor were not used or pledged in any other project; and • CSHP approved by the DOLE.
VI- <i>Negros Occidental</i> IMO (NOIMO) & <i>Aklan</i> IMO (AIMO)	18,075,526	Final Payment <ul style="list-style-type: none"> • Statement of Time Elapsed; • Photocopy of vouchers of all previous payments; and • Clearance from the Provincial Treasurer that the corresponding sand and gravel fees have been paid [DPWH Department Order (DO) No. 109 s. 1993 dated May 4, 1993 and DO No. 119 dated May 11, 1993].
Construction Materials - Purchase Order		
		<ul style="list-style-type: none"> • Mode of Procurement, Place of Delivery, Date of Delivery, Delivery Term, Payment Term and conforme portion had no date and printed name of supplier representative
VII- <i>Cebu</i> IMO (CIMO)	176,675,459	Statement of Work Accomplished/Progress Reports, Certificate of Completion and Acceptance, among others.
VIII-B- <i>Leyte del Sur</i> (LDS-IMO)	196,936,748	Progress Billings

IMO/RO	Amount	Lacking Documents
<i>Leyte del Norte</i> (LDN-IMO)		<ul style="list-style-type: none"> • Certificate of project completion; • Statement of work accomplished and signed accomplishment report; • Contractor's warranty; and • Irrevocable standby letter of credit, among others. <p>Mobilization Fee</p> <ul style="list-style-type: none"> • NTP, NOA, and contract; • Security Bond; and • Certificate of mobilization and pictures of equipment and construction materials. <p>Retention Money</p> <ul style="list-style-type: none"> • Certificate of completion and inspection issued by Management; and • Security whether in the form of cash, bank guarantee, irrevocable standby letter of credit from a commercial bank, GSIS or surety bond callable on demand.
XI	4,463,345	Land, Structure/House/Improvements <ul style="list-style-type: none"> • Project parcellary survey plan showing that the lot is within the boundaries of the ROW; • Structural mapping plan of the lot affected; • Certification by the implementing office that the claim is not within the original ROW of a converted local road; • Approved and notarized agreement to demolish and remove improvements; • Sketch plan/drawing of the house; and • Permit from the DENR to cut plants, forest trees, among others.
456,300,728		
B. Salaries, RATA and Leave Monetization		
VI	120,000	1st payment of RATA
XI	305,000	<ul style="list-style-type: none"> • Copy of Office Order/Appointment; • Certificate of Assumption; • Certification that the official/employee did not use government vehicle and is issued any government vehicle; and • Certificate of evidence of service rendered or approved DTR.
VIII	34,434,885	<ul style="list-style-type: none"> • DTR, Certificate of Appearance, travel/office orders; • Application for leave of absences; and • Locator slips.
X	342,732	Justification for the grant or approval of the leave monetization
35,202,617		
C. CNA		
I- <i>La Union IMO</i> <i>LUIMO & Ilocos Sur IMO</i> (ISIMO)	2,640,000	Documentary requirements under Budget Circular No. 2017-3 dated November 16, 2017 and COA Circular No. 2012-001 dated June 14, 2012 such as but not limited to the Report on the Payment of CNA:
VI	1,624,000	
XI- <i>Davao del Norte IMO</i> (DDNIMO), <i>Compostela IMO</i> (CIMO) & <i>Davao Oriental IMO</i> (DOIMO)	2,995,000	<ul style="list-style-type: none"> • Resolution signed by both parties incorporating the guidelines/criteria for granting the CNA incentive; • Comparative Statement of DBM-approved level of operating expenses and actual operating expenses; • Certificate issued by the Head of the Agency on the total amount of unencumbered savings generated from cost cutting measures identified in the CNA which resulted from the joint efforts of labor and management and systems/productivity/income improvement; and • Proof that the planned programs/activities/projects have been implemented and

IMO/RO	Amount	Lacking Documents
completed in accordance with targets of the year.		
	7,259,000	
D. IA's Incentives		
I	804,183	Documentary requirements under MC No. 108 s. 2018, IRR of RA No. 10969 known as the Free Irrigation Act (FISA) on the delegation of NIA to IAs of the operation and maintenance of secondary and tertiary canals and farm ditches to IAs.
IX	10,987,433	
		<ul style="list-style-type: none"> • Performance evaluation of the IAs duly signed by the authorized evaluator; • Document showing proof that Evaluation Performance of the IAs were reviewed by the Systems Management Committee; • Document on the clearing activities undertaken by the IAs; and • Program of work for the rehabilitation and improvement work that should have been jointly prepared by NIA and IA/Federation on the irrigation facilities.
	11,791,616	
E. Trainings		
VIII	3,643,829	<ul style="list-style-type: none"> • Activity designs/proposals stating the purpose of the activity, budgetary requirements, target participants; the inclusion of meals; the period covered and the flow of activity specifying the time it would start and end; • Minutes of meetings of conferences; • Office Order; and • Signatures of participants in the Attendance Sheets during the duration of the training were not complete.
XIII	3,246,169	
	6,889,998	
	P 517,443,959	

**STATUS OF UNSETTLED AUDIT DISALLOWANCES
As of December 31, 2018**

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
A. General Fund (GF)-Central Office (CO)				
I. NDs that attained its Finality (10 NDs)				
2015-006-102/ 12-2-2015	Acting Deputy Administrator for Engineering and Operations (DAEO) and other officers and employees	Payment of per diems and reimbursement 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	P 116,590.83	For issuance of NFD
2014-011-101/ 5-7-2014	Administrator et al.	Payment of honorarium to officers of NIA and other reimbursable cost	733,665.09	With NFD and COE dated 10- 16-2015 and 10-28-2015
2014-010-101/ 5-6-2014	-do-	-do-	647,262.50	-do-
2014-009-101/ 5-2-2014	-do-	-do-	857,729.32	With NFD and COE dated 11- 03-2015 and 01-27-2016
2014-008-101/ 4-30-2014	-do-	-do-	534,282.75	With NFD and COE dated 10- 16-2015 and 10-28-2015
2014-006-101/ 4-11-2014	-do-	-do-	1,164,821.36	With NFD and COE dated 11- 03-2015 and 01-27-2016
2014-005-101/ 4-11-2014	-do-	-do-	934,145.01	-do-
12-015-101(04)/ 11-28-2012	Deputy Administrator et al.	Transfer of income already paid by Fund 101 to Fund 501	1,928,918.53	With NFD dated June 5, 2013
11-010-102 (09)/ 07-19-2011	Acting Deputy Administrator for Administrative and Finance (DAAF) et al.	Overpayment of Terminal Leave	18,305.76	With NFD dated June 14, 2013
11-03-101 (10)/ 12-7-2011	Acting DAAF and other officers and employees	Cost of auditing services charged to General Fund	3,246,721.00	With NFD dated

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
				June 5, 2013
			10,182,442.15	

II. NDs with CGS Cluster 5 Decisions (4 NDs)

2016-001-102/ 3-21-2016	Former Administrator et al.	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	494,000.00	With CGS Cluster V Decision No. 2019-005 dated February 28, 2019 sustaining the ND with modification
2015-002-101/ 7-2-2015	Administrator et al.	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	573,636.02	With CGS - 5 Decision No. 2018-023 dated July 16, 2018; with petition for review pending before the Commission Proper (CP)
HCAAP 2014-001(12)/ 8-28-2014	Acting DAEO et al.	Overpayment of accomplishment and non-deduction of the cost of material withdrawn by the contractor to NIA	6,343,953.68	With CGS Cluster 5 Decision No. 2016-029 dated September 23, 2016 partially granting the appeal
HCAAP 2014-002 (12)/ 8-28-2014	-do-	Overpayment of accomplishment and non-deduction of the cost of material withdrawn by the contractor to NIA	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
			23,283,850.45	

III. NDs with Appeal Memorandum (AM) (23 NDs)

2017-014-102/ 12-20-2017	PIDP Manager et al.	Payments for Advance/Mobilization Fees under Contract No. PIDPC-C-UCRISI-1	201,272,895.12	Filed by Antonio S. Nangel et al.
2017-013-101/ 10-11-2017	Former DAEO et al.	Payment of claims under Contract No. PIDP11-C-BRISN-1	81,587,134.60	Filed by Erdolfo B. Domingo et al.
2017-012-102/ 10-11-2017	Former Administrator	Payment of claims under	9,129,808.99	Filed by Claro V.

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
04-20-2017	et al.	Contract No. SPISPI-C-3		Maranan (deceased) and New Kanlaon Construction Inc./J.E. Manalo -Joint Venture
2017-011-101/04-18-2017	-do-	Payment of interest charges due to delayed payments of Progress Billings under Contract No. BBMPD-C-3	13,000,000.00	Filed by Claro V. Maranan (deceased) and A. M. Oreta and Co., Inc.
2017-010-101/04-18-2017	Former DAEO et al.	Payment of interest charges due to delayed payments of Progress Billings under Contract No. CMIPP-C-S1	10,825,033.74	Filed by Erdolfo B. Domingo et al.
2017-009-102/04-03-2017	Former Administrator et al.	Payment of claims under Contract No. R6-JRMPH-NCB-C-1 were not adequately supported with appropriate/ proper documents	80,813,154.60	Filed by Kyro Builders, Inc. et al.
2017-008-101/03-30-2017	Former DAEO et al.	Payment of claims under Contract No. CMIPPD-C-S5-9.b were not adequately supported with appropriate/ proper documents	117,343,947.72	Filed by Kyro Builders, Inc. et al.
2017-007-101/03-28-2017	-do-	Payment of claims under Contract No. CMIPP2/NCB-C-S6-2 considered as irregular expenditure	95,274.436.74	-do-
2017-006-102/03-23-2017	-do-	Payment of claims under Contract No. PIDP2-C-MRISN-1R considered as irregular expenditure	35,681,359.23	-do-
2017-005-101/02-20-2017	-do-	Payment of claims under Contract No. SRIPD-C-24 considered as irregular expenditure	121,645,171.43	Filed by Oscar R. Sarmiento Construction et al.
2017-004-101/02-17-2017	Former Administrator et al.	Payment of claims under Contract No. SRIPD-C-23 considered as irregular expenditure	435,809,849.91	-do-
2017-003-101/01-16-2017	DAEO et al.	Payment of claims under Contract No. UMRIPD-C-3 considered as irregular expenditure	138,945,742.35	Filed by Erdolfo B. Domingo et al.
2017-002-101/	Former	NIA Payment of 7.5 per cent	19,360,652.56	Filed by Kyro

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
01-16-2017	Administrator et al.	mobilization fee considered as irregular expenditure		Builders, Inc. et al.
2017-001-101/ 01-11-2017	-do-	Payments of claims under Contract No. SRIPD-C-21 considered as irregular expenditures	203,675,370.73	Filed by Florencio F. Padernal et al.
2016-007-101/ 12-16-2016	-do-	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	167,422,114.84	Filed by Oscar R. Sarmiento Construction, Inc. et al.
2016-006-101/ 12-16-2016	-do-	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	25,311,068.06	-do-
2016-005-101/ 12-16-2016	-do-	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	122,473,922.21	-do-
2016-003-102/ 4-6-2016	-do-	Procurement of 16 units motor vehicle Model Nissan Frontier Navarra 4 WD MT per Contract No. NISRIPD-S-1 exceeded the current prevailing market price per unit at the time of purchase and no volume discount availed	272,000.00	Filed by Robert C. Suguitan; et al.
2016-002-102/ 3-28-2016	-do-	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	289,000.00	Filed by Estrella E. Icasiano et al.
2015-007-102/ 12-17-2015	-do-	Delivered items were not in accordance with the specifications indicated in the contract	1,157,990.00	Filed by Violeta C. Esguerra et al.
2015-003-102/ 10-7-2015	Acting DAEO et al.	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-	27,717,840.00	Filed by Modesto G. Membreve et al.

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2015-001-101/ 6-16-2015	Administrator et al.	VISN-1R 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	47,057,674.15	Filed by Antonio S. Nangel et al.
HCAAP 2014-003 (12)/ 8-28-2014	Acting DAEO et al.	Payment for overrun or increase in quantity for item 104.b of the Contract	168,774,744.39	Filed by Cesar R. Echano
			2,124,840,911.37	
Total GF-CO			P 2,158,307,203.97	

CAR

I. NDs that attained its Finality (7 NDs)

2018-06-101- (11) KIMO/ 10-1-2018	Lorna Calizar et al.	Payment of meals and lodging. Management failed to comply with the submission of the supporting documents required within the prescribed period	10,459.00	For issuance of NFD and COE
2018-05-101- (11) KIMO/ 10-1-2018	Sr. Accounting Processor A et al.	-do-	7,709.00	-do-
2018-003-101 (11) KIMO/ 7-6-2018	Regional Manager et al.	Deficiency of 6.33 percent on the completed Pakkitan Communal Irrigation System (CIS)	93,253.00	-do-
2017-03-101- (10)/ 11-7-2017	Division Manager et al.	Management failed to repair the portion of the reinforced concrete canal side walls that collapsed due to substandard concrete mixture/ improper construction method applied by the Pakyaw Group in the implementation of Malin-awa CIS	16,273.39	-do-
2017-02-101- (10)/ 11-3-2017	-do-	Management failed to comply with the recommendations to investigate and explain the irregularities and inconsistencies in the procurement of construction materials used in Malalao CIS	9,516.97	-do-
12-017-101- (12)/ 8-15-2012	William Patingan, Jr. et al.	Excessive claim of per diems	3,200.00	-do-
12-014-101- (12)/ 8-5-2012	Fedelito Passion et al.	-do-	1,120.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
			141,531.36	
II. NDs with CGS Cluster 5 Decision (1 ND)				
15-003-101- (10)/1-30-2015	RM J. Socalo et al.	Grouted riprap was not in accordance with the standard grouting of Igang CIS	348,816.83	With Cluster Decision No. 2017-039 dated August 30, 2017
III. NDs with Appeal Memorandum (AM) (3 NDs)				
16-001-101- (12)/ 5-23-2016	Division Manager et al.	Procured three units of pump with accessories were missing	345,480.00	Filed on February 7, 2017 by Engr. Raymundo Apil and Engr. Delfin Aglit
15-002-101- (10)/ 1-30-2015	RM J. Socalo et al.	Measured volume of RC reservoir was deficient by 16.87 cubic meter - Asin CIS	7,352.16	Filed by John L. Socalo, RM
15-001-101- (10)/ 1-28-2015	-do-	Measured volume of RC reservoir was deficient by 8.30 cubic meter - Lubesal CIS	11,977.15	-do-
			364,809.31	
IV. NDs Within the Appeal Period (2 NDs)				
2018-07-101 (15) KIMO/ 11-29-2018	Members of the Inspectorate Team et al.	The verified accomplishment on the project (Pataga Malalao CIS) per Inspection Report of the TAS, COA – CAR is only 88.72%, while the agency reported accomplishment is 96.39%	27,424.02	
2018-04-101- (10) KIMO/ 10-1-2018	Division Manager et al.	Procurement of pipes costing P94,575.00 for Balintaugan CIS project which was already completed and accepted by the IA	94,575.00	
			121,999.02	
Total GF-CAR			P 977,156.52	

ROI

I. ND that attained its Finality (1 ND)

La Union IMO

2009-01-101/158-LUPIO/ 6-16-2009	Danilo V. Gomez et al.	Payment of cash gift and year-end bonus of Job Order employees	73,634.58	With NFD dated July 19, 2016; COE 2016-195 dated September 14, 2016
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ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
II. NDS with CGS Cluster 5 Decisions (2 NDs)				
<u>Pangasinan IMO</u>				
2013-01-101 (12)/ 12-27-2013	Division Manager et al.	Payment of Collective Negotiation Agreement (CNA) Incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	273,000.00	With CGS-5 Decision No. 2015-015 dated October 30, 2015
<u>La Union IMO</u>				
LUIMO-2013-01-101 (12)/ 12-27-2013	Lelito G. Valdez et al.	Payment of CY 2012 CNA	78,000.00	CGS-5 Decision No. 2015-015 dated October 30, 2015 with Petition for Review
			351,000.00	
Total GF-RO I			P 424,634.58	
<u>RO II</u>				
I. ND that attained its Finality (1 ND)				
2017-002-101 CARP (2017)-CBIMO/ 6-5-2017	Engr. Francis C. Yu, Acting Division Manager et al.	Overpayment of maternity leave benefits	6,462.03	With NFD dated March 14, 2018
II. ND with Appeal Memorandum (1 ND)				
2018-NIARO2-0003 (2015)- 8-31-2018	Engr. Antonio C. Lara, Regional Irrigation Manager et al.	Liquidated damages not fully deducted from the claim of KCN Construction	214,438.54	
III. ND that are not yet final and executory (1 ND)				
2018-002-101 (2015)/ 10-4-2018	Engr. Francis C. Yu, Acting Division Manager et al.	Payment of fuel with lacking documents	157,512.56	
Total GF-RO II			P 378,413.13	
<u>RO III</u>				
I. ND with Appeal Memorandum (1 ND)				
16-01-101 (14) BANE/ 10-6-2016	Roberto E. Pascual et al.	Payments for Contract No. R3-101-2013-BANEBU San Micon	P 6,843,899.96	Filed by Engr. Virgilio J. Ilao et al.

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
<u>RO IV-A</u>				
I. ND with CGS Cluster 5 Decisions (1 ND)				
13-005-50110-16-2013	NIA RO IV-A employees et al.	Payment of CNA Incentive	P 90,000.00	With Petition for Review
<u>RO VI</u>				
<u>RO</u> NDs that attained its Finality (11 NDs)				
2017-009-101 GF (16) 09-20-2017	W. Garsulao et al.	Overpayment of PERA	90.91	With NFD dated August 10, 2018
2017-008-101 GF (16) 09-20-2017	-do-	-do-	90.91	-do-
2017-007-101 GF (16) 09-20-2017	M. A. G. Santander et al.	Overpayment of PERA and wages	1,090.91	-do-
2017-005-101GF (16) 09-20-2017	-do-	-do-	1,447.35	-do-
2017-002-101 08-14-2017	-do-	Overpayment of PERA	15,587.36	-do-
2010-003-101- (10) 04-21-2010	M. C. Lataquin et al.	Excessive claim of taxi fare	1,300.00	-do-
09-011-101- (01/02) 11-13-2009	W. Garsulao et al.	DVs and SDs were not submitted to the Office of the Auditor	39,026.98	-do-
09-009-101-(09) 11-13-2009	G. Abuzo et al.	Excessive claim of taxi fare	600.00	-do-
09-006-101- (08) 11-13-2009	V. Ramirez et al.	-do-	2,100.00	-do-
09-004-101- (08) 11-13-2009	G. Abuzo et al.	-do-	520.00	With NFD dated August 15, 2018
09-002-101- (08) 11-13-2009	G. Abuzo, E. Lomigo et al.	Hotel accommodation already included in per diems	1,040.00	-do-
			62,894.42	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
II. NDs with Appeal Memorandum (2 NDs)				
11-005-101- (10) 12-29-2011	E. Lomigo et al.	47th NIA Anniversary Expenses which was suspended under NS No. 10-001-101 matured into disallowance	150,000.00	With pending appeal before the Regional Director
11-004-101- (10) 02-08-2011	-do-	Payment of CNA incentive for CY 2009	775,000.00	-do-
			925,000.00	

Iloilo-Guimaras IMO

I. NDs that attained its Finality (3 NDs)

2017-001-101 08-31-2017	Jose L. Carreon et al.	Overpayment of PERA	2,908.84	With NFD dated August 7, 2018
11-001-101 02-17-2011	Colorado et al.	Payment of honoraria of BAC members for 2010	32,000.00	-do-
11-002-101 05-13-2011	-do-	Payment of items mobilization/demobilization as part of pay	24,000.00	For issuance of NFD
			58,908.84	

Antique IMO

I. NDs that attained its Finality (12 NDs)

2013-003-101(12)/ 01/04/2013	Edison S. Lucas et al.	Salaries and PERA of casual employees were charged to projects	51,550.77	With NFD dated October 9, 2018
2013-002-101(12)/ 01-03-2013	Marcelino C. Castillon et al.	Salaries and wages of casual employees were charged to project	808,786.35	With NFD dated September 21, 2018
2012-013-101(12)/ 12-18-2012	NIA Antique IMO and Officers Employees	Travel of NIA-AIMO employees	55,629.00	With NFD dated October 9, 2018
2012-012-101(12)/ 12-14-2012	-do-	Travel of regular and casual employees to NIA Central Office during NIA's 49th Anniversary	103,530.00	With NFD dated September 21, 2018
2012-010-101(11)/11-20- 2012	Job Order Personnel et al.	Travel of Job Order Personnel to NIA Central Office during NIA's 49th Anniversary	23,231.60	With NFD dated October 9, 2018
2012-006-101(11)/ 04-11-2012	Joyme D. Fabuna et al.	Travelling Expenses	3,520.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2012-005-101(11)/04-11-2012	Luis L. Joven et al.	Travelling Expenses	3,520.00	With NFD dated October 9, 2018
2012-004-101(11)/04-11-2012	Lalaine M. Selorio et al.	-do-	3,520.00	-do-
2012-003-101(11)/04-11-2012	-do-	-do-	7,017.00	-do-
2012-002-101(11)/04-11-2012	Imelda E. Emboltorio et al.	-do-	7,017.00	-do-
2012-001-101(11)/04-11-2012	-do-	-do-	13,400.00	-do-
2006-01-101(05)/02-24-2006	Jose R. Oredina et al.	Transportation Allowance	16,050.00	With COA Order of Execution (COE)
			1,096,771.72	

Aklan IMO

I. ND with Appeal Memorandum (1 ND)

2012-101-001-(08/09/10/11) / 08-16-2012	Various NIA officers and employees	Payment of CNA incentive for CY 2008-2011	197,000.00	Filed before the Regional Director
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Capiz IMO

I. ND that are not yet final and executory (1 ND)

2018-001-101(17)/09/03/2018	Efren A. Bigcas et al.	No details provided	1,500.00	Partially settled
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Fund 102

Iloilo-Guimaras IMO

I. ND that attained its Finality (1 ND)

2017-001-102 NIS RIP PC 8-31-2017	Jose L. Carreon et al.	Overpayment of PERA	1,636.26	With NFD issued dated August 7, 2018
Total GF-RO VI			P 2,343,711.24	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
<u>RO VII</u>				
I. NDs that attained its Finality (6 NDs)				
2011-004-101NIA DA (10)/08-31-11	Kiddies Bakehaus et al.	Payment for catering services is irregular being contrary to the provisions of the legal opinion of the Solicitor General and Section 4(3) of PD 1445	25,000.00	For issuance of NFD and COE
2011-003-101 NIA DA (10)/06-06-11	Modesto G. Membreve et al.	Travelling expenses – irregular being contrary to the provisions of Section 4(3) of PD 1445	15,297.00	-do-
2010-001-102(09)/06-15-10	-do-	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	420.00	-do-
2010-002-102(09)/06-16-10	-do-	-do-	3,996.30	-do-
2010-003-102(09)/06-18-10	-do-	-do-	1,012.46	-do-
2010-004-102(09)/6-18-10	-do-	-do-	1,500.00	-do-
			47,225.76	
II. NDs with Appeal Memorandum (30 NDs)				
2011-005-101(10)02-02-11	Hannah Grace V. Membreve et al.	Payment of CNA Incentive is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	25,000.00	Filed by Olimpio J. Galagala Jr. et al.
2011-004-101(10)02-02-11	-do-	Payment of overtime services rendered is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	844.74	-do-
2011-001-101(10)02-02-11	-do-	-do-	2,266.32	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2011-003-101(10) 02-02-11	Hannah Grace V. Membreve et al.	Payment of services rendered is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	8,559.42	Filed by Olimpio J. Galagala Jr. et al.
2011-002-101(10) 02-02-11	-do-	-do-	15,744.40	-do-
2011-006-101(10) 02-02-11	-do-	-do-	7,497.76	-do-
2010-001-102(10) 09-16-10	-do-	Payment of CNA incentive to those who perform managerial functions	25,000.00	Filed by Genever M. Diono et al.
2011-008-101(10) 02-15-11	-do-	Payment of services rendered is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	16,350.96	Filed by Olimpio J. Galagala, Jr. et al.
2011-009-101(10) 02-15-11	-do-	-do-	25,000.00	-do-
2011-010-101(10) 02-15-11	-do-	-do-	16,518.20	-do-
2011-011-101(10) 02-15-11	-do-	-do-	14,988.38	-do-
2011-012-101(10) 02-15-11	-do-	-do-	17,988.36	-do-
2011-013-101(10) 02-15-11	-do-	-do-	19,243.36	-do-
2011-014-101(10) 02-15-11	-do-	-do-	14,988.38	-do-
2011-015-101(10) 02-15-11	-do-	-do-	19,243.36	-do-
2011-016-	Maria Heddah M.	Payment of services rendered	14,988.38	Filed by Olimpio

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
101(10) 02-15-11	Hilot et al.	is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City		J. Galagala, Jr. et al.
2011-017- 101(10) 02-15-11	-do-	-do-	15,000.00	-do-
2011-018- 101(10) 02-15-11	-do-	-do-	22,528.27	-do-
2011-019- 101(10) 02-15-11	-do-	-do-	16,297.49	-do-
2011-020- 101(10) 02-15-11	-do-	-do-	21,046.68	-do-
2011-021- 101(10) 02-15-11	-do-	-do-	16,297.49	-do-
2011-022- 101(10) 02-15-11	-do-	-do-	22,528.25	-do-
2011-023- 101(10) 02-15-11	-do-	-do-	16,297.49	-do-
2011-024- 101(10) 02-15-11	-do-	-do-	22,528.25	-do-
2011-025- 101(10) 02-15-11	-do-	-do-	14,815.90	-do-
2011-026- 101(10) 02-15-11	-do-	-do-	21,228.48	-do-
2011-027- 101(10) 02-15-11	-do-	-do-	14,815.90	-do-
2011-028- 101(10) 02-15-11	-do-	-do-	22,528.25	-do-
2011-029-	Maria Heddah M.	Payment of services rendered	16,297.49	Filed by Olimpio

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
101(10) 02-15-11	Hilot et al.	is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City		J. Galagala, Jr. et al.
2011-030-101(10) 02-25-11	-do-	-do-	20,605.94	-do-
			507,037.90	
Total GF-RO VI			P 554,263.66	

RO VIII

I. NDs that attained its Finality (2 NDs)

2016-002-101 (2016) Regular N. Samar/ 12-2-2016	Eduardo C. Cui et al.	Excessive claims for transportation	400.00	Settled on January 23, 2019
2016-002-101(2016) Regular N. Samar/ 12-2-2016	Noel G. Dosmanos et al.	Payment of penalties to LTO	840.00	For issuance of COE

Total GF-RO VII	P 1,240.00
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RO X

Bukidnon IMO

I. NDs that attained its Finality (37 NDs)

12-001-101-12/ 01-10-13	NIA officers and employees	Reimbursement of expenses for meals incurred	6,406.50	With NFD issued dated July 27, 2018
12-002-101-12/ 01-10-13	-do-	Reimbursement of expenses for the procurement of vehicle spare parts, labor paid for overhaul and crankshaft alignment and welding	7,913.00	-do-
12-003-101-12/ 01-10-13	-do-	Reimbursement for expenses incurred for food during the monthly meeting on February 6, 2012	3,227.00	With NFD issued dated July 27, 2018
12-004-101-12/ 01-10-13	-do-	Reimbursement for expenses incurred for procurement of various hardware supplies and etc.	5,182.85	-do-
12-003-101	NIA officers and	Payment of CNA CY 2009	5,469.84	With NFD issued

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
FSDE-IRPEP-11/ 08-28-12	employees			dated July 27, 2018
12-004-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	6,089.85	-do-
12-005-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	6,807.99	-do-
12-006-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	6,807.99	-do-
08-28-12 12-007-101-FSDE-11/ 08-28-12	-do-	Payment of round trip plane ticket to attend NIA's 48th Anniversary on June 19-25, 2011	7,026.00	-do-
12-008-101-FSDE IRPEP-11/ 08-28-12	-do-	Payment of cash advance for traveling expenses and per diems in attending NIA's 48th Anniversary on June 18-25, 2011	13,642.48	-do-
12-009-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	14,142.48	-do-
12-010-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	14,142.48	-do-
12-011-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	14,142.48	-do-
12-012-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	14,142.48	-do-
12-013-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	10,142.48	-do-
12-014-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	3,262.48	-do-
12-015-101-FSDE-IRPEP-11/ 08-28-12	-do-	-do-	14,142.48	-do-
12-016-101	NIA officers and	Payment of cash advance for	7,742.48	With NFD issued

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
IRPEP Dagumbaan CIS-11/ 08-28-12	employees	traveling expenses and per diems in attending NIA's 48th Anniversary on June 18-25, 2011		dated July 27, 2018
12-017-101 IRPEP IDP-11/ 08-28-12	-do-	-do-	11,826.48	-do-
12-018-101- IRPEP IDP-11/ 08-28-12	-do-	-do-	11,826.48	-do-
12-020-101 FSDE IRPEP- 11/ 08-28-12	-do-	-do-	5,112.80	-do-
12-021-101 FSDE IRPEP- 11/ 08-28-12	-do-	-do-	5,029.48	-do-
12-022-101 FSDE IRPEP- 11/ 12-29-12	-do-	Payment for reimbursement of various goods purchased	9,893.17	-do-
12-023-101 IRPEP-Paiwaig CIS-11/ 12-29-12	-do-	Payment of 10 days monetization of leave for CY 2011	9,796.00	-do-
12-024-101 IRPEP-IDP-11/ 08-28-12	-do-	Payment of 15 days monetization of leave for CY 2011	9,681.28	-do-
12-025-101 FSDE IRPEP- 11/ 08-28-12	-do-	Payment of 20 days monetization of Leave for CY 2011	8,318.75	-do-
12-026-101 FSDE IRPEP- 11/ 08-28-12	-do-	Payment of 15 days monetization of Leave for CY 2011	3,327.50	-do-
12-028-101 FSDE IRPEP- 11/ 12-28-12	-do-	Payment of 10 days monetization of Leave for CY 2011	5,288.51	-do-
12-029-101 FSDE IRPEP- 11/ 12-29-12	-do-	Reimbursement of fruits amounting P1,092 and purchased of software amounting P3,000	4,092.00	-do-
12-030-101 FSDE IRPEP- 11/ 12-29-12	-do-	Reimbursement of various goods purchased	7,536.00	-do-
12-031-101-	NIA officers and	Reimbursement of expenses	5,000.00	With NFD issued

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
FSDE IRPEP-11/ 12-29-12	employees	during the M and E Orientation		dated July 27, 2018
12-032-101 FSDE IRPEP-11/ 01-08-12	-do-	Reimbursement of expenses incurred for meals	11,078.50	-do-
12-033-101- FSDE IRPEP-11 01-09-12	-do-	Reimbursement of expenses incurred for catering services during the BUWAFFIA meeting on October 5, 2011	11,080.00	-do-
12-034-101 FSDE IRPEP-11/ 01-09-13	-do-	Reimbursement of expenses incurred for meals during the conduct of inventory of completed irrigation facilities under IRPEP Fund on Nov. 21, 22 and 23, 2011	5,075.00	-do-
12-035-101 FSDE IRPEP-11/ 01-09-13	-do-	Reimbursement of expenses incurred on various dates for meal, bread and groceries-snack items	3,070.65	-do-
12-036-101 FSDE IRPEP-11/ 01-10-13	-do-	Reimbursement of expenses incurred in the purchased of helmet and goggles	2,298.00	-do-
2018-02 NISRIP PC/LP 6-26-18	-do-	Payment of accommodation, meals, snacks, training kits, and supplies	3,200.00	-do-
Total GF-RO X			P 292,963.94	

RO XI

I. NDs that attained its Finality (25 NDs)

09-02-F101-09/ 12-1-2009	Head, Accounting Unit et al.	Excess payment of overtime services	58.56	With NFD
09-04-F101-09/ 12-1-2009	Antonette Pasaporte et al.	Excess payment of per diems	480.00	For issuance of NFD
09-05-F101-09/ 12-1-2009	Head, Accounting Unit et al.	-do-	110.37	With NFD
09-09-F101-09/ 12-1-2009	-do-	-do-	319.61	-do-
09-10-F101-09/ 12-1-2009	-do-	-do-	234.32	-do-
09-13-F101-09/ 12-1-2009	-do-	Excess payment of overtime services	91.98	-do-
09-18-F101-09/	Head, Accounting Unit	Excess payment of overtime	26.12	With NFD

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
12-1-2009	et al.	services		
09-03-F101-09/ 12-1-2009	-do-	Excess claim of traveling expenses	640.00	For issuance of NFD
09-07-F101-09/ 12-1-2009	-do-	Payment for diesel not in accordance with the purpose of releases from DBM for F101	56,559.80	-do-
09-17-F101-09/ 12-1-2009	-do-	Excess claim of traveling expenses	540.00	-do-
09-22-F101-09/ 12-1-2009	-do-	-do-	418.36	-do-
09-24-A-F101-09/ 12-2-2009	-do-	Suspension which matured into disallowance due to failure to submit tickets for bus fares	700.00	-do-
09-25-F101-06/ 12-28-2009	-do-	Suspension which matured into disallowance due to failure to submit boarding pass	8,042.00	-do-
09-28-F101-06/ 12-28-2009	-do-	-do-	6,822.00	-do-
09-29-F101-07/ 12-28-2009	-do-	-do-	3,411.00	-do-
09-30-F101-07/ 12-28-2009	-do-	Suspension which matured into disallowance due to excess payment of court appearance fee	800.00	-do-
09-31-F101-07/ 12-28-2009	-do-	Suspension which matured into disallowance due to failure to submit boarding pass of NIA HO personnel	6,180.63	-do-
09-35-F101-07/ 12-28-2009	-do-	-do-	4,422.00	-do-
09-43-F101-08/ 12-28-2009	-do-	-do-	4,976.00	-do-
09-44-F101-08/ 12-28-2009	-do-	Suspension which matured into disallowance due to fuel expense not reported in Monthly Report of Fuel Consumption and Official Travel	800.00	-do-
09-45-F101-08/ 12-28-2009	-do-	-do-	372.00	-do-
09-47-F101-08/ 12-28-2009	Head, Accounting Unit et al.	Suspension which matured into disallowance due to fuel expense not reported in	815.40	For issuance of NFD

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
		Monthly Report of Fuel Consumption and Official Travel		
09-48-F101-08/ 12-28-2009	-do-	Suspension which matured into disallowance due to failure to submit boarding pass	5,672.87	For issuance of NFD
09-49-F101-08/ 12-28-2009	-do-	-do-	4,917.51	-do-
09-50-F101-08/ 12-28-2009	-do-	-do-	5,672.87	-do-
			113,083.40	

II. NDs with RO Decisions (2 NDs)

09-36-F101-07 12-28-2009	Dane delos Santos et al.	Failure to submit proof of savings w/c was the required basis for payment of CNA incentive as provided in AO No. 135. CNA is not a proper charge to project fund	55,660.00	With COA RO XI Decision No. 2015-18 dated December 23, 2015
09-08-F101-09/ 12-1-2009	Head Accounting Unit et al.	Expenses not related to purpose of cash advance	24,400.00	ND affirmed under COA RO XI Decision No. 2014-19; With COE dated July 28, 2015
			80,060.00	
Total GF-RO XI			P 193,143.40	

RO XII

I. ND that attained its Finality (1 ND)

CIMO

12-001-101(11)/ 3-1-2012	NIA Cotabato IMO officers and employees	Payment of CNA incentives	P 475,000.00	With NFD dated October 30, 2015
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RO XIII

I. NDs that attained its Finality (3 NDs)

ASDI IMO

17-001-101- (16)	Orlando L. Labarinto et al.	Labor services under Pakyaw Contracting System in excess of the P500,000.00 limit	45,267.07	With NFD dated January 28, 2019 and COE dated February 4, 2019 Filed Petition for Review
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ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
12-003-101-(12)	NIA Caraga RO officers and employees	No details provided	2,547,151.67	For verification
No details provided	No details provided	-do-	296,481.86	-do-
			2,888,900.60	

II. NDs with Appeal Memorandum (1 ND)

RO

2015-01-101-(12)/ 1-15-2015	Modesto G. Membreve et al.	Excessive payment to Algamon Construction net of tax	1,064,016.82	Filed before CGS Cluster 5 Director
			P 3,952,917.42	
Total GF			P 2,174,834,547.82	

B. Corporate Fund (CF)-CO

I. NDs that attained its Finality (36 NDs)

2016-004-501/08-03-16	Project Manager, PIDP et al.	Payment of meals and snacks which was served in the year 2013. Expense was only recognized when payment was made in the year 2015	5,386.00	With NFD and COE dated February 22, 2017
2016-001-501/4-04-16	Former Administrator et al.	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	406,315.78	With NFD dated November 2,16 but COE not issued due to Motion for Leave to File and admit Appeal Memorandum
2014-002-501(12)/5-30-14	Administrator et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	29,250.00	With NFD dated February 12, 2016 and COE dated March 11, 2016
2014-001-501(12)/11-08-13	-do-	-do-	16,961.15	With NFD dated March 15, 2016 and COE on March 29, 2016
2013-096-501(11)/10-16-13	Former Manager, Administrative Department et al.	Payment of CNA Incentive for CY 2011 exceeded the P25,000.00 ceiling as provided for in the DBM Budget Circular No. 2011-5 dated 12-26-2011	25,830.00	With NFD dated February 15, 2016 and COE dated March 11, 2016

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2013-073-501(11)b/9-27-13	Former Manager, Administrative Department et al.	Payment of CNA Incentive for CY 2011 exceeded the P25,000.00 ceiling as provided for in the DBM Budget Circular No. 2011-5 dated 12-26-2011	37,000.00	With NFD dated February 12, 2016 and COE dated March 11, 2016
2013-071-501(11)/9-20-13	-do-	-do-	23,000.00	With NFD dated April 6, 2016 and COE dated April 13, 2016
2013-024-501(12)/3-22-13	Acting Manager, Accounting Division et al.	Overpayment of RATA for CY 2012	22,000.00	With NFD dated May 19, 2015 and COE dated November 5, 2015
2013-012-501(11)/2-22-13	Former DAAF et al.	Overpayment of Representation Allowance (RA) from January to October 2011	8,000.00	With NFD dated November 6, 2015 and COE dated March 7, 2016
11-017-501(09)/4-18-11	Manager, Accounting Division et al.	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	136,500.00	With NFD dated January 12, 2015 and COE dated February 17, 2015
11-016-501(09)/4-18-11	-do-	-do-	132,000.00	-do-
11-015-501(10)/4-18-11	-do-	-do-	45,000.00	-do-
11-012-501(10)/4-18-11	Former OIC, Deputy Administrator et al.	Overpayment of RA for the period January to October 2010	19,000.00	With NFD dated June 5, 2013 and COE dated January 22, 2016
11-007-501(10)/4-18-11	Acting Deputy Administrator et al.	Overpayment of RA for the period January to December 2010	19,200.00	-do-
11-004-501(10)/4-18-11	Manager, Accounting Division et al.	Overpayment of RA for December 2010	800.00	With NFD dated June 4, 2013 and COE dated January 22, 2016
10-016-501(09)/3-16-10	Acting Sr. Deputy Administrator et al.	Payment of CNA incentive for NIA Contractual employees for the year 2009 not authorized due to their No employee-	19,904.15	With NFD on February 15, 2016 and COE on March 7, 16,

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
		employer relationship		2016
			946,147.08	
NIACI				
2017-002- NIACI/11-06-17	NIACI Consultants et al.	Payment of remuneration of NIACI Consultants was contrary to Section 4 (6) of PD No. 1445; COA Decision No. 2016-245 dated September 20, 2015 and Item Nos. 2.2 and 3.2 of DBM Budget Circular No. 2007-02 dated October 1, 2007	4,476,420.01	
2015-015- NIACON/ 9-23-15	Enrique A. Sabio, Jr. et al.	Disbursements incurred were not adequately supported with appropriate/proper documents	19,000.00	With NFD and COE dated March 13, 2017
2015-009- NIACON/ 9-23-15	Caesar G. De Guzman et al.	Payments of Separation/ Retirement Pay and Terminal Leave Benefits were not adequately supported with appropriate/ proper documents	1,346,920.85	-do-
2015-004- NIACI/ 9-15-15	Alberto A. Ginez, Jr. et al.	Payments of vehicle rentals, plane ticket of consultant and wages of enumerators were not supported with complete and proper documentary requirements	92,789.00	-do-
2014-019- NIACI/ 12-01-14	NIACI Officers et al.	Payment of meals of consultants and enumerators was covered by per diem and daily wages, respectively	7,024.00	With NFD dated September 23, 2015 and COE dated March 3, 2016
2014-017- NIACI/ 11-20-14	-do-	Liquidation of cash advances was not supported with complete and proper documentary requirements	32,370.00	With NFD dated March 2, 2016 and COE dated March 15, 2016
2014-007- NIACON/ 3-21-14	-do-	Disbursement incurred for vehicle rental is considered "Irregular Expenditure" pursuant to COA Circular No. 2012-003 dated October 29, 2012	14,000.00	With NFD dated March 15, 2016 and COE dated March 21, 2016
2014-006- NIACON/ 3-21-14	NIACI Consultants et al.	Expenses incurred were not within the period indicated in the Travel Order, hence, considered "Irregular Expenditures" pursuant to COA Circular No. 2012-003	6,702.00	With NFD dated September 23, 2015 and COE dated January 22, 2016

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2014-005-NIACI (12)/3-18-14	NIACI Officers et al.	Signatures of persons acknowledging receipt of payment for services rendered differed with their signatures appearing in the photocopy of their Identification Card (ID) submitted	6,400.00	With NFD dated September 15, 2015 and COE dated January 22, 2016
2014-003-NIACI (12)/2-25-14	Dionisio D. Fausto et al	Payment of vehicle rental and honoraria is considered "Irregular Expenditure" pursuant to COA Circular No. 2014-003	80,400.00	With NFD dated November 19, 2015 and COE dated January 22, 2016
2014-002-NIACI (12)/2-25-14	NIACI Consultants et al.	Payment of vehicle rental is considered "Irregular Expenditure" pursuant to COA Circular No. 2014-003	15,000.00	With NFD dated November 10, 2015 and COE dated January 22, 2016
2014-001-NIACI (12)/2-06-14	NIACI Officers et al.	Non-submission of documentary requirements within the reglementary period	32,370.00	With NFD dated November 10, 2015 and COE dated January 22, 2016
12-006-NIACI(11)/11-23-12	NIA Administrator et al.	Grant of uniform allowance, mid-year bonus/cash gift and PIB to various NIA Officers who acted as advisors of NIACI was contrary to Section 56 of Administrative Code of 1987	22,750.00	With NFD dated November 9, 2015 and COE dated 01-22-2016
12-003-NIACI (10)/ 8-31-12	NIACI Officers et al.	Lack of legal basis for inclusion in the liquidation report of expenses for snacks and groceries since per diem was already claimed	2,915.50	With NFD dated November 9, 2015 and COE dated 01-22-2016
12-002-NIACI (09)/5-14-12	NIACI Vice President for Operations et al.	Acquisition cost of Honda City, 2009 Model, 1.3 S MT of P750,000 was higher than the prevailing market price of P721,000 at the time of purchase	29,000.00	With NFD dated November 10, 2015 and COE dated January 22, 2016
11-003-NIACON(10)/11-14-11	Former NIACI Treasurer et al.	Illegal payment of annual fee made to CITI Gold Mastercard	2,500.00	-do-
11-001-NIACON(09)/	NIACI Consultant et al.	Non-liquidation of cash advance	25,497.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
3-29-11 10-002- NIACON(09)/ 9-14-10	NIACI Former Vice President for Legal and Administrative Services et al.	Payment of separation pay for the period June 15, 2005 to February 11, 2009 is without legal basis	33,010.00	With NFD dated November 10, 2015 and COE dated January 22, 2016
10-001- NIACON(09)/ 9-08-10	Caesar G. de Guzman et al.	Payment of annual fee of personally owned credit card of Mr. Caesar G. de Guzman	2,000.00	Person liable-deceased; With COE dated March 13, 2017
11-004-NIACI (10)/12/15/11	NIA Officers et al.	Double payment of clothing/uniform allowance	12,000.00	
			6,259,068.36	
			7,205,215.44	

II. NDs with CGS Cluster 5 Decisions (116 NDs)

2016-005-501/ 8-05-16	Administrator et al.	Payment for Overtime Services rendered in the period November 17-30, 2015	23,900.25	With CGS Cluster-V Decision No. 2018-045 dated December 20, 2018
2015-016- 501(12)/ 9-15-15	-do-	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	955,000.00	With Petition for Review
2015-015- 501(12)/ 9-08-15	-do-	-do-	723,000.00	-do-
2015-014- 501(12)/ 9-08-15	-do-	-do-	312,000.00	-do-
2015-013- 501(12)/ 9-07-15	-do-	-do-	317,000.00	-do-
2015-012- 501(12)/ 9-04-15	-do-	-do-	840,000.00	-do-
2015-011- 501(12)/ 9-04-15	-do-	-do-	273,000.00	-do-
2015-010- 501(12)/ 9-02-15	-do-	-do-	615,000.00	-do-
2015-009- 501(12)/ 8-24-15	-do-	-do-	69,000.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2015-008-501(12)/8-24-15	Administrator et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	234,000.00	With Petition for Review
2015-007-501(12)/8-12-15	-do-	-do-	1,170,000.00	-do-
2015-006-501(12)/8-17-15	-do-	-do-	507,000.00	-do-
2015-005-501(12)/8-17-15	-do-	-do-	124,000.00	-do-
2015-004-501(12)/8-12-15	-do-	-do-	507,000.00	-do-
2015-003-501(12)/8-12-15	-do-	-do-	156,000.00	-do-
2015-002-501(12)/2-12-15	-do-	-do-	700,000.00	-do-
2013-118-501(11)/11-07-13	Acting Manager, Accounting Division et al.	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000	37,000.00	-do-
2013-117-501(11)/10-29-13	-do-	-do-	21,500.00	-do-
2013-116-501(11)/10-29-13	-do-	-do-	7,000.00	-do-
2013-115-501(11)/10-29-13	-do-	-do-	37,000.00	-do-
2013-114-501(11)/10-29-13	-do-	-do-	17,000.00	-do-
2013-113-501(11)/10-29-13	Acting Manager, Accounting Division et al.	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000	37,000.00	With Petition for Review
2013-112-501(11)/10-29-13	-do-	-do-	37,000.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2013-111-501(11)/10-25-13	Acting Manager, Accounting Division et al.	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000	37,000.00	With Petition for Review
2013-110-501(11)/10-25-13	-do-	-do-	7,000.00	-do-
2013-109-501(11)/10-25-13	-do-	-do-	17,000.00	-do-
2013-108-501(11)/10-25-13	-do-	-do-	17,000.00	-do-
2013-107-501(11)/10-25-13	-do-	-do-	308,500.00	-do-
2013-106-501(11)/10-24-13	-do-	-do-	74,000.00	-do-
2013-105-501(11)/10-24-13	-do-	-do-	14,000.00	-do-
2013-104-501(11)/10-24-13	-do-	-do-	5,000.00	-do-
2013-103-501(11)/10-24-13	-do-	-do-	5,000.00	-do-
2013-102-501(11)/10-23-13	-do-	-do-	22,500.00	-do-
2013-101-501(11)/10-23-13	-do-	-do-	22,500.00	-do-
2013-100-501(11)/10-23-13	-do-	-do-	15,000.00	-do-
2013-099-501(11)/10-23-13	-do-	-do-	6,000.00	-do-
2013-098-501(11)/10-22-13	-do-	-do-	6,000.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2013-097-501(11)/10-22-13	Acting Manager, Accounting Division et al.	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000	7,500.00	With Petition for Review
2013-095-501(11)/10-07-13	-do-	-do-	25,000.00	-do-
2013-094-501(11)/10-07-13	-do-	-do-	296,000.00	-do-
2013-093-501(11)/10-07-13	-do-	-do-	21,500.00	-do-
2013-092-501(11)/10-07-13	-do-	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	27,500.00	-do-
2013-091-501(11)/10-07-13	-do-	-do-	5,000.00	-do-
2013-090-501(11)/10-07-13	-do-	-do-	7,000.00	-do-
2013-089-501(11)/10-04-13	-do-	-do-	80,000.00	-do-
2013-088-501(11)/10-04-13	-do-	-do-	37,000.00	-do-
2013-087-501(11)/10-04-13	-do-	-do-	154,000.00	-do-
2013-086-501(11)/10-04-13	-do-	-do-	148,000.00	-do-
2013-085-501(11)/10-04-13	-do-	-do-	210,000.00	-do-
2013-084-501(11)/10-04-13	-do-	-do-	6,000.00	-do-
2013-083-501(11)/10-04-13	-do-	-do-	14,000.00	-do-
2013-082-	Acting Manager,	Payment of CNA incentive for	37,000.00	With Petition for

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
501(11)/ 10-04-13	Accounting Division et al.	CY 2012 in excess of the DBM prescribed ceiling of P25,000		Review
2013-081- 501(11)/ 10-03-13	-do-	-do-	111,000.00	-do-
2013-080- 501(11)/ 10-02-13	-do-	-do-	195,500.00	-do-
2013-079- 501(11)/ 9-30-13	-do-	-do-	111,000.00	-do-
2013-078- 501(11)/ 9-30-13	-do-	-do-	37,000.00	-do-
2013-077- 501(11)/ 9-30-13	-do-	-do-	74,000.00	-do-
2013-076- 501(11)/ 9-30-13	-do-	-do-	37,000.00	-do-
2013-075- 501(11)/ 9-30-13	-do-	-do-	111,000.00	-do-
2013-074- 501(11)/ 9-27-13	-do-	-do-	111,000.00	-do-
2013-073- 501(11)/ 9-27-13	-do-	-do-	354,500.00	-do-
2013-072- 501(11)/ 9-20-13	-do-	-do-	74,000.00	-do-
2013-070- 501(11)/ 9-13-13	-do-	-do-	885,000.00	-do-
2013-069- 501(11)/ 9-12-13	-do-	-do-	465,500.00	-do-
2013-068- 501(11)/ 9-12-13	-do-	-do-	148,000.00	-do-
2013-067- 501(11)/	Acting Manager, Accounting Division et	Payment of CNA incentive for CY 2012 in excess of the DBM	255,500.00	With Petition for Review

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
9-12-13	al.	prescribed ceiling of P25,000		
2013-066-501(11)/9-11-13	-do-	-do-	17,000.00	-do-
2013-065-501(11)/9-10-13	-do-	-do-	37,000.00	-do-
2013-064-501(11)/9-11-13	-do-	-do-	296,000.00	-do-
2013-063-501(11)/9-10-13	-do-	-do-	30,000.00	-do-
2013-062-501(11)/9-09-13	-do-	-do-	27,500.00	-do-
2013-061-501(11)/9-09-13	-do-	-do-	37,000.00	-do-
2013-060-501(11)/09-09-13	-do-	-do-	7,500.00	-do-
2013-059-501(11)/9-09-13	-do-	-do-	222,000.00	-do-
2013-058-501(11)/9-09-13	-do-	-do-	21,500.00	-do-
2013-057-501(11)/9-04-13	-do-	-do-	37,000.00	-do-
2013-056-501(11)/9-04-13	-do-	-do-	37,000.00	-do-
2013-055-501(11)/9-04-13	-do-	-do-	235,000.00	-do-
2013-054-501(11)/9-02-13	-do-	-do-	894,500.00	-do-
2013-053-501(11)/9-03-13	Acting Manager, Accounting Division et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	925,000.00	With Petition for Review

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2013-052-501(11)/9-02-13	-do-	-do-	37,000.00	-do-
2013-051-501(11)/9-02-13	-do-	-do-	629,000.00	-do-
2013-050-501(11)/9-02-13	-do-	-do-	666,000.00	-do-
2013-049-501(11)/9-02-13	-do-	-do-	74,000.00	-do-
2013-047-501(11)/8-29-13	-do-	-do-	592,000.00	-do-
2013-046-501(11)/08-29-13	-do-	-do-	592,000.00	-do-
2013-045-501(11)/8-29-13	-do-	-do-	111,000.00	-do-
2013-044-501(11)/8-29-13	-do-	-do-	1,184,000.00	-do-
2013-043-501(11)/8-23-13	-do-	-do-	1,036,000.00	-do-
2013-042-501(11)/8-23-13	-do-	-do-	222,000.00	-do-
2013-041-501(11)/8-23-13	-do-	-do-	259,000.00	-do-
2013-040-501(11)/8-23-13	-do-	-do-	74,000.00	-do-
2013-039-501(11)/8-23-13	-do-	-do-	185,000.00	-do-
2013-038-501(11)/8-23-13	Acting Manager, Accounting Division et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	962,000.00	With Petition for Review

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2013-037-501(11)/8-23-13	-do-	-do-	111,000.00	-do-
2013-036-501(11)/8-23-13	-do-	-do-	185,000.00	-do-
2013-035-501(11)/8-23-13	-do-	-do-	444,000.00	-do-
2013-034-501(11)/8-22-13	-do-	-do-	814,000.00	-do-
2013-033-501(11)/8-22-13	-do-	-do-	814,000.00	-do-
2013-032-501(11)/08-22-13	-do-	-do-	555,000.00	-do-
2013-031-501(11)/8-16-13	-do-	-do-	555,000.00	-do-
2013-030-501(11)/8-13-13	-do-	-do-	296,000.00	-do-
2013-029-501(11)/8-13-13	-do-	-do-	518,000.00	-do-
2013-028-501(11)/8-13-13	-do-	-do-	370,000.00	-do-
2013-027-501(11)/8-06-13	-do-	-do-	37,000.00	-do-
			26,467,400.25	
2015-007-NIACI/9-18-15	Danilo C. Cortez et al.	Disbursements incurred were not adequately supported with appropriate/proper documents	39,310.00	With CGS 5 Decision No. 2018-042 dated November 28, 2018
2015-006-NIACI/9-18-15	Danilo C. Cortez et al.	Disbursements incurred were not adequately supported with appropriate/proper documents	58,900.00	With CGS 5 Decision No. 2018-042 dated November 28,

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
				2018
2015-005-NIACI/ 9-15-15	-do-	-do-	41,000.00	-do-
2015-003-NIACI/ 9-15-15	Alberto A. Ginez, Jr. et al.	Payments of vehicle rentals and wages of enumerators were not supported with complete and proper documentary requirements	56,000.00	With CGS 5 Decision No. 2018-042 dated November 28, 2018
2014-018-NIACI/ 11-25-14	NIACI Officers et al.	Payments of vehicle rentals were not supported with complete and proper documentary requirements	1,011,200.00	Consolidated Appeals of Genever M. Dionio et al., for the lifting of the ND were denied under CGS Cluster 5 Decision No. 2015-016 dated October 30, 2015
2014-008-NIACON/ 4-14-14	-do-	Payment of honoraria was contrary to Section 56 of Administrative Code of 1987	655,200.00	With Petition for Review
2014-004 NIACI (12)/ 3-12-14	-do-	Penalties incurred were due to late payment of value added tax (VAT) for the 4 th quarter of CY 2012, hence, considered "Unnecessary Expenditures" pursuant to COA Circular No. 2012-003	139,889.55	-do-
2013-003-NIACI (12)/ 9-12-13	-do-	Remuneration paid to an employee not qualified as Consultant	297,087.47	Appeal dated March 10, 2014 of Genever M. Dionio et al. was denied under CGS 5 Decision No. 2014-013 dated September 24, 2014, with modification as to the amount of the ND
2013-001-NIACI (12)/ 8-27-13	NIACI Officers et al.	Payment of remuneration and honoraria to NIA and NIACI officers for CY 2012 without legal basis	1,459,800.00	CGS 5 Decision No. 2014-010 and ND were affirmed under COA Decision

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
				No. 2016-245 With partial settlement
12-005-NIACI (11)/ 11-23-12	NIACI President et al.	Payment to NIA Officers who acted as members of the Technical Assistance Team for consultancy contracts between NIA and NIACI was contrary to Section 8, Article IX(b), 1987 Constitution and absence of documentary requirements to support rendition of work	2,137,000.00	ND was affirmed under COA Decision No. 2016-435 dated December 27, 2016. With partial settlement
12-004-NIACI (10)/ 11-23-12	-do-	Payment to NIA Officers who acted as members of the Technical Assistance Team for consultancy contracts between NIA and NIACI was contrary to Section 8, Article IX(b), 1987 Constitution and absence of documentary requirements to support rendition of work	399,000.00	-do-
			6,294,387.02	
			32,761,787.27	
III. NDs with Appeal Memorandum (13 NDs)				
2017-01-501/ 6-23-17	Former DAEO et al.	Payment to Kyro Builders for Contract No. UMRIPD-C1	119,460,053.27	
2016-009-501/ 10-25-16	Former Manager, Administrative Department et al.	Payment to Masangkay Computer Center for the supply and delivery of various IT equipment	769,226.08	
2016-008-501/ 9-02-16	Administrator et al.	Payment of the Supply, Printing and Delivery of 1,200 pcs. T-shirts and 1,200 Conference bags for the NIA-IA Convention-Consultation and Mass Turn-over of Completed Project to IAs	372,000.00	
2016-007-501/ 7-29-16	-do-	Payment to Travellers International Hotel Group, Inc. for the lease of venue including accommodation and meals for 1,200 participants	8,437,400.00	
2016-003-501/ 7-22-16	Administrator et al.	Payment for Overtime Services rendered in the period January to December 2015	473,543.50	
2016-002-501/ 4-25-16	-do-	Supply and Delivery of Twenty (20) units Pick-up Truck, Double Cab, 4x4, DED, Model	520,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
		Nissan Frontier Navarra 4 WD MT under NIA Corporate Fund (F501)		
			130,032,222.85	
<u>NIACI</u>				
2017-001- NIACI/ 2-16-17	NIACI Consultants et al.	Liquidation of cash advances for CY 2012 for the payment of honorarium, remuneration of enumerators, security guides and security coordinators of NIACI were not supported with complete documents contrary to Section 4(6) of Presidential Decree (PD) No. 1445	843,750.00	Filed by Caesar G. De Guzman et al.
2015-014- NIACON/ 9-23-15	Cesar L. Oropilla et al.	Payments of vehicle rentals and wages of enumerators were not supported with complete and proper documentary requirements	62,100.00	Filed by Genever M. Dionio et al.
2015-013- NIACON/ 9-23-15	Prisco O. Boco III et al.	-do-	23,600.00	-do-
2015-012- NIACON/ 9-23-15	Cesar L. Oropilla et al.	-do-	17,200.00	-do-
2015-011- NIACON/ 9-23-15	Eduardo B. Aldaba et al.	Payments of vehicle rentals and wages of enumerators were not supported with complete and proper documentary requirements	9,500.00	-do-
2015-010- NIACON/ 9-23-15	Dionisio D. Fausto et al.	-do-	95,550.00	-do-
2015-008- NIACON/ 9-23-15	NIACI Officers et al.	-do-	7,102,875.00	-do-
				With CGS 5 Decision No. 2019-002 dated January 30, 2019 for the disallowance of Mr. Porfirio R. Rivera amounting to P119,250.00
			8,154,575.00	
Total-CF -CO			P 178,153,800.55	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
CAR				
I. ND that attained its Finality (1 ND)				
2018-001-501- (16)/ 1-10-18	Division Manager et al.	Per inspection of the COA CAR Technical Audit Specialist, the project, Dakudak CIS incurred an underrun of 33.56% because of the deficiency of rubble masonry of 15.57 cubic meters, with corresponding labor cost of P97,906.65, attributable to the non-utilization of construction materials valued at P39,552.00	137,458.65	For issuance of NFD
II. NDs with CGS Cluster 5 Decisions (6 NDs)				
15-011-50 (13 14) KIMO/ 12-1-15	RM et al.	Payment of Viability Incentive Grant (VIG) for CYS 2012 and 2013 was made contrary to Section 12 of Republic Act (RA) No. 6758	4,186,739.88	With CGS Cluster-V Decision No. 060 dated December 1, 2016
15-010-501 (11) KIMO/ 12-1-15	Jone D. Dulnuan et al.	-do-	43,000.00	With CGS Cluster V Decision No. 006 dated January 20, 2017
15-006-501-14 (RO)/ 6-30-15	J. Socalo et al.	Payment of VIG for CY 2013	1,974,971.28	With CGS Cluster V Decision No. 2016-009 dated May 18, 2016
13-003-501-12/ 1-17-14	-do-	CNA granted for CY 2011 in excess of P25,000.00	320,000.00	With CGS Cluster-V Decision No. 2015-015 dated October 30, 2015
13-002-501-12/ 1-17-14	-do-	-do-	3,045,000.00	-do-
13-001-501-12/ 1-16-14	-do-	-do-	1,843,750.00	-do-
			11,413,461.16	
III. NDs with Appeal Memorandum (12 NDs)				
2018-02-(501 COB)/ 4-18-18	B. Espique, RM et al.	Payment of consultancy services	350,000.00	
16-002-501-	A. Aklit, Former RM et	Payment of COLA	68,647.55	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
(15)/ 10-5-16	al.			
15-009-501- (07)/ 10-12-15	D. Aglit, Officer in Charge et al.	Payment of CNA incentive to officers performing managerial function (CY 2007)	10,000.00	
15-008-501- (07)/ 8-25-15	J. Socalo, RM et al.	-do-	20,000.00	
15-007-501-14 (07-08)/ 7-29- 15	A. Aklit, Former RM et al.	-do-	55,000.00	
15-005-501-14 (RO)/ 6-30-15	J. Socalo, RM et al	Payment of VIG for CY 2012	1,335,960.00	
12-009-501-10/ 11-26-12	-do-	Actual accomplishment on the project of only 97.49% due to underrun -UCRIS	123,762.90	With COA-CAR Decision No. 2015-007 dated March 13, 2015, denying the Appeal
12-008-501-11/ 10-19-12	-do-	Unreasonable contract cost with a variance of 15.61% above the contract amount	944,427.30	With COA-CAR Decision No. 2017-048 dated June 14, 2017
12-005-501-10/ 6-27-12	D. Onza, Division Manager et al.	Early payment of CNA	500,000.00	With COA-CAR RO Decision No. 2015-044 dated July 20, 2015
12-004-501-10/ 6-27-12	J. Socalo, RM et al.	Early payment of CNA	2,050,000.00	-do-
12-003-501-10/ 6-27-12	R. Apil, Division Manager et al.	Early payment of CNA	2,350,000.00	With COA-CAR RO Decision No. 2015-044 dated July 20, 2015
12-001-501-11/ 6-05-12	J. Socalo, RM et al.	CNA granted for CY 2011 was in excess of P25,000.00	760,000.00	With COA-CAR RO Decision No. 2015-044 dated July 20, 2015
			8,567,797.75	
Total-CF -CAR			P 20,118,717.56	
<u>ROI</u>				

I. NDs that attained its Finality (4 NDs)

La Union IMO

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
12-001-501 (COB)-(11)/ 1-31-12	Lelito G. Valdez et al.	Payment of CY 2011 CNA	115,000.00	NFD dated June 8, 2015; COE 2015-300 dated December 28, 2015
11-501-COB-001 (10)/ 5-11-11	Engr. Roberto Q. Abule et al.	Payment of CY 2010 CNA	115,000.00	NFD dated February 1, 2017; COE No. 2017-028 dated March 2, 2017
<u>Ilocos Sur IMO</u>				
SM-12-001- (12)/12-6-12	Engr. Adriano F. Amano et al.	CNA Incentive for FY 2011	360,000.00	With NFD
SM-12-001 (12)/ 4-11-12	-do-	-do-	80,000.00	-do-
			670,000.00	

II. NDs with CGS Cluster 5 Decisions (19 NDs)

RO

NIA ROI-2015-03-001-501 COB(13)/ 4-30-15	Vicente Vicmudo et al	Payment of VIG	750,950.00	With CGS Cluster-5 Decision No. 2015-020 dated December 22, 2015
NIA RO1 ND No.-2013-02-501(12)/ 12-27-13	Regional Irrigation Manager et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	1,730,750.00	With CGS Cluster-5 Decision No. 2015-015 dated October 30, 2015
2012-07-001/ 7-25-12	-do-	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	1,565,000.00	With COA (Regional Office) Decision No. 2015-039 dated October 13, 2015
2011-08-003/ 8-16-11	-do-	Payment of CNA incentive for CY 2010 in excess of the DBM prescribed ceiling of P25,000.00	192,000.00	COA Commission Proper Decision No. 2016-478 dated December 28, 2016
2011-05-002/ 5-12-11	Regional Irrigation Manager et al.	Payment of CNA incentive for CY 2010 in excess of the DBM prescribed ceiling of P25,000.00	72,000.00	COA Commission Proper Decision No. 2016-478

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
				dated December 28, 2016
11-05-001 / 5-6-11	-do	-do-	460,000.00	-do-
<u>Pangasinan IMO</u>				
PIMO-2015-01-001-501 COB(13) / 4-30-15	Renato P. Millan et al.	Payment of VIG	2,209,456.99	CGS-5 Decision No. 2015-020 dated December 22, 2015
NIA PIMO ND No. 2013-01-501(12) / 12-27-13	Frida L. Nido et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	2,255,750.00	CGS-5 Decision No. 2015-015 dated October 10, 2015
<u>La Union IMO</u>				
15-001-501 (2014)/ 3-19-15	Lelito G. Valdez et al.	Payment of CY 2013 VIG	770,000.00	With CGS Cluster-5 Decision No. 2015-020 dated December 22, 2015
LUIMO-2013-01-501(12) / 12-27-13	-do-	Payment of CY 2012 VIG	654,000.00	-do-
<u>Ilocos Sur IMO</u>				
15-006 (14)/ 5-7-15	Federico T. Ursumlom Jr. et al.	Payment of VIG for CY 2013	28,000.00	-do-
15-005 (14)/ 5-7-15	Estrellita A. Quila et al.	-do-	75,000.00	-do-
15-004 (14)/ 5-7-15	Edgar Allan Festejo et al.	-do-	16,000.00	-do-
15-003 (14)/ 5-7-15	Rizelldy G. Laya et al.	-do-	83,000.00	-do-
15-002 (14)/ 5-7-15	Marites B. Galban et al.	-do-	235,000.00	-do-
15-001 (14)/ 5-7-15	Engr. Adriano F. Amano et al.	Payment of VIG CY 2013	508,000.00	-do-
SM-12-002 (12)/ 12- 6-12	Engr. Adriano F. Amano et al.	Payment of CNA Incentive for CY 2011	882,000.00	With COA CGS Cluster-5 Decision No. 2015-009 dated

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
July 28, 2015				
<u>Ilocos Norte IMO</u>				
2015-01(501 COB CY 2013)	Danilo V. Gomez et al.	Payment of VIG	814,100.00	With CGS Cluster-5 Decision No. 2015-020 dated December 22, 2015
2015-01(501 COB CY 2014)	-do-	-do-	1,611,391.00	-do-
			14,912,397.99	

III. NDs with Appeal Memorandum (4 NDs)

Agno River Integrated Irrigation Project

NIA ARIIP 2013-12- 001(F501)	Project Manager et al.	Payment of CNA incentive for CY 2012	11,841,500.00	
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Pangasinan IMO

12-001-501- (11) / 1-9-12	Division Manager et al.	Payment of CNA incentive for CY 2011 in excess of the DBM prescribed ceiling of P25,000.00	64,440.00	
11-001-501- (10) / 5-11-11	-do-	-do-	180,000.00	

La Union IMO

12-002- 501(12)/ 8-22-12	NIA LUIMO Officers and Employees	Payment of CNA for CY 2012	216,000.00	
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			12,301,940.00	
Total-CF -RO I			P 27,884,337.99	

RO II

I. NDs that attained its Finality (7 NDs)

2018-001-501 (2017)-NVIMO/ 3-02-18	Roland V. Apaga et al.	Wanting of legal basis	847,129.00	With NFD dated October 24, 2018; For issuance of COE
2018-002-501- (2017)-NVIMO/ 3-02-18	-do-	-do-	334,880.00	-do-
2017-001-501- (2015)/ 12-13-17	Gileu Michael O. Dimoloy et al.	-do-	278,457.56	For issuance of NFD and COE

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2018-003-501- (2018)-QIMO/ 8-30-18	-do-	Interest on the late remittance of GSIS premiums	1,975.63	Settled on January 7, 2019; NSSDC No. 2019-001 dated February 1, 2019
2018-002-501- (2017)-QIMO/ 1-04-18	-do-	Payment of Maternity Leave Benefits	12,263.03	Monthly installment started in May 2018
2018-001-501- (2017)-QIMO/ 1-09-18	-do-	-do-	4,067.41	-do-
2017-006-501 (2017) CBIMO/ 11-28-17	Engr. Francis C. Yu et al.	Payment of fuel used by unauthorized personnel	2,021.84	With NFD dated June 27, 2018
2017-003 CBIMO/ 11-09-17	-do-	-do-	5,471.79	With NFD dated June 28, 2018
2016-005-501- CBIMO/ 10-10-16	-do-	Payment of legal services to a private lawyer without the concurrence of the Office of the Government Corporate Counsel and COA, in violation of COA Circular No. 95-011 dated December 4, 1995	24,300.00	With COE dated July 10, 2018
2016-003-501- (2014)-CBIMO/ 6-15-16	-do-	Payment of VIG for CY 2013	23,000.00	With NFD dated March 14, 2018
			1,533,566.26	

II. NDs with CGS Cluster 5 Decisions (1 ND)

RO II

2017-004-501- (2014-2015)- CBIMO/ 12-06-17	Engr. Francis C. Yu et al.	Payment of VIG for CYs 2014 and 2015	5,174,122.00	With CGS 5 Decision No. 2018-031 dated September 7, 2018 which was appealed to the CP
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III. NDs with Appeal Memorandum (6 NDs)

2018-003-501 (2015)/ 10-04-18	Engr. Francis C. Yu et al.	Payment of fuel without complete documentation	48,082.89	
2018-002-101 (2015)/ 10-04-18	Engr. Francis C. Yu et al.	Payment of fuel without complete documentation	157,512.56	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2018-NIARO2-0002 (2017)/5-11-18	Engr. Antonio C. Lara et al.	Payment of VIG was without legal basis.	4,132,914.42	CGS Cluster V Case No. 2018-024 filed on September 27, 2018
2018-NIAISAIMO - 0001 (2017)/4-20-18	Engr. Wilfredo U. Salvador et al.	-do-	1,664,198.50	
2017-501-0001/8-15-2017	Wilfredo U. Salvador et al.	Payment of Contract for the Lease of five (5) units' heavy equipment due to excessive payment made NTL Builders and Developers.	62,574.66	
<u>NIA-MARIIS</u> 2018-NIAMARIIS-0001 (2017)/5-11-18	Wilfredo C. Gloria et al.	Payment of VIG was without legal basis.	133,240,449.33	CGS Cluster V Case No. 2018-034 filed on August 22, 2018
			139,305,732.36	
Total-CF -RO II			P 146,013,420.62	

RO III

I. NDs with CGS Cluster 5 Decisions (2 NDs)

2015-002-F501-COB(2013)/8-11-15	Manager, NIA TARZAM IMO et al.	Grant of VIG for 2012 without legal basis	698,701.68	With Petition for Review
2015-001-F501 COB(2014)/7-30-2015	Manager, NIA TARZAM IMO et al.	Grant of VIG for 2013 without legal basis	497,830.76	-do-
			1,196,532.44	

II. NDs with Appeal Memorandum (8 NDs)

2017-003-F501-COB(2017)/8-11-17	-do-	Grant of VIG for 2016 was without legal basis	700,000.00	
2017-003-F501-COB(2017)/7-24-17	-do-	Grant VIG for 2014 and 2015 were without legal basis	2,299,999.66	
2017-03-501 (2014-2016)/PAMBAT	Prudencio B. Santos et al.	Grant of VIG was without legal basis	2,440,000.00	
2017-03-501 (2014-2016)/BANE	Angelito S. Miguel et al.	-do-	25,072,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2017-02-501 (2014-2016)/ RO	Josephine B. Salazar et al.	-do-	8,703,162.68	
2015-01 (2013/2014)/ RO	Reynaldo D. Puno et al.	-do-	3,849,000.00	
2015-01 (2013/2014)/ PamBat	Angelito S. Miguel et al.	-do-	590,222.13	
2015-01 (2013/2014)/ BANE	Roberto E. Pascua et al.	-do-	4,340,000.00	
			47,994,384.47	
			P 49,190,916.91	

CMIPP

I. ND with CGS Cluster 5 Decisions (1 ND)

13-04-501(13)/ 2-12-13	Chief Corporate Accountant et al.	Overpayment of CNA 2012	1,055,000.00	With petition for review before the COA CP With partial settlement of P271,000.00 in 2017
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UPRIIS

I. ND that attained its Finality (1 ND)

13-53-501(12)/ 2-12-13	Josephine B. Salazar et al.	Overpayment of CNA for CY 2012	19,206,000.00	With NFD dated December 3, 2018 issued by the Cluster
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II. NDs with CGS Cluster 5 Decisions (2 NDs)

15-02-501(14) OMS/ 7-13-15	NIA-UPRIIS officers and employees	Payment of VIG for CY 2014	40,342,893.71	With Petition for Review
15-01-501(13) OMS/ 7-13-15	-do-	Payment of VIG for CYs 2012 and 2013	48,396,848.00	-do-
			88,739,741.71	

III. NDs with Appeal Memorandum (22 NDs)

17-004-501 (17)/ 10-4-17	OMS officers and employees	Payment of VIG for CY 2016	442,200.00	
17-003-501 (17)/ 9-4-17	OMS officers and employees	Payment of VIG for CY 2016	10,982,900.00	
17-003-501	DRD officers and	-do-	5,183,400.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
(17)/ 9-4-17	employees			
17-003-501 (17)/ 9-4-17	Division V officers and employees	-do-	3,683,755.61	
17-003-501 (17)/ 9-4-17	Division IV officers and employees	Payment of VIG for CY 2014	3,704,000.00	
17-003-501 (17)/ 9-4-17	Division III officers and employees	-do-	4,545,035.93	
17-003-501 (17)/ 9-4-17	Division II officers and employees	Payment of VIG for CY 2015	6,363,000.00	
17-003-501 (17)/ 9-4-17	Division I officers and employees	Payment of VIG for CY 2016	3,730,544.89	
17-002-501 (16)/ 9-4-17	OMS officers and employees	Payment of VIG for CY 2015	6,220,000.00	
17-002-501 (16)/ 9-4-17	DRD officers and employees	-do-	1,050,000.00	
17-002-501 (16)/ 9-4-17	Division V officers and employees	-do-	2,248,260.57	
17-002-501 (16)/ 9-4-17	Division IV officers and employees	-do-	2,366,020.00	
17-002-501 (16)/ 9-4-17	Division III officers and employees	-do-	6,104,454.29	
17-002-501 (16)/ 9-4-17	Division II officers and employees	Payment of VIG for CY 2015	4,481,939.24	
17-002-501 (16)/ 9-4-17	Division I officers and employees	-do-	2,948,000.00	
17-001-501 (16)/ 9-4-17	OMS officers and employees	Payment of VIG for CY 2014	12,208,690.00	
17-001-501 (16)/ 9-4-17	DRD officers and employees	-do-	3,780,733.87	
17-001-501 (16)/ 9-4-17	Division V officers and employees	-do-	3,775,750.00	
17-001-501 (16)/ 9-4-17	-do-	-do-	5,852,498.00	
17-001-501 (16)/ 9-4-17	Division III officers and employees	-do-	7,591,889.20	
17-001-501 (16)/ 9-4-17	Division II officers and employees	Payment of VIG for CY 2014	6,276,875.00	
17-001-501	Division I officers and employees	-do-	4,755,666.67	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
(16)/ 9-4-17	employees			
			108,295,613.27	
Total-CF -RO III			P 266,487,271.89	

RO IV-A

I. NDs with CGS Cluster 5 Decisions (8 NDs)

2015-003-501(13)/ 11-20-15	CBIMO officers and employees	Payment of VIG for CY 2013	984,005.51	With Petition for Review
2015-002-501(13)/ 11-20-15	LARIMO officers and employees	-do-	514,139.66	-do-
2015-001-501(13)/ 11-20-15	RO officers and employees	-do-	852,700.00	-do-
2015-001-501(14)/ 11-20-115	QIMO officers and employees	-do-	923,000.00	-do-
2013-007-501(12)/ 10-19-13	CBIMO officers and employees	Payment of additional CNA for CY 2012	1,979,250.00	-do-
2013-006-501(12)/ 10-18-13	LARIMO officers and employees	-do-	1,683,000.00	-do-
2013-005-501(12)/ 10-16-13	Regional Office (RO) officers and employees	Payment of additional CNA for CY 2012	2,082,000.00	-do-
2013-004-501/ 10-14-13	QIMO officers and employees	-do-	1,472,250.00	-do-
Total-CF-RO IV-A			P 10,490,345.17	

RO IV-B

I. NDs with CGS Cluster 5 Decisions (11 NDs)

2018-001-501-(17)- NIA-PIMO/ 8-22-18	NIA officers and employees	Payment of VIG	1,993,739.44	-do-
2016-002-501(14)/ 03-18-16	-do-	-do-	991,427.60	-do-
2016-001-501(13)/ 03-18-16	NIA officers and employees	Payment of VIG	415,544.71	ND affirmed under CGS 5 Decision No. 2016-056 dated

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
				November 17, 2016.
2015-002-501(13)/10-27-15	-do-	-do-	41,848.97	With Petition for Review
2015-001-501(14)/ 10-27-15	-do-	-do-	354,495.27	-do-
2015-004-501(13and14)/9-09-15	-do-	-do-	4,116,638.03	-do-
2015-003-501(12and13)/9-09-15	-do-	-do-	1,343,861.68	-do-
2015-002-501(13and14)/9-03-15	-do-	-do-	107,810.95	-do-
2015-001-501(13)/9-03-15	-do-	-do-	5,000.00	-do-
2013-002-501(12)/12-20-13	-do-	-do-	2,120,000.00	-do-
2013-001-501(12)/ 12-20-13	-do-	-do-	195,000.00	-do-
			11,685,366.65	
II. NDs with Appeal Memorandum (4 NDs)				
18-002-501(17)-NIA MOMARO IMO/ 8-30-18	Former Acting Division Manager et al.	-do-	210,000.00	
18-001-501(17)-NIA MOMARO IMO/ 8-30-18	-do-	-do-	3,654,000.00	
18-003-501(17)-NIA MIMAROPA RO/ 8-30-18	-do-	-do-	1,449,047.00	
2018-001-501(2017)	-do-	-do-	666,728.70	
			5,979,775.70	
Total-CF - RO IV-B			P 17,665,142.35	
RO V				

I. NDs with Appeal Memorandum (47 NDs)

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2016-048-0-(2014)/ 12-8-16	Alan N. Fabricante et al.	Payment of VIG without the approval of the President	98,218.59	
2016-047-0-(2014)/ 12-8-16	-do-	-do-	237,478.80	
2016-046-0-(2014)/ 12-8-16	William P. Ragodon et al.	-do-	320,000.00	
2016-045-0-(2014)/ 12-8-16	Homer E. Diokno et al.	-do-	11,200.00	
2016-044-0-(2014)/ 12-8-16	-do-	-do-	135,800.00	
2016-043-0-(2014)/ 12-8-16	-do-	-do-	3,200.00	
2016-042-0-(2014)/ 12-8-16	William P. Ragodon et al.	-do-	20,785.75	
2016-041-0-(2014)/ 12-8-16	-do-	-do-	30,000.00	
2016-040-0-(2014)/ 12-8-16	-do-	-do-	26,000.00	
2016-039-0-(2014)/ 12-8-16	-do-	-do-	20,000.00	
2016-038-0-(2014)/ 12-8-16	-do-	-do-	22,000.00	
2016-037-0-(2014)/ 12-8-16	-do-	-do-	135,000.00	
2016-036-0-(2014)/ 12-8-16	Rogelio C. King et al.	-do-	36,500.00	
2016-035-0-(2014)/ 12-8-16	-do-	-do-	25,000.00	
2016-034-0-(2014)/ 12-8-16	-do-	-do-	174,713.96	
2016-033-0-(2014)/ 12-8-16	William P. Ragodon et al.	-do-	72,000.00	
2016-032-0-(2014)/ 12-8-16	-do-	-do-	16,000.00	
2016-031-0-(2014)/ 12-8-16	Sandra I. Salva et al.	Payment of VIG without the approval of the President	268,000.00	
2016-030-0-(2014)/ 12-8-16	Homer E. Diokno et al.	-do-	61,337.28	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2016-029-0- (2014)/ 12-8-16	-do-	-do-	533,496.33	
2016-028-0- (2014)/ 12-8-16	-do-	-do-	70,000.00	
2016-027-0- (2014)/ 12-8-16	-do-	-do-	70,000.00	
2016-026-0- (2014)/ 12-8-16	-do-	-do-	40,443.36	
2016-025-0- (2014)/ 12-8-16	-do-	-do-	521,044.75	
2016-024-0- (2014)/ 12-8-16	Alan N. Fabricante et al.	-do-	200,719.13	
2016-022-0- (2013)/ 12-2-16	Rogelio C. King et al.	-do-	32,997.00	
2016-021-0- (2013)/ 12-2-16	Alan N. Fabricante et al.	-do-	91,249.82	
2016-020-0- (2013)/ 12-2-16	-do-	-do-	47,143.71	
2016-019-0- (2013)/ 12-2-16	-do-	-do-	59,306.19	
2016-018-0- (2013)/ 12-2-16	Homer E. Diokno et al.	-do-	215,466.53	
2016-017-0- (2013)/ 12-2-16	William P. Ragodon et al.	-do-	15,000.00	
2016-016-0- (2013)/ 12-2-16	-do-	-do-	711,250.00	
2016-015-0- (2013)/ 12-2-16	-do-	-do-	190,000.00	
2016-014-0- (2013)/ 12-2-16	-do-	-do-	376,250.00	
2016-013-0- (2013)/ 12-2-16	Rogelio C. King et al.	-do-	20,000.00	
2016-012-0- (2013)/ 12-2-16	-do-	-do-	85,000.00	
2016-011-0- (2013)/ 12-2-16	Rogelio C. King et al.	Payment of VIG without the approval of the President	272,750.00	
2016-010-0- (2013)/ 12-2-16	-do-	-do-	27,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2016-009-0-(2013)/ 12-2-16	-do-	-do-	238,336.76	
2016-008-0-(2013)/ 12-2-16	-do-	-do-	19,000.00	
2016-007-0-(2013)/ 12-2-16	Homer E. Diokno et al.	-do-	31,000.00	
2016-006-0-(2013)/ 12-2-16	-do-	-do-	114,799.72	
2016-005-0-(2013)/ 12-2-16	Nestor A. Cortes et al.	-do-	10,000.00	
2016-004-0-(2013)/ 12-2-16	Homer E. Diokno et al.	-do-	15,000.00	
2016-003-0-(2013)/ 12-2-16	-do-	-do-	20,000.00	
2016-002-0-(2013)/ 12-2-16	-do-	-do-	30,692.61	
2016-001-0-(2013)/ 12-2-16	Homer E. Diokno et al.	Payment of VIG without the approval of the President	40,000.00	
Total-CF -RO V			P 5,811,180.29	

RO VI

I. NDs that attained its Finality (12 NDs)

RO VI

2017-006-501 LFPs (16)/ 9-20-17	M. A. G. Santander et al.	Overpayment of wages and PERA	1,444.54	With NFD dated August 10, 2018
2017-005-501 LFPs/ 9-20-17	-do-	-do-	1,444.54	-do-
2017-001-501 LFPS/ 9-14-17	-do-	-do-	42,686.89	-do-
09-002-501/ 11-06-09	G. E. Abuzo et al.	NIPAP	7,816.54	With NFD dated August 15, 2018

Iloilo-Guimaras IMO

2018-001-501 LFPs (17)/ 1-23-18	Isaias C. Melendez et al.	Extravagant expenditures for hotel accommodation	44,062.50	With NFD dated August 6, 2018
2017-001-501 LFPS/ 8-31-17	Jose L. Carreon et al.	Overpayment of PERA	33,725.19	With NFD dated August 6, 2018

Antique IMO

2011-002-501	Timoteo D. Acosta, Jr.	Payment of honorarium as	1,800.00	With NFD dated
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ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
(11)/ 11-03-11	et al.	BAC member		September 17, 2018
2009-006-501 (09)/ 12-29-09	Marcelino C. Amogod et al.	-do-	271.42	-do-
2009-001-501 (09)/ 12-29-09	Basilio T. Velasco et al.	-do-	53,044.71	-do-
<u>Aklan IMO</u>				
2015-002-501- (07/08)/ 7-29-15	Felix R. Francisco et al.	CNA 2007	10,000.00	With NFD dated September 3, 2018
2016-001-501 (15)/ 12-21-16	Dante M. Dela Cruz et al.	Excess payment for CNA 2015	5,000.00	With NFD and with partial settlement
<u>Capiz IMO</u>				
2015-002-501- (07/08)/ 7-27-15	Dionisio B. Asencio et al.	Payment of CNA for CY 2007	9,350.00	With NFD dated September 3, 2018
			210,646.33	
II. ND within the Appeal Period (1 ND)				
2018-001-501 (17)/ 9-03-18	Edna L. Senadoza et al.	Irregular payment of Project Allowance	20,000.00	With partial settlement
III. NDs with CGS Cluster 5 Decisions (1 ND)				
<u>Antique IMO</u>				
2015-001-501 (13)/ 6-24-15	NIA Antique IMO officers and employees	Payment of VIG for CY 2013	821,396.90	ND affirmed under CGS 5 Decision No. 2016-010 dated May 20, 2016
IV. NDs with Appeal Memorandum (58 NDs)				
<u>RO VI</u>				
15-01-501-(14)/ 6-16-15	G. Corsiga Jr. et al.	-do-	812,453.07	Filed before the Cluster Director, CGS Cluster 5
13-009-501 (12)/ 1-10-13	-do-	Payment of CNA incentive for CY 2011 and 2012	8,989,750.00	-do-
2012-007-501(11)/ 8-30-12	G. Corsiga Jr. et al.	Various expenses during NIA 48th Anniversary	157,656.33	Filed before the Regional Director
2011-006-501/	-do-	Payment of CNA incentive for	3,788,000.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
12-29-11		CY 2009 and 2010		
2011-005-501(11)/2-07-12	-do-	Payment of CNA incentive for CY 2011	1,770,000.00	-do-
2011-004-501 (10)/ 8-31-11	E. Lomigo et al.	Payment of CNA incentive for CY 2009	6,220,000.00	-do-
<u>Iloilo-Guimaras IMO</u>				
2015-01-501 IGIMO(13)/6-24-15	F. P. Colorado et al.	Payment of VIG for CY 2013	3,332,764.67	Filed before the Cluster Director, CGS Cluster 5
2012-001-501/10-15-12	-do-	Payment of CNA incentive for CY 2011	5,664,000.00	Filed before the COA Regional Director
2012-001-NDC/8-24-12	-do-	Payment of CNA incentive for CY 2010	512,693.84	-do-
2011-001-501 (10)/7-26-11	-do-	Payment of CNA incentive for CY 2009	6,990,000.00	-do-
2011-001-501/3-30-11	-do-	Payment of CNA incentive for CY 2010	465,000.00	-do-
<u>Antique IMO</u>				
2011-001-501 (10)/ 3-8-11	Jose R. Oredina et al.	-do-	50,000.00	-do-
<u>Aklan IMO</u>				
2015-001-501-(14)/ 6-10-15	Rodulfo S. Roque et al.	VIG 2013	622,000.00	Filed before the Cluster Director on November 25, 2015
2012-501-07-(09)/ 8-16-12	NIA officers and employees	CNA 2011	1,050,000.00	With Petition for Review
2012-501-06-(09)/ 8-16-12	-do-	CNA 2010	1,680,000.00	-do-
2012-501-05-(09)/ 8-16-12	-do-	CNA 2009	648,000.00	-do-
2012-501-04-(09)/ 8-16-12	-do-	CNA 2010	1,800,000.00	-do-
2012-501-03-(09)/ 8-16-12	NIA officers and employees	CNA 2009	570,000.00	With Petition for Review
2012-501-02-(09)/ 8-16-12	-do-	-do-	1,800,000.00	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2012-501-01- (08and09)/ 8-16-12	-do-	CNA 2008 and 2009	2,370,000.00	-do-
<u>CAPIZ IMO</u>				
2015-001-501- (14)/ 6-10-2015	Efren A. Bigcas et al.	Payment of VIG for CY 2013	186,727.00	
<u>Negros Occidental IMO</u>				
2018-008-501 (17)	NOIMO officers and employees	Payment of VIG for CY 2014	18,000.00	
2018-007-501 (17)	-do-	Payment of VIG for CYs 2014 and 2015	586,000.00	
2018-006-501 (17)	-do-	-do-	153,000.00	
2018-005-501 (17)	-do-	-do-	1,615,900.00	
2018-004-501 (17)	-do-	Payment of VIG for CY 2015	486,000.00	
2018-003-501 (17)	-do-	-do-	637,500.00	
2018-002-501 (17)	-do-	Payment of VIG for CY 2014	468,500.00	
2018-001-501 (17)	-do-	-do-	691,500.00	
2015-002-501 (07)/ 8-4-15	-do-	Payment of CNA for CY 2007	5,000.00	
2015-007-501 (14)/ 7-6-15	-do-	Payment of VIG for CY 2013	136,075.00	
2015-006-501 (14)/ 7-6-15	-do-	-do-	54,445.00	
2015-005-501 (14)/ 7-6-15	-do-	-do-	274,200.00	
2015-004-501 (14)/ 7-6-15	-do-	-do-	1,214,250.00	
2015-003-501 (14)/ 7-6-15	NOIMO officers and employees	Payment of VIG for CY 2013	214,000.00	
2015-002-501 (14)/ 7-6-15	-do-	-do-	573,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2015-001-501 (14)/ 7-6-15	-do-	Payment of VIG for CY 2012	850,000.00	
2015-008-501 (13)/ 7-6-15	-do-	-do-	104,848.70	
2015-007-501 (13)/ 7-6-15	-do-	-do-	107,120.00	
2015-006-501 (13)/ 7-6-15	-do-	-do-	595,985.00	
2015-005-501 (13)/ 7-6-15	-do-	-do-	81,000.00	
2015-004-501 (13)/ 7-6-15	-do-	-do-	911,400.00	
2015-003-501 (13)/ 7-6-15	-do-	-do-	452,000.00	
2015-002-501 (13)/ 7-6-15	-do-	-do-	610,000.00	
2015-001-501 (13)/ 7-6-15	-do-	-do-	425,000.00	
2014-007-501 (13)/ 6-19-14	-do-	-do-	221,000.00	
2014-006-501 (13)/ 6-19-14	-do-	-do-	276,000.00	
2014-005-501 (13)/ 6-19-14	-do-	-do-	507,000.00	
2014-004-501 (13)/ 6-19-14	-do-	-do-	507,000.00	
2014-003-501 (13)/ 6-19-14	-do-	-do-	195,000.00	
2014-002-501 (13)/ 6-19-14	-do-	-do-	585,000.00	
2014-001-501 (13)/ 6-19-14	-do-	-do-	702,000.00	
2014-006-501 (12)/ 4-15-14	-do-	Payment of CNA Incentive for CY 2011	17,000.00	
2014-005-501 (12)/ 4-15-14	NOIMO officers and employees	Payment of CNA Incentive for CY 2011	6,500.00	
2014-004-501 (12) / 4-15-14	-do-	-do-	272,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2014-003-501 (12)/ 4-15-14	-do-	-do-	160,000.00	
2014-002-501 (12)/ 4-15-14	-do-	-do-	576,000.00	
2014-001-501 (12)/ 4-15-14	-do-	-do-	480,000.00	
			65,248,268.61	
Total-CF-RO VI			P 66,300,311.84	

RO VII

I. NDs that attained its Finality (5 NDs)

2010-001-501 (09)/ 6-03-10	Modesto G. Membreve et al.	Unnecessary transactions as defined under COA Circular No. 85-55A and the payment thereof is in excess of its value	10,286.00	
2010-002-501 (09)/ 6-03-10	Modesto G. Membreve et al.	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	4,360.50	
2010-003-501 (09)/ 6-03-10	-do-	-do-	1,766.85	
2011-001-501 COB-(10)/ 2-07-11	Atty. Salvador D. Diputado et al.	Payment of retainer's fee contrary to Retainership Agreement	68,250.00	
2011-001-501 COB - (11)/ 5-19-11	-do-	Payment of Year End Bonus and Cash Gift contrary to Section 4 of DBM Budget Circular No. 2010-1	12,000.00	
			96,663.35	

II. NDs with Appeal Memorandum (20 NDs)

2015-002-501(14)/ 12-08-15	Nestor M. Pastor et al.	Payment of VIG has no appropriate legal basis	3,418,715.20	With Petition for Review
2015-001-501(13)/ 12-08-15	-do-	-do-	2,396,722.57	-do-
2015-002-501 RO-(14)/ 12-04-15	Diosdado A. Rosales et al.	-do-	4,601,733.91	With Petition for Review
2015-001-501 RO-(13)/	-do-	-do-	2,982,100.33	-do-

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
12-04-15				
2015-002-501 PIO-(14)/ 12-04-15	Norma M. Monisit et al.	-do-	2,263,041.96	-do-
2015-001-501 PIO-(13)/ 12-04-15	Diosdado A. Rosales et al.	-do-	2,579,093.76	-do-
2015-002(14)/ 12-02-15	Norma M. Monisit et al.	-do-	1,805,637.70	-do-
2015-001(13)/ 11-26-15	Diosdado A. Rosales et al.	-do-	2,166,472.00	-do-
2011-005-501 NDC - (10)/ 2-02-11	Maria Heddah M. Hilot et al.	Payment of overtime services is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	2,621.21	Filed by Olimpio J. Galagala Jr. et al
2011-004-501 NDC - (10)/ 2-02-11	Maria Heddah M. Hilot et al.	Payment of U/CA is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	8,000.00	-do-
2011-003-501 NDC - (10)/ 2-02-11	-do-	Payment of Productivity Incentive Benefit is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such claim is the RM of NIA, RO 10, Cagayan de Oro City	2,000.00	-do-
2011-002-501 NDC -(10)/ 2-02-11	-do-	-do-	14,085.24	-do-
2011-001-501 NDC -(10)/ 2-02-11	-do-	-do-	14,085.24	-do-
2011-004-501 NDC - (10)/ 2-02-11	-do-	-do-	9,246.64	-do-
2011-003-501 NDC - (10)/ 2-02-11	-do-	-do-	4,000.00	-do-
2011-002-501 NDC - (10)/ 2-02-11	Maria Heddah M. Hilot et al.	Payment of Productivity Incentive Benefit is irregular since the appointing authority as shown in Plantilla of Casual Appointment to support such	15,744.40	Filed by Olimpio J. Galagala Jr. et al

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
		claim is the RM of NIA, RO 10, Cagayan de Oro City		
2011-001-501 NDC- (10)/ 2-02-11	-do-	-do-	7,622.20	-do-
2010-002- 501(10) 9-16-10	Olimpio J. Galagala Jr. et al.	Payment of CNA incentive to those who perform managerial functions	25,000.00	-do-
2010-001- 501(10)/ 9-16-10	-do-	-do-	25,000.00	-do-
2010-001-501 COB- (10)/ 9-16-10	Modesto G. Membreve et al.	Payment of CNA incentive to those who are holding managerial positions	25,000.00	Filed by Olimpio J. Galagala Jr. et al
			22,365,922.36	
Total-CF -RO VII			P 22,462,585.71	

RO VIII

I. NDs that attained its Finality (32 NDs)

2012-001- F501COB (10)/ 4-4-12	Fermina Aling et al.	Payment of RATA	48,000.00	With COE issued and approved request for installment payment of ND
2012-002- F501COB (10) / 4-4-12	-do-	-do-	48,000.00	-do-
2012-003- F501COB (10) / 4-4-12	-do-	-do-	48,000.00	-do-
2012-004- F501COB (10)/ 4-4-12	-do-	-do-	48,000.00	-do-
2012-005- F501COB (10)/ 4-4-12	-do-	-do-	48,000.00	-do-
2012-006- F501COB (10)/ 4-4-12	-do-	-do-	48,000.00	-do-
2012-007- F501COB (10)/ 4-4-12	Fermina Aling et al.	Payment of RATA	48,000.00	With COE issued and approved request for installment

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
				payment of ND
2012-008-F501COB (10)/4-4-12	-do-	-do-	126,000.00	-do-
2012-009-F501COB (10)/4-4-12	-do-	-do-	42,000.00	-do-
2012-010-F501COB (10)/4-4-12	-do-	-do-	42,000.00	-do-
2012-011-F501COB (10)/4-4-12	-do-	-do-	35,000.00	-do-
2014-001-501(RO) 2012/1-14-14	-do-	Payment of RATA	2,160,000.00	With COE issued and approved request for installment payment of ND
2014-002-501(RO)2011/1-15-14	Romeo G. Quiza et al.	Payment of CNA CY 2011	2,543,500.00	-do-
2014-003-501(Leyte)201/1-17-14	Pedro C. Rubio, Jr. et al.	Payment of CNA CY 2012	1,530,000.00	-do-
2014-004-501(Leyte)201/1-17-14	-do-	Payment of CNA CY 2011	1,521,000.00	-do-
2014-005-501(NIS)2012/2-6-14	Cornelio M. Sevilla et al.	Payment of CNA CY 2012	2,700,000.00	-do-
2015-001-(15) 501 COB/9-22-15	Rizalina B. Gallarde et al.	Payment of Transportation Allowance	24,000.00	
2015-002-(15) 501 COB/11-5-15	Alejandro C. Culibar et al.	-do-	8,000.00	
2015-002-(15) 501 COB/1-28-16	-do-	-do-	8,000.00	
2017-002-501 (2016) LFP N. Samar/ 4-10-17	NIA officers et al.	Payment of penalties	8,928.00	
2017-004-501	-do-	-do-	600.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
(2016) LFP N. Samar / 5-8-17				
2017-010-501 (2016) LFP N. Samar / 5-10-17	-do-	-do-	2,976.00	
2017-020-501 (2007) RO / 6-22-17	Chona Abretil et al.	CNA CY 2007	585,000.00	
2017-005-501 (2016) / 7-3-17	Florie Ann Ymana et al.	Reimbursement of traveling expense	160.00	
2017-006-501 (2016) LFP N. Samar / 7-3-17	Estelita S. Sumile et al.	-do-	400.00	
2017-007-501 (2016) LFP N. Samar / 7-3-17	Samuel B. Palima et al.	Reimbursement of traveling expense	80.00	
2017-008-501 (2016) LFP N. Samar / 7-3-17	Ruby D. Lao et al.	Replenishment of Petty Cash Fund	1,354.00	
2017-009-501 (2016) LFP N. Samar / 7-3-17	Florie Ann Ymana et al.	Reimbursement of traveling expense	1,076.00	
2017-011-501 (2016) LFP N. Samar / 7-3-17	NIA officers et al.	Payment of surcharge and penalties	6,170.00	
2017-013-501 (2016) LFP N. Samar / 7-3-17	-do-	-do-	1,020.00	
2017-014-501 (2016) LFP N. Samar / 7-3-17	-do-	-do-	200.00	
2017-015-501 (2016) LFP N. Samar / 7-3-17	-do-	-do-	240.00	
			11,683,704	
II. NDs with Appeal Memorandum (44 NDs)				
2014-006-501(NIS)2011/ 2-12-14	Cornelio M. Sevilla et al.	Payment of CNA CY 2011	3,452,500.00	
2014-007-501(E. Samar)2012/ 1-14-14	Edgar M. Mercado et al.	Payment of CNA CY 2012	1,620,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2014-008-501(E. Samar)2011/2-18-14	-do-	Payment of CNA CY 2011	1,554,000.00	
2014-009-501(W. Samar)2011/2-20-14	Alejandro C. Culibar et al.	-do-	1,385,025.00	
2014-010-501(N. Samar)2011/2-21-14	Paquita C. Acebuche et al.	-do-	938,000.00	
2014-011-501(N. Samar)2012 / 2-21-14	Alejandro C. Culibar et al.	Payment of CNA CY 2011	1,062,500.00	
2014-012-501(W. Samar)2012/2-24-14	Amadeo R. Montejó et al.	Payment of CNA CY 2012	1,935,000.00	
2014-013-501(RO)2012/2-26-14	Romeo G. Quiza et al.	-do-	639,000.00	
2014-014-501(Leyte)201/2-26-14	Pedro C. Rubio et al.	-do-	450,000.00	
2014-015-501(E. Samar)2012/2-26-14	Edgar M. Mercado et al.	-do-	477,000.00	
2014-016-501(N. Samar)2012/2-26-14	Alejandro C. Culibar et al.	-do-	326,250.00	
2014-017-501(NIS)2012/2-28-14	Fermina B. Aling et al.	-do-	893,250.00	
2015-001-501(14) Leyte/3-17-15	Pedro C. Rubio et al.	VIG CY 2013	1,971,700.00	
2015-002-501(14) Leyte/3-17-15	Romeo G. Quiza et al.	-do-	600,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2015-003-501(14) Leyte/ 3-17-15	Amado O. Baclle et al.	-do-	540,000.00	
2015-004-501(14) Leyte/ 3-17-15	Ramil E. Yepes et al.	-do-	620,000.00	
2015-005-501(14) Leyte/ 3-17-15	Raquel Salceda et al.	-do-	360,000.00	
2015-006-501(14) Leyte/ 3-17-15	Fe N. Lumen et al.	-do-	260,000.00	
2015-007-501(14) Leyte/ 3-17-15	Emmanuel T. Tantoy et al.	VIG CY 2013	155,000.00	
2015-008-501(14) Leyte/ 3-17-15	Nemesio F. Fuentes et al.	-do-	180,000.00	
2015-009-501(14) Leyte/ 3-17-15	Cleofe R. Lagahit et al.	-do-	242,000.00	
2015-010-501(14) Leyte/ 3-17-15	Jerecho P. Caga et al.	-do-	25,000.00	
2015-011-501(14) Leyte/ 3-17-15	Felix M. Razo et al.	-do-	40,000.00	
2015-012-501(14) Leyte/ 3-17-15	Erdolfo B. Domingo et al.	-do-	30,000.00	
2015-013-501(14) Leyte/ 3-17-15	Dexter Patrocinio et al.	-do-	50,000.00	
2015-014-501(14) Leyte/ 3-17-15	Alberto P. Baloyot et al.	-do-	80,000.00	
2015-015-501(14) Leyte/ 3-17-15	Rebecca C. Malazarte et al.	-do-	200,000.00	
2015-016-501(13) Leyte/ 3-18-15	Pedro C. Rubio et al.	VIG CY 2012	1,800,000.00	
2015-017-	Antonio S. Nangel et	-do-	100,000.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
501(13) Leyte/ 3-18-15	al.			
2015-018- 501(13) Leyte / 3-18-15	Lorna Grace B. Rosario et al.	-do-	150,000.00	
2015-019- 501(13) Leyte/ 3-18-15	Erdolfo B. Domingo et al.	-do-	60,000.00	
2015-020- 501(13) Leyte/ 3-18-15	Efren R. Roquesa et al.	-do-	160,000.00	
2015-021- 501(13) Leyte/ 3-18-15	Mariano R. Catan, Jr. et al.	VIG CY 2012	30,000.00	
2015-022- 501(13) Leyte/ 3-18-15	Reynaldo E. Concordia et al.	-do-	10,000.00	
2015-023- 501(13) Leyte/ 3-18-15	Aniceta G. Paloma et al.	-do-	27,000.00	
2015-024- 501(13) Leyte/ 3-18-15	Romeo G. Quiza et al.	-do-	3,189,000.00	
2015-025- 501(13) Leyte/ 3-18-15	Fermina B. Aling et al.	-do-	50,306.00	
2015-026- 501(13) RO/ 3-18-15	Marina Labastida et al.	-do-	359,000.00	
2015-027- 501(13) RO/ 3-18-15	Cornello M. Sevilla et al.	-do-	124,000.00	
2015-028- 501(12) E. Samar/ 3-25-15	Edgar M. Mercado et al.	VIG CY 2011	164,297.50	
2015-029- 501(12) W. Samar/ 3-25-15	Amadeo Montejo et al.	-do-	195,000.00	
2015-030- 501(12) Leyte/ 3-31-15	Pedro C. Rubio, Jr. et al.	VIG CY 2011	995,200.00	
2015-031-	Estelita S. Sumile et	VIG CY 2012	1,258,500.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
501(13) N. al. Samar/ 4-16-15				
2015-032-501(2007) RO/ 7-10-15	Romeo G. Quiza et al.	CNA CY 2007	70,000.00	
			28,828,528.50	
Total-CF -RO VIII			P 40,512,232.50	
Total-CF -RO IX			P 12,144,578.80	No details provided in the ML

RO X

I. NDs that attained its Finality (8 NDs)

12-001-501-IRPEP-Paiwaig-11/8-28-12	Jimmy L. Apostol et al.	The payment of 10 days monetization of leave CY 2011 of Catherine A. Marcelo	3,935.64	No details provided
12-002-501-IRPEP-11/12-23-12	-do-	The payment of 10 days monetization of leave CY 2011 of Catherine A. Marcelo	4,050.36	-do-
12-003-501-IRPEP-11/12-23-12	-do-	Payment of 10 days monetization of leave for CY 2011 of Belna M. Acobo	9,796.00	-do-
12-004-501-IRPEP-Paiwaig CIS-11/12-28-12	-do-	Payment of cash advance for traveling expenses and per diems in attending NIAs 48th Anniversary at NIA CO on June 19-26, 2011	12,717.00	-do-
12-005-501-IRPEP-La Fortuna CIS-11/12-28-12	-do-	-do-	14,142.48	-do-
12-006-501-IRPEP-Paiwaig CIS-11/12-28-12	-do-	-do-	5,197.48	-do-
12-006-501-IRPEP-Paiwaig CIS-11/12-28-12	-do-	Payment of round trip plane ticket in attending NIA's 48 th Anniversary at NIA CO on June 19 and 25, 2011	6,127.00	-do-
2014-001-501-(2013)/ 1-13-14	Engr. Joecarnine L. Gubat et al.	Payment of NIA LAMISCA CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	4,613,472.00	For issuance of COE
			4,669,437.96	

II. ND with CGS Cluster 5 Decisions (1 ND)

2018-001-501-2016/ 3-31-18	Various NIA officers and employees	Payment of CNA 2016 to NIA Bukidnon IMO Employees	2,488,750.01	With Petition for Review
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ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
		without complete documentation		
III. NDs with Appeal Memorandum (8 NDs)				
2014-001-501 (2013)/ 1-1-14	Division Manager et al.	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000.00	1,957,000.00	With appeal
2015-001-501 (2013)/5-25--15	-do-	Payment of VIG for CY 2013	3,961,897.00	-do-
2015-002-501 (2014)/ 6-2-15	-do-	Payment of VIG for CY 2014	1,023,765.00	-do-
2014-501-001- (2013)/ 3-24-14	Various NIA officers and employee	Excessive CNA granted in 2012 paid to NIA-BIMO Employees	3,219,250.00	-do-
2015-002-501- (2013)/ 10-16-15	-do-	Payment of VIG for CY 2012 to NIA Bukidnon IMO Employees	3,349,874.30	-do-
2015-001-501- (2014)/ 6-16-15	Engr. Joecarnine L. Gubat et al.	Payment of VIG- NIA LAMISCA	4,541,000.00	-do-
2015-002-501- (2013)/ 8-17-15	-do-	-do-	2,869,700.00	-do-
2015-003-501- (2013)/ 8-17-15	-do-	-do-	147,118.00	-do-
			21,069,604.30	
Total-CF -RO X			P 28,227,792.27	

RO XI

I.NDs that attained its Finality (49 NDs)

NIA – RO XI

09-01-F501- NDC/ 12-29-09	NAFV Cuisine et al.	No details provided		1,711.20	No details provided
09-02-F501- NDC/ 12-29-09	Felix M. Razo et al.	-do-		240.00	-do-
09-03-F501- NDC/ 12-29-09	Edgardo Draculan et al.	-do-		448.00	-do-
09-05-F501- NDC/ 12-29-09	Felix M. Razo et al.	-do-		2,800.00	-do-
09-07-F501- NDC/ 12-29-09	Edgardo Draculan et al.	-do-		1,220.00	-do-
09-09-F501- NDC/ 12-28-09	Dane delos Santos et al.	No details provided		18,022.75	No details provided

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
09-10-F501-NDC/ 12-28-09	-do-	-do-	5,620.00	-do-
09-12-F501-NDC/ 12-28-09	Ticketshoppe Travel et al.	-do-	4,584.00	-do-
09-13-F501-NDC/ 12-28-09	-do-	-do-	5,534.00	-do-
09-14-F501-NDC/ 12-28-09	Edgardo T. Draculan et al.	-do-	400.00	-do-
09-02-F501-PNB/ 11-23-09	Dane delos Santos et al.	-do-	507.20	-do-
09-03-F501-PNB/ 11-23-09	-do-	-do-	1,832.97	-do-
09-04-F501-PNB/ 11-23-09	Virginia V. Reyes et al.	-do-	1,519.60	-do-
09-05-F501-PNB/ 11-23-09	Caridad K. Sison et al.	-do-	208.31	-do-
09-07-F501-PNB/ 11-23-09	Dane delos Santos et al.	-do-	4,626.36	-do-
09-08-F501-PNB/ 11-23-09	-do-	-do-	1,388.27	-do-
09-11-F501-PNB/ 11-23-09	-do-	-do-	3,513.34	-do-
09-12-F501-PNB/ 11-23-09	-do-	-do-	1,214.67	-do-
09-15-F501-PNB/ 11-23-09	-do-	-do-	1,003.07	-do-
09-16-F501-PNB/ 11-23-09	Caridad K. Sison et al.	-do-	622.58	-do-
09-17-F501-PNB/ 11-23-09	Aida Jaron et al.	-do-	519.49	-do-
09-18-F501-PNB/ 11-23-09	Estella Buenaventura et al.	-do-	1,631.63	-do-
09-19-F501-PNB/ 11-23-09	-do-	-do-	2,239.16	-do-
09-20-F501-PNB/ 11-23-09	Estella Buenaventura et al.	-do-	2,664.61	-do-
09-21-F501-PNB/ 11-23-09	Estella Buenaventura et al.	No details provided	1,773.96	No details provided

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
09-22-F501-PNB/ 11-24-09	Aida Jaron et al.	-do-	149.83	-do-
09-23-F501-PNB/ 11-24-09	Estella Buenaventura et al.	-do-	1,130.58	-do-
09-25-F501-PNB/ 11-24-09	-do-	-do-	2,451.02	-do-
09-26-F501-PNB/ 11-24-09	-do-	-do-	1,516.74	-do-
09-01-F501-LBP-LT/ 11-29-09	-do-	-do-	100,000.00	-do-
09-01-F501-PNB/ 11-18-09	Mario Brioniola et al.	-do-	6,644.85	-do-
09-06-F501-PNB/ 11-23-09	Dane delos Santos et al.	-do-	57.86	Deceased
09-14-F501-PNB/ 11-23-09	-do-	-do-	35,000.00	-do-
09-24-F501-PNB/ 11-24-09	Estella Buenaventura et al.	-do-	50,000.00	For deduction
09-27-F501-PNB/ 11-24-09	PNB et al.	-do-	100,000.00	No details provided
09-28-F501-PNB/ 11-24-09	Carlito Carrasco et al.	-do-	25,000.00	-do-
09-29-F501-PNB/ 11-24-09	NIA XI EMPCI et al.	-do-	550.00	-do-
09-36-F501-PNB/ 12-2-09	Manuel Rañeses et al.	-do-	2,400.00	-do-
09-37-F501-PNB/ 11-24-09	Alejandro Alberca et al.	-do-	40,000.00	-do-
09-38-F501-PNB/ 12-28-09	Luisa Antiga et al.	-do-	20,729.34	-do-
09-42-F501-PNB/ 12-28-09	Jetway Travel et al.	-do-	9,300.00	-do-
09-48-F501-PNB/ 12/28-09	Corazon P. Lirio et al.	-do-	100.00	-do-
12-001-501-(11)/ 1-18-12	PNB et al.	-do-	4,016.65	Issued dated September 30, 2015 COE
12-003-501-	E. Buenaventura et al.	No details provided	4,400.00	Issued COE

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
(11)/ 1-18-12				dated September 30, 2015
2015-501-001-(14)/ 1-12-15	Elpidio A. Carrasco et al.	-do-	9,475.28	With NFD; Issued COE dated September 13, 2017
2015-501-002-(14)/ 1-12-15	-do-	-do-	110,923.50	-do-
2015-501-003/ 9-18-15	NIARO XI officers and employees	CNA for CY 2012	3,666,000.00	-do-
2016-001-501(14)/ 6-20-16	Southern Banawe et al.	No details provided	56,000.00	-do-
NIARO-2018-001-501(COB)_VIG/ 11-21-18	NIA RO XI officers and employees	-do-	734,700.00	-do-
			5,046,390.82	

II. NDs with CGS Cluster 5 Decisions (16 NDs)

RO

09-08-F501-NDC/ 12-28-09	Dane delos Santos et al.	No details provided	93,000.00	With COA RO XI Decision No. 2015-13
09-11-F501-NDC-08/ 12-29-09	Ticketshoppe Travel et al.	-do-	5,239.72	With COA RO XI Decision No. 2015-14
09-54-F501-COB-LBP/ 12-28-09	NIA officers and employees	-do-	1,615,000.00	With COA RO XI Decision No. 2015-18
09-03-F501-LBP-LT-07/ 12-28-09	Alejandro Alberca et al.	-do-	375,000.00	With COA RO XI Decision No. 2015-18
09-40-F501-PNB/ 12-28-09	Ticketshoppe Travel et al.	-do-	8,608.00	With COA RO XI Decision No. 2015-14
09-43-F501-PNB/ 12-28-09	NIARO XI officers and employees	-do-	1,565,000.00	With COA RO XI Decision No. 2015-18
09-45-F501-PNB/ 12-28-09	Dane delos Santos et al.	-do-	450,000.00	-do-
09-50-F501-	Various payees	No details provided	1,135,000.00	With COA RO

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
PNB/ 12-28-09				XI Decision No. 2015-18
13-001-501-(11)/ 12-18-13	NIARO XI officers and employees	-do-	2,693,250.00	With CGS-5 Decision No. 2015-009
09-01-F501-POSTAL/ 12-28-09	Ticketshoppe Travel et al.	-do-	75,679.53	With COA RO XI Decision No. 2015-14
2015-004-501-(13)/ 10-20-15	Estela B. Buenaventura et al.	-do-	2,126,867.00	With CGS-5 Decision No. 2016-007
				With Petition for Review to the Commission Proper (CP) on March 20, 2016
2015-005-501-(14)/ 10-20-15	-do-	-do-	1,588,500.00	With CGS-5 Decision No. 2016-007
				With Petition for Review to the Commission Proper (CP) on March 20, 2016
<u>IMO - DVO DEL SUR</u>				
2013-001-501(DDS)-(12)/ 9-9-13	No details provided	-do-	1,563,250.00	With CGS-5 Decision No. 2015-009
2015-002-501(DDS)-(13)/ 10-20-15	Annie V. Rodriguez et al.	-do-	1,077,500.00	With CGS-5 Decision No. 2016-058
2015-003-501(DDS)-(14)/ 10-20-15	-do-	-do-	1,485,500.00	-do-
2016-001-501(DDS)-(13)/ 6-15-16	No details provided	-do-	173,000.00	-do-
			16,030,394.25	
III. NDs with Appeal Memorandum (2 NDs)				
<u>IMO - DVO DEL SUR</u>				
NIA-DDSUr-2018-001_VIG/ 11-21-18	Annie V. Rodriguez et al.	No details provided	956,000.00	Filed by IMO - Davao del Sur employees
			2,571,750.00	

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
Total-CF -RO XI			P 23,648,535.07	

RO XIII

I. NDs that attained its Finality (11 NDs)

17-001-101- (16)	Mr. Orlando L. Labarinto et al.	Labor services under Pakyaw Contracting System in excess of the P500,000.00 limit	45,267.07	With NFD dated 1-28-2019 and COE dated 2-4-2019. Filed Petition for Review on the decision
12-003-101- (12)	NIA Caraga officers and employees	No details provided	2,547,151.67	For further verification by the Audit Team
No details provided	-do-	-do-	296,481.86	-do-

Agusan del Sur IMO

2014-004-501 (13)/ 4-21-14	Escalante, Carlito et al.	Payment of CNA Incentive to qualified officers and employees of NIA-ADS-IMO, Rosario, Agusan del Sur for CY 2012 exceeded the DBM prescribed ceiling of P 25,000 per employee	32,750.00	Pending action on appeal received by COA-NIA Regional Office last November 5, 2014
2014-005-501 (13)/ 4-21-14	Abao, Ronnie et al.	-do-	4,380,750.00	-do-
2015-001-501- COB/ 10-01-15	Amon, Ferdinand et al.	No appropriate legal basis in the payment of VIG for Calendar Year 2013 granted in 2014	828,000.00	For issuance of NFD and COE
2015-002-501- COB/ 10-01-15	Pablo, Peter et al.	-do-	390,000.00	-do-
2015-003-501- COB/ 10-01-15	Severino, Efren et al.	No appropriate legal basis in the payment of VIG for Calendar Year 2013 granted in 2014	41,000.00	-do-
2015-004-501- COB/ 10-01-15	Sanchez, John Marvin et al.	No appropriate legal basis in the payment of VIG for Calendar Year 2013 granted in 2014	191,000.00	-do-
2015-005-501- COB/ 10-01-15	Maranan, Claro et al.	-do-	174,000.00	-do-

Surigao del Sur IMO

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
2018-11-001/ 11-26-18	No details provided	Non-submission of justification and/or authority to charge meals and snacks at different dates and the purpose why the meals were served and to whom it was served	8,135.40	Settled under NSSDC No. 2019-02-001 February 18, 2019
			8,934,536.00	

II. NDs with CGS Cluster 5 Decisions (3 NDs)

SDS IMO

2014-001-501 (13)/ 4-21-14	Abay-abay, Sr. S. et al.	Jeamie, Payment CNA Incentive for the CY 2012	1,283,000.00	With CGS 5 Decision No. 2015-015 dated October 30, 2015
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RO

2014-002-501- (13)/ 4-21-14	Hyrain A. Abala et al.	-do-	3,853,000.00	-do-
2014-003-501- (13)/ 4-21-14	Chopel Gallos et al.	-do-	3,830,750.00	-do-
			8,966,750.00	

III. NDs with Appeal Memorandum (2 NDs)

RO

2015-01-101- (12)/ 1-15-15	Modesto G. Membreve et al.	Excessive payment to Contractor net of tax	1,064,016.82	Appeal filed before the CGS Cluster 5 Director
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Surigao del Sur IMO

2015-001-501 (14)/ 6-09-15	Victor L. Alegario et al.	Payment of VIG to the NIA SDS IMO, NIA Regional Office No. 13 and NIA Central Office officers and employees for Calendar Year 2013 granted in 2014	1,638,000.00	
			2,702,016.82	
Total-CF -RO XIII			P 20,603,302.82	
Total (Corporate Fund)			P 886,523,555.43	

C. Special Fund

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
<u>Central Office</u>				
I. NDs that attained its Finality (5 NDs)				
2014-011-158(10)/05-23-2014	CARP-IC officers and employees	Payment of CNA Signing Bonus to NIA CARP officers and employees is contrary to existing rules and regulations	1,200,000.00	With NFD dated November 19, 2015 and COE dated March 13, 2016
14-010-158(10)/05-23-2014	-do-	-do-	1,200,000.00	With NFD dated November 9, 2015 and COE dated January 22, 2016
14-009-158(09)/05-23-2014	-do-	-do-	522,000.00	With NFD dated February 23, 2016
13-005-158(12)/05-21-2013	Assistant Project Manager et al.	RATA in excess of GAA prescribed rates	1,500.00	With NFD dated November 5, 2018 and COE dated November 26, 2018
11-001-158(08-07)/04-25-2011	Former Project Manager et al.	Payment of honorarium to NIA CARP officers.	509,468.25	With COE dated October 19, 2015
			3,432,968.25	
II. NDs with CGS Cluster 5 Decisions (2 NDs)				
2014-016-158(12)/06-25-2014	NIA officers and employees	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	473,613.08	With CGS 5 Decision No. 2017-016 dated January 14, 2017. With NIA Petition 2017-03 dated April 19, 2017
2016-002-158/08-04-16	ARISP III officers and personnel	Monetary remuneration of overtime is contrary to CSC-DBM J.C. No. 2 dated 10/04/04	44,991.04	
			518,604.12	
III. NDs with Appeal Memorandum (3 NDs)				
10-003-158(09)/04-27-2010	NIA officers and employees	Payment of CNA	60,000.00	Validation of settlement of disallowance is

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
10-002-158(09)/04-27-2010	NIA officers and employees	Payment of CNA	60,000.00	on-going Validation of settlement of disallowance is on-going
10-001-158(09)/03-22-2010	Former Accounting Processor A et al	-do-	418,069.02	Validation of settlement of disallowance thru salary deduction submitted by Management is on-going
			538,069.02	
Total-SF -CO			P 4,489,641.39	

CAR

I. ND that attained its Finality (1 ND)

12-02-158-11/06-05-2012	NIA officers and employees	Grant of CNA incentive for CY 2011	55,000.00	Disallowance affirmed under COA-CAR Decision No. 2015-044 dated July 20, 2015
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II. NDs with Appeal Memorandum (2 NDs)

12-011-158-11/01-11-13	NIA officers and employees	Actual accomplishment of the project is only 75.64% and excessive project cost	202,027.47	
12-012-158-11/01-11-13	NIA officers and employees	Actual accomplishment of the project is only 53.74%	227,842.00	
			429,869.47	
Total-SF -CAR			P 484,869.47	

ROI

I. NDs with CGS Cluster 5 Decision (2 NDs)

La Union IMO

2013-01-158(12)/02-11-2014	Division Manager et al.	Payment of CNA Incentive for CY 2012 is in excess of the DBM prescribed ceiling of P25,000	39,000.00	Affirmed under COA Decision No. 2015-015 dated October 30, 2015
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Pangasinan IMO

2013-01-158(12)/12-27-2013	-do-	Payment of CNA Incentive for CY 2012 is in excess of the DBM prescribed ceiling of P25,000	78,000.00	-do-
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ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
Total-SF -RO I			P 117,000.00	
<u>RO IV-A</u>				
I. NDs with Appeal Memorandum (2 NDs)				
Region IV-A 13-005-501/ 10-16-2013	NIA officers and employees	Payment of CNA incentives	90,000.00	
Region IV-A 13-006-501 10-18-2013	-do-	-do-	60,000.00	Petition for Review before COA CP
Total-SF -RO-IV-A			P 150,000.00	
<u>RO VI</u>				
I. NDs that attained its Finality (2 NDs)				
Region VI Various NDs	NIA officers and employees	Excessive claims of per diem	7,924.00	With NFD dated August 20, 2018
Region VI 2013-001- 158(12)/ 01-02-2013	NIA-Antique officers employees	IMO and Salary of casual employee	76,331.42	With NFD dated October 9, 2018
			84,255.42	
II. NDs with Appeal Memorandum (3 NDs)				
12-009-158/ 07-31-2012	NIA officers and employees	Payment of CNA incentives for CYs 2006, 2008, 2010	98,000.00	Filed before the CGS Cluster 5 Director
11-008-158/ 02-18-2011	-do-	-do-	50,000.00	-do-
11-007-158/ 11-12-2009	-do-	-do-	150,000.00	Filed before the COA Regional Director
			298,000.00	
Total-SF-RO-VI			P 382,255.42	
<u>RO XI</u>				
I. NDs that attained its Finality (3 NDs)				
09-01-F158- MINSSAD/ 11-25-2009	NIA officers and employees	Unauthorized grant of honorarium from MINSSAD for CY 2008	240,076.47	With COA RO XI Decision No. 2015-05
09-03-F158- MINSSAD/ 11-25-2009	Jetway Travel et al.	Absence of boarding pass in lieu of plane tickets. The suspension matured into disallowance	29,909.00	Covered by COE dated February 18, 2015

ND No./Date	Persons Liable	Reason for Disallowance	Amount	Status/Remarks
09-04-F158- MINSSAD/ 11-25-2009	Former NIA CO officers and employees	-do-	13,729.32	Retired
			283,714.79	
II. NDs with Appeal Memorandum (2 NDs)				
09-05-F158- MINSSAD/ 11-25-2009	Region XI officers and employees	No certification from the Accounting Division of NIA CO	7,560.00	
09-06-F158- MINSSAD/ 11-25-2009	-do-	-do-	7,560.00	
			15,120.00	
Total-SF-RO-XI			P 298,834.79	
<u>RO XIII</u>				
I. NDs that attained its Finality (1 ND)				
2012-005- GOP3 (2012) (SDS IMO)	Region XIII officers and employees	Overpayment of wages	2,280.81	For issuance of NFD
II. NDs with Appeal Memorandum (1 ND)				
2012-006- 158(11)	Region XII officers and employees	Payment of CNA incentive	10,000.00	
Total-SF-RO-XIII			P 12,280.81	
Total (Special Fund)			P 5,934,881.88	
Grand Total (All Funds)			P3,067,292,985.13	

**STATUS OF UNSETTLED AUDIT CHARGES
As of December 31, 2018**

NC No./Date	Persons Liable	Nature/Particulars	Amount	Status/Remarks
General Fund-Central Office				
2016-001-102/ 4-06-2016	Various contractors	Non-forfeiture of bid P security	1,200,000.00	With appeal filed by Modesto G. Membreve et al.
			1,200,000.00	
Corporate Fund				
<u>RO I</u>				
La Union IMO				
NC 11-001-501(11) / 06/03/2011	NIA LUIIMO Employees and IA Collectors	Under-remittance of Irrigation Fees	189,892.42	With appeal
<u>RO II</u>				
15-001-501-(14-15) 4/7/2015	Froilan C. Ramirez, Supervising IDO et al.	Non-collection of quarters' rental from Feb. 2013 to March 2015	1,660.00	Issued NFD on March 14, 2018
15-001-501-(2015) CBIMO 10/1/2015	-do-	Non-collection of quarters' rental from April to September 2015	13,000.00	-do-
16-001-501-(2013) CBIMO 5/27/2016	Engr. Benjamin N. Rivera, BAC Chairman et al.	Underpayment of bid documents	5,000.00	-do-
16-002-501 (2013) 6/21/2016	-do-	Underpayment of bid documents	12,000.00	-do-
			31,660.00	
<u>RO X</u>				
NC Nos. 04-01- 043 (17) 02- Dated 03- 4/17/18	Various payees	Payment of house rental	509,261.32	No Appeal/ Settled in 2019
Total - CF			730,813.74	
Total - All Funds			P 1,930,813.74	

**STATUS OF UNSETTLED AUDIT SUSPENSIONS
As of December 31, 2018**

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
<u>General Fund (GF)-Central Office (CO)</u>				
2016-014-102/ 11-07-2016	Former NIA Administrator et al.	Lack of supporting documents for payment of Final Progress Billing No. 34 (Loan Proceeds Portion) for Contract No. ARIP-C-1 Re-regulating Pond Facilities for the Agno River Integrated Irrigation Project	US\$ 3,863,966.92	Documents partially submitted Evaluation of submitted documents on-going
			US\$ 3,863,966.92	
2017-003-101/ 12-20-2017	Acting Manager, Financial Management Department et al.	Lack of supporting documents for payment of one (1) unit Truck Tractor, 6x4 with 25 tons Low Bed Trailer for Contract No. PIDPN-S-6 for the Participatory Irrigation Development Project	P 14,500,000.00	Documents submitted for further review
2017-002-102/ 12-20-2017	Deputy Administrator for Administrative and Finance (DAAF) et al.	Lack of supporting documents for payment of two (2) units Hydraulic Excavator Model EW 145 wheel Type, 0.60 cu.m for Contract No. PIDPN-S-5R for participatory Irrigation Development Project	11,700,000.00	-do-
2017-001-102/ 10-13-2017	Acting Deputy Administrator for Engineering Operations (DAEO) et al.	Lack of supporting documents for payment of one (1) unit Hydraulic Excavator, Crawler Mounted, 0.70m Bucket capacity, Make/Model: Volvo/EC 210B and One (1) Unit Hydraulic Excavator, Crawler, Swampy, Long Reach 0.40m Bucket Capacity, Make/Model: Volvo/EC 210BLR for Contract No. NISIPD-S-3	13,365,000.00	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2016-015-102/ 11-10-2016	Former Administrator et al.	NIA Lack of supporting documents for payment of 7.5% Advance Payment (GOP and LP Portions) for Contract No. NISRIPD-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 (NISRIP)	6,959,368.66	For review
2016-012-102/ 10-20-2016	-do-	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	102,231,169.74	Issued NSSDC No. 2019-03-General Fund dated March 2, 2019
2016-011-102/ 10-7-2016	-do-	Lack of supporting documents for payment of Progress Billing No. 7/final for Contract No. SPISP-C-3 Construction of Binalawan Concrete Buttress Dam	15,248,418.51	Documents submitted for further review
2016-010-102/ 8-12-2016	DAEO et al.	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	28,404,551.91	-do-

NS No./Date	Persons Responsible		Nature of Suspension	Amount	Status/Remarks
2016-009-102/ 6-16- 2016	Former Administrator et al.	NIA	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	10,292,166.13	Documents submitted under evaluation specifically on the validity of time extension granted
2016-007-101/ 4-19-2016	Acting DAEO et al.		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.	41,348,369.06	Documents submitted for further evaluation
2016-006-101/ 3-18-2016	Former Administrator et al.	NIA	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	36,211,858.85	-do-
2016-005-101/ 3-3-2016	-do-		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	14,386,661.12	-do-

NS No./Date	Persons Responsible		Nature of Suspension	Amount	Status/Remarks
			dia., 45 HP Pump and Accessories		
2016-002-101/ 2-16-2016	DAEO et al.		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	18,268,619.72	Documents submitted for further evaluation
2016-001-101/ 1-21-2016	Former Administrator et al.	NIA	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	64,762,316.44	Documents submitted for further evaluation
2015-008-102/ 12-2-2015	DAEO et al.		Lack of supporting documents for the payment Final Progress Billing of Consultancy Services on Construction Supervision and Quality Assurance	77,272.73	For issuance of NSSDC
2014-033-101/ 12-11-2014	Former Administrator et al.	NIA	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	1,925,059.51	For issuance of Notice of Disallowance

NS No./Date	Persons Responsible		Nature of Suspension	Amount	Status/Remarks
2014-032-102/ 11-10-2014	-do-		Lack of supporting documents for the advance payment of Contract No. SRIPD-C-22, Construction of Upper Tabuating and its Appurtenant Structures	33,021,447.07	Documents submitted for further evaluation
2014-031-102/ 11-10-2014	Acting DAEO et al.		Lack of supporting Documents for the payment of Progress Billing (PB) 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	23,232,164.88	Documents submitted for further evaluation
2014-030-101/ 9-22-2014	Former Administrator et al.	NIA	Lack of supporting documents for the partial advance payment of Contract No. SRIPD-C-18 Construction of Marimay Earthfill Dam and its Appurtenant Structures	22,342,252.03	Documents submitted for further evaluation.
2014-029-102/ 9-22-2014	Acting DAEO et al.		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	7,943,368.97	-do-
2014-028-101/ 9-22-2014	Former Administrator et al.	NIA	Lack of supporting documents for the advance payment of Consultancy agreement for the Upgrading of Parcellary Maps of Selected National	1,460,325.30	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
		Irrigation System		
2014-027-102/ 9-18-2014	Former Acting Deputy Administrator	Lack of supporting documents for the partial advance payment of Contract No. PIDP5-C-THIRISN-1r Rehabilitation of Tigman-Hinagyanan-Inarihan Rivers Irrigation System	13,128,635.51	-do-
2014-026-101/ 9-16-2014	Former Administrator et al.	NIA Lack of supporting documents for the advance payment of Provision of Technical Assistance for the Climate Change Vulnerability Mapping Project (CCVMP)	13,728,181.83	-do-
2014-025-102/ 9-16-2014	Acting DAEO et al.	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	8,924,880.31	With NSSDC No. 2019-02-General Fund dated March 6, 2019 Matured into disallowance under ND No. 2017-014-102 dated December 20, 2017
HCAAP 2014-001 (12)/ 8-28-2014	Deputy Administrator for Administrative and Finance (DAAF) et al.	Incomplete submission of supporting documents the payments of PBs of Consultancy Services Contract in the implementation of the Help for Catubig Agricultural Advancement Project	8,891,600.99	Documents submitted for further evaluation
2014-022-102/ 07-15-2014	Former Administrator NIA Administrator et al.	Lack of supporting documents for the payment of 15 per cent mobilization fee of Contract No. SRIPD-C-20 for the Construction of Ibato-Iraan Earthfill Dam and Appurtenant Structures under Small Reservoir	68,224,695.34	For issuance of NSSDC

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
Irrigation Project (SRIP)				
2014-020-102/ 6-23-2014	-do-	Lack of supporting documents for the Supply Delivery of Surveying Instruments under the National Irrigation Sector Rehabilitation and Improvement Project	3,710,000.00	Documents submitted for further evaluation
2014-016-101/ 5-6-2014	Former Administrator NIA Administrator et al.	Lack of supporting documents for the payment of Undertaking of the Detailed Engineering Design of Balog Balog multipurpose Project Phase II	14,932,562.16	Certificate of final acceptance not submitted. For issuance of ND
2014-015-101/ 5-6-2014	-do-	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	8,584,227.00	-do-
2014-014-101/ 5-2-2014	-do-	Lack of supporting documents for the payment of Feasibility Study and Detailed Engineering Design of Tumauni River Multipurpose Project	21,446,960.31	-do-
2014-013-101/ 4-30-2014	-do-	Lack of supporting documents for the payment of Feasibility Study of Sapalan River Irrigation Project	10,748,729.83	-do-
2014-012-101/ 4-11-2014	-do-	Lack of supporting documents for the payment of Feasibility Study of Ilaguen Multipurpose Irrigation and Power Project	25,659,406.23	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2014-011-101/ 4-11-2014	-do-	Lack of supporting documents for the payment of Feasibility Study of Gandara River Basin Irrigation Project	19,998,848.51	-do-
2014-001-101 (13)/ 1-9-2014	-do-	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	40,971,251.80	Documents submitted for further evaluation
2014-003-101 (13)/ 1-22-2014	DAEO et al.	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	6,037,604.65	Documents submitted for further evaluation.
2014-004-101 (13)/ 1-22-2014	-do-	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP11-C-BRISN-1	5,703,508.77	With NSSDC No. 2019-01-General Fund dated March 5, 2019
2014-005-101 (13)/ 1-22-2014	-do-	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP2-C-NVBISN-1R	11,171,650.38	For issuance of NSSDC
2014-007-101 (13)/ 1-24-2014	-do-	Lack of supporting documents for the payment of Contract No. PIDP2-C-ZRISI-1R	4,254,200.18	Documents submitted for further evaluation
2014-008-101 (13)/ 2-5-2014	-do-	Lack of supporting documents for the payment of Contract No. PIDP2-C-BCISN-1R	9,811,452.27	-do-

NS No./Date	Persons Responsible		Nature of Suspension	Amount	Status/Remarks
2014-009-102 (13)/ 2-19-2014	Former Administrator et al.	NIA	Lack of supporting documents for the settlement of Progress Billing No. 33 (GOP Portion) Contract No. ARIIP-C-1 Re-regulating pond facilities of Agno River Irrigation Project	27,140,711.89	For issuance of NSSDC
2014-010-102 (13)/ 2-19-2014	DAEO et al.		Lack of supporting documents for the seminar-workshop conducted	197,500.00	Documents submitted for further evaluation
2013-004-101(12)/ 4-29-2013	Former Administrator et al.	NIA	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	39,078,014.61	Documents submitted for further evaluation
2013-003-101(11)/ 4-22-2013	-do-		Lack of documents to support the time extensions granted for the payment of Contract No. SJPIP-C-1	42,016,752.06	With NSSDC No. 2017-005-101 dated March 27, 2017
2013-006-102 (13)/ 8-2-2013	-do-		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. ARIIP-C-1.	4,614,325.52	For issuance of NSSDC
12-017-101(11)/ 11-26-2012	Manager, Engineering Department et al.		Lack of supporting documents for payment of lodging fees of NIA officials	48,093.75	Documents submitted for further evaluation
12-016-101 (11)/ 11-26-2012	Acting DAEO et al.		Lack of supporting documents for payment of lodging fees of NIA officials	26,550.00	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
12-015-101 (11)/ 12-4-2012	Manager, Institutional Development Division (IDD) et al.	Lack of supporting documents for the payment of meals and accommodation of Irrigators Association National Congress	433,625.00	For issuance of NSSDC
12-012-101 (11) / 6-25-2012	Acting DAEO et al.	Non submission of documents to support the payment of Monetary Incentives for CY 2010 National Level Outstanding Irrigators Association both CIA and NIA	150,000.00	-do-
12-011-101(11) / 6-25-2012	Manager, IDD et al.	Non submission of documents to support the payment of meals and accommodation spent during the Irrigators Association National Congress	214,625.00	For issuance of NSSDC
11-007-102 (07)/ 11-29-2011	Former Administrator et al.	NIA 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)	34,538,860.49	For review of the Audit Team
11-004-102 (11)/ 09-21-2011	-do-	Payment of Progress Billing No. 5 for the Contract No. SPISP-C-3 Construction of Binalawan Concrete Butress Dam and Appurtenant Facilities	858,675.92	-do-
Total GF-CO			P 912,926,520.94	

CAR

Regional Office (RO)

15-001-101- (10)/ 7-24-2015	J. Socalo-Regional Manager et al.	Pertinent documents to support the disbursements for the Repair/Rehabilitation/R estoration of various CIS located at Benguet	P 1,733,628.34	<p>Matured into disallowance</p> <p>For issuance of ND</p>
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NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
<u>Kalinga and Ifugao IMO</u>				
2018-002-501 LFP-(17) KIMO/ 11-29-2018	Regional Manager et al.	Incomplete documents to support the payment of the completed Rehabilitation of Bun-ayan Bago CIS-01-2016, Lubuagan, Kalinga	2,594,852.95	Unsettled, NS was received by the persons liable on December 13 - 14, 2018
2018-001-501 LFP-(17) KIMO/ 5-22-2018	-do-	Incomplete documents to support the payment of the completed Rehabilitation of Bun-ayan Bago CIS-01-2016, Lubuagan, Kalinga	44,423,373.26	-do-
17-004-501 LFP-(13-14) KIMO/ 11-14-2017	Regional Manager, Division Manager et al.	Incomplete documents to support the payments of the implemented projects at KIMO	80,771,896.33	Partial settlements of P3,075,580.51 on NSSDC No. 18-001 dated May 24, 2018
2017-002-101- (11-12) KIMO/ 11-13-2017	Chief Corporate Accountant et al.	Incomplete documents to support the payment of the Rehabilitation of the Lamut CIS, Lamut, Ifugao	1,202,694.94	Matured into disallowance For issuance of ND
12-004-101- (11)/ 7-20-2012	Division Manager et al.	Incomplete documents to support payment of the Protection Works	34,352.58	-do-
			129,027,170.06	
			P 130,760,798.40	

ROI

2011-001 NIA/ 1-26-2011	John Celeste et al.	Payments of Right of Way (ROW)	P 2,332,543.47	NS for further verification of the Audit Team
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RO II

Cagayan – Batanes IMO

2017-001- PIDP (2016) 1-12-2017	Engr. Francis C. Yu et al.	-do-	687,489.18	On-going review of submitted documents
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NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2017-002-PIDP (2016) 1-23-2017	-do-		68,672.80	-do-
2017-003-PIDP (2016) 1-24-2017	-do-	-do-	468,100.95	-do-
2017-004-PIDP (2016) 1-24-2017	-do-	-do-	43,000.00	-do-
			P 1,267,262.93	
<u>RO V</u>				
2016-003-(16) 5-12-2016	Sandra I. Salva et al	Absence of documents that would justify the payment for the parcel of land affected by the construction of SIBAGAT SRIP	95,107.20	With NSSDC No. 19-002/NS 2016-003 (16) dated April 29, 2019
12-001-101 (12)/ 05-09-2012	Engr. William P. Ragodon et al.	The project was 36.10% above COA estimate and 26.10% above authorized limit	459,700.87	
12-002-101 (12)/ 05-09-2012	-do-	The project was 19.78% above COA estimate and 9.78% above authorized limit	89,975.28	
12-008-101/ 10-01-2012	-do-	The project was only 87.46% completed per Technical Inspection Report rendered by the COA Technical Inspector. The computation of the cost disclosed overpayment of P321,928.49	321,928.49	
12-009-101/ 10-03-2012	-do-	The project was 20.26% above COA estimate and 10.26% above authorized limit	136,472.77	
12-011-101/ 11-05-2012	-do-	Audit suspension of payments for long overdue projects which have incurred more than 10% slippage.	4,902,538.59	
12-012-101/ 11-05-2012	-do-	-do-	3,758,313.48	

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
			P 9,764,036.68	
<u>RO VI</u>				
09-002-101- (09) 11-13-2009	G. Abuzo et al.	Lack of supporting documents	98,000.00	For issuance of ND
09-001-101 (09)/ 11-13-2009	-do-	-do-	112,506.00	-do-
09-002-102- (09)/ 11-13-2009	-do-	Conduct of training-lacks supporting documents	80,793.75	-do-
09-001-102 (09)/ 11-13-2009	G. Abuzo et al.	Conduct of training lacks supporting documents	112,031.25	For issuance of ND
			403,331.00	

Iloilo – Guimaras IMO

2010-002-101 10-14-2012	F. Colorado et al.	Lack of supporting documents	268,195.11	-do-
11-003-101 06-08-2011	-do-	Lack of Authority to Disburse	4,544,858.14	-do-
11-002-101 03-07-2011	-do-	Payment of Collective Negotiation Agreement (CNA) Incentive for CY 2010	295,000.00	-do-
2010-001-101 10-15-2010	-do-	Lack of supporting documents	28,960.72	-do-
			5,137,013.97	
			P 5,540,344.97	

RO VIII

2016-002-101 (2015) N. Samar/ 1-14-2016	Noel Dosmanos et al.	Official receipts supporting the transactions were not registered with BIR; necessary document/s for travelling expenses	4,610.00	Unsettled
2017-007-101 (2016) Regular N. Samar/ 4-10-2017	Ryan R. Castillo et al.	Lacking necessary document/s to support travelling expenses	1,580.00	-do-
2017-008-101	Emil G. Tuella et al.	-do-	1,750.00	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
(2016) Regular N. Samar/ 4-10-2017				
2017-009-101 (2016) Regular N. Samar/ 4-10-2017	Heredutos G. Salvado et al.	-do-	1,810.00	-do-
2017-010-101 (2016) Regular N. Samar/ 4-10-2017	Francis Mark H. Doniña et al.	-do-	2,470.00	-do-
2017-011-101 (2016) Regular N. Samar/ 4-10-2017	Cristita S. Baguhin et al.	-do-	1,100.00	-do-
			P 13,220.00	

RO X

RO

2015-001-101- 2013/ 3-2-2015	Felix M. Razo et al.	Unsubmitted supporting documents for Contract project with L-Beths Construction under Contract Ref. No. CW-BUK-CF (PABLO)-2013-PULRIS-NEGO	16,966,788.82	Unsettled
2014-001-101- 2013/ 10-9-2014	-do-	Unsubmitted supporting documents for Contract project with L-Beths Construction for Manupali River IS	22,570,512.00	-do-

LAMISCA IMO

2016-001-101 (2015)/ 2-16-16	Engr. Joecamine L. Gubat et al.	Unsubmitted payrolls and supporting documents	388,329.78	For issuance of ND
			P 39,925,630.60	

RO XI

09-07-F101- 09/ 12-1-2009	Davao del Sur PIO officers and employees	Lacking of supporting documents-acknowledgement	P 139,500.00	Unsettled
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NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
receipt of equipment				
<u>RO XIII -Caraga</u>				
<u>RO</u>				
14-001-101- (14)/ 5-26-2014	L. Magbunal et al	No details provided	13,400.48	NS for verification by the Audit Team
14-002-101- (14)/ 5-26-14	J. Estella et al.	-do-	9,470.40	-do-
12-003-101 (12)/ 11-19-2012	No details provided		18,002.00	-do-
12-006-101 (12)/ 12-10-2012	No details provided		495,062.43	
			535,935.31	

ADS-IMO

17-001-101- (17)	Engr. Salome Layasan et al.	N. Payment of per diems for the 1st 30 days for transfer from NIA Region XIII, Butuan City to NIA Surigao del Norte Satellite Office without appropriate legal basis	12,000.00	Submitted documents for validation by the Audit Team
			P 547,935.31	
Total GF (In Pesos)			P 1,103,217,793.30	
Total GF (In US\$)			US\$ 3,863,966.92	

II. Corporate Fund (CF)-CO

2017-002-501/ 04-06-2017	Former Deputy Administrator for Administrative and Finance (DAAF) et al.	Payments made to M8 Manpower Services for the supply of janitorial services lacked supporting documents	6,428,688.47	Issued NSSDC No. 2019-001-501 dated January 11, 2019
2017-001-501/ 01-25-2017	Officer-in-Charge (OIC) DAEO et al.	Non-submission of documents as prescribed by COA Circular No. 2012-001, COA Circular No. 2009-001, and the Revised IRR of RA No.	84,602,307.75	Documents submitted in compliance with the suspension are under evaluation

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
		9184		
2015-003-501/ 11-04-2015	Former Administrator et al.	NIA Lack of supporting documents necessary for auditorial review of payments of contract No. NIACO-S-2R	29,200,000.00	Issued ND No. 2016-002-501 dated April 25, 2016
2015-002-501/ 10-08-15	-do-	Deficiency of Supporting documents in the Construction of Umayam Diversion Dam & its Appurtenant structures, Contract No. UMRIPD-C-1	173,036,646.04	Issued ND No. 2017-01-501 dated June 23, 2017
2015-001-501/ 08-28-15	Former DAAF et al.	Lack of supporting documents necessary for the auditorial review of the payment of janitorial services	878,355.13	Issued NSSDC No. 2019-002-501 dated 2.12.2019
			294,145,997.39	

CF- NIACI

2014-003-NIACI/ 02-19-14	NIACI officers and employees	Release of retention fee was not supported with complete documentation.	21,000.00	Matured into disallowance For issuance of ND
2013-008-NIACI (12)/ 08-27-13	-do-	Incomplete documents to support payment of remuneration of Consultants for CY 2012.	21,865,927.40	Management submitted documents which are still under evaluation by the Audit Team
10-048-NIACI (09)/ 06-02-10	-do-	Non-submission of the contract of car rental and other supporting documents.	136,880.00	NS for further verification of the Audit Team
10-033-NIACI (09)/ 05-28-10	-do-	Non-submission of original documents relative to the liquidation of cash advance.	171,913.77	-do-
			22,195,721.17	
Total CF-CO			P 316,341,718.56	

CAR

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2018-002-501LFP-(17)KIMO/11-29-18	RM et al.	Incomplete documents to support the payment of the completed Rehabilitation of Bun-ayan Bago CIS-01-2016, Lubuagan, Kalinga	2,594,852.95	NS was received by the persons liable on December 13 to 14, 2018
2018-001-501LFP-(17)KIMO/ 5-22-18	-do-	Incomplete documents to support the payments of the fifty-four (54) implemented projects at KIMO	44,423,373.26	Documents submitted are for evaluation by the Audit Team
17-004-501LFP-(13-14)KIMO/11-14-17	-do-	Incomplete documents to support the payments of the implemented projects at KIMO	80,771,896.33	Partial settlements of P3,075,580.51 NSSDC No. 18-001 dated 5/24/2018
P 127,790,122.54				

RO II

2018-501 LFPs-001 6-18-18	Antonio C. Lara et al.	Payment of Contract No. NCB-RO2-NV04-17 was not supported with complete documentary requirements	3,926,196.28	Documentary requirement remain unsubmitted
2018-501 LFPs-002 6-18-18	-do-	Payment of Contract No. NCB-RO2-NV02-17 was not supported with complete documentary requirements	14,344,552.70	-do-
2018-501 LFPs-003 6-18-18	Constancio G. Bana-ay, Jr., Acting RIM et al.	Payment of Contract No. NCB-RO2-NV01-17 was not supported with complete documentary requirements	1,423,099.04	-do-
2018-501 LFPs-004 6-18-18	-do-	Payment of Contract No. NCB-RO2-ISA11-17 was not supported with complete documentary requirements	7,635,022.24	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2018-501 LFPs-005 6-18-18	Antonio C. Lara, Former RIM et al.	Payment of Contract No. NCB-RO2-ISA07-17 was not supported with complete documentary requirements	1,380,109.51	-do-
2018-501 LFPs-006 6-18-18	-do-	Payment of Contract No. NCB-RO2-ISA12-17 was not supported with complete documentary requirements	15,885,664.11	-do-
2018-501 LFPs-007 6-18-18	-do-	Payment of Contract No. NCB-RO2-CB03-17 was not supported with complete documentary requirements	7,936,131.72	-do-
2018-501 DA-008/ 6-18-18	Rey R. Visaya, Acting Division Manager-EOD et al.	Payment of Contract No. CW-NIARO2/DA-27-17 was not supported with	675,856.52	-do-
2018-501 DA-009/ 6-18-18	Antonio C. Lara, Former RIM et al.	complete documentary requirements Payment of Contract No. CW-NIARO2/DA-12-17 was not supported with complete documentary requirements	1,798,229.17	Documentary requirement remain unsubmitted
2018-501 DA-010/ 6-18-18	-do-	Payment of Contract No. CW-NIARO2/DA-25-17 was not supported with complete documentary requirements	1,740,567.12	-do-
2018-001-501-(2018) QIMO/ 11-13-18	Engr. Gileu Michael O. Dimoloy et al.	Payment of office equipment	192,702.60	Within the Appeal period
2018-001-501CARP-(2018)/ 11-20-18	Engr. Roland V. Apaga, Division Manager A; et.al.	Reimbursement of Prism Set	13,000.00	Settled on 06-03-19; NSSDC No. 2019-002 dated 06-03-19

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2018-002-501-(2018)/11-20-18	-do-	Reimbursement of Prism Set	6,500.00	-do-
2018-003-501-(2018)/11-27-18	-do-	Payment of contract – Construction of Canal Lining for Nueva Vizcaya Bagabag Irrigation System under Project Contract ID No. NCB-NVIMO-10-18	8,075,773.03	Within the Appeal period
2018-004-501-(2018)-NVIMO/11-27-18	Engr. Roland V. Apaga, Division Manager A; et. al.	Payment of Drone with complete accessories	205,000.00	-do-
2017-005-501 (2017)-CBIMO/5-8-17	Engr. Francis C. Yu et al.	Payment of construction materials with deficiencies noted in the submitted voucher and supporting documents	241,892.22	For issuance of ND
2017-501-007-NIA-CBIMO/5-9-17	Engr. Winston S. Zulueta, Principal, Engineer et al.	Disposal of government property with deficiencies in supporting documents	297,980.00	-do-
2017-010-501 (2015)-CBIMO/7-13-17	Engr. Benjamin N. Rivera et al.	Payment for aircon services with deficiencies in the supporting documents	92,814.00	For Issuance of ND
2018-001-501 (2016-2017)	Engr. Francis C. Yu et al.	Payment of coconet projects resulting to an unsuccessful project implementation	21,322,327.20	On-going verification of restoration of coconet projects
2017-001-PIDP (2016)/1-12-17	-do-	Payment of ROW	687,489.18	On-going review of submitted documents
2017-002-PIDP (2016)/1-23-17	-do-	-do-	68,672.80	-do-
2017-003-PIDP (2016)/1-24-17	-do-	-do-	468,100.95	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2017-004-PIDP (2016)/1-24-17	-do-	-do-	43,000.00	-do-
			88,460,680.39	
<u>NIA MARIIS</u>				
18-006-LPFs (17)/5-15-18	Engr. Eduardo P. Ramos, Division Manager et al.	Payment of Contract No. MARIIS-DI-RREIS-BDD-POW 2-2017 Ramon, Package 1 suspended due to certain documentary requirements not attached to the claim	4,011,847.48	Only DOLE CHSP was not submitted
			P 92,472,527.87	
<u>RO V</u>				
2018-001-501 (2018)/ 11-28-18	Engr. Romeo M. Lopez, Acting Regional Manager et al.	Payment of transportation allowance as Designated Canvasser/Liason Officer lacks supporting documents	P 21,600.00	Still within the reglementary period
<u>RO VI</u>				
09-001-501/ 11-13-2009	V. Ramirez, E. Carreon et al.	Lack of supporting documents for the payment of CNA	1,573,658.72	For issuance of Notice of Disallowance
2013-001-501 (2012)/ 1-10-2013	J. Dato-on et al.	Payment of CY 2012 CNA	2,329,000.00	For issuance of Notice of Disallowance
2010-002-501 DA/ 7-02-10	-do-	One unit Motor Engine Toyota 2L	78,553.57	-do-
2010-001-501 DA/ 7-02-2010	-do-	Partial Payment of Siwaragan CIS	1,900,000.00	-do-
			5,881,212.29	
<u>NIA – Antique IMO</u>				
2012-003-501/ 3-12-2012	Timoteo D. Acosta, Jr. et al.	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	13,298.76	-do-
2011-007-501(10)/ 7-19-2011	-do-	Payment of CNA Incentive	48,000.00	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
2011-006-501(10)/7-19-2011	NIA Antique IMO officers & employees	-do-	1,302,000.00	-do-
2011-005-501(10)/7-01-2011	-do-	Payment of Cost of Living and Amelioration Allowance without specific authority form DBM/President of the Republic of the Philippines	497,301.80	-do-
2011-004-501(10)/7-01-2011	-do-	-do-	49,490.00	-do-
2011-003-501(10)/7-01-2011	-do-	-do-	1,008,300.00	-do-
2011-002-501(10)/3-17-2011	Timoteo D. Acosta, Jr. et al.	Payment of CNA Incentive is contrary to rules and	369,000.00	-do-
2011-001-501(10)/3-17-2011	-do-	-do-	2,317,500.00	-do-
2010-002-501(10)/4-26-2010	Timoteo D. Acosta, Jr. et al.	Payment of Cost of Living Allowance and Amelioration Allowance	226,245.76	For issuance of Notice of Disallowance
2010-001-501(10)/4-26-2010	-do-	Payment of CNA CY 2010	150,000.00	-do-
			5,981,136.32	

Capiz IMO

2011-001-(2010) / 1-26-2011	NIA officers and employees	Payment of CNA	50,000.00	-do-
2011-002-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-003-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-004-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-005-(2010) /	-do-	-do-	50,000.00	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
1-26-2011				
2011-006-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-007-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-008-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-009-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-010-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-011-(2010) / 1-26-2011	-do-	-do-	50,000.00	-do-
2011-012-(2010) / 1-26-2011	NIA officers and employees	Payment of CNA	50,000.00	For issuance of Notice of Disallowance
2011-013-(2010) / 1-26-2011	-do-	-do-	50,000.00	-
2011-014-(2010) / 1-26-2011	-do-	-do-	50,000.00	do-
			700,000.00	
			P 12,562,348.61	
RO VII				
2011-011-501(10)/ 2-07-11	Atty. Salvador Diputado et al.	D. Monthly Retainer's fee of Atty. Salvador D. Diputado	84,000.00	NS for further verification of the Audit Team
2011-001-501 COB-(11)/ 9-05-11	Diosdado A. Rosales et al.	CNA Incentive CY 2009	306,000.00	-do-
2011-002-501 COB-(11)/ 9-05-11	-do-	CNA Incentive CY 2010	768,000.00	-do-
			P 1,158,000.00	
RO VIII				
2016-014 (2016) 501 LFP	Ricky Bocboc et al.	Payment of travelling allowance	10,600.00	

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
INSIMO / 10-28-16				
2017-021-501 (2016) LFP N. Samar / 6-21- 17	Chuck Fashion Corp. Inc. et al.	Payment of uniform/clothing supplies	22,935.00	
2017-003-501 (2016) LFP N. Samar / 6-28- 17	Aileen Restaurant & Pension House et al.	Payment of hotel accommodation of NIA personnel	4,800.00	
2017-011-501 (2016) LFP N. Samar / 6-28- 17	Estelita S. Sumile et al.	Reimbursement of traveling expense	30,289.88	
2017-019-501 (2016) LFP N. Samar / 6-28- 17	Felisa M. Asinas et al.	Payment ROW damages	61,430.00	
2017-060 (2016) 501 LFP INSIMO / 7-4-17	Imelda T. Plateja et al.	-do-	5,320.00	
2017-074 (2016) 501 LFP N. Samar/ 7-4-17	Anita C. Tiberio et al.	-do-	76,040.00	
2017-075 (2016) 501 LFP N. Samar/ 7-4-2017	Jocelyn C. Tatoy et al.	Payment ROW damages	34,865.00	
2017-076 (2016) 501 LFP N. Samar/ 7-4-17	Angelo Amores et al.	-do-	44,980.00	
2017-081-501 (2016) LFP N. Samar/ 7-4-17	Jornalyn P. Caballa et al.	Reimbursement of travelling expenses	1,500.00	
2017-085-501 (2016) LFP N. Samar/ 7-4-17	Surveytech Trading et al.	Payment to Electronic Total Station	185,000.00	
2017-052- 501(2016) LFP N. Samar/ 7- 13-17	Alfredo L. Tenedero et al.	Payment ROW damages	19,035.00	
2017-054- 501(2016) LFP	Sesenio M. Cerbito et al.	-do-	52,835.00	

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
N. Samar/ 7-13-17				
2018-001-501 (2017) INSIMO/ 1-31-18	Cesar R. Echano, et al	Payment of BAC Honorarium	37,000.00	Settled January 24, 2019
2018-002-501 LFP/ 10-30-2018	Arnel A. Gabonada, Jr. et al.	Pre-payment of traveling expense	316,236.30	Settled February 1, 2019
2018-003-501 LIMO/ 11-23-18	Hinunangan Enterprises et al.	Expired Official Receipts	2,064,546.55	Settled January 24, 2019
2018-004-501 LIMO/ 11-23-18	Infraserve Builders and Supplies et al	-do-	3,327,900.38	-do-
2018-005-501 LIMO/ 11-27-18	RK Engineering and Construction Works et al.	-do-	6,535,227.27	-do-
2018-006 F501 LIMO/ 11-27-18	VIPCABUHI Farmer Irrigators Service Cooperative et al.	Remuneration from the period Jan. Feb. 2018 under Unified Contracts	3,118.75	
2018-007 F501 LIMO/ 11-27-18	Canmarating Odiongan Pagsang-an Sulpa Irrigators' Association Inc. et al.	O & M Incentives for 2nd Crop Dry 2018	35,104.22	
2018-008 F501 LIMO/ 11-26-18	Canmarating Odiongan Pagsang-an Sulpa Irrigators' Association Inc. et al.	Manual Spreading of aggregates for road patching/re-surfacing along Lateral F.	11,799.00	
2018-009 501 LIMO/ 11-26-18	BCP Concrete Product & Hardware Supply et al.	Expired Official Receipts	54,550.00	Settled January 24, 2019
2018-010 501 LIMO/ 11-26-18	New Five Star Trading & printing Press et al.	-do-	3,500.00	-do-
2018-011 501 RO COB/ 11-27-18	Pacifico M. Borja et al.	-do-	103,500.00	Settled February 8, 2019
2018-012 501/ 11-27-18	NIA EMPC et al.	-do-	802,361.56	Settled January 8, 2019
2018-013 501/ 11-27-18	RT Builders et al.	-do-	3,568,139.12	Settled February 15, 2019
P 17,412,613.03				

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
RO IX			P 494,961.43	No details provided
RO X				
2018-001-501-2018/ 6-29-18	Ali S. Satol et al.	Security Consultancy Services of Col. Andrelino Colina from June 2017 – May 2018	600,000.00	No details provided
2016-007-(2016)/ 6-9-16	-do-	Unsubmitted Various payrolls - Arnold Manabat and Eugene Lloyd Requilme March 1-31, 2016	11,865.00	Management committed to submit the required documents on the 3rd week of February 2019
2016-010-(2015)/ 7-22-16	-do-	Unsubmitted Voucher-Valencia Rapid Auto Glass & Aluminum Supply - Labor and Mat's	9,359.04	-do-
2016-015-(2015)/ 9-16-16	Aguinaldo Y. Cruz et al.	Unsubmitted DTR of Alvin Cliff Tubale - June 16-30, 2016	4,800.00	Management committed to submit the required documents on the 3rd week of February 2019
2018-001-2017/ 1-20-18	-do-	Project Allowance 2017-Acting Division Manager	48,500.00	For issuance of NSSDC
2018-002/ 6-13-18	-do-	Non-submission of disbursement vouchers and its supporting documents CY 2018	431,740.71	Management committed to submit the required documents on the 3rd week of February 2019
2018-003/ 6-28-18	-do-	Non-submission of documentary requirements for CNA 2017	2,660,998.65	Awaiting for CP decision
2018-004/ 6-26-18	-do-	Non-submission of documentary requirements for ISF Collection for CY 2017	3,070,966.30	For issuance of NSSDC
2016-001-501 (2015)/ 2-16-16	Engr. Joecarnine L. Gubat et al.	Unsubmitted disbursement vouchers and supporting documents	68,384.56	For issuance ND
2016-002-501 (2015)/ 3-17-	Alredo C. Donque, et al.	Unsubmitted liquidation of cash advances	106,406.16	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
16 2016-003-501 (2015)/ 7-26- 16	Engr. Joecarnine L. Gubat et al.	Use of cash advance other than its intended purpose	30,000.00	-do-
2018-001-501/ 7-5-18	-do-	Unsubmitted disbursement vouchers and supporting documents	9,634,196.55	-do-
2018-002-501/ 7-31-18	-do-	Non submission of approved APP for Takay projects	18,703,038.17	Awaiting submission of BAC resolution justifying change of procurement mode
2018-003-501/ 7-17-18	-do-	Unsubmitted disbursement vouchers and supporting documents	144,723.62	Issued NSSDC 2019-001 dated 1/22/2019 (P54,902.23)
			P 35,524,978.86	

RO XI

09-01-F501- COB-LBP/ 11- 18-09	Bernardo Donillo et al.		146,159.98	No details provided
09-02-F501- COB-LBP/ 11- 18-09	Catalino Alfar et al.		130,887.99	-do-
NIARO-2018- 001-501COB- (17-18)/ 11-29-18	Gerardo Barrientos		800,000.00	-do-
2017-004-501- LFPs/ 10-30-17	Various Payees		109,520.00	-do-
2017-005-501- LFPs/ 10-30-17	-do-		191,378.64	-do-
2017-006-501- LFPs/ 10-30-17	-do-	-	840,258.42	-do-
2017-007-501- LFPs/ 10-30-17	-do-	-	166,889.23	-do-
2018-001- 501(17) -LFPs/ 4-6-18	Bundok Drilling Services Corporation		5,162,000.00	-do-
			P 7,547,094.26	

RO XIII

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
18-001-501 COB-(17)	Engr. Madante P. Ganotisi et al.	Payment of per diems for the 1 st 30 days for transfer from NIA Agusan del Sur to NIA Region XIII, Butuan City, without appropriate legal basis	24,000.00	Documents submitted for validation by the Audit Team
18-002-501 COB-(17)	Engr. Constancio G. Bana-ay, Jr. et al.	Payment of per diems for the 1 st 30 days for transfer from NIA Region XIII, Butuan City to NIA, Quezon City, without appropriate legal basis.	24,000.00	-do-
18-001-501 LFPs-(17)	Mr. Joel A. Salas et al.	Payment of per diems for the 1 st 30 days for transfer from NIA Agusan del Sur to NIA Region XIII, Butuan City, without appropriate legal basis.	24,000.00	-do-
18-003-501 COB-(17)	Engr. Constancio G. Bana-ay, Jr. et al.	Payment of Viability Incentive Grant (VIG) for CY 2014 2015, for lack of appropriate legal basis to grant the benefit	1,482,918.00	ND No. 19-001-501 COB-(17) was issued on May 20, 2019
14-001-101- (14)/ 5-26-14	L. Magbunal et al.	No details provided	13,400.48	NS for verification by the Audit Team
14-002-101- (14)/ 5-26-18	J. Estella, et. al.	-do-	9,470.40	NS for verification by the Audit Team
12-002-501 COB/ 11-19-12	No details provided		7,198.00	-do-
12-003- 101(12)/ 11-19-12	-do-		18,002.00	-do-
12-006-101-12/ 12-10-12	-do-		495,062.43	-do- (unsettled amount from the total NS amount of P4,277,050.84)
No details provided	-do-		2,313,339.00	Documents are for verification by the Audit

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks Team
			4,411,390.31	
<u>ASDI IMO</u>				
17-001-101-(17)	Engr. Salome Layasan et al.	N. Payment of per diems for the 1 st 30 days for transfer from NIA NIA Region XIII, Butuan City to NIA Surigao del Norte Satellite Office, without appropriate legal basis	12,000.00	Documents for validation by the Audit Team
17-002-501TF-(17)	-do-	Payment of leave monetization not in accordance with CSC rules and regulations	182,643.52	For further evaluation of the Audit Team
17-002-501TF-(17)	-do-	Payment of leave monetization of sick leave credits	26,464.02	-do-
18-001-501COB-(17)	-do-	Payment of Viability Incentive Grant (VIG) for CY 2014 2015, for lack of appropriate legal basis to grant the benefit	2,058,333.33	NS matured to disallowance ND No. 19-001-501 COB-(17) was issued on May 20, 2019
18-001-501COB-(17)	Engr. Salome Layasan, Division Manager A; et. al.	N. No appropriate legal basis relative to the payment of Project Allowance was submitted for evaluation.	17,500.00	NS matured to disallowance ND No. 19-002-501 COB-(17) was issued on May 20, 2019
			2,296,940.87	
			P 6,708,331.18	
Total-CF			P618,034,296.34	

III. SPECIAL FUND

RO 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)	-do-	-do-	8,958.00	-do-

NS No./Date	Persons Responsible	Nature of Suspension	Amount	Status/Remarks
11-12-2009				
09-001-158 (07)	-do-	-do-	11,710.25	-do-
11-12-2009				
09-001-158A2 (07)	-do-	-do-	9,972.25	-do-
11-12-2009				
			P 56,640.50	
<u>RO X</u>				
2016-002-2015	CDR (Various payments)	Various payees	P 12,599.45	-do-
<u>RO XIII</u>				
10-001-158 CARP-(09) 01/06/2010	Lack of documentation on the payment of CNA.	Various personnel	P 105,000.00	-do-
Total Special Fund			P 174,239.95	
Total All Funds (In Pesos)			P 1,721,426,329.59	
Total All Funds (In US\$)			US\$ 3,863,966.92	