



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

**CORPORATE GOVERNMENT AUDIT SECTOR**  
**Cluster 5 – Agriculture and Natural Resources**



July 28, 2022

**MR. BENNY C. ANTIPORDA**  
Acting Administrator  
National Irrigation Administration  
EDSA, Quezon City

**Dear Acting Administrator ANTIPORDA:**

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree (PD) No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our Report on the results of the audit of the accounts and transactions of the **National Irrigation Administration (NIA)** for the years ended December 31, 2021 and 2020.

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

The Auditor rendered an adverse opinion on the fairness of the presentation of the financial statements (FSs) in view of the following:

1. The Casecan Multipurpose Irrigation and Power Project (CMIPP) under a Build-Operate-and-Transfer scheme/contract executed on November 13, 1994 by and between the NIA and the California Energy Casecan Water and Energy Company, Inc. (CECWEI), with total payments made by NIA through the Bureau of the Treasury (BTr) to CECWEI of P106.231 billion, inclusive of the P33.750 billion project cost, was turned over by the CECWEI to the NIA on December 11, 2021. However, the NIA has not taken firm steps to require the CECWEI to turn over the financial reports and documents of CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs, and other pertinent financial documents at the time of transfer on December 11, 2021, consequently the NIA has not recognized in its books of accounts its 40 per cent interest in the joint operation of the CMIPP with the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.), contrary to Paragraphs 23, 24 and 29 of the International Public Sector Accounting Standard (IPSAS) 37 – *Joint Arrangements*. The non-recognition of the CMIPP in the books of accounts of NIA resulted in the material misstatements of its assets, liabilities, and equity



accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion.

2. The non-elimination of Receivables-Intra-agency Receivables and Intra-agency Payables accounts as at December 31, 2021 in the amounts of P1.717 billion and P1.708 billion overstated the total assets and total liabilities of NIA by said amounts, respectively, contrary to Paragraph 41 of IPSAS 18.
3. The Property, Plant, and Equipment (PPE) account with carrying amount of P292.435 billion as at December 31, 2021 was net understated by P661.497 million due to: (a) recognition under Repairs and Maintenance – Other Structures expense account of P675.777 million payment for progress billing of a contractor in Balog-Balog Multi-Purpose Project (BBMP), instead of Construction in Progress (CIP)-Other Structures, thereby understating the PPE account and overstating the expense account by the said amount; (b) non-recognition of Office Building costing P58.782 million in RO No. II, which resulted in the understatement of the PPE account and related Accumulated Depreciation and Depreciation Expense accounts; and (c) non-derecognition of unserviceable PPE items totaling P73.062 million in NIA Central Office (CO), three Irrigation Management Offices and one Project Management Office (PMO), which resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts; all in contrary to Paragraphs 13, 14, 24, 26, 30, 31 and 82 of IPSAS 17. Likewise, the non-reclassification from PPE-CIP account to the appropriate asset/expense accounts of completed infrastructure projects aggregating P12.507 billion, overstated the PPE-CIP account by the said amount and understated the appropriate asset/expense accounts by undetermined amounts.
4. The non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the: (a) nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively; (b) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (c) segment information for decision making and demonstration of accountability; (d) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (e) statement of compliance with IPSASs; (f) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (g) explanation(s) on significant movement of Other Receivables account; deprived the intended users of the FSs of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.

For the aforementioned observations, which caused the issuance of an adverse opinion, we recommended that Management:

- 1.1. Direct the NIA Sub-Committee on Physical Inventory and Performance Test to request in writing/demand from the CECWECI the submission of the financial reports on the CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows,



notes to FSs and other related financial reports, records and documents as of December 10, 2021, invoking Section 12.23 of the 2012 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 6957, as amended by RA No. 7718, and Item 8.6 (b), Part B, Article 8 of the Amended and Restated Casecanan Project Agreement;

- 1.2. Require the NIA Sub-Committee on Physical Inventory and Performance Test and the Secretariat for CMIPP to cause the:
  - a. Immediate conduct by the Procurement and Property Division, in coordination with PSALM Corp., of the physical inventory taking and preparation of the Report on the Physical Count of Inventories (RPCI) and Report on the Physical Count of PPE (RPCPPE) on the CMIPP facilities/assets upon receipt of the CMIPP's financial reports and records from CECWECI; and
  - b. In coordination with PSALM Corp., appraisal of the CMIPP assets/facilities upon completion of physical inventory taking and preparation of RPCI and RPCPPE; and
- 1.3. Direct the Accounting Division of CO to recognize in the books of accounts the NIA's 40 per cent ownership/interest in the joint operation of CMIPP with the PSALM Corp., pursuant to Paragraphs 23, 24 and 29 of IPSAS 37.
- 2.1. Direct the Accounting Division of CO to eliminate the reciprocal accounts during the preparation of the FSs of NIA, by conducting a nationwide regular reconciliation of the discrepancies to have reliable FSs balances at year-end.
- 3.1. Require the Accounting Sections of the Regional Offices (ROs) concerned/ Accounting Division of CO to:
  - a. Recognize under PPE-CIP-Other Structures account the P675.777 million progress payment to a contractor in BBMP;
  - b. Record the office building in RO No. II costing P58.782 million and its corresponding depreciation;
  - c. Derecognize from the books of accounts the unserviceable PPE items totaling P73.062 million upon disposal duly supported with Inspection Report of Unserviceable Property (IIRUP); and
  - d. Analyze and complete the necessary documents and information to reclassify completed infrastructure projects totaling P12.507 billion from PPE-CIP account to appropriate PPE, Assistance to Local Government Units, and Assistance to Non-Governmental Organizations/Civil Society Organizations accounts, and recognize corresponding depreciation on the PPE sub-accounts affected; and
- 3.2. Require the Disposal Committee to prepare the IIRUP for the unserviceable PPE items totaling P73.062 million and submit a copy thereof to the Accounting

Section/Division, as basis of the latter in the derecognition from the books of accounts the unserviceable properties.

- 4.1. Moving forward, require the Accounting Division of CO to ensure that all significant and relevant information are disclosed in the Notes to FSs so as the financial reports are fairly presented, useful and supportive to the achievement of financial reporting objectives and, for better understandability of the users of the FSs and other stakeholders.

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

5. Deficient planning and monitoring of the implementation of the irrigation contracts/projects by NIA resulted in, among others:
  - a. Significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts costing P1.745 billion and, suspension of and/or granting of contract time extensions on 134 projects amounting to P2.168 billion, thereby depriving the intended beneficiaries of the timely use of these irrigation projects;
  - b. Termination of 12 contracts totaling P1.194 billion due to, among others, contractor's fault or as mutually agreed upon by the parties in view of discontinuance of funding or the project is no longer needed, thus wastage of government funds;
  - c. Non-turnover of one hundred twenty-six (126) completed projects amounting to P1.143 billion to Irrigator's Associations (IAs), exposing these projects to risk of damage and deterioration, as the responsibility and control for their maintenance and monitoring have not yet been turned over to the IAs;
  - d. Incurrence of negative slippages by the contractors ranging from 1.24 to 71.07 per cent in 43 on-going contracts costing P1.381 billion, further delaying the completion of the irrigation projects;
  - e. Payments of infrastructure projects costing P1.292 billion not supported with complete documents in Magat River Integrated Irrigation System and RO Nos. II, IV-B, V, VIII and IX, casting doubt on the propriety of the disbursements; and
  - f. Non-imposition of liquidated damages and/or non-forfeiture of performance securities in favor of NIA in 24 contracts of defaulting contractors totaling P382.467 million, hence potential loss of funds.
- 5.1. We reiterated our previous years' audit recommendations that top Management instruct the officials and personnel concerned:
  - a. In the planning of the irrigation contracts/projects to be implemented to adhere strictly to the pertinent provisions of RA No. 9184 and its 2016 RIRR to ensure that no bidding and awarding of contract for infrastructure



projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of Right of Way, peace and order situation, and other relevant conditions are duly considered to ensure that all irrigation contracts/projects are efficiently carried out;

- b. In the CO, ROs and PMOs to: (i) require the contractors to regularly submit progress billings and status of work accomplishments; (ii) ensure immediate validation of the reports and inspection of projects; (iii) address the causes on the delays/suspension and grant of time extensions; and (iv) enforce the forfeiture of performance securities and/or imposition of liquidated damages for delays where contractors are at fault;
- c. To review the post-qualification procedures conducted by the respective Bids and Awards Committee (BAC) for the terminated contracts to determine areas for improvement and ensure that contracts are only awarded to eligible and responsive contractors;
- d. To immediately turn over the operations and maintenance of all completed communal irrigation projects to the IAs concerned duly covered with Memorandum of Agreement to ensure proper maintenance of the irrigation facilities; and
- e. To refrain from paying progress billings of the contractors without complete and relevant documentation in compliance with Section 4(6) of PD No. 1445.

5.2. We further reiterated our previous years' recommendations that top Management:

- a. File appropriate charges against erring/defaulting contractors; and
- b. Consider imposing administrative sanctions against NIA officials and personnel who are remiss of their duties, specifically in planning and monitoring of the implementation of irrigation contracts/projects, that resulted in delays, suspensions, terminations of infrastructure contracts/projects, and wastage of government funds.

6. The pertinent provisions of RA No. 9184 and its 2016 RIRR were not strictly adhered to in 173 awarded contracts aggregating P1.290 billion posing risk that contracts were awarded to the bidders/contractors who might not be eligible and responsive with the requirements of the contracts, and that NIA was not assured that it has obtained the most advantageous price for the government, in view of the following deficiencies: (a) the eligibility and other documentary requirements for 37 contracts totaling P315.513 million were either lacking, deficient or not at all submitted to the respective Audit Teams; (b) procedures in the conduct of public bidding for 80 contracts costing P963.973 million were not properly observed; and (c) inappropriate procurement modality on the procurement of other supplies and materials for Civil Works, Office Equipment, and Construction Equipment involving 56 contracts amounting to P10.552 million.

- 6.1. We recommended and top Management agreed to require the Regional/Project Managers of ROs and PMOs concerned to:
- a. Direct the BAC and its Technical Working Group to submit the lacking documentary requirements of 37 contracts to their respective Audit Teams for audit purposes, to avoid suspension of the transactions in audit; and
  - b. Comply thoroughly with the following procurement procedures prescribed under RA No. 9184 and its 2016 RIRR to ensure transparency and efficiency in the NIA's procurement activities:
    - b.1. Posting of Invitation to Bid for seven days at any conspicuous place within the premises of the Agency, in accordance with Section 21.2.1(a) of the 2016 RIRR of RA No. 9184;
    - b.2. Posting of Notice of Award and Notice to Proceed in the Philippine Government Electronic Procurement System, the NIA website, and in any conspicuous place in the premises of NIA within the period required under the 2016 RIRR of RA No. 9184;
    - b.3. Sending of invitation to observers, in addition to the representative of COA, to monitor the procurement proceedings, as required under Section 13.1 of the 2016 RIRR of RA No. 9184; and
    - b.4. Requiring the contractors to post Performance Security not later than the date of contract signing to be valid until the issuance by NIA to the contractor concerned of the Certificate of Final Acceptance.
- 6.2. We further recommended that Management require the Regional/Project Managers concerned to stop the practice of any form of splitting of contracts as a way of avoiding the conduct of competitive bidding in compliance with Section 54.1, Rule XVI of the 2016 RIRR of RA No. 9184.
7. In NIA CO, RO Nos. II, VI, VIII and XIII, the Advances to Contractors totaling P1.048 billion on 46 terminated contracts were not recouped within 28 days from termination of the Contracts, contrary to Paragraph 46 of the General Conditions of the Contract (GCC) of the 5th Edition of the Philippine Public Documents (PBDs) for the Procurement of Infrastructure Projects, due to absence of internal control policies and procedures to ensure that terminated contracts and settlement of balances between the NIA and contractors concerned are completely and timely detected and acted upon. The non-recoupment of the advances resulted in potential loss of funds since some of the contractors could no longer be located and the performance securities posted were already expired.
- 7.1. We recommended and top Management agreed to:
- a. Establish a policy to ensure that all Notices of Termination approved by the Contract Termination Review Committee are timely communicated/furnished to the Accounting Division, and advances to



contractors are recouped within 28 days in compliance with Paragraph 46, GCC of the 5th Edition of the PBD for the Procurement of Infrastructure Projects; and

- 7.2. Require the responsible officers and personnel concerned in the CO and ROs to exert all efforts to recoup the advances to contractors on the 46 terminated contracts totaling P1.048 billion, and hold them liable in case of non-recoupment, if warranted.

The 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 June 8, 2022 are discussed in detail in Part II of the Report. We also invite your attention to the prior years' partially and unimplemented audit recommendations embodied in Part III of the Report.

We respectfully request that the recommendations contained in Part II and Part III 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**



**MAY LINDA M. VEGAFRIA**  
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 Bureau of the Treasury  
The Governance Commission for Government Owned or Controlled Corporations  
The Presidential Commission on Good Governance  
The National Library  
The UP Law Center*

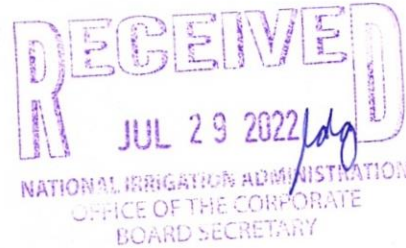


Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City, Philippines

**CORPORATE GOVERNMENT AUDIT SECTOR**  
**Cluster 5 - Agriculture and Natural Resources**

July 28, 2022

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



**GENTLEMEN:**

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree (PD) No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our Report on the results of the audit of the accounts and transactions of the **National Irrigation Administration (NIA)** for the years ended December 31, 2021 and 2020.

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

The Auditor rendered an adverse opinion on the fairness of the presentation of the financial statements (FSs) in view of the following:

1. The Casecan Multipurpose Irrigation and Power Project (CMIPP) under a Build-Operate-and-Transfer scheme/contract executed on November 13, 1994 by and between the NIA and the California Energy Casecan Water and Energy Company, Inc. (CECWECI), with total payments made by NIA through the Bureau of the Treasury (BTr) to CECWECI of P106.231 billion, inclusive of the P33.750 billion project cost, was turned over by the CECWECI to the NIA on December 11, 2021. However, the NIA has not taken firm steps to require the CECWECI to turn over the financial reports and documents of CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs, and other pertinent financial documents at the time of transfer on December 11, 2021, consequently the NIA has not recognized in its books of accounts its 40 per cent interest in the joint operation of the CMIPP with the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.), contrary to Paragraphs 23, 24 and 29 of the International Public Sector Accounting Standard (IPSAS) 37 – *Joint Arrangements*. The non-recognition of the CMIPP in the books of accounts of NIA resulted in the material misstatements of its assets, liabilities, and equity



accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion.

2. The non-elimination of Receivables-Intra-agency Receivables and Intra-agency Payables accounts as at December 31, 2021 in the amounts of P1.717 billion and P1.708 billion overstated the total assets and total liabilities of NIA by said amounts, respectively, contrary to Paragraph 41 of IPSAS 18.
3. The Property, Plant, and Equipment (PPE) account with carrying amount of P292.435 billion as at December 31, 2021 was net understated by P661.497 million due to: (a) recognition under Repairs and Maintenance – Other Structures expense account of P675.777 million payment for progress billing of a contractor in Balog-Balog Multi-Purpose Project (BBMP), instead of Construction in Progress (CIP)-Other Structures, thereby understating the PPE account and overstating the expense account by the said amount; (b) non-recognition of Office Building costing P58.782 million in RO No. II, which resulted in the understatement of the PPE account and related Accumulated Depreciation and Depreciation Expense accounts; and (c) non-derecognition of unserviceable PPE items totaling P73.062 million in NIA Central Office (CO), three Irrigation Management Offices and one Project Management Office (PMO), which resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts; all in contrary to Paragraphs 13, 14, 24, 26, 30, 31 and 82 of IPSAS 17. Likewise, the non-reclassification from PPE-CIP account to the appropriate asset/expense accounts of completed infrastructure projects aggregating P12.507 billion, overstated the PPE-CIP account by the said amount and understated the appropriate asset/expense accounts by undetermined amounts.
4. The non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the: (a) nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively; (b) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (c) segment information for decision making and demonstration of accountability; (d) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (e) statement of compliance with IPSASs; (f) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (g) explanation(s) on significant movement of Other Receivables account; deprived the intended users of the FSs of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.

For the aforementioned observations, which caused the issuance of an adverse opinion, we recommended that Management:

- 1.1. Direct the NIA Sub-Committee on Physical Inventory and Performance Test to request in writing/demand from the CECWECI the submission of the financial reports on the CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows,



notes to FSs and other related financial reports, records and documents as of December 10, 2021, invoking Section 12.23 of the 2012 Revised Implementing Rules and Regulations (RIRR) of RA No. 6957, as amended by Republic Act (RA) No. 7718, and Item 8.6 (b), Part B, Article 8 of the Amended and Restated Casecanan Project Agreement;

- 1.2. Require the NIA Sub-Committee on Physical Inventory and Performance Test and the Secretariat for CMIPP to cause the:
  - a. Immediate conduct by the Procurement and Property Division, in coordination with PSALM Corp., of the physical inventory taking and preparation of the Report on the Physical Count of Inventories (RPCI) and Report on the Physical Count of PPE (RPCPPE) on the CMIPP facilities/assets upon receipt of the CMIPP's financial reports and records from CECWECI; and
  - b. In coordination with PSALM Corp., appraisal of the CMIPP assets/facilities upon completion of physical inventory taking and preparation of RPCI and RPCPPE; and
- 1.3. Direct the Accounting Division of CO to recognize in the books of accounts the NIA's 40 per cent ownership/interest in the joint operation of CMIPP with the PSALM Corp., pursuant to Paragraphs 23, 24 and 29 of IPSAS 37.
- 2.1. Direct the Accounting Division of CO to eliminate the reciprocal accounts during the preparation of the FSs of NIA, by conducting a nationwide regular reconciliation of the discrepancies to have reliable FSs balances at year-end.
- 3.1. Require the Accounting Sections of the Regional Offices (ROs) concerned/ Accounting Division of CO to:
  - a. Recognize under PPE-CIP-Other Structures account the P675.777 million progress payment to a contractor in BBMP;
  - b. Record the office building in RO No. II costing P58.782 million and its corresponding depreciation;
  - c. Derecognize from the books of accounts the unserviceable PPE items totaling P73.062 million upon disposal duly supported with Inspection Report of Unserviceable Property (IIRUP); and
  - d. Analyze and complete the necessary documents and information to reclassify completed infrastructure projects totaling P12.507 billion from PPE-CIP account to appropriate PPE, Assistance to Local Government Units, and Assistance to Non-Governmental Organizations/Civil Society Organizations accounts, and recognize corresponding depreciation on the PPE sub-accounts affected; and
- 3.2. Require the Disposal Committee to prepare the IIRUP for the unserviceable PPE items totaling P73.062 million and submit a copy thereof to the Accounting



Section/Division, as basis of the latter in the derecognition from the books of accounts the unserviceable properties.

- 4.1. Moving forward, require the Accounting Division of CO to ensure that all significant and relevant information are disclosed in the Notes to FSs so as the financial reports are fairly presented, useful and supportive to the achievement of financial reporting objectives and, for better understandability of the users of the FSs and other stakeholders.

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

5. Deficient planning and monitoring of the implementation of the irrigation contracts/projects by NIA resulted in, among others:
  - a. Significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts costing P1.745 billion and, suspension of and/or granting of contract time extensions (CTEs) on 134 projects amounting to P2.168 billion, thereby depriving the intended beneficiaries of the timely use of these irrigation projects;
  - b. Termination of 12 contracts totaling P1.194 billion due to, among others, contractor's fault or as mutually agreed upon by the parties in view of discontinuance of funding or the project is no longer needed, thus wastage of government funds;
  - c. Non-turnover of one hundred twenty-six (126) completed projects amounting to P1.143 billion to Irrigator's Associations (IAs), exposing these projects to risk of damage and deterioration, as the responsibility and control for their maintenance and monitoring have not yet been turned over to the IAs;
  - d. Incurrence of negative slippages by the contractors ranging from 1.24 to 71.07 per cent in 43 on-going contracts costing P1.381 billion, further delaying the completion of the irrigation projects;
  - e. Payments of infrastructure projects costing P1.292 billion not supported with complete documents in Magat River Integrated Irrigation System and RO Nos. II, IV-B, V, VIII and IX, casting doubt on the propriety of the disbursements; and
  - f. Non-imposition of liquidated damages and/or non-forfeiture of performance securities in favor of NIA in 24 contracts of defaulting contractors totaling P382.467 million, hence potential loss of funds.
- 5.1. We reiterated our previous years' audit recommendations that top Management instruct the officials and personnel concerned:
  - a. In the planning of the irrigation contracts/projects to be implemented to adhere strictly to the pertinent provisions of RA No. 9184 and its 2016 RIRR to ensure that no bidding and awarding of contract for infrastructure

projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of Right of Way, peace and order situation, and other relevant conditions are duly considered to ensure that all irrigation contracts/projects are efficiently carried out;

- b. In the CO, ROs and PMOs to: (i) require the contractors to regularly submit progress billings and status of work accomplishments; (ii) ensure immediate validation of the reports and inspection of projects; (iii) address the causes on the delays/suspension and grant of time extensions; and (iv) enforce the forfeiture of performance securities and/or imposition of liquidated damages for delays where contractors are at fault;
- c. To review the post-qualification procedures conducted by the respective Bids and Awards Committee (BAC) for the terminated contracts to determine areas for improvement and ensure that contracts are only awarded to eligible and responsive contractors;
- d. To immediately turn over the operations and maintenance of all completed communal irrigation projects to the IAs concerned duly covered with Memorandum of Agreement to ensure proper maintenance of the irrigation facilities; and
- e. To refrain from paying progress billings of the contractors without complete and relevant documentation in compliance with Section 4(6) of PD No. 1445.

5.2. We further reiterated our previous years' recommendations that top Management:

- a. File appropriate charges against erring/defaulting contractors; and
- b. Consider imposing administrative sanctions against NIA officials and personnel who are remiss of their duties, specifically in planning and monitoring of the implementation of irrigation contracts/projects, that resulted in delays, suspensions, terminations of infrastructure contracts/projects, and wastage of government funds.

- 6. The pertinent provisions of RA No. 9184 and its 2016 RIRR were not strictly adhered to in 173 awarded contracts aggregating P1.290 billion posing risk that contracts were awarded to the bidders/contractors who might not be eligible and responsive with the requirements of the contracts, and that NIA was not assured that it has obtained the most advantageous price for the government, in view of the following deficiencies: (a) the eligibility and other documentary requirements for 37 contracts totaling P315.513 million were either lacking, deficient or not at all submitted to the respective Audit Teams; (b) procedures in the conduct of public bidding for 80 contracts costing P963.973 million were not properly observed; and (c) inappropriate procurement modality on the procurement of other supplies and materials for Civil Works, Office Equipment, and Construction Equipment involving 56 contracts amounting to P10.552 million.



- 6.1. We recommended and top Management agreed to require the Regional/Project Managers of ROs and PMOs concerned to:
- a. Direct the BAC and its Technical Working Group to submit the lacking documentary requirements of 37 contracts to their respective Audit Teams for audit purposes, to avoid suspension of the transactions in audit; and
  - b. Comply thoroughly with the following procurement procedures prescribed under RA No. 9184 and its 2016 RIRR to ensure transparency and efficiency in the NIA's procurement activities:
    - b.1. Posting of Invitation to Bid for seven days at any conspicuous place within the premises of the Agency, in accordance with Section 21.2.1(a) of the 2016 RIRR of RA No. 9184;
    - b.2. Posting of Notice of Award and Notice to Proceed in the Philippine Government Electronic Procurement System, the NIA website, and in any conspicuous place in the premises of NIA within the period required under the 2016 RIRR of RA No. 9184;
    - b.3. Sending of invitation to observers, in addition to the representative of COA, to monitor the procurement proceedings, as required under Section 13.1 of the 2016 RIRR of RA No. 9184; and
    - b.4. Requiring the contractors to post Performance Security not later than the date of contract signing to be valid until the issuance by NIA to the contractor concerned of the Certificate of Final Acceptance.
- 6.2. We further recommended that Management require the Regional/Project Managers concerned to stop the practice of any form of splitting of contracts as a way of avoiding the conduct of competitive bidding in compliance with Section 54.1, Rule XVI of the 2016 RIRR of RA No. 9184.
7. In NIA CO, RO Nos. II, VI, VIII and XIII, the Advances to Contractors totaling P1.048 billion on 46 terminated contracts were not recouped within 28 days from termination of the Contracts, contrary to Paragraph 46 of the General Conditions of the Contract (GCC) of the 5th Edition of the Philippine Public Documents (PBDs) for the Procurement of Infrastructure Projects, due to absence of internal control policies and procedures to ensure that terminated contracts and settlement of balances between the NIA and contractors concerned are completely and timely detected and acted upon. The non-recoupment of the advances resulted in potential loss of funds since some of the contractors could no longer be located and the performance securities posted were already expired.
- 7.1. We recommended and top Management agreed to:
- a. Establish a policy to ensure that all Notices of Termination approved by the Contract Termination Review Committee are timely communicated/furnished to the Accounting Division, and advances to

contractors are recouped within 28 days in compliance with Paragraph 46, GCC of the 5th Edition of the PBD for the Procurement of Infrastructure Projects; and

- 7.2. Require the responsible officers and personnel concerned in the CO and ROs to exert all efforts to recoup the advances to contractors on the 46 terminated contracts totaling P1.048 billion, and hold them liable in case of non-recoupment, if warranted.

The 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 June 8, 2022 are discussed in detail in Part II of the Report. We also invite your attention to the prior years' partially and unimplemented audit recommendations embodied in Part III of the Report.

In our transmittal letter of even date, we request the Acting 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 this Report.

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

Very truly yours,

**COMMISSION ON AUDIT**

  
**MAY LINDA M. VEGAFRIA**  
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 Bureau of the Treasury  
The Governance Commission for Government Owned or Controlled Corporations  
The Presidential Commission on Good Governance  
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, 2021 and 2020**

## **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.

NIA 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 of the Philippines. 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 had 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. In a Memorandum dated November 3, 2016 of the then Executive Secretary, the Cabinet Secretary was designated as the Acting Chairperson of the NIA Board of Directors (BOD). Through EO No. 168, s. 2022 dated April 25, 2022, the NIA was transferred back as an attached agency under the DA.

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

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

- a. To investigate, study and develop all available water resources in the country, primarily for irrigation purposes; to plan, design, construct and/or improve all types of irrigation projects and appurtenant structures; to operate, maintain and administer all national irrigation systems; to supervise the operation, maintenance and repair;



- b. To administer temporarily all communal and pump irrigation systems constructed, improved and/or repaired wholly or partially with government funds; to delegate the partial or full management of national irrigation systems to duly organized cooperatives or associations; and
- c. To charge and collect from the beneficiaries of all irrigation systems constructed by or under administration such fees or administrative charges as may be necessary to cover the cost of operation, maintenance and insurances; and to cover the cost of construction within a reasonable period of time to the extent consistent with government policy; to cover funds or portions thereof expended for the construction of communal irrigation systems, which shall accrue to a special fund for irrigation development.

NIA is headed by an Administrator who is assisted by a Senior Deputy Administrator and supported by Deputy Administrator for Administrative and Finance and Deputy Administrator for Engineering and Operations. Besides the Central Office (CO), it has 17 Regional Offices (ROs) including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIS), 54 Irrigation Management Offices (IMOs) inclusive of seven interim IMOs, six Satellite Offices, and nine Project Management Offices (PMOs).

As at December 31, 2021, NIA had personnel complement of 8,354 composed of 3,391 permanent employees; 2,839 casual/daily; and 2,124 project-based paid personnel.

## **FINANCIAL HIGHLIGHTS (In Philippine Peso)**

### **I. Comparative Financial Position**

	<b>2021</b>	<b>2020</b> <b>(As restated)</b>	<b>Increase/ (Decrease)</b>
Total assets	337,510,286,208	324,764,338,515	12,745,947,693
Total liabilities	115,902,416,773	118,442,801,061	(2,540,384,288)
Equity	221,607,869,435	206,321,537,454	15,286,331,981

### **II. Comparative Results of Operations**

	<b>2021</b>	<b>2020</b> <b>(As restated)</b>	<b>Increase/ (Decrease)</b>
Revenue	678,691,067	547,325,346	131,365,721
Current operating expenses	27,627,711,612	18,961,234,564	8,666,477,048
Deficit from current operations	(26,949,020,545)	(18,413,909,218)	(8,535,111,327)
Other non-operating income	101,442,535	90,695,910	10,746,625
Gains	10,267,096	1,434,734	8,832,362
Losses	(2,607,702)	(3,492,910)	885,208
Deficit before tax	(26,839,918,616)	(18,325,271,484)	(8,514,647,132)
Income tax expense	-	-	-
Deficit after tax	(26,839,918,616)	(18,325,271,484)	(8,514,647,132)
Assistance and subsidy	42,978,025,096	33,983,923,217	8,994,101,879
Net surplus for the period	16,138,106,480	15,658,651,733	479,454,747

### III. Comparison of Budget and Actual Amounts

	<b>Budget</b>	<b>Actual Amount</b>	<b>Difference</b>
Personnel services	4,588,534,998	3,891,152,924	697,382,074
Maintenance and other operating expenses	3,114,785,922	15,796,925,994	(12,682,140,072)
Capital outlay	29,988,229,192	25,134,724,246	4,853,504,946
Financial expenses	-	1,128,317,075	(1,128,317,075)
	<b>37,691,550,112</b>	<b>45,951,120,239</b>	<b>(8,259,570,127)</b>

### 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, 2021 in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) to enable us to express an opinion on the fairness of presentation of the financial statements (FSs) for the years ended December 31, 2021 and 2020. Also, we conducted our audit to assess compliance by the Corporation with the pertinent laws, rules and regulations, as well as adherence to the prescribed policies and procedures.

### AUDITOR'S OPINION

We rendered an adverse opinion on the fairness of presentation of the FSs, in view of the following:

1. The Casecnan Multipurpose Irrigation and Power Project (CMIPP) under a Build-Operate-and-Transfer (BOT) scheme/contract executed on November 13, 1994 by and between the NIA and the California Energy Casecnan Water and Energy Company, Inc. (CECWECI), with total payments made by NIA through the Bureau of the Treasury (BTr) to CECWECI of P106.231 billion, inclusive of the P33.750 billion project cost, was turned over by the CECWECI to the NIA on December 11, 2021. However, the NIA has not taken firm steps to require the CECWECI to turn over the financial reports and documents of CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs, and other pertinent financial documents at the time of transfer on December 11, 2021, consequently the NIA has not recognized in its books of accounts its 40 per cent interest in the joint operation of the CMIPP with the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.), contrary to Paragraphs 23, 24 and 29 of the International Public Sector Accounting Standard (IPSAS) 37 – *Joint Arrangements*. The non-recognition of the CMIPP in the books of accounts of NIA resulted in the material misstatements of its assets, liabilities, and equity accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion.



2. The non-elimination of Receivables-Intra-agency Receivables and Intra-agency Payables accounts as at December 31, 2021 in the amounts of P1.717 billion and P1.708 billion overstated the total assets and total liabilities of NIA by said amounts, respectively, contrary to Paragraph 41 of IPSAS 18.
3. The Property, Plant, and Equipment (PPE) account with carrying amount of P292.435 billion as at December 31, 2021 was net understated by P661.497 million due to: (a) recognition under Repairs and Maintenance – Other Structures expense account of P675.777 million payment for progress billing of a contractor in Balog-Balog Multi-Purpose Project (BBMP), instead of Construction in Progress (CIP)-Other Structures, thereby understating the PPE account and overstating the expense account by the said amount; (b) non-recognition of Office Building costing P58.782 million in RO No. II, which resulted in the understatement of the PPE account and related Accumulated Depreciation and Depreciation Expense accounts; and (c) non-derecognition of unserviceable PPE items totaling P73.062 million in NIA CO, three IMOs and one PMO, which resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts; all in contrary to Paragraphs 13, 14, 24, 26, 30, 31 and 82 of IPSAS 17. Likewise, the non-reclassification from PPE-CIP account to the appropriate asset/expense accounts of completed infrastructure projects aggregating P12.507 billion, overstated the PPE-CIP account by the said amount and understated the appropriate asset/expense accounts by undetermined amounts.
4. The non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the: (a) nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively; (b) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (c) segment information for decision making and demonstration of accountability; (d) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (e) statement of compliance with IPSASs; (f) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (g) explanation(s) on significant movement of Other Receivables account; deprived the intended users of the FSs of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.

For the aforementioned observations, which caused the issuance of an adverse opinion, we recommended that Management:

- 1.1. Direct the NIA Sub-Committee on Physical Inventory and Performance Test to request in writing/demand from the CECWECI the submission of the financial reports on the CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs and other related financial reports, records and documents as of December 10, 2021, invoking Section 12.23 of the 2012 Revised Implementing Rules and Regulations (RIRR) of RA No. 6957, as amended by RA No. 7718, and Item 8.6 (b), Part B, Article 8 of the Amended and Restated Casecanan Project Agreement;

- 1.2. Require the NIA Sub-Committee on Physical Inventory and Performance Test and the Secretariat for CMIPP to cause the:
  - a. Immediate conduct by the Procurement and Property Division, in coordination with PSALM Corp., of the physical inventory taking and preparation of the Report on the Physical Count of Inventories (RPCI) and Report on the Physical Count of PPE (RPCPPE) on the CMIPP facilities/assets upon receipt of the CMIPP's financial reports and records from CECWECI; and
  - b. In coordination with PSALM Corp., appraisal of the CMIPP assets/facilities upon completion of physical inventory taking and preparation of RPCI and RPCPPE; and
- 1.3. Direct the Accounting Division of CO to recognize in the books of accounts the NIA's 40 per cent ownership/interest in the joint operation of CMIPP with the PSALM Corp., pursuant to Paragraphs 23, 24 and 29 of IPSAS 37.
- 2.1. Direct the Accounting Division of CO to eliminate the reciprocal accounts during the preparation of the FSs of NIA, by conducting a nationwide regular reconciliation of the discrepancies to have reliable FSs balances at year-end.
- 3.1. Require the Accounting Sections of the ROs concerned/Accounting Division of CO to:
  - a. Recognize under PPE-CIP-Other Structures account the P675.777 million progress payment to a contractor in BBMP;
  - b. Record the office building in RO No. II costing P58.782 million and its corresponding depreciation;
  - c. Derecognize from the books of accounts the unserviceable PPE items totaling P73.062 million upon disposal duly supported with Inspection Report of Unserviceable Property (IIRUP); and
  - d. Analyze and complete the necessary documents and information to reclassify completed infrastructure projects totaling P12.507 billion from PPE-CIP account to appropriate PPE, Assistance to Local Government Units (LGUs), and Assistance to Non-Governmental Organizations/Civil Society Organizations (NGOs/CSOs) accounts, and recognize corresponding depreciation on the PPE sub-accounts affected; and
- 3.2. Require the Disposal Committee to prepare the IIRUP for the unserviceable PPE items totaling P73.062 million and submit a copy thereof to the Accounting Section/Division, as basis of the latter in the derecognition from the books of accounts the unserviceable properties.
- 4.1. Moving forward, require the Accounting Division of CO to ensure that all significant and relevant information are disclosed in the Notes to FSs so as the financial reports are fairly presented, useful and supportive to the achievement of financial



reporting objectives and, for better understandability of the users of the FSs and other stakeholders.

## **OTHER SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS**

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

5. Deficient planning and monitoring of the implementation of the irrigation contracts/projects by NIA resulted in, among others:
  - a. Significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts costing P1.745 billion and, suspension of and/or granting of contract time extensions (CTEs) on 134 projects amounting to P2.168 billion, thereby depriving the intended beneficiaries of the timely use of these irrigation projects;
  - b. Termination of 12 contracts totaling P1.194 billion due to, among others, contractor's fault or as mutually agreed upon by the parties in view of discontinuance of funding or the project is no longer needed, thus wastage of government funds;
  - c. Non-turnover of one hundred twenty-six (126) completed projects amounting to P1.143 billion to Irrigator's Associations (IAs), exposing these projects to risk of damage and deterioration, as the responsibility and control for their maintenance and monitoring have not yet been turned over to the IAs;
  - d. Incurrence of negative slippages by the contractors ranging from 1.24 to 71.07 per cent in 43 on-going contracts costing P1.381 billion, further delaying the completion of the irrigation projects;
  - e. Payments of infrastructure projects costing P1.292 billion not supported with complete documents in MARIIS and RO Nos. II, IV-B, V, VIII and IX, casting doubt on the propriety of the disbursements; and
  - f. Non-imposition of liquidated damages and/or non-forfeiture of performance securities in favor of NIA in 24 contracts of defaulting contractors totaling P382.467 million, hence potential loss of funds.
- 5.1. We reiterated our previous years' audit recommendations that top Management instruct the officials and personnel concerned:
  - a. In the planning of the irrigation contracts/projects to be implemented to adhere strictly to the pertinent provisions of RA No. 9184 and its 2016 RIRR to ensure that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of Right of Way (ROW), peace and order situation, and other relevant conditions are duly considered to ensure that all irrigation contracts/projects are efficiently carried out;

- b. In the CO, ROs and PMOs to: (i) require the contractors to regularly submit progress billings and status of work accomplishments; (ii) ensure immediate validation of the reports and inspection of projects; (iii) address the causes on the delays/suspension and grant of time extensions; and (iv) enforce the forfeiture of performance securities and/or imposition of liquidated damages for delays where contractors are at fault;
- c. To review the post-qualification procedures conducted by the respective Bids and Awards Committee (BAC) for the terminated contracts to determine areas for improvement and ensure that contracts are only awarded to eligible and responsive contractors;
- d. To immediately turn over the operations and maintenance of all completed communal irrigation projects to the IAs concerned duly covered with Memorandum of Agreement (MOA) to ensure proper maintenance of the irrigation facilities; and
- e. To refrain from paying progress billings of the contractors without complete and relevant documentation in compliance with Section 4(6) of PD No. 1445.

5.2. We further reiterated our previous years' recommendations that top Management:

- a. File appropriate charges against erring/defaulting contractors; and
- b. Consider imposing administrative sanctions against NIA officials and personnel who are remiss of their duties, specifically in planning and monitoring of the implementation of irrigation contracts/projects, that resulted in delays, suspensions, terminations of infrastructure contracts/projects, and wastage of government funds.

6. The pertinent provisions of RA No. 9184 and its 2016 RIRR were not strictly adhered to in 173 awarded contracts aggregating P1.290 billion posing risk that contracts were awarded to the bidders/contractors who might not be eligible and responsive with the requirements of the contracts, and that NIA was not assured that it has obtained the most advantageous price for the government, in view of the following deficiencies: (a) the eligibility and other documentary requirements for 37 contracts totaling P315.513 million were either lacking, deficient or not at all submitted to the respective Audit Teams; (b) procedures in the conduct of public bidding for 80 contracts costing P963.973 million were not properly observed; and (c) inappropriate procurement modality on the procurement of other supplies and materials for Civil Works, Office Equipment, and Construction Equipment involving 56 contracts amounting to P10.552 million.

6.1. We recommended and top Management agreed to require the Regional/Project Managers of ROs and PMOs concerned to:

- a. Direct the BAC and its Technical Working Group (TWG) to submit the lacking documentary requirements of 37 contracts to their respective Audit



Teams for audit purposes, to avoid suspension of the transactions in audit; and

- b. Comply thoroughly with the following procurement procedures prescribed under RA No. 9184 and its 2016 RIRR to ensure transparency and efficiency in the NIA's procurement activities:

- b.1. Posting of Invitation to Bid (ITB) for seven days at any conspicuous place within the premises of the Agency, in accordance with Section 21.2.1(a) of the 2016 RIRR of RA No. 9184;
- b.2. Posting of Notice of Award and Notice to Proceed in the Philippine Government Electronic Procurement System (PhilGEPS), the NIA website, and in any conspicuous place in the premises of NIA within the period required under the 2016 RIRR of RA No. 9184;
- b.3. Sending of invitation to observers, in addition to the representative of COA, to monitor the procurement proceedings, as required under Section 13.1 of the 2016 RIRR of RA No. 9184; and
- b.4. Requiring the contractors to post Performance Security not later than the date of contract signing to be valid until the issuance by NIA to the contractor concerned of the Certificate of Final Acceptance.

- 6.2. We further recommended that Management require the Regional/Project Managers concerned to stop the practice of any form of splitting of contracts as a way of avoiding the conduct of competitive bidding in compliance with Section 54.1, Rule XVI of the 2016 RIRR of RA No. 9184.

- 7. In NIA CO, RO Nos. II, VI, VIII and XIII, the Advances to Contractors totaling P1.048 billion on 46 terminated contracts were not recouped within 28 days from termination of the Contracts, contrary to Paragraph 46 of the General Conditions of the Contract (GCC) of the 5th Edition of the Philippine Public Documents (PBDs) for the Procurement of Infrastructure Projects, due to absence of internal control policies and procedures to ensure that terminated contracts and settlement of balances between the NIA and contractors concerned are completely and timely detected and acted upon. The non-recoupment of the advances resulted in potential loss of funds since some of the contractors could no longer be located and the performance securities posted were already expired.

- 7.1. We recommended and top Management agreed to:

- a. Establish a policy to ensure that all Notices of Termination approved by the Contract Termination Review Committee (CTRC) are timely communicated/furnished to the Accounting Division, and advances to contractors are recouped within 28 days in compliance with Paragraph 46, GCC of the 5th Edition of the PBD for the Procurement of Infrastructure Projects; and

- b. Require the responsible officers and personnel concerned in the CO and ROs to exert all efforts to recoup the advances to contractors on the 46 terminated contracts totaling P1.048 billion, and hold them liable in case of non-recoupment, if warranted.

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

As of December 31, 2021, the total unsettled suspensions, disallowances, and charges for all funds amounted P1.372 billion, P4.176 billion, and P2.466 million, respectively. In addition, there is an unsettled audit suspension of USD3.864 million under the General Fund. The details and status of the unsettled suspensions, disallowances and charges at year-end are shown in Part IV, Appendix A of this Report.

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

Of the 120 audit recommendations embodied in the prior years' Annual Audit Reports, 15 were fully implemented, 24 were partially implemented, and 81 were not implemented. Details are presented in Part III of this Report.



## TABLE OF CONTENTS

	<b>Page</b>
<b>PART I - AUDITED FINANCIAL STATEMENTS</b>	
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	11
<b>PART II - OBSERVATIONS AND RECOMMENDATIONS</b>	78
<b>PART III - STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS</b>	158
<b>PART IV - APPENDIX</b>	
A - Details and Status of Unsettled Audit Suspensions, Disallowances, and Charges as of December 31, 2021	195



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**

***Adverse Opinion***

We have audited the accompanying financial statements (FSs) of the **National Irrigation Administration (NIA)**, which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of financial performance, statements of changes in net assets/equity, and statements of cash flows for the years then ended, statement of comparison of budget and actual amounts for the year ended December 31, 2021, and notes to FSs, including a summary of significant accounting policies.

In our opinion, because of the significance and pervasiveness of the effects of the matters discussed in the *Bases for Adverse Opinion* section of our report, the accompanying FSs do not present fairly, in all material respects, the financial position of **NIA**, as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

***Bases for Adverse Opinion***

The Casecnan Multipurpose Irrigation and Power Project (CMIPP) under a Build-Operate-and-Transfer scheme/contract executed on November 13, 1994 by and between the NIA and the California Energy Casecnan Water and Energy Company, Inc. (CECWECI), with total payments made by NIA through the Bureau of the Treasury to CECWECI of P106.231 billion, inclusive of the P33.750 billion project cost, was turned over by the CECWECI to the NIA on December 11, 2021. However, the NIA has not taken firm steps to require the CECWECI to turn over the financial reports and documents of CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs, and other pertinent financial documents at the time of transfer on December 11, 2021, consequently the NIA has not recognized in its books of accounts its 40 per cent interest in the joint operation of the CMIPP with the Power Sector Assets and Liabilities Management Corporation, contrary to Paragraphs 23, 24 and 29 of IPSAS 37 – *Joint Arrangements*. The non-recognition of the CMIPP in the books of accounts of NIA resulted in the material misstatements of its assets, liabilities, and equity accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion.



The non-elimination of Receivables-Intra-agency Receivables and Intra-agency Payables accounts as at December 31, 2021 in the amounts of P1.717 billion and P1.708 billion overstated the total assets and total liabilities of NIA by said amounts, respectively, contrary to Paragraph 41 of IPSAS 18.

The Property, Plant, and Equipment (PPE) account with carrying amount of P292.435 billion as at December 31, 2021 was net understated by P661.497 million due to: (a) recognition under Repairs and Maintenance – Other Structures expense account of P675.777 million payment for progress billing of a contractor in Balog-Balog Multi-Purpose Project, instead of PPE-Construction in Progress (CIP)-Other Structures account, thereby understating the PPE account and overstating the expense account by the said amount; (b) non-recognition of Office Building costing P58.782 million in Regional Office No. II, which resulted in the understatement of the PPE account and related Accumulated Depreciation and Depreciation Expense accounts; and (c) non-derecognition of unserviceable PPE items totaling P73.062 million in NIA Central Office, three Irrigation Management Offices and one Project Management Office, which resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts; all in contrary to Paragraphs 13, 14, 24, 26, 30, 31 and 82 of IPSAS 17. Likewise, the non-reclassification from PPE-CIP account to the appropriate asset/expense accounts of completed infrastructure projects aggregating P12.507 billion, overstated the PPE-CIP account by the said amount and understated the appropriate asset/expense accounts by undetermined amounts.

The non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the: (a) nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in calendar years (CYs) 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively; (b) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (c) segment information for decision making and demonstration of accountability; (d) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (e) statement of compliance with IPSASs; (f) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (g) explanation(s) on significant movement of Other Receivables account; deprived the intended users of the FSs of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the NIA in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the FSs, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

### **Other Matter**

In our report dated July 29, 2021, we expressed a qualified opinion on the CYs 2020 and 2019 FSs because of the non-reclassification from the CIP to the appropriate asset/expense accounts of completed infrastructure projects amounting to P3.578 billion and non-infrastructure PPEs in the aggregate cost of P14.128 million resulting in the overstatement of

the CIP account by P3.592 billion and understatement of the appropriate asset/expense accounts by the same amount. The basis, however, for the qualified opinion rendered in the CYs 2020 and 2019 FSs was not yet resolved in CY 2021.

Considering further the significance and pervasiveness of the effects of the following matters in the FSs: (a) non-recognition of NIA's 40 per cent interest in the joint operation of the CMIPP with the PSALM Corp. transferred by CECWECI to NIA on December 11, 2021, with substantial payments of the government to CECWECI totaling P106.231 billion, that resulted in the material misstatements of NIA's assets, liabilities, and equity accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021; and (b) the non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively, as well as the nature of restatement by P4.917 billion on the Surplus for CY 2020; our present opinion is different from that expressed in our previous report.

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

Management is responsible for the preparation and fair presentation of these FSs in accordance with IPSASs, and for such internal control as management determined is necessary to enable the preparation of FSs that are free from material misstatement, whether due to fraud or error.

In preparing the FSs, 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 FSs, 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 an audit conducted in accordance with ISSAIs 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 FSs.

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

- Identify and assess the risks of material misstatement of the FSs, 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 our 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 FSs 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 FSs including the disclosures, and whether the FSs represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic FSs taken as a whole. The supplementary information for the year ended December 31, 2021 required by the Bureau of Internal Revenue as disclosed in Note 39 to the FSs is presented for purposes of additional analysis and is not a required part of the basic FSs prepared in accordance with IPSASs. Such supplementary information is the responsibility of Management of the NIA.

## **COMMISSION ON AUDIT**



**CARMENCITA P. MODINA**

OIC-Supervising Auditor

Audit Group B - NIA

Cluster 5 - Agriculture and Natural Resources

Corporate Government Audit Sector

July 21, 2022



Republic of the Philippines  
**National Irrigation Administration**  
Central Office

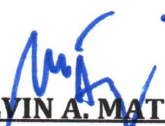
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR THE FINANCIAL STATEMENTS**


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, 2021 and 2020, 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.

  
**ATTY. MELVIN A. MATIBAG**  
Chairman of the Board

  
**GEN RICARDO R. VISAYA (Ret)**  
~~Vice~~ Chairman of the Board / Administrator

  
**RALPH LAUREN A. DU**  
Deputy Administrator  
For Administrative and Finance Sector

  
**EDITHA D. MORALES, CPA, DPA**  
Manager  
Financial Management Department

Signed this \_\_\_\_\_ day of \_\_\_\_\_

**NATIONAL IRRIGATION ADMINISTRATION**  
**STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2021 and 2020  
(In Philippine Peso)

	Note	2021	2020 (As restated)	January 1, 2020 (As restated)
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6	11,283,163,503	6,621,309,706	9,775,628,021
Receivables, net	7	28,715,170,714	31,448,866,463	31,634,065,851
Inventories, net	8	87,988,231	192,117,600	99,735,238
Prepayments	9	4,382,572,787	4,582,384,978	6,077,061,693
Other current assets	10	92,315,152	95,599,622	130,220,678
<b>Total Current Assets</b>		<b>44,561,210,387</b>	<b>42,940,278,369</b>	<b>47,716,711,481</b>
<b>Non-Current Assets</b>				
Other investments	11	468,083,200	433,953,577	403,786,482
Investment property	12	-	1,500,000	-
Property, plant, and equipment, net	13	292,434,646,117	281,386,099,593	270,663,076,223
Intangible assets	14	46,346,504	2,506,976	1,330,216
<b>Total Non-Current Assets</b>		<b>292,949,075,821</b>	<b>281,824,060,146</b>	<b>271,068,192,921</b>
<b>TOTAL ASSETS</b>		<b>337,510,286,208</b>	<b>324,764,338,515</b>	<b>318,784,904,402</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Financial liabilities	15	4,967,922,354	8,276,081,154	16,130,517,480
Inter-agency payables	16	95,234,030,072	90,416,542,217	91,229,178,576
Intra-agency payables	17	1,708,473,619	3,010,716,494	2,311,596,236
Trust liabilities	18	3,016,086,107	2,454,063,913	1,636,230,374
Provisions	19	2,036,231,441	1,936,843,861	920,406,446
Other payables	20	3,301,656,160	4,299,510,074	5,447,931,928
<b>Total Current Liabilities</b>		<b>110,264,399,753</b>	<b>110,393,757,713</b>	<b>117,675,861,040</b>
<b>Non-Current Liabilities</b>				
Deferred credits/unearned revenue	21	5,638,017,020	8,049,043,348	8,819,667,788
<b>Total Non- Current Liabilities</b>		<b>5,638,017,020</b>	<b>8,049,043,348</b>	<b>8,819,667,788</b>
<b>TOTAL LIABILITIES</b>		<b>115,902,416,773</b>	<b>118,442,801,061</b>	<b>126,495,528,828</b>
<b>NET ASSETS (Total Assets less Total Liabilities)</b>		<b>221,607,869,435</b>	<b>206,321,537,454</b>	<b>192,289,375,574</b>
<b>NET ASSETS/EQUITY</b>				
Accumulated surplus/(deficit)		216,048,677,570	200,762,345,589	186,730,183,709
Government equity	23	5,559,191,865	5,559,191,865	5,559,191,865
<b>NET ASSETS/EQUITY</b>		<b>221,607,869,435</b>	<b>206,321,537,454</b>	<b>192,289,375,574</b>

The notes on pages 11 to 77 form part of these financial statements.



**NATIONAL IRRIGATION ADMINISTRATION**  
**STATEMENTS OF FINANCIAL PERFORMANCE**  
For the Years Ended December 31, 2021 and 2020  
(In Philippine Peso)

			<b>2020</b>
	<b>Note</b>	<b>2021</b>	<b>(As restated)</b>
<b>REVENUE</b>			
Service and business income	24	678,691,067	547,325,346
<b>TOTAL REVENUE</b>		<b>678,691,067</b>	<b>547,325,346</b>
<b>CURRENT OPERATING EXPENSES</b>			
Personnel services	25	3,891,152,924	3,715,914,032
Maintenance and other operating expenses	26	15,794,318,293	7,749,157,623
Financial expenses	27	1,128,317,075	1,963,486,521
Non-cash expenses	28	6,813,923,320	5,532,676,388
<b>TOTAL CURRENT OPERATING EXPENSES</b>		<b>27,627,711,612</b>	<b>18,961,234,564</b>
<b>DEFICIT FROM CURRENT OPERATIONS</b>		<b>(26,949,020,545)</b>	<b>(18,413,909,218)</b>
Other non-operating income	29	100,129,486	90,695,910
Sale of garnished/confiscated/abandoned/seized goods and property	30	1,313,049	-
Gain on foreign exchange	30	7,092,917	1,022,862
Gain on sale of property, plant, and equipment	30	4,640	92,072
Gain on sale of unserviceable property	30	3,169,539	319,800
Loss on foreign exchange	31	(2,260,507)	(3,435,908)
Loss of asset	31	(21,396)	(57,002)
Other losses	31	(325,799)	-
<b>DEFICIT BEFORE TAX</b>		<b>(26,839,918,616)</b>	<b>(18,325,271,484)</b>
Less: Income tax expense		-	-
<b>DEFICIT AFTER TAX</b>		<b>(26,839,918,616)</b>	<b>(18,325,271,484)</b>
Assistance and subsidy	33	42,978,025,096	33,983,923,217
<b>NET SURPLUS FOR THE PERIOD</b>		<b>16,138,106,480</b>	<b>15,658,651,733</b>

The notes on pages 11 to 77 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION**  
**STATEMENTS OF CHANGES IN NET ASSETS/EQUITY**  
For the Years Ended December 31, 2021 and 2020  
(In Philippine Peso)

	Accumulated surplus/(deficit)	Government equity (Note 23)	Total
<b>BALANCE AS AT JANUARY 1, 2019</b>	<b>240,992,930,078</b>	<b>5,559,191,865</b>	<b>246,552,121,943</b>
<b>CHANGES IN EQUITY FOR 2019</b>			
Surplus for the year	22,320,167,727	-	22,320,167,727
Prior period adjustments, as restated (Note 22)	(76,582,914,096)	-	(76,582,914,096)
<b>RESTATED BALANCE AS AT DECEMBER 31, 2019</b>	<b>186,730,183,709</b>	<b>5,559,191,865</b>	<b>192,289,375,574</b>
<b>CHANGES IN EQUITY FOR 2020</b>			
Surplus for the year, as restated	15,658,651,733	-	15,658,651,733
Prior period adjustments, as restated (Note 22)	(1,626,489,853)	-	(1,626,489,853)
<b>RESTATED BALANCE AS AT DECEMBER 31, 2020</b>	<b>200,762,345,589</b>	<b>5,559,191,865</b>	<b>206,321,537,454</b>
<b>CHANGES IN EQUITY FOR 2021</b>			
Surplus for the year	16,138,106,480	-	16,138,106,480
Prior period adjustments (Note 22)	(851,774,499)	-	(851,774,499)
<b>BALANCE AS AT DECEMBER 31, 2021</b>	<b>216,048,677,570</b>	<b>5,559,191,865</b>	<b>221,607,869,435</b>

The notes on pages 11 to 77 form part of these financial statements.

**NATIONAL IRRIGATION ADMINISTRATION**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2021 and 2020  
(In Philippine Peso)

	Note	2021	2020 (As restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	35		
<b>Cash inflows</b>			
Receipt of assistance/subsidy		41,740,533,975	34,367,754,351
Receipt of inter-agency fund transfers		144,334,126	50,482,065
Receipt of intra-agency fund transfers		535,154,918	-
Collection of income/revenue		231,946,669	673,849,630
Trust receipts		266,408,348	688,132,693
Collection of receivables		175,973,622	54,355,594
Other receipts		169,836,381	66,738,241
Adjustments		368,274,341	-
<b>Total cash inflows</b>		<b>43,632,462,380</b>	<b>35,901,312,574</b>
<b>Cash outflows</b>			
Replenishment of negotiated modified disbursement system checks		10,851,376	-
Remittance to national treasury		181,088,408	-
Purchase of inventories		42,635,594	-
Payment of expenses		6,252,708,298	8,371,452,185
Payment of accounts payable and other payables		1,044,008,711	3,183,304,023
Remittance of personnel benefit contributions and mandatory deductions		3,130,038,641	2,267,532,298
Prepayments		17,756,116	1,700,841,767
Release of inter-agency fund transfers		2,398,500	179,741,183
Release of intra-agency fund transfers		156,112,946	-
Grant of cash advances		721,439,027	646,036,563
Refund of deposits		174,689,905	202,344,217
Other disbursements		466,009,434	-
Adjustments		166,893,482	71,210
<b>Total cash outflows</b>		<b>12,366,630,438</b>	<b>16,551,323,446</b>
<b>Net cash provided by operating activities</b>		<b>31,265,831,942</b>	<b>19,349,989,128</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash inflows</b>			
Proceeds from sale/disposal of property, plant, and equipment		4,333,262	92,072
Adjustments		1,819,078	-
<b>Total cash inflows</b>		<b>6,152,340</b>	<b>92,072</b>
<b>Cash outflows</b>			
Purchase/construction of property, plant, and equipment		7,829,579,767	4,658,028,036
Payment for the construction of infrastructure assets		18,779,255,232	17,846,333,733
Adjustments		2,844,542	-
<b>Total cash outflows</b>		<b>26,611,679,541</b>	<b>22,504,361,769</b>
<b>Net cash used in investing activities</b>		<b>(26,605,527,201)</b>	<b>(22,504,269,697)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash inflows</b>			
Proceeds from foreign loans		2,336,193	-
<b>Total cash inflows</b>		<b>2,336,193</b>	<b>-</b>
<b>Cash outflows</b>			
Payment of foreign loans		790,401	-
<b>Total cash outflows</b>		<b>790,401</b>	<b>-</b>
<b>Net cash provided by financing activities</b>		<b>1,545,792</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,661,850,533</b>	<b>(3,154,280,569)</b>
Effect of exchange rate changes		3,264	(37,746)
<b>Cash and cash equivalents, January 1</b>		<b>6,621,309,706</b>	<b>9,775,628,021</b>
<b>Cash and cash equivalents, December 31</b>	6	<b>11,283,163,503</b>	<b>6,621,309,706</b>

The notes on pages 11 to 77 form part of these financial statements.



**NATIONAL IRRIGATION ADMINISTRATION**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
For the Year Ended December 31, 2021  
(In Philippine Peso)

		<b>Budget Amount</b>		<b>Actual amount</b>	<b>Difference</b>
	<b>Note</b>	<b>Original</b>	<b>Final</b>	<b>on comparable basis</b>	<b>Final budget and actual</b>
<b>RECEIPTS</b>					
Service and business income	24	665,857,172	665,857,172	678,691,067	(12,833,895)
Other non-operating income	29	117,162,418	117,162,418	100,129,486	17,032,932
Gains on foreign exchange		-	-	4,832,410	(4,832,410)
Gains on sale of property, plant, and equipment	30	-	-	1,313,049	(1,313,049)
Assistance and subsidy	33	37,235,300,522	37,235,300,522	42,978,025,096	(5,742,724,574)
<b>Total Receipts</b>		<b>38,018,320,112</b>	<b>38,018,320,112</b>	<b>43,762,991,108</b>	<b>(5,744,670,996)</b>
<b>PAYMENTS</b>					
Personnel services	25	4,588,534,998	4,588,534,998	3,891,152,924	697,382,074
Maintenance and other operating expenses	26	3,114,785,922	3,114,785,922	15,796,925,994	(12,682,140,072)
Capital outlay	38	29,988,229,192	29,988,229,192	25,134,724,246	4,853,504,946
Financial expenses	27	-	-	1,128,317,075	(1,128,317,075)
<b>Total Payments</b>		<b>37,691,550,112</b>	<b>37,691,550,112</b>	<b>45,951,120,239</b>	<b>(8,259,570,127)</b>
<b>NET RECEIPTS / (PAYMENTS)</b>		<b>326,770,000</b>	<b>326,770,000</b>	<b>(2,188,129,131)</b>	<b>2,514,899,131</b>

The notes on pages 11 to 77 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 (GC) 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) but 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, under Executive Order (EO) No. 165, s. 2014 NIA was transferred together with the National Food Authority (NFA), the Philippine Coconut Authority (PCA), and the Fertilizer and Pesticide Authority (FPA) 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 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 (BOD). Through EO No. 168, s. 2022 dated April 25, 2022, the NIA was transferred back as an attached Agency under the DA. The 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 on January 24, 1991, otherwise known as "An Act to Promote Rural Development by providing for an Accelerated Program within a Ten-Year Period for 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 on February 2, 2018, implementing the scope of Free Irrigation Service and the Condonation and Write Off of Loans, Past Due Accounts and Penalties of Farmers and Irrigators' Associations 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 (LGUs);
- 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.

### *Vision*

By 2022, 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.



## 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 8,354 and 9,209 personnel in CYs 2021 and 2020, respectively. The breakdown is as follows:

	2021	2020
<b>Monthly Paid - Rationalized</b>		
Permanent - Corporate Operating Budget (COB) charged filled	3,391	3,793
<b>Casual/Daily Paid</b>		
COB charged	2,839	2,931
Project charged	2,124	2,485
	<b>8,354</b>	<b>9,209</b>

NIA is composed of the CO, 17 Regional Irrigation Offices (RIOs), including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIIS), 54 regular Irrigation Management Offices (IMOs), seven (7) Interim IMOs, six (6) Satellite Offices, and nine (9) Project Management Offices (PMOs).

## 1.2 Projects and Operational Profile

NIA pursued the implementation of 134 infrastructure projects for CY 2021 including carry over programs, consisting of 40 projects in Luzon, 29 in Visayas, 16 in Mindanao and 49 programs are implemented in select provinces nationwide. Activities for the year also included 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 adaptation works.

The CY 2021 program included the: generation of 19,639 hectares; restoration of 5,347 hectares; repair and rehabilitation works of 238.63 kilometers (km.) earth canals; 185.26 km. concrete lined canals; 8.88 km. high density polyethylene (HDPE) pipe; 81.81 km. concrete roads; 185.67 km. gravel roads; and 287 units of canal structures.

The Agency has physical and financial accomplishments of 69.41 per cent and 46.09 per cent, respectively, for CY 2021 programs and accomplished new area generation of 10,978 hectares and restored 3,783 hectares. Repaired total of 344.55 km. of earth canals, 232.44 km. lines canals, 10.48 km. of HDPE pipe, 95.47 km. concrete roads, 245.88 km. gravel roads and 511 units of canal structures.

## 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) 2021, RA No. 11518 for NIA (Section XXXVI - Budgetary Support to Government Corporations, M.7. Other Executive Offices-NIA), summarized as follows:

CY 2021 Irrigation Program (In Thousand Pesos)				
	Appropriation	Allotment	Release Cash/Non-Cash	Obligation
CY 2021 Irrigation Programs:				
General Administration and Support	11,188,899	11,188,899	6,394,386	8,477,703
Support to Operations	1,043,239	1,043,239	211,336	589,605
Operations	19,426,701	19,426,701	10,351,314	17,479,222
<b>Total</b>	<b>31,658,839</b>	<b>31,658,839</b>	<b>16,957,036</b>	<b>26,546,530</b>
Others:				
Integrated Resources and Environment Management Project - International Fund for Agricultural Development – Loan Proceeds (LP)	-	173,774	59,749	150,087
Section 7 of the Special Provisions for NIA under GAA FY 2021	-	283,065	126,550	282,363
<b>Total Others</b>	<b>-</b>	<b>456,839</b>	<b>186,299</b>	<b>432,450</b>
<b>Grand Total</b>	<b>31,658,839</b>	<b>32,115,678</b>	<b>17,143,335</b>	<b>26,978,980</b>

Carry Over Funds (In Thousand Pesos)			
FY 2015 - 2020 GAA	Unobligated Balance CY 2021	Release Cash/ Non-Cash	Obligation
Various Projects	5,681,745	21,590,703	3,260,031
Other Sources:			
Integrated Resources and Environment Management Project - International Fund for Agricultural Development - LP	123,132	180,857	119,572
Section 7 of the Special Provisions for NIA under GAA 2021	131,600	330,501	130,427
Section 9 of the Special Provisions for NIA under GAA 2021	747	125,614	(114)
National Disaster Risk Reduction Management Fund	361	68,294	(1,922)
	<b>5,937,585</b>	<b>22,295,969</b>	<b>3,507,994</b>

## 2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Statement of Compliance with International Public Sector Accounting Standards (IPSASs)

The financial statements have been prepared in compliance with IPSASs prescribed for adoption by the Commission on Audit (COA) under COA Resolution No. 2014-003 dated January 24, 2014. The term IPSAS includes all applicable IPSASs and the corresponding Philippine Application Guidance. The Philippine Public Sector Accounting Standards (PPSASs) were renamed to IPSASs under COA Resolution No. 2020-001 dated January 9, 2020.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows (SCF) 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 peso, unless otherwise stated.

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

The financial statements, in compliance with the adopted IPSASs, require the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies.

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

#### **3.1 Basis of Accounting**

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

#### **3.2 Presentation of Financial Statements**

The financial statements consist of the financial reports of NIA CO and 17 RIOs including the UPRIIS and the MARIIS, and nine (9) PMOs in accordance with NIA's One Fund Accounting System Manual.

All significant intra-agency receivables/ intra-agency payables transactions are eliminated in the preparation of the financial statements.

The financial statements reflect the assets, liabilities, revenues, and expenses of NIA's CO, RIOs including the UPRIIS and the MARIIS, and PMOs.

Financial statements of inactive accounts with total Net Assets/Equity of P19.331 billion as at December 31, 2021, from RIOs/PMOs are included in the preparation of the financial statements. These inactive accounts represent balances from completed projects in the Corporate and General Funds that were forwarded from previous years despite their being turned over to their respective RIOs/PMOs. Of the 75 inactive accounts reported since CY 2018, the following 23 accounts were already closed to Corporate Fund:

<b>RO/PMO</b>	<b>Project or Program Title</b>
Region 1	Fund 102
Region 2	Cagayan Integrated Agricultural Development Project
Region 2	Communal Irrigation Development Project
Region 2	Casacnan Multipurpose and Power Project
Region 2	El Niño
Region 2	Grain Sector Development Program
Region 2	Irrigation Operation Systems Project I
Region 2	102 - Water Resource Development Project
Region 3	Comprehensive Agrarian Reform Program - Irrigation Component



RO/PMO	Project or Program Title
Region 3	Irrigation Operation Support Project I
Region 3	QUAKE Fund
Region 5	Irrigation Operation Support Project I
Region 5	102 - Communal Irrigation Development Project
Region 5	102 - Water Resource Development Project
Region 5	102 - Grain Sector Development Program
Region 5	102 - El Niño
Region 6	Alapasco Project
Region 9	102 - El Niño
Region 9	102 - Water Resource Development Project
Region 12	Water Resource Development Project
Region 12	Irrigation Operation Support Project
Region 12	Malitubog Maridagao Irrigation Project 1
Region 12	Irrigation Operation Support Project I

### 3.3 Financial Instruments

#### a. Financial assets

##### *Initial recognition and measurement*

Financial assets within the scope of IPSAS 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 marketplace (regular way trades) are recognized on the trade date, i.e., the date that the NIA commits to purchase or sell the asset.

The NIA's financial assets include: Cash and cash equivalents, Trade and other trade receivables and Other investments accounts. (See Notes 6, 7 and 11)

##### *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 (SFP) 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 7)

## 3. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when NIA has the positive intention and ability to hold it to maturity. (See Note 11)

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*

The 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 IPSAS 29 *Financial Instruments: Recognition and Measurement*; and either the entity has:
  - a. transferred substantially all the risks and rewards of ownership of the financial asset; or
  - b. 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*

The 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 11)

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty.
2. Default or delinquency in interest or principal payments.
3. The probability that debtors will enter bankruptcy or other financial reorganization.
4. Observable data indicate 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 IPSAS 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.

The NIA's financial liabilities include Trade payables to suppliers, employees, and other contractors as well as Notes payable accounts. (See *Note 15*)

*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 IPSAS 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 and 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 SFP 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.

## **3.4 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 6)

## **3.5 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 the NIA will not be able to collect the amounts due according to the original terms of settlement of the receivable accounts. (See Note 7)

Trade receivables are financial assets with fixed or determinable payment that are not quoted in an active market. They arise when the 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 SFP. Receivables are included in current assets if maturity is within 12 months of the financial reporting date while those with 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 the 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. The allowance is based on 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 to 60 days	- 1 per cent
61 to 180 days	- 2 per cent
181 days to 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

#### *Write-off of receivables*

The policy under NIA Memorandum Circular (MC) No. 81, s. 2017 includes that the following conditions must be present to support the request for authority from the COA to write-off 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 Management to collect the receivables and to demand liquidation of each advances and fund transfers; and
- f. No pending case in court involving the subject dormant accounts.

#### *Write-off and condonation of Irrigation Service Fee (ISF)*

With the passage of RA No. 10969 or the "Free Irrigation Service Act", NIA issued its Implementing Rules and Regulations (IRR) under NIA MC No. 108, s. 2018 to set a policy for collection and write-off of receivables for ISF. The IRR states the following:

- a. 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 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 IAs.
- b. A registry of farmers 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.
- c. 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.

- d. All unpaid ISF to NIA and the corresponding penalties of farmers with eight hectares and below, 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 write-off of indebtedness pursuant to Section 5 of the IRR shall be in accordance with all applicable accounting and auditing guidelines and procedures.

### **3.6 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 comprised 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 8*)

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

### **3.7 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 12*)

IP acquired through a non-exchange transaction is measured at its fair value as 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 COA for property, plant and equipment (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.

The 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:

- a. use in the production or supply of goods or services, or for administrative purposes; or
- b. sale in the ordinary course of operations.

### **3.8 PPE**

#### *Recognition*

An item is recognized as PPE if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

- a. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- b. the cost or fair value of the item can be measured reliably; and
- c. 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:

- a. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

- b. expenditure that is directly attributable to the acquisition of the items; and
- c. 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 13)

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.

- a. 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 shall be for one month if the PPE is available for use on or before the 15<sup>th</sup> of the month. However, if the PPE is available for use after the 15<sup>th</sup> of the month, depreciation shall be for the succeeding month.

- b. Depreciation method

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

- c. 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:



Water supply system	- 20 to 50 years
Land improvement	- 10 years
Buildings	- 30 years
Machineries and equipment	- 10 years
Motor vehicles	- 7 years
Furniture and fixtures	- 10 years
Office equipment	- 5 years
Information and communication technology equipment	- 5 years
Communication equipment	- 5 years
Sports equipment	- 10 years
Technical and scientific equipment	- 10 years
Other machineries and equipment	- 10 years
Other transportation equipment	- 7 years

d. **Residual value**

The NIA uses a residual value equivalent to at least five per cent 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*

The 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 13)

### **3.9 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.

Contingent rents are recognized as revenue in the period in which they are earned. (See Note 24)

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

### **Operating lease - NIA as a lessee**

The NIA adopts Lease Purchase Agreement (LPA) in acquiring motor vehicles in its RIOs. Rental payments are recognized as Rent/Lease expense and PPE-donation is recognized upon full payment of the motor vehicle equivalent to its contract cost.

### **3.10 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.

The NIA recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowances, 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 in the notes to financial statements 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.

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.

### **3.11 Adjustments Due to Changes in Accounting Policies, Estimates and Errors**

The 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**

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

#### **Due to prior period errors**

Prior period errors are omissions from and misstatements 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. The 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.

### **3.12 Revenue**

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

#### *Rendering of services*

The 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 24)

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 the 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.

### *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.

## **3.13 Budget Information**

The annual budget is prepared on a cash basis and is published in the official website of NIA.

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 38*.

These budget figures are those approved by the governing body.

## **3.14 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 the 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 36*)

## **3.15 Measurement Uncertainty**

The preparation of financial statements in conformity with IPSASs 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 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 the preparation of financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.



#### **4. 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.

The 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 and Management Plan (DRRMP).

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 DRRMP 2019-2023 was covered by NIA MC 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.

##### **4.1 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.

#### **5. PRIOR PERIOD ADJUSTMENTS**

The NIA has determined that prior period adjustments were due to, among others, the following transactions: (*Refer to Note 22*)

- a. Reversal of dormant/long outstanding accounts payable;
- b. Adjustments relevant to the operation of California Energy-Casecnan Hydro Power Plant;
- c. Recognition of prior years' dividends payable;
- d. Reclassification of advances to contractors of terminated contracts;
- e. Reclassification of completed projects to its proper PPE account;
- f. Recognition of prior years' auditing services; and
- g. Recognition of interest expense on unpaid advances made by the Bureau of the Treasury (BTr) for the Public-Private Partnership (PPP) contract with the California Energy Casecnan Water Electric Company, Inc. (CECWECI).

## 6. CASH AND CASH EQUIVALENTS

This account includes the following:

	2021	2020	January 1, 2020
Cash in bank - local currency, current account (LC, CA)	10,731,654,653	6,079,180,360	9,164,786,518
Cash in bank - LC, time deposits (TDs)	455,243,243	449,856,554	440,594,045
Cash in bank - LC, savings account (SA)	42,986,468	42,133,352	111,273,583
Cash in bank - foreign currency (FC), TDs	40,824,217	38,578,443	40,480,709
Cash-collecting officers	4,556,967	7,371,925	2,982,958
Cash in bank - FC, SA	4,070,817	854,610	25,393
Petty cash	3,801,192	3,334,462	15,413,605
Cash, treasury/agency deposit, regular (T/ADR)	25,946	-	71,210
	<b>11,283,163,503</b>	<b>6,621,309,706</b>	<b>9,775,628,021</b>

Cash in bank-LC, CA includes the amount of cash maintained with authorized government depository banks by the CO, RIOs, PMOs and IMOs.

Cash in bank-FC, SA represents amounts deposited with authorized government depository banks denominated in US dollars (\$). 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 was translated using the Bangko Sentral ng Pilipinas (BSP) closing rate of P50.774 : US\$1.00 as at December 31, 2021.

Cash, T/ADR account represents the balance of "Due from National Treasury" account before it was converted to conform with the Revised Chart of Accounts.

Included in the Cash in bank account are Trust Fund (TF) and Working Fund (WF) treated as restricted cash in compliance with the Operations & Maintenance (O&M) Agreement of NIA with First Gen Hydro Power Corporation (FGHPC) and SN Aboitiz Power (SNAP)-Magat, Incorporated, dated November 13, 2006 and December 13, 2006, respectively, viz.:

	2021	2020
Cash in bank-LC, TD		
FGHPC – TF	135,619,179	134,239,040
SNAP-Magat, Incorporated – TF	126,300,401	124,787,963
	<b>261,919,580</b>	<b>259,027,003</b>
	<b>2021</b>	<b>2020</b>
Cash in bank - LC, CA		
SNAP-Magat, Incorporated – WF	849,497,973	762,098,868
FGHPC – WF	197,008,269	192,743,312
	<b>1,046,506,242</b>	<b>954,842,180</b>

The O&M agreements have term of 25 years. Under the said agreements, NIA will manage, operate, maintain, and rehabilitate the non-power components of Pantabangan-Masiway Hydroelectric Power Plants (PMHEPP) and Magat Power Plant Complex.

As provided under the agreements, FGHPC and SNAP-Magat, Incorporated are required to provide a TF amounting to P100 million, payable in 24 monthly payments from the date

the agreements were entered, which will be billed by NIA in addition to service fee. Seventy (70) per cent of the amount available in the TF shall be allocated for self-insurance and 30 per cent shall be allocated for the Performance Security.

Furthermore, a WF shall also be established wherein a portion of the Service Fee shall be deposited to NIA's bank account that will be made readily available to NIA UPRIIS-Dams and Reservoir Division and NIA MARIIS to fund the O&M cost of PMHEPP and Magat Power Plant Complex, respectively.

Included in the Cash and cash equivalents are the following inactive accounts balances:

	2021	2020
Cash in bank - LC, CA	46,912,360	54,152,548
Petty cash	425,343	425,343
Cash - T/ADR	25,946	-
Cash-collecting officers	7,550	7,550
Cash in bank - LC, SA	(4,890,670)	(4,890,670)
	<b>42,480,529</b>	<b>49,694,771</b>

## 7. RECEIVABLES

This account consists of the following:

	2021	2020 As restated	January 1, 2020 As restated
Inter-agency receivables	22,233,781,203	22,090,023,713	21,681,651,912
Accounts receivable - ISF	4,310,680,275	5,028,536,493	5,297,456,612
Intra-agency receivables	1,717,199,144	3,023,154,558	4,043,262,308
Accounts receivable - others	53,512,530	60,617,877	61,358,432
Loans receivable - others	2,779,891	4,997,662	4,924,650
Lease receivable	568,200	-	-
Other receivables	396,649,471	1,241,536,160	545,411,937
	<b>28,715,170,714</b>	<b>31,448,866,463</b>	<b>31,634,065,851</b>

Included in the Receivables are the following inactive account balances:

	2021	2020
Accounts receivable		
Accounts receivable – others	157,340	157,340
	157,340	157,340
Inter-agency receivables		
Due from national government agencies (NGAs)	32,311,524	-
Due from LGUs	521,259	148,925
Due from government-owned and/or controlled corporations (GOCCs)	1,423	1,423
	32,834,206	150,348
Intra-agency receivables		
Due from other funds	2,365,175	2,118,514
Due from regional offices (ROs)	17,000	17,000
Due from CO	200	200
	2,382,375	2,135,714
Other receivables		
Receivable-disallowances and charges	350,721	350,721
Due from officers and employees	493,082	588,548
Other receivables	6,738,714	7,238,218
	7,582,517	8,177,487
	<b>42,956,438</b>	<b>10,620,889</b>

## 7.1 Accounts Receivable

	2021	2020	January 1, 2020
Accounts receivable-ISF back account	3,687,166,225	5,196,390,302	5,299,074,675
Accounts receivable-ISF	940,546,789	417,747,408	441,546,716
Accounts receivable-pump/communal irrigation programs/CIS-current	446,507,146	713,494,916	216,450,103
Accounts receivable-pump/communal irrigation programs/CIS-non-current	307,464,258	1,012,256,818	2,150,289,022
Accounts receivable-others	53,512,530	60,618,877	61,358,432
Gross amount	5,435,196,948	7,400,508,321	8,168,718,948
Allowance for impairment	(1,071,004,143)	(2,311,352,952)	(2,809,903,904)
	<b>4,364,192,805</b>	<b>5,089,155,369</b>	<b>5,358,815,044</b>

Aging of Accounts receivable:

	0 to 1 year	More than one year to 10 years	Over 10 years and onwards	Total
Accounts receivable-ISF back account	27,583,398	3,414,797,447	244,785,380	3,687,166,225
Accounts receivable-pump/communal irrigation programs/CIS-current	69,303,966	167,561,181	703,681,642	940,546,789
Accounts receivable-pump/communal irrigation programs/CIS-non-current	837,586	3,282,981	442,386,579	446,507,146
Accounts receivable-ISF	-	294,293,258	13,171,000	307,464,258
Accounts receivable-others	532,817	-	52,979,713	53,512,530
	<b>98,257,767</b>	<b>3,879,934,867</b>	<b>1,457,004,314</b>	<b>5,435,196,948</b>

Accounts receivable account comprises trade/business receivables from ISF. NIA 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. NIA MC No. 62 dated December 5, 1977 and NIA 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, and CIS. NIA MC No. 54, s. 2013 serves as a follow up to the Incentive Policy on the Payment of Back Accounts since previous related MCs had lapsed on December 31, 2009. This policy covers all irrigation users of the NIS with Bank Accounts in ISF.

For CY 2021, the balance of the Accounts receivable-ISF decreased due to the implementation of RA No. 10969. Majority of the remaining balances include receivables 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.

## 7.2 Intra-agency Receivables

	2021	2020	January 1, 2020
Due from other funds	1,717,163,944	3,020,182,581	2,156,145,072
Due from CO	35,200	2,826,321	-
Due from ROs	-	145,656	1,887,117,236
	<b>1,717,199,144</b>	<b>3,023,154,558</b>	<b>4,043,262,308</b>

Due from ROs is the reciprocal account of Due to CO, which are both closed at year-end during the preparation of the financial statements. The balances of the reciprocal accounts were due to timing difference in recording the transactions, thus, reconciliation of the accounts shall be undertaken by both CO and concerned ROs.

Due from other funds is the effect of common fund scheme policy of the Department of Budget and Management (DBM) per National Budget Circular No. 583.

### 7.3 Inter-agency Receivables

	2021	2020 As restated	January 1, 2020 As restated
Due from GOCCs	21,395,464,075	21,121,295,202	20,659,826,890
Due from NGAs	750,312,164	798,537,066	845,834,575
Due from LGUs	88,119,966	170,191,445	175,990,447
Total	22,233,896,205	22,090,023,713	21,681,651,912
Less: Allowance for impairment - Due from GOCCs	(115,002)	-	-
	<b>22,233,781,203</b>	<b>22,090,023,713</b>	<b>21,681,651,912</b>

Due from GOCCs account includes receivable from the National Power Corporation (NPC) relative to the sale of electrical energy generated by the Casecnan Multi-Purpose Irrigation and Power Project (CMPIPP) including the monthly management fee (refer to *Note 24.2*) per Power Purchase Agreement (PPA) dated June 30, 1995, and Supplemental Agreement dated September 25, 2003. In CY 2019, NIA adjusted the amount of P13.290 billion which pertains purely to Energy Delivery Fee (excluding management fee). The amount recorded was already recognized by the NPC through the Power Sector Assets and Liabilities Management Corporation (PSALM) as their payable to BTr instead of payable to NIA.

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 the 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 Memoranda of Agreement (MOAs) between NIA and LGUs to implement repair and rehabilitation of irrigation facilities. Also, this account includes releases to LGUs out of the loan proceeds from NDC, for the implementation of farm to market road projects. Some ROs have issued demand letters for the LGUs to submit liquidation reports.

### 7.4 Lease receivable

Operating lease receivable account represents receivables for the staff house rentals in NIA Region 6.



## 7.5 Other Receivables

	2021	2020 As restated	January 1, 2020 As restated
Receivables-disallowances/charges	79,139,591	80,116,789	67,033,226
Due from officers and employees	7,557,709	6,671,890	7,886,231
Interest receivables	188,446	334,977	1,207,410
Other receivables	388,997,661	1,154,412,504	469,311,170
Total	475,883,406	1,241,536,160	545,438,037
Less: Allowance for impairment -			
Due from officers and employees	(95,466)	-	-
Other receivables	(79,138,470)	-	(26,100)
	<b>396,649,471</b>	<b>1,241,536,160</b>	<b>545,411,937</b>

Receivables-disallowances/charges account is used to record the amounts 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, 2021.

Interest receivables account refers to interest earned from current and savings accounts and placement of time deposits with government depository banks.

## 8. INVENTORIES

	2021	2020	January 1, 2020
Inventory held for consumption, net	84,899,921	190,965,039	97,788,230
Semi-expendable furniture and fixtures	1,010,687	518,600	933,589
Semi-expendable office equipment	809,151	245,673	104,055
Semi-expendable information and communication technology equipment	736,719	195,728	383,413
Semi-expendable machinery and equipment	256,005	-	-
Semi-expendable communication equipment	156,748	-	219,944
Semi-expendable other machinery and equipment	85,760	85,760	85,760
Semi-expendable medical equipment	27,240	-	-
Semi-expendable technical and scientific equipment	6,000	106,800	145,572
Merchandise inventory	-	-	74,675
	<b>87,988,231</b>	<b>192,117,600</b>	<b>99,735,238</b>

### 8.1 Inventory Held for Consumption

	2021	2020	January 1, 2020 As restated
Property and equipment for distribution	60,205,082	181,628,661	88,954,701
Construction materials inventory	15,574,030	30,497	257,407
Office supplies inventory	6,229,984	6,053,738	5,051,937
Fuel, oil, and lubricants inventory	1,981,463	2,902,345	3,286,194
Other supplies and materials inventory	900,482	349,798	237,991
Non-accountable forms inventory	8,880	-	-
	<b>84,899,921</b>	<b>190,965,039</b>	<b>97,788,230</b>

Property and equipment for distribution account pertains to pumps for distribution to farmer beneficiaries.

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

Semi-expendable accounts, such as: Semi-expendable machinery and equipment, Semi-expendable office equipment, Semi-expendable information and communication technology 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 and corresponding expense account shall be recognized upon their issuance to the end user.

Included in the Inventories are the following inactive accounts balances:

	2021	2020
Construction materials inventory	30,497	30,497
Other supplies and materials inventory	106,065	106,065
	<b>136,562</b>	<b>136,562</b>

## 9. PREPAYMENTS

Prepayments consist of the following:

	2021	2020 As restated	January 1, 2020 As restated
Advances to contractors	4,374,612,421	4,573,627,934	6,060,813,221
Prepaid rent	-	3,436,429	7,507,734
Prepaid registration	-	5,795	-
Prepaid insurance	-	21,970	-
Other prepayments	7,960,366	5,292,850	8,740,738
	<b>4,382,572,787</b>	<b>4,582,384,978</b>	<b>6,077,061,693</b>

Advances to contractors account represents the 15 per cent 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 DBM and to Petron Philippines for the delivery of office supplies and gasoline, respectively. This is subject for further reconciliation.

## 10. OTHER CURRENT ASSETS

Other current assets consist of the following:

	2021	2020 As restated	January 1, 2020 As restated
Guaranty deposits	29,264,587	26,683,586	26,640,846
Advances	22,199,891	22,108,891	31,356,537
Other deposit	2,700	2,700	199,789
Other assets-unserviceable assets	84,573,511	89,601,290	88,345,234
Gross amount	136,040,689	138,396,467	146,542,406
Less: Allowance for impairment - other assets	43,725,537	42,796,845	16,321,728
	<b>92,315,152</b>	<b>95,599,622</b>	<b>130,220,678</b>

Included in other current assets are the following inactive accounts balances:

	2021	2020
Advances		
Advances for payroll	-	(199,823)
Advances to special disbursing officer	1,018,951	1,018,951
Advances to officers and employees	1,793,664	285,683
	2,812,615	1,104,811
Deposit on letters of credit	2,700	2,700
Guaranty deposit	3,259	3,259
	<b>2,818,574</b>	<b>1,110,770</b>

## 10.1 Advances

	2021	2020 As restated	January 1, 2020 As restated
Advances to officers and employees	10,397,294	10,274,035	16,240,434
Advances for payroll	6,667,266	8,494,000	9,288,307
Advances to special disbursing officer	4,700,104	3,158,636	5,381,075
Advances for operating expenses	435,227	182,220	446,721
	<b>22,199,891</b>	<b>22,108,891</b>	<b>31,356,537</b>

Aging of advances:

	0 to 1 year	More than 1 year to 10 years	Over 10 years and onwards	Total
Advances to officers and employees	2,783,345	1,341,479	6,272,470	10,397,294
Advances for payroll	953,170	5,899,565	(185,469)	6,667,266
Advances to special disbursing officer	2,422,001	987,062	1,291,041	4,700,104
Advances for operating expense	435,227	-	-	435,227
	<b>6,593,743</b>	<b>8,228,106</b>	<b>7,378,042</b>	<b>22,199,891</b>

## 11. OTHER INVESTMENTS

This account consists of the following:

	December 31, 2021	December 31, 2020 As restated	January 1, 2020 As restated
Investment in stocks	1,225,000	1,225,000	1,225,000
Other investment	468,083,200	433,937,677	403,768,982
Other investment – marketable securities	15,900	15,900	15,900
Investment in bonds – local	-	-	1,600
	469,324,100	435,178,577	405,011,482
Less: Allowance for impairment	1,240,900	1,225,000	1,225,000
	<b>468,083,200</b>	<b>433,953,577</b>	<b>403,786,482</b>

The Investment in stocks 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. The account is subject for further verification and adjustment.

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

On June 26, 1995, NIA and CECWECl entered again into an 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 PPA was entered into by and between NIA and NPC relative to the energy delivery for 20 years of commercial operation or such longer period as may be determined in accordance with the contract.

On September 29, 2003, NIA and CECWECl entered into another Supplemental Agreement regarding the Amended and Restated Casecnan Project Agreement whereby the parties agreed to: (i) Excess Energy Delivery Fees - the excess energy fees chargeable by NIA to NPC shall be reduced to the equivalent of the variable energy rates provided under the 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 CECWECl.

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).

In a meeting called for by the DOF on June 6, 2012, where among the representatives were 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 10-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.

Upon the expiration of the BOT Contract last December 11, 2021, the CE-Casecnan project was officially turned over to the NIA and the PSALM under a 40 per cent - 60 per cent ownership in accordance with the MOA entered by the parties.

## 12. INVESTMENT PROPERTY

This account is composed of:

Cost, January 1, 2020	-
Additions	1,500,000
Balance, December 31, 2020	1,500,000
Adjustment	(1,500,000)
<b>Balance, December 31, 2021</b>	<b>-</b>

The Investment property refers to partial payment to the owner of the land where Panay River Office of NIA Region 6 was built as a result of the contract to sell entered by NIA and the landowner. Total contract amount is P3 million, charged to Right of Way as a component of the Panay River Basin Integrated Development Project. This was reclassified to PPE account in CY 2021.

## 13. PROPERTY, PLANT, AND EQUIPMENT

The analysis of this account as at December 31, 2021 is shown below:

	Infrastructure assets irrigation systems	Land	Other land improvement	Building and improvements	Machineries, equipment, furniture and fixtures	Construction in progress (CIP)	Total
Cost, January 1, 2021, as restated	149,779,354,139	4,066,308,267	28,639,750,958	2,723,297,179	5,626,259,030	137,548,196,125	328,383,165,698
Additions/CIP transfer to PPE/adjustments	29,297,277,749	(65,589,100)	(2,144,460,033)	523,160,968	722,782,029	(7,451,061,764)	20,882,109,849
Cost, December 31, 2021	179,076,631,888	4,000,719,167	26,495,290,925	3,246,458,147	6,349,041,059	130,097,134,361	349,265,275,547
Less:							
Accumulated depreciation, January 1, 2021	28,108,323,602	-	15,298,919,913	817,892,569	2,771,930,021	-	46,997,066,105
Depreciation charges	5,019,171,073	-	469,339,852	158,950,481	362,843,264	-	6,010,304,670
Adjustments	3,774,148,732	-	49,109,923	-	-	-	3,823,258,655
Accumulated depreciation / amortization, December 31, 2021	36,901,643,407	-	15,817,369,688	976,843,050	3,134,773,285	-	56,830,629,430
<b>Carrying amount, December 31, 2021</b>	<b>142,174,988,481</b>	<b>4,000,719,167</b>	<b>10,677,921,237</b>	<b>2,269,615,097</b>	<b>3,214,267,774</b>	<b>130,097,134,361</b>	<b>292,434,646,117</b>

The carrying amounts of PPE sub-accounts as at December 31, 2021 are summarized below:

	Gross amount	Accumulated depreciation	Carrying amount, December 31, 2021
Water supply systems	178,070,541,566	36,807,502,039	141,263,039,527
Other land improvements	26,495,290,925	15,817,369,688	10,677,921,237
Land	4,000,719,167	-	4,000,719,167
Buildings	2,974,176,833	881,978,188	2,092,198,645
Construction and heavy equipment	1,180,656,676	631,179,530	549,477,146
Agricultural and forestry equipment	522,782,550	3,323,203	519,459,347
Other infrastructure assets	514,694,887	22,121,443	492,573,444
Information and communication technology equipment	787,495,426	349,251,598	438,243,828
Technical and scientific equipment	646,022,011	241,666,241	404,355,770
Motor vehicles	776,956,912	405,385,197	371,571,715
Road networks	362,243,392	12,171,036	350,072,356
Other machinery and equipment	548,945,250	261,657,777	287,287,473
Office equipment	497,392,838	251,387,830	246,005,008
Other structures	238,566,510	94,771,211	143,795,299
Furniture and fixtures	197,491,214	65,076,815	132,414,399
Machinery	387,398,619	269,566,235	117,832,384
Power supply systems	129,152,045	59,848,889	69,303,156

	Gross amount	Accumulated depreciation	Carrying amount, December 31, 2021
Communication equipment	107,562,781	67,745,509	39,817,272
Water plant, structure, and improvements	33,714,804	93,652	33,621,152
Military, police, and security equipment	15,315,609	3,667,685	11,647,924
Other transportation equipment	36,879,518	25,608,996	11,270,522
Disaster response and rescue equipment	7,975,856	6,468,951	1,506,905
Printing equipment	1,661,370	168,205	1,493,165
Sports equipment	1,643,945	484,137	1,159,808
Medical equipment	3,428,860	2,575,252	853,608
Electrical equipment	700,000	33,250	666,750
Watercrafts	3,105,805	2,579,343	526,462
Leased assets, machinery, and equipment	383,480	3,745	379,735
Books	585,527	321,960	263,567
Works of arts and archeological specimens	169,000	-	169,000
CIP-infrastructure assets	129,760,093,391	-	129,760,093,391
CIP-building and other structures	298,141,099	-	298,141,099
CIP-land improvements	38,559,378	-	38,559,378
CIP-furniture and fixtures	340,493	-	340,493
Other PPE	624,487,810	546,621,825	77,865,985
	<b>349,265,275,547</b>	<b>56,830,629,430</b>	<b>292,434,646,117</b>

The analysis of this account as at December 31, 2020 is shown below:

	Infrastructure assets irrigation systems	Land	Other land improvement	Building and improvements	Machineries, equipment, furniture, and fixtures	CIP	Total
Cost, January 1, 2020	123,966,509,914	5,849,781,232	29,423,685,500	2,587,898,619	5,007,595,746	140,292,258,282	307,127,729,293
Adjustment	2,137,723,008	-	-	-	-	(2,158,402,162)	(20,679,154)
Cost, January 1, 2020, as restated	126,104,232,922	5,849,781,232	29,423,685,500	2,587,898,619	5,007,595,746	138,133,856,120	307,107,050,139
Additions/ CIP transfer to PPE/Adjustments	23,675,121,217	(1,783,472,965)	(783,934,542)	135,398,560	618,663,284	(585,659,995)	21,276,115,559
Cost, December 31, 2020	149,779,354,139	4,066,308,267	28,639,750,958	2,723,297,179	5,626,259,030	137,548,196,125	328,383,165,698
Less: Accumulated depreciation, January 1, 2020, as restated	19,234,456,178	-	13,879,846,386	776,013,751	2,553,657,601	-	36,443,973,916
Depreciation charges, as restated	4,088,906,574	-	262,659,105	52,774,707	334,339,926	-	4,738,680,312
Adjustments, as restated	4,784,960,850	-	1,156,414,422	(10,895,889)	(116,067,506)	-	5,814,411,877
Accumulated depreciation/ amortization, December 31, 2020, as restated	28,108,323,602	-	15,298,919,913	817,892,569	2,771,930,021	-	46,997,066,105
<b>Carrying amount, December 31, 2020, as restated</b>	<b>121,671,030,537</b>	<b>4,066,308,267</b>	<b>13,340,831,045</b>	<b>1,905,404,610</b>	<b>2,854,329,009</b>	<b>137,548,196,125</b>	<b>281,386,099,593</b>

The carrying amounts of PPE sub-accounts as at December 31, 2020 are summarized below:

	Gross amount	Accumulated depreciation	Carrying amount, December 31, 2020
Water supply systems	149,067,914,536	28,038,773,180	121,029,141,356
Other land improvements	28,639,750,958	15,298,919,913	13,340,831,045
Land	4,066,308,267	-	4,066,308,267
Buildings	2,531,059,274	756,944,550	1,774,114,724
Construction and heavy equipment	1,180,957,166	528,820,793	652,136,373
Agricultural and forestry equipment	518,514,420	976,091	517,538,329
Information and communication technology equipment	584,919,163	283,849,863	301,069,300
Other infrastructure assets	303,550,113	11,475,288	292,074,825
Road networks	285,465,785	5,226,215	280,239,570
Technical and scientific equipment	435,519,994	191,750,764	243,769,230
Other machinery and equipment	563,030,643	295,426,312	267,604,331
Motor vehicles	574,373,889	338,296,047	236,077,842
Office equipment	417,344,564	201,530,320	215,814,244
Furniture and fixtures	194,691,058	55,149,386	139,541,672
Other structures	192,237,905	60,948,019	131,289,886



	Gross amount	Accumulated depreciation	Carrying amount, December 31, 2020
Machinery	357,145,997	247,017,681	110,128,316
Power supply systems	122,423,705	52,848,919	69,574,786
Communication equipment	101,364,297	56,654,554	44,709,743
Other transportation equipment	39,596,916	21,643,219	17,953,697
Military, police, and security equipment	9,976,008	2,848,356	7,127,652
Medical equipment	2,667,760	980,976	1,686,784
Disaster response and rescue equipment	8,104,987	6,512,675	1,592,312
Sports equipment	1,539,302	436,777	1,102,525
Watercrafts	3,430,915	2,560,820	870,095
Books	568,317	321,551	246,766
Leased assets, machinery, and equipment	383,480	1,702	381,778
Works of arts and archeological specimens	169,000	-	169,000
Electrical equipment	103,275	92,947	10,328
Other PPE	631,857,879	537,059,187	94,798,692
CIP-land improvements	38,514,497	-	38,514,497
CIP-infrastructure assets	131,552,285,597	-	131,552,285,597
CIP-building and other structures	5,957,063,038	-	5,957,063,038
CIP-furniture and fixtures	332,993	-	332,993
	<b>328,383,165,698</b>	<b>46,997,066,105</b>	<b>281,386,099,593</b>

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.

The infrastructure assets irrigation systems account includes the share of NIA on the US\$400 million non-power cost (special cost and non-revenue generating) component of the San Roque Multi-Purpose Project (SRMP) located in San Manuel, Pangasinan. The SRMP which was approved by the Investment Coordination Committee of the National Economic and Development Authority (NEDA) is a power project of the NPC for commissioning in CY 2005. Because of the multi-purpose benefits of the project, its implementation is a multi-agency effort with NPC, as the lead Agency, pursuant to the MOA executed in 1998 by NPC and among the DOF, DBM, DENR, DPWH, and NIA.

NIA's shares on the non-power cost paid to the PSALM were capitalized (CY 2018 and prior years) by NIA under Water Supply System account totaling P22.126 billion. The recording of the non-power costs in the books of NIA will be adjusted depending on the results of Management's representation with the NPC.

The CIP account represents cost of projects implemented out of project funds directly released to NIA by the DBM.

The capitalization threshold of P15,000 represents the minimum cost of an individual asset recognized as a PPE on the SFP. Tangible items which do not meet the PPE's criteria for recognition are recognized as semi-expendable property.

The NIA reviewed the carrying amounts of PPEs for any impairment as at December 31, 2021. No PPE has been pledged as security for liabilities.

Included in PPE account are the following inactive accounts balances:

	2021	2020
Water supply systems	9,792,819,919	9,200,816,348
Other land improvements	4,428,165,808	4,428,165,808
Buildings	515,881,610	516,116,999
Agricultural and forestry equipment	514,220,366	514,220,366
Land	77,586,842	77,504,342
Other infrastructure assets	74,486,215	74,486,215
Machinery	61,430,199	61,430,199
Furniture and fixtures	47,873,998	47,849,498
Power supply systems	30,429,473	30,429,473
Technical and scientific equipment	11,127,627	11,127,627
Office equipment	9,671,020	9,675,114
Information and communication technology equipment	7,385,398	7,277,980
Motor vehicles	3,040,969	3,055,826
Communication equipment	1,597,566	1,597,566
Disaster response and rescue equipment	317,500	317,500
Books	7,909	7,909
Military, police, and security equipment	46,410	-
Other machineries and equipment	53,604,346	-
Other PPE	7,215,680	61,575,415
CIP - infrastructure assets	4,842,395,571	5,064,280,955
CIP - land improvement	61,945	61,945
Other assets	-	1,041,380
Other assets-unserviceable assets	-	1,148,960
	<b>20,479,366,371</b>	<b>20,112,187,425</b>

#### 14. INTANGIBLE ASSETS

As at December 31, 2021:

Cost, January 1, 2021, as restated	2,983,387
Addition / CIP transferred to PPE accounts/adjustment	45,658,623
Cost, December 31, 2021	48,642,010
Less: Accumulated amortization, computer software, January 1, 2021	476,411
Amortization charges - computer software	1,773,139
Adjustment	45,956
Accumulated amortization, December 31, 2021	2,295,508
<b>Net, December 31, 2021</b>	<b>46,346,504</b>

As at December 31, 2020:

Cost, January 1, 2020, as restated	1,403,848
Addition / CIP transferred to PPE accounts/adjustment	1,579,539
Cost, December 31, 2020	2,983,387
Less: Accumulated amortization, computer software, January 1, 2020	73,632
Amortization charges - computer software	402,779
Accumulated amortization, December 31, 2020	476,411
<b>Net, December 31, 2020, as restated</b>	<b>2,506,976</b>

## 15. FINANCIAL LIABILITIES

This account consists of:

	2021	2020 As restated	January 1, 2020 As restated
Accounts payable	4,192,104,122	4,964,355,119	9,951,207,636
Due to officers and employees	377,013,875	328,284,907	314,785,514
Service concession arrangement payable	398,804,357	2,982,302,487	5,864,396,307
Notes payable	-	-	128,023
Finance lease payable	-	1,138,641	-
	<b>4,967,922,354</b>	<b>8,276,081,154</b>	<b>16,130,517,480</b>

Accounts payable account pertains mostly to claims of contractors, who are either foreign or local, on their project accomplishments; and claims of suppliers for the goods delivered. List of Due and Demandable Accounts Payable is usually submitted to the DBM for its approval and release of Cash Subsidy for payment.

Due to officers and employees account consists of payables to NIA employees.

Service concession arrangement payable account pertains to unpaid Guaranteed Water Delivery Fees and Guaranteed Energy Delivery Fees under the BOT contract between the NIA and CECWECI.

Finance lease payable refers to the rent-to-own vehicles of Mindoro Oriental-Marinduque-Romblon (MOMARO) IMO contracted with NIA Employees Cooperative (NEMCO) subject to monthly amortization.

Included in Financial liabilities account are the following inactive accounts balances:

	2021	2020
Accounts payable	6,574,807	6,598,121
Due to officers and employees	282,475	388,558
	<b>6,857,282</b>	<b>6,986,679</b>

## 16. INTER-AGENCY PAYABLES

	2021	2020 As restated	January 1, 2020 As restated
Due to National Treasury	92,617,076,915	87,692,107,152	85,763,125,918
Due to NGAs	2,109,018,036	2,151,219,054	4,791,804,845
Due to Bureau of Internal Revenue (BIR)	278,864,440	360,914,036	335,927,863
Due to GOCCs	167,363,847	164,342,654	278,040,421
Due to GSIS	29,810,786	23,145,034	29,947,456
Due to LGUs	18,621,722	12,009,824	12,286,763
Due to Home Development Mutual Fund (Pag-IBIG)	7,638,224	8,060,183	9,671,429
Due to Philippine Health Insurance Corporation (PhilHealth)	5,393,701	4,689,480	8,372,081
Due to Social Security System (SSS)	242,401	54,800	1,800
	<b>95,234,030,072</b>	<b>90,416,542,217</b>	<b>91,229,178,576</b>

Due to National Treasury account represents the total cash advances of the BTr for the account of NIA for payment of water delivery fees to CECWECl. This also includes interest income from Cash in Bank under Project Funds subject for remittance to the BTr.

Due to NGAs account represents fund transfers received/trust receipts from NGAs, i.e. DA, Department of Agrarian Reform (DAR), National Agricultural and Fisheries Council (NAFC) and DPWH for the implementation of irrigation projects.

Due to BIR account consists of taxes withheld from employees, suppliers, contractors, and other entities.

Due to GOCCs account pertains to trust funds received to finance specific projects or to pay specific obligations.

Due to GSIS, Due to Pag-IBIG, and Due to PhilHealth accounts represent employees' premium payments and other payables withheld for remittance to the concerned government agencies/institutions.

Included in Inter-agency payables account are the following inactive accounts balances:

	2021	2020
Due to other NGAs	21,122,491	21,122,491
Due to BIR	3,925,604	4,605,315
Due to GOCCs	2,126,998	2,126,998
Due to LGUs	509,564	509,564
Due to GSIS	238,594	255,928
Due to PhilHealth	153,441	155,074
Due to Pag-IBIG Fund	77,758	91,213
Due to National Treasury	203	203
	<b>28,154,653</b>	<b>28,866,786</b>

## 17. INTRA-AGENCY PAYABLES

	2021	2020	January 1, 2020
Due to other funds	1,708,384,017	3,008,427,674	2,205,381,280
Due to CO	89,602	76,000	59,000
Due to ROs	-	2,212,820	106,155,956
	<b>1,708,473,619</b>	<b>3,010,716,494</b>	<b>2,311,596,236</b>

Due to other funds account is the effect of common fund scheme of the DBM per National Budget Circular No. 583.

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

Included in Intra-agency payables account are the following inactive accounts balances:

	2021	2020
Due to other funds	1,401,806,925	797,635,507
Due to CO	396,376	513,294
	<b>1,402,203,301</b>	<b>798,148,801</b>

## 18. TRUST LIABILITIES

	2021	2020	January 1, 2020
Guarantee/security deposit payables	2,993,270,356	2,451,248,535	1,587,180,993
Trust liabilities	22,815,751	2,815,378	-
Customers deposit payable	-	-	49,049,381
	<b>3,016,086,107</b>	<b>2,454,063,913</b>	<b>1,636,230,374</b>

Guaranty/security deposit payables account represents “retention money” from claims of contractors who are implementing NIA’s projects. It is utilized to cover uncorrected discovered defects and third-party liabilities.

Included in Trust liabilities account are the following inactive accounts balances:

	2021	2020
Guarantee/security deposit payables	379,657	379,657
Performance/bidders/bail bonds	-	20,447,692
	<b>379,657</b>	<b>20,827,349</b>

## 19. PROVISIONS

	2021	2020 As restated	January 1, 2020 As restated
Leave benefits payable	1,132,272,885	1,057,501,203	40,893,633
Other provisions	903,958,556	879,342,658	879,512,813
	<b>2,036,231,441</b>	<b>1,936,843,861</b>	<b>920,406,446</b>

Leave benefits payable account is used to recognize accrual of the money value of cumulative earned leave credits of NIA employees in compliance with IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets*.

Included in the Other provisions account is the cost of prior years’ outstanding auditing services due to the COA amounting to P890.611 million.

### 19.1 Contingent Liabilities / Assets

A total of 95 cases were filed for and against NIA as of December 31, 2021 (see *attached Annex A*) for the summary and status of Outstanding Cases pending before the Courts as of December 31, 2021.

## 20. OTHER PAYABLES

	2021	2020 As restated	January 1, 2020 As restated
Dividends payable	2,108,308,776	2,108,308,776	2,108,308,776
Other payables	1,193,347,384	2,191,201,298	3,339,623,152
	<b>3,301,656,160</b>	<b>4,299,510,074</b>	<b>5,447,931,928</b>

Dividends payable account represents unremitted dividends pertaining to CYs 2008 to 2009 and CYs 2012 to 2014. The NIA requested, thru a letter to DOF, for the availment of flexibility clause and/or zero dividend rate.

## 21. DEFERRED CREDITS/UNEARNED REVENUE

This account includes the following:

	2021	2020	January 1, 2020
Deferred credits	5,638,014,620	8,049,043,348	8,819,667,788
Other unearned revenue	2,400	-	-
	<b>5,638,017,020</b>	<b>8,049,043,348</b>	<b>8,819,667,788</b>

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

Included in Deferred credits account are the following inactive accounts balances:

	2021	2020
Deferred credits	9,694	9,694
Other deferred credits	(746,675)	(746,675)
	<b>(736,981)</b>	<b>(736,981)</b>

## 22. PRIOR PERIOD ADJUSTMENTS

The following are the identified other adjustments:

Particulars	2021	2020 As restated	January 1, 2020 As restated
Reclassification of prior years' expenses/accounts	3,962,443,037	(607,981,776)	(74,289,908,307)
Inter-agency adjustments	2,604,278,357	4,678,959,190	(2,967,116,023)
ISF write-off	1,160,265,463	-	-
Closing of non-moving accounts/projects	166,375,597	2,701,948,974	1,276,094,449
Various adjustments	86,172,056	(745,828,988)	1,430,895,120
PPE adjustments	(2,974,162,291)	(15,548,978)	179,311,260
Depreciation	(2,260,330,855)	(6,538,664,900)	88,533,942
CIP adjustments	(2,182,562,319)	(228,723,870)	1,960,570,467
Accounts payable adjustments	(1,230,698,490)	-	1,520,237,157
Intra-agency adjustments	(115,207,961)	(781,730,266)	2,938,588,697
Receivables adjustments	(68,330,243)	-	-
Disbursements	(16,850)	(88,755,326)	46,005
Tax remittance advice	-	1,404,313	-
Impairment loss	-	(1,568,226)	117,020,013
Set up of dividends payable	-	-	(2,108,308,776)
Set up of provision for auditing services	-	-	(864,481,792)
Set up of service concession arrangement payable	-	-	(5,864,396,308)
	<b>(851,774,499)</b>	<b>(1,626,489,853)</b>	<b>(76,582,914,096)</b>



## **23. GOVERNMENT EQUITY**

As provided under Section 3(a) of RA No. 3601 as amended by PD No. 1702, the authorized capital stock of the NIA shall be P10 billion which shall be subscribed and paid entirely by the Government of the Republic of the Philippines. The share capital amounted to P5.559 billion as of December 31, 2021.

## **24. SERVICE AND BUSINESS INCOME**

This account comprises the following:

	<b>2021</b>	<b>2020</b>
Service fees	492,690,216	324,965,048
Rent income	92,797,427	101,989,835
Energy delivery fees-NPC	63,305,596	56,116,352
ISF	24,898,118	22,438,253
Management fees	3,850,000	40,982,176
Fines and penalties-service income	605,689	440,915
Communal irrigation programs/CIS/RIS amortization and equity	544,021	392,767
	<b>678,691,067</b>	<b>547,325,346</b>

### **24.1 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 Mega Watts (MW) Magat Hydro Electric Power Plant and 112 MW Pantabangan-Masiway Hydro Electric Power Plant in accordance with the O & M Agreements entered into by and between:

- a. NIA and SNAP for the Magat Electric Power Plant dated December 13, 2006; and
- b. NIA and 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 uses the service fees collected to fulfill its obligations and discharge its responsibilities as provided in the Agreement.

### **24.2 Energy delivery fees - NPC**

Energy delivery fees- NPC are management fees collected from the PSALM on behalf of NPC pursuant to the PPA entered between NIA and NPC relative to Energy Delivery from CECWECI.

### **24.3 ISF**

ISF account refers to the charge or levy being imposed upon users of irrigation water and services provided by an irrigation system. This includes 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.

## **25. PERSONNEL SERVICES**

This account consists of the following:

	<b>2021</b>	<b>2020</b>
Salaries and wages	2,301,349,226	2,110,017,981
Other compensation	1,095,214,217	946,738,442
Personnel benefit contributions	330,945,854	286,067,639
Other personnel benefits	163,643,627	373,089,970
	<b>3,891,152,924</b>	<b>3,715,914,032</b>

### **25.1 Salaries and wages**

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

### **25.2 Other compensation**

	<b>2021</b>	<b>2020</b>
Year-end bonus	209,734,365	280,242,353
Personnel economic relief allowance (PERA)	186,212,838	163,088,971
Mid-year bonus	182,528,277	52,752,815
Clothing/uniform allowance	48,292,586	40,607,064
Hazard pay	47,865,776	43,403,367
Cash gift	45,650,804	41,738,688
Overtime and night pay	20,194,253	12,607,716
Representation allowance	11,065,241	11,111,219
Honoraria	9,109,068	1,290,300
Transportation allowance	8,509,766	7,966,264
Longevity pay	3,424,316	4,011,729
Other bonuses and allowances	322,626,927	287,917,956
	<b>1,095,214,217</b>	<b>946,738,442</b>

### **25.3 Personnel benefit contributions**

This account represents NIA's share in premium contributions, i.e., GSIS, Pag-IBIG and PhilHealth:

	<b>2021</b>	<b>2020</b>
Retirement and life insurance premium	276,451,158	239,987,573
PhilHealth contributions	34,179,909	30,215,894
Pag-IBIG contributions	10,628,133	7,599,896
Employees compensation insurance premiums	9,686,654	8,264,276
	<b>330,945,854</b>	<b>286,067,639</b>

## 25.4 Other personnel benefits

	2021	2020
Terminal leave benefits	115,599,165	330,707,705
Productivity incentive allowance	39,170,500	31,244,500
Directors and committee members' fee	420,000	63,000
Subsistence allowance	47,850	40,275
Retirement gratuity	-	816,192
Others	8,406,112	10,218,298
	<b>163,643,627</b>	<b>373,089,970</b>

## 26. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2021	2020 As restated
Repairs and maintenance	1,658,357,985	2,501,571,506
Supplies and materials expenses	483,447,906	329,644,247
Utility expenses	276,958,513	204,983,028
Training expenses	194,959,358	132,655,907
Professional services	155,409,020	240,361,981
Travelling expenses	49,263,205	46,418,871
Taxes, insurance premiums, and other fees	46,902,486	34,174,767
Communication expenses	30,971,548	29,459,299
General services	22,398,523	25,055,863
Other maintenance and operating expenses	12,875,649,749	4,204,832,154
	<b>15,794,318,293</b>	<b>7,749,157,623</b>

### 26.1 Repairs and maintenance

	2021	2020
Repairs and maintenance - infrastructure assets	1,405,195,326	2,315,200,355
Repairs and maintenance - transportation equipment	114,296,292	94,423,049
Repairs and maintenance - machinery and equipment	60,294,673	46,924,771
Repairs and maintenance - buildings and other structures	58,788,641	36,607,595
Repairs and maintenance - land improvements	4,979,043	1,747,465
Repairs and maintenance - furniture and fixtures	730,073	3,815,714
Repairs and maintenance - semi-expendable machinery and equipment	79,549	-
Repairs and maintenance - semi-expendable furniture and fixtures	4,046	-
Repairs and maintenance - other property, plant and equipment	13,990,342	2,713,601
Repairs and maintenance - leased asset improvement	-	81,312
Repairs and maintenance - investment property	-	57,644
	<b>1,658,357,985</b>	<b>2,501,571,506</b>

## 26.2 Supplies and materials expenses

	2021	2020
Fuel, oil, and lubricants expenses	216,976,672	159,430,136
Office supplies expenses	111,628,941	83,079,797
Semi - expandable-machinery and equipment expenses	28,738,704	9,644,828
Medical, dental, and laboratory supplies expenses	11,718,739	7,833,656
Semi - expendable furniture, fixtures and books expenses	11,952,596	4,540,485
Drugs and medicines expenses	9,249,159	4,939,576
Electrical supplies and material expenses	1,314,143	159,490
Accountable forms expenses	724,660	1,661,045
Housekeeping / cleaning supplies expenses	580,998	-
Agricultural and marine supplies expenses	495,030	-
Supplies and materials for water system operations expenses	276,854	-
Chemical and filtering supplies expenses	234,600	83,400
Linens and bedding expenses	172,750	-
Food supplies expenses	71,590	281,205
Textbooks and instructional materials expenses	16,085	-
Military, police, and traffic supplies expenses	3,000	-
Welfare goods expenses	-	148,843
Other supplies and materials expenses	89,293,385	57,841,786
	<b>483,447,906</b>	<b>329,644,247</b>

## 26.3 Utility expenses

	2021	2020
Electricity expenses	266,743,143	195,290,217
Water expenses	10,065,596	9,601,355
Gas / heating expenses	4,621	-
Other utility expenses	145,153	91,456
	<b>276,958,513</b>	<b>204,983,028</b>

## 26.4 Training expenses

This account represents expenses incurred in attending various trainings to expand knowledge and skills required.

## 26.5 Professional services

	2021	2020
Auditing services	135,987,226	164,915,425
Consulting services	9,360,628	65,107,369
Legal services	1,029,888	885,955
Other professional services	9,031,278	9,453,232
	<b>155,409,020</b>	<b>240,361,981</b>

## 26.6 Travelling expenses

	2021	2020
Travelling expenses - local	49,263,205	46,205,943
Travelling expenses - foreign	-	212,928
	<b>49,263,205</b>	<b>46,418,871</b>

## 26.7 Taxes, insurance premiums, and other fees

	2021	2020
Insurance expenses	28,768,855	18,480,925
Taxes, duties, and licenses	10,298,600	7,202,901
Fidelity bond premiums	7,634,899	8,366,993
Documentary stamps expenses	200,132	123,948
	<b>46,902,486</b>	<b>34,174,767</b>

## 26.8 Communication expenses

	2021	2020
Telephone expenses	14,477,922	15,794,744
Internet subscription expenses	13,104,296	11,055,815
Postage and courier services	2,352,368	1,388,959
Cable, satellite, telegraph, and radio expenses	1,036,962	1,219,781
	<b>30,971,548</b>	<b>29,459,299</b>

## 26.9 General services

	2021	2020
Janitorial services	12,942,155	15,669,990
Security services	6,526,211	8,443,899
Environment/sanitary services	105,500	32,250
Other general services	2,824,657	909,724
	<b>22,398,523</b>	<b>25,055,863</b>

## 26.10 Other maintenance and operating expenses

	2021	2020
		<b>As restated</b>
Generation, transmission, and distribution expenses	11,440,914,590	2,886,149,288
Labor and wages	191,083,474	154,135,005
Donations	154,289,807	248,430,173
Rent/lease expenses	67,549,926	36,616,575
Representation expenses	47,833,063	21,574,374
Subscription expenses	15,824,756	2,246,472
Printing and publication expenses	5,270,691	5,484,496
Awards/rewards expenses	4,135,750	1,069,460
Transportation and delivery expenses	1,628,116	1,048,398
Extraordinary and miscellaneous expenses	972,200	512,223
Advertising, promotional, and marketing expenses	781,444	1,678,571
Survey expenses	717,717	24,563,078
Prizes	248,500	5,000
Research, exploration, and development expenses	213,572	-
Membership dues and contributions to organizations	140,051	208,020
Members' benefits	-	7,050,566
Desilting, drilling, and dredging expenses	-	2,512,781
Litigation/acquired assets expenses	-	925,706
Major events and conventions expenses	-	99,400
Other maintenance and operating expenses	944,046,092	810,522,568
	<b>12,875,649,749</b>	<b>4,204,832,154</b>

Donations aggregating P154.290 million mostly represent the cost of pumps donated to qualified IAs.

Other maintenance and operating expenses account is further broken down as follows:

	2021	2020
Other miscellaneous expense - IA remuneration for Operations	227,513,598	204,820,992
Job order	220,823,073	169,230,168
Other miscellaneous expense - IA remuneration for Maintenance	190,133,339	145,557,875
Other miscellaneous expenses	136,694,297	163,731,308
Contractual services	84,365,012	86,233,499
Meals and snacks	33,362,119	12,448,052
Other miscellaneous expenses - COVID-19 expenses	20,218,721	-
Gratuity pay	17,205,730	-
Other miscellaneous expenses	9,471,653	1,113,541
Sports	3,458,305	1,404,753
Laboratory analysis of soil and water sample	637,902	7,586
Others	162,343	25,974,794
	<b>944,046,092</b>	<b>810,522,568</b>

## 27. FINANCIAL EXPENSES

	2021	2020 As restated
Interest expense	1,128,112,149	1,963,450,127
Bank charges	182,471	36,394
Other financial charges	22,455	-
	<b>1,128,317,075</b>	<b>1,963,486,521</b>

Majority of interest expense pertains to those paid for by the National Government through the BTr in behalf of the NIA for its PPP Contract with the CECWECI.

## 28. NON-CASH EXPENSES

	2021	2020 As restated
Depreciation - infrastructure assets	5,112,815,768	4,088,906,574
Depreciation - land improvements	454,606,607	262,659,105
Depreciation - machinery and equipment	290,232,628	225,729,359
Depreciation - buildings and other structures	90,096,720	52,774,707
Depreciation - transportation equipment	48,702,636	37,630,108
Depreciation - furniture, fixtures, and books	8,448,656	6,876,923
Depreciation - other PPE	5,386,847	64,101,835
Depreciation - leased asset improvements	12,765	-
Depreciation - leased asset	2,043	1,701
	<b>6,010,304,670</b>	<b>4,738,680,312</b>
Impairment on loans and receivables	673,217,208	505,531,224
Impairment on other receivables	86,682,862	-
Impairment on loss - PPE	41,773,444	3,060,000
Impairment on loss - other assets	156,096	77,519,073
Impairment on loss - other investments	15,900	207,483,000
	<b>801,845,510</b>	<b>793,593,297</b>
Amortization - intangible asset	1,773,140	402,779
	<b>6,813,923,320</b>	<b>5,532,676,388</b>



## 29. OTHER NON-OPERATING INCOME

	2021	2020 As restated
Miscellaneous income	92,184,910	77,492,299
Interest	6,819,301	12,923,753
Other fines and penalties	1,125,275	279,858
	<b>100,129,486</b>	<b>90,695,910</b>

Included in the miscellaneous income are as follows:

	2021	2020
Bid documents	21,370,722	20,919,504
Scrap of fixed assets	5,468,031	648,149
Laboratory analysis - soil and water sample	4,170,197	34,720
Land development/levelling	2,548,221	3,453,731
Contract price adjustment/liquidated damages	1,761,681	2,033,412
Sale of goods and materials	1,632,178	5,152
Income from NIA Housing	589,935	3,440,643
Disallowance	93,898	106,703
Printing/xerox/radio	40,530	392,572
Hauling/milling/drying	11,887	356,971
Payment for lost items	9,996	2,020
National Home Mortgage Finance Corporation (NHMFC)	329	520
Other miscellaneous income	54,487,305	46,098,202
	<b>92,184,910</b>	<b>77,492,299</b>

Interest income includes interest earned from high yield savings account with the Development Bank of the Philippines (DBP), United Coconut Planters Bank (UCPB) and LBP.

Other fines and penalties are income earned 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.

## 30. GAINS

Gains account refers to gain from foreign currency transactions, and sale of PPE, garnished/confiscated/abandoned/seized goods, and unserviceable properties.

## 31. LOSSES

The loss on foreign exchange is the result of the change in the exchange rate between the date of recognizing the receivable due from the PSALM and the date of recognizing the actual receipt of payment. This receivable represents the peso value of the \$102,600.00 fixed rate Guaranteed Energy Delivery Fee billed to the latter monthly. This account also includes the result of change from the conversion of foreign currency time deposit certificates of the NIA.

The loss of asset pertains to the unreturned laptop of RO No. 1 assigned to a retired employee. Despite several demands from the employee to surrender the unit, the latter still failed to comply and pay for the equivalent value. Thus, a loss was recognized.

The other losses pertain to the training fee not refunded in full by the Management Events Malaysia SDN. BHD. This training fee was paid by the representatives of the agency to the 3rd Digital HR and Analytics in Kuala Lumpur, Malaysia. The event, which was scheduled to take place on March 22-24, 2020, was subsequently cancelled due to the onset of the COVID-19 pandemic not only in Malaysia but also globally. The precarious financial condition of the said company limited them to refund only 18.53 per cent of the training fee paid to them.

### **32. INCOME TAX EXPENSE**

The agency incurred a net operating loss before subsidy. As a result, no income tax expense was paid during the year.

### **33. ASSISTANCE AND SUBSIDY**

The NIA received subsidy from the National Government in the total amounts of P42.978 billion and P33.984 billion in CYs 2021 and 2020, respectively.

### **34. EXPLANATION OF DIRECT CASH FLOW**

The analysis of the variance between the Notice of Cash Allocation (NCA) per record versus NCA received is shown below:

Subsidy received based on Statement of Financial Performance		42,978,025,096
Less:		
Loan proceeds – non-cash		
Fund 102 National Irrigation Sector Rehabilitation and Improvement Project (NIS RIP)	482,448,033	
Fund 102 Chico River Pump Irrigation Project (CRPIP)	496,007,192	
Fund 102 regular	228,584,798	1,207,040,023
Tax Remittance Advice (TRA)		
Fund 102 NIS RIP	1,200,117	
Fund 101 Modified Disbursement System (MDS)	27,358,986	
Fund 102 Regular	2,697,951	31,257,054
Add:		
Lapsed NCA Fund 101 MDS		805,956
<b>Subsidy received based on Statements of Cash Flows</b>		<b>41,740,533,975</b>

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

	2021	2020
Surplus for the year	16,138,106,480	15,658,651,733
Non-cash (income/expenses):		
Depreciation ( <i>Note 13</i> )	6,010,304,670	4,738,680,312
Impairment loss ( <i>Note 28</i> )	801,845,510	793,593,297
Terminal leave benefits ( <i>Note 25.4</i> )	115,599,165	330,707,705
Amortization ( <i>Note 28</i> )	1,773,140	402,779
Gain from sale/disposal of PPE	(4,640)	(92,072)
(Increase)/decrease in asset accounts:		
Receivables, net	24,035,844,985	194,447,035
Prepayments	192,088,442	1,494,676,714
Inventories	105,027,349	(92,382,362)
Other non-current assets	5,956,471	25,219,061
Investment property – land	1,500,000	(1,500,000)
Other investments	(34,129,623)	(30,167,096)
Other current assets	(2,581,001)	154,349
Increase/(decrease) in liability accounts:		
Inter-agency payables	4,817,487,855	(812,636,359)
Trust liabilities	562,022,194	817,833,539
Financial liabilities	(3,308,158,800)	(7,854,436,326)
Deferred credits	(2,411,026,328)	(770,624,440)
Intra-agency payables	(1,302,242,875)	699,120,257
Other payables	(997,853,913)	(1,148,421,854)
Other adjustments	(13,465,727,139)	5,306,762,856
<b>Net cash provided by operating activities</b>	<b>31,265,831,942</b>	<b>19,349,989,128</b>

### 36. RELATED PARTY TRANSACTIONS

#### 36.1 Related Party Transactions

The 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.

#### 36.2 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 DPWH, NPC, NEDA and one from the private sector who are all 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.

### 36.3 Key Management Personnel Compensation

The aggregate remuneration of the members of the governing body are shown below:

	2021	2020
Basic salary	6,966,300	7,306,752
Allowances and other benefits	2,505,148	2,388,196
Extraordinary and miscellaneous expenses	542,632	488,518
Per diem	360,000	330,000
Hazard pay	96,000	-
	<b>10,470,080</b>	<b>10,513,466</b>

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

### 37. 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 with rules, regulations, and other legal requirements.

### 38. BUDGET INFORMATION

The proposed NIA COB for FY 2021 in the amount of P38.553 billion was approved by the NIA Board on March 31, 2021 and submitted to the DBM for review/evaluation. The COB was approved by DBM on October 15, 2021 amounting to P37.692 billion. Changes between the original and final budget was due to DBM's approved level of personnel services, maintenance and other operating expenses (MOOE), and capital outlay broken down as follows:

	Operating Budget (In Thousand Pesos)		
	Proposed	Approved	Variance
Personnel services	4,785,722	4,588,535	197,187
MOOE	3,779,267	3,114,786	664,481
Capital outlay	29,988,229	29,988,229	-
	<b>38,553,218</b>	<b>37,691,550</b>	<b>861,668</b>

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 and for the implementation of infrastructure projects.

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

	Original Budget	DBM Variance	C N A Allocation	Final Budget
Receipts/sources				
Service and business income	665,857,172	-	-	665,857,172
Other non-operating income	117,162,418	-	-	117,162,418
Assistance and subsidy	37,770,198,000	(534,897,478)*	-	37,235,300,522
Total	38,553,217,590	(534,897,478)	-	38,018,320,112
Payments/uses				
Personnel services	4,785,722,998	(429,688,000)	232,500,000	4,588,534,998
MOOE	3,779,265,400	(431,979,478)	(232,500,000)	3,114,785,922
Capital outlay	29,988,229,192		-	29,988,229,192
Total	38,553,217,590	(861,667,478)	-	37,691,550,112
<b>Savings</b>		<b>326,770,000</b>		<b>326,770,000</b>

\* The variance in National Government Support of P534,897,000 pertains to savings identified corresponding to discontinued Programs, Activities and Projects (PAPs) in FY 2020 pursuant to Administrative Order No. 41, s. 2021 dated May 12, 2021, as implemented by National Budget Circular No. 586 dated May 21, 2021.

### 38.1 SCBAA

- a. The negative variance of Personnel services is due to the actual indirect costs incurred under project funds;
- b. Regarding the MOOE, the negative variances of P18.300 million under Supplies and material expense and P3.400 million for the Utility expenses account are the effects of the DBM variance of P163.500 million and P30.900 million, respectively;
- c. For the Comprehensive Agrarian Reform Program (CARP) MOOE, the management fee of P22.900 million was recorded under MOOE, however, the budget of CARP is under Capital Outlay thus causing negative variance of P22.800 million;
- d. MOOE under Locally Funded Projects (LFPs) incurred a negative variance of P13.364 billion due to recognition of payment of expenses like repairs and maintenance that were previously obligated under FYs 2019 and 2020 GAAs.

Also, the generation, transmission, and distribution expenses in the amount of P11.410 billion for the Guaranteed Water Delivery Fees and Guaranteed Energy Delivery Fees under the PPP Contract with the CECWECI.

- e. NIA MC No. 182, s. 2020, on the "Accounting Guidelines on Expenditures Under Project/Subsidy Funds", provides that expenditures under Irrigation Management Transfer Support Services (IMTSS); Repair, Operation and Maintenance of National Irrigation Systems; and Repair and Maintenance of Operations and Maintenance Equipment shall be charged to proper MOOE expense account. In case of pumps held for distribution, when purchased, they shall be accounted for as Property and Equipment for Distribution

Account, and when issued/distributed to the farmer-beneficiaries/IAs, the expense account will be used. The Feasibility Studies and Detailed Engineering (FSDE) shall be temporarily recorded under CIP account, however, if the result of the FSDE is not feasible, the recorded FSDE shall be reclassified to proper expense account. In the Budgetary Support to Government Corporations (BSGC) Fund, if the disbursement is expense in nature, it should be debited to proper expense account. Regarding the wages of personnel charged against project funds, regardless of the program, only the wages and other compensations of the Project-in-Charge (PIC) and Institutional Development Officer (IDO) directly involved in the project should be capitalized together with the cost of the Civil Works, hence, all other wages and compensations are considered expense. Other indirect cost incurred for Fund 501 LFPs and General Fund shall be treated as expense, as discussed in the Joint-Financial Consultative Meeting between NIA Management and NIA-COA Audit Group that was held on November 6-8, 2019.

- f. The negative variance of the Financial expenses is due to the recognition of the interest expense for the unpaid advances made by the BTr for the PPP Contract with the CECWECI.
- g. The NIA has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In the case of those funded out of the national government support, Section 72 of the General Provisions (GPs) of RA No. 11518 on the rules on the modification in allotment shall apply. This pertains to the variances of Personnel Services (PS) and MOOE among others.
- h. The details of variances are shown below:

	Subsidy per Budget DBM	Variance	Subsidy per Budget - Net of DBM	Subsidy per Actual	Variance (Budget-Actual)
COB	7,476,122,000	-	7,476,122,000	7,429,455,000	46,667,000
LFPs	20,360,847,000	-	20,360,847,000	20,360,847,000	-
CARP	601,000,000	-	601,000,000	647,667,000	(46,667,000)
FAPS GOP	1,524,907,000	-	1,524,907,000	1,524,907,000	-
- LP	1,695,963,000	-	1,695,963,000	1,207,040,022	488,922,978
<b>Total Current</b>	<b>31,658,839,000</b>	<b>-</b>	<b>31,658,839,000</b>	<b>31,169,916,022</b>	<b>488,922,978</b>
Other Source INREMP -	-	-	-	-	-
IFAD	173,774,000	-	173,774,000	173,774,000	-
<b>Total</b>	<b>31,832,613,000</b>	<b>-</b>	<b>31,832,613,000</b>	<b>31,343,690,022</b>	<b>488,922,978</b>
Continuing Appropriation	5,937,584,522	534,897,000	5,402,687,522	11,157,581,219	(5,754,893,697)
F-101 Due and Demandable and					
Tax Remittance Advice	-	-	-	176,534,584	(176,534,584)
National Disaster Risk Reduction					
Management (NDRRM)	-	-	-	300,219,270	(300,219,270)
	<b>37,770,197,522</b>	<b>534,897,000</b>	<b>37,235,300,522</b>	<b>42,978,025,095</b>	<b>(5,742,724,573)</b>

Acronyms:

LFP – Locally Funded Projects  
 CARP IC – Comprehensive Agrarian Reform Program – Irrigation Component  
 FAP (GOP) – Foreign Assisted Projects (Government of the Philippines)  
 FAP (LP) – Foreign Assisted Projects (Loan Proceeds)

### 39. DISCLOSURES REQUIRED BY BIR UNDER REVENUE REGULATIONS (RR) NO. 15-2010

In compliance with BIR RR No. 15-2010, amending BIR 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.”

The 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 2021, include licenses and permit fees in the total amount of P10,298,600 comprising P104,790 and P10,193,810 in the CO and ROs, respectively.

#### Withholding taxes

The amount of withholding taxes paid/accrued for CY 2021 by NIA is as follows:

	2021
Creditable withholding taxes	1,333,730,319
Withholding taxes on compensation and benefits	84,233,974
Others	1,594
	<b>1,417,965,887</b>

As at year end, the breakdown of creditable withholding taxes for CY 2021 are as follows:

Percentage		2021
5	Withholding Value-added Tax (VAT)	869,781,823
2	Income payments made by GOCCs to suppliers of services	289,768,678
1	Income payments made by GOCCs to suppliers of goods	25,699,263
3	Withholding percentage tax	5,023,581
10	Withholding tax on professionals	1,627,549
5	Withholding tax on professionals	875,776
	Others	140,953,649
		<b>1,333,730,319</b>

### 40. COMPLIANCE WITH GSIS LAW, RA NO. 8291

The 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 2021 are as follows:

	2021
Employer’s share	261,106,697
Employees’ share	233,175,029
	<b>494,281,726</b>



**41. COMPLIANCE WITH HOME DEVELOPMENT MUTUAL FUND (HDMF or PAG-IBIG) LAW AND HDMF CIRCULAR NO. 275**

The 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, in accordance with HDMF Circular No. 275. The employees' and employer's shares remitted are as follows:

	<b>2021</b>
Employee's share	46,798,108
Employer's share	9,816,300
	<b>56,614,408</b>

**42. COMPLIANCE WITH PHILHEALTH CIRCULAR NO. 0001, S. 2014**

The NIA has been regularly deducting premiums from its employees and remitting the total amount withheld as well as the government share to PhilHealth. The employees' and employer's shares remitted to PhilHealth for CY 2021 are as follows:

	<b>2021</b>
Employee's share	32,588,196
Employer's share	31,384,474
	<b>63,972,670</b>

**National Irrigation Administration  
Summary and Status of Outstanding Cases Pending Before the Courts  
As of December 31, 2021**

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
<b>NIA Central Office (Legal Services)</b>							
1.	12/29/2021	Civil Case No. 754 NIA vs. NPC, SNAP-M, Dumaguing, et al.	Ejectment with damages / 14th MCTC Ramon- San Isidro, Isabela	Atty. Lloyd Allain Cudal and Atty. Nastassja Nicole J. Flores	Complaint for ejectment was filed	N/A	P1,710,000 accumulated reasonable monthly rentals plus damages
2.	12/29/2021	Civil Case No. 751 NIA vs. NPC, SNAP-M, Bacani, et al.	Ejectment with damages / 14th MCTC Ramon- San Isidro, Isabela	Atty. Lloyd Allain Cudal and Atty. Nastassja Nicole J. Flores	Complaint for ejectment was filed	N/A	P1,710,000 accumulated reasonable monthly rentals plus damages
3.	12/29/2021	Civil Case No. 753 NIA vs. NPC, SNAP-M, Dela Cruz, et al.	Ejectment with damages / 14th MCTC Ramon- San Isidro, Isabela	Atty. Lloyd Allain Cudal and Atty. Nastassja Nicole J. Flores	Complaint for ejectment was filed, rentals plus damages	N/A	P1,710,000 accumulated reasonable monthly rentals plus damages
4.	12/29/2021	Civil Case No. 752 NIA vs. NPC, SNAP-M, Pinera, et al.	Ejectment with damages / 14th MCTC Ramon- San Isidro, Isabela	Atty. Lloyd Allain Cudal and Atty. Nastassja Nicole J. Flores	Complaint for ejectment was filed	N/A	P1,710,000 accumulated reasonable monthly rentals plus damages
5.	Issuance of Resolution	CIAC Case No. 26- 2021 Green Asia Construction and Development Corporation v. NIA	Construction Industry Arbitration Commission, Makati City	Atty. Mary Annabelle F. Cruz- Domingo/ Atty. June J. Barioga	For CIAC decision		P296,930,314
6.	7/12/2021	Civil Case No. 21- 32 Cabrera vs. NIA, et al.	Cancellation of Title with Damages / RTC Branch 68 Camiling, Tarlac	Atty. Lloyd Allain Cudal and Atty. Nastassja Nicole J. Flores	Pre-trial of suit		P150,000 as damages plus attorneys' fees/cost
7.	7/12/2021	Civil Case No. R- QZN-21-05 EML Construction and Trading and Tianyuan Construction Group, Ltd. Consortium, both herein represented by Mr. Albert Lacanilao v. NIA, headed by	Petition for Certiorari with Immediate Prayer for TRO and/or Writ of Preliminary Injunction/ RTC, Branch 216, Quezon City	Atty. Lloyd Allain A. Cudal	Hearing for Preliminary Injunction		Approved Budget for Contract P1,356,069,625

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
		Gen. Ricardo R. Visaya (Ret.)					
8.	2/23/2021	Civil Case No. R-QZN-21-01795-CV Premium Megastructures, Inc. vs. NIA	Interim Measure of Protection with Application of Temporary Order of Protection Pursuant to Special ADR Rules (A.M. No. 07-11-08- SC)/ RTC, Branch 101, Quezon City	Atty. Lloyd Allain A. Cudal / Atty. Bjorn M. Madrid	<ul style="list-style-type: none"> <li>- Case withdrawn by the Petitioner/dismissed</li> <li>- Petitioner manifested to exhaust administrative remedies by going to the Office of the President as condition precedent to filing a case before the CIAC</li> <li>- O.P. Case No. 21-B-065, Appeal filed by Premium Megastructures, Inc. is hereby granted.</li> </ul> <p>The Resolution dated January 14, 2021 and Blacklisting Order No. 3 dated January 28, 2021 of NIA is hereby revoked and set aside</p>	3/1/2021       12/23/2021	Contract Amount: P273,508,917
9.	2/15/2021	Civil Case No. R-QZN-21-01467-CV MAC Builders represented by M. A. Chua vs. NIA	Interim Measure of Protection with Application of Temporary Order of Protection Pursuant to Special ADR Rules (A.M. No. 07-11-08- SC) / RTC, Branch 80, Quezon City	Atty. Lloyd Allain A. Cudal/ Atty. Bjorn M. Madrid	<ul style="list-style-type: none"> <li>- Case withdrawn by the Petitioner/dismissed - Petitioner manifested to exhaust administrative remedies by going to the Office of the President as condition precedent to filing a case before the CIAC</li> <li>- O.P. Case No. 21-B-066. Appeal filed by MAC Builders is partially granted in so far.</li> </ul> <p>Blacklisting Order No. 1 dated January 28, 2021 is hereby pro hac vice reversed and set aside -NIA filed a Motion for Reconsideration</p>	3/1/2021       12/24/2021	Contract Amount: P730,945,072
10.	9/28/2020	Civil Case No. 280-20 E. M. Cajucom vs. NIA, et al.	Forcible Entry with Petition for Injunction/ 5th MTC, Gerona, Tarlac	Atty. Lloyd Allain A. Cudal and Atty. Nastassja	Case dismissed for lack of jurisdiction over the subject matter	4/23/2021	

## Annex A

	Date Filed	Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
				Nicole J. Flores			
11.	November 2020	DENR-EMB R2 N-EIA-K-2020-10 Notice of Violation (NOV) of ECC Conditions No. (9501-012-12 C)	Notice of Violation (NOV) of ECC Conditions No. (9501-012-12C)/ Energy Regulatory Board	Atty. Rizza A. Ibañez	Dismissed per last hearing on September 28, 2021; pending issuance of Resolution		N/A
12.	December 2019	NWRB Case Nos. 2020-007, 2020-008, 2020-009 and 2020-010 Petition for Transfer of Water Permit Nos. 6661, 6662, 6658 and 6664 from NIA to Maynilad Water Services, Inc.	Petition for Transfer of Water Permit Nos. 6661, 6662, 6658 and 6664 from NIA to Maynilad Water Services, Inc. / National Water Resources Board	Atty. Rizza A. Ibañez	Pending Issuance of Resolution		N/A
13.	August 2019	NWRB Case No. 2019 -1145 Petition for the Increase of Approved Flow Rate under Water Permit No. 3359 NIA, Petitioner	Petition for the Increase of Approved Flow Rate under Water Permit No. 3359 / National Water Resources Board	Atty. Rizza A. Ibañez	Submitted for Resolution		N/A
14.	7/12/2019	ERC Case No. 2019 - 005 DR Petition for DR to Determine Wheeling Rates, with Motion for Issuance of Provisional Authority ISELCO I vs. NIA	Petition for DR to Determine Wheeling Rates, with Motion for Issuance of Provisional Authority/ Energy Regulatory Board	Atty. Rizza A. Ibañez of-court Conference	Conducted Expository DR; ERC directed parties to conduct out-of-court conference		N/A
15.	7/11/2019	Civil Case No. R-ANG- 19-02424-CV Leadway Construction and Development Corp. vs. NIA and China Banking Corporation	Injunction With Application for Writ of Preliminary Injunction and Prayer for TRO/ RTC, Br. 57, Angeles City	Atty. Marty P. Cachapero	Case dismissed for failure to state cause of action	1/17/2020	Contract Amount P171,973,176
16.	7/3/2019	Civil Case SCA No. 26-19 Sps. D. Dalija and R. Dalija	Expropriation/ RTC, Branch 15, Alfonso Lista, Ifugao	Atty. Lloyd Allain A. Cudal and Atty. Nasatassja Nicole J. Flores	Resolved based on a Compromise Agreement	11/18/2021	P2,000,000

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
17.	2/27/2019	Civil Case No. R-ANG- 19-00736-CV Markbilt Trading and Development Corp. and RD Policarpio Co., Inc. vs. NIA and Metropolitan Bank and Trust Company	Injunction with Prayer for TRO and Writ of Injunction/ RTC, Branch 58, Angeles City	Atty. Marty P. Cachapero / Atty. Dexter G. Matias	Case dismissed	9/3/2020	
18.	10/23/2018	Spl. Civil Action No. SCC-BAR-060 NIA vs. Heirs of Sps. F. and A. Villaflor	Expropriation/ RTC, Branch 60, Barili, Cebu	Atty. Bjorn M. Madrid/Atty. Revneil Jane L. Fabiosa (NIA-Region VII lawyer)	- Submitted compliance for proof of publication  - For pre-trial		
19.	10/23/2018	Spl. Civil Action No. 131 NIA vs. R. B. Sabela, D. B. Sabela, R. Sabela, and J. Sabela	Expropriation/ RTC, Branch 30, Bayombong, Nueva Vizcaya	Atty. Marty P. Cachapero	Case dismissed/settled	8/29/2019	Just compensation will be given to R. B. Sabela-P27,814; D. B. Sabela-P70,429; R. Sabela-P96,871; and J. Sabela-P89,764
20.	9/25/2018	COA CP Case No. 2018-885 I. V. Castaneda vs. NIA	Petition for Money Claim Against the Government/COA	Atty. Marty P. Cachapero	- Case dismissed  - Mr. I. Castaneda filed a Motion for Reconsideration	1/31/2020	P9,961,200 (remaining balance of just compensation for land and crop damages)
21.	9/13/2018	Civil Case No. R-QZN-18 NIA vs. A. Daniega	Specific Performance and / or Recovery / Surrender of Land Title Nos. 14074, 14072, 14073, 14215, 14216, 14266, and 14267, all in the name of NIA / RTC, Branch 100, Quezon City	Atty. Marty P. Cachapero	Case settled	2/27/2020	
22.	9/6/2018	Civil Case No. 2018-793-SJC NIA vs. H. Santos	Observance of Easements, With Prayer for Preliminary and Permanent Injunction and Damages / RTC 39 San Jose City, Nueva Ecija	Atty. Lloyd Allain A. Cudal and Atty. Nastassja Nicole J. Flores	Presentation of Plaintiff's third witness		

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
23.	9/6/2018	Civil Case No. 2059-G NIA vs. A. Cayme	Observance of Easements, With Prayer for Preliminary and Permanent Injunction and Damages/ RTC 32 Guimba, Nueva Ecija	Atty. Lloyd Allain A. Cudal	<ul style="list-style-type: none"> <li>- Case decided based on Compromise Agreement</li> <li>- Defendant ordered to demolish obstruction in NIA Canal</li> </ul>		
24.	9/6/2018	Civil Case No. 2060-G NIA vs. E. Capulong	Observance of Easements, With Prayer for Preliminary and Permanent Injunction and Damages/ RTC 33 Guimba, Nueva Ecija	Atty. Lloyd Allain A. Cudal	<ul style="list-style-type: none"> <li>- Case decided based on Compromise Agreement</li> <li>- Defendant ordered to demolish obstruction in NIA Canal</li> </ul>		
25.	7/3/2018	Spl. Civil Action No. 5264-18 NIA vs. V. P. Bote	Expropriation/ RTC, Branch 87, Gapan City	Atty. Bjorn M. Madrid	For constitution of Board of Commissioners to determine the amount of just compensation		
26.	6/22/2018	Civil Case No. 18- 07044 NIA vs. New Kanlaon Construction, Inc.	Ejectment through Breach of Contract and Damages/ RTC, Br. 217, Quezon City	Atty. Marty P. Cachapero	Case submitted for resolution		<ul style="list-style-type: none"> <li>- Payment of monthly rental in the amount P525,399 for the period March 2018 to February 2019</li> <li>- Payment of unpaid rentals in the amount of P1,050,797 covering March to April 2018</li> <li>- Payment of an equivalent of 20 per cent of unpaid rentals (March to April 2018) as per lease agreement or P210,159</li> <li>- Payment of 100,000 on temperate damages</li> </ul>

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
							- Payment of P300,000 on attorney's fees
27.	4/6/2018	Civil Case No. R-QZN-18-03716-CV New Kanlaon Construction, Incorporated vs. NIA	Specific Performance and Injunction with Prayer for the Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction/ RTC, Branch 217, Quezon City	Atty. Marty P. Cachapero	<ul style="list-style-type: none"> <li>- NIA filed Petition for Certiorari before the Court of Appeals</li> <li>- NIA received decision from the Court of Appeals</li> <li>- New Kanlaon Construction Incorporated filed Motion for Reconsideration on the decision of Court of Appeals</li> <li>- For resolution of the Court of Appeals</li> </ul>		P20,379,505 plus legal interest (due rentals from 3/18/2018 to 2/28/2021)
28.	2/21/2018	Civil Case No. 18- 07 NIA vs. Heirs of Sps. D. and C. Caparas	Expropriation/ RTC, Branch 68, Camiling, Tarlac	Atty. Rizza A. Ibaliez	With Writ of Possession; pending submission of Commissioner's Report		Pending determination of just compensation
29.	Summons to NIA to file An Answer received on 10/7/2017	Civil Case No. 7167 Heir of P. Torres vs. Mario Pascual and NIA	Injunction and Damages with Prayer for the Issuance of Preliminary Mandatory Injunction and TRO/ RTC, Branch 29, Cabanatuan City	Atty. Marty P. Cachapero	Case dismissed/settled	10/22/2019	
30.	9/8/2017	Spl. Civil Action Case No. 1273 - B NIA vs. Dator, et.al RTC	Expropriation/ Branch 26, Surallah, South Cotabato	Atty. Rizza A. Ibañez	With Writ of Possession; pending hearing on Commissioner's Report		Pending determination of just compensation
31.	6/13/2017	Civil Case No. 1574 C. Llamas, Jr. vs. NIA	Ejectment/ MCTC Pagsanjan, Laguna	Atty. Lloyd Allain A. Cudal / Atty. Nastassja Nicole J. Flores	<ul style="list-style-type: none"> <li>- Appeal to Regional Trial Court</li> <li>- Submitted for decision</li> </ul>		
32.	6/13/2017	Civil Case No. 1575 N. Mayo vs. NIA	Ejectment / MCTC Pagsanjan, Laguna	Atty. Lloyd Allain A. Cudal/ Atty. Nastassja Nicole J. Flores	<ul style="list-style-type: none"> <li>- Appeal to Regional Trial Court</li> <li>- Submitted for decision</li> </ul>		
33.	5/31/2017	Civil Case No. 5273-21(17 NIA vs. A. Aljo	Accion Publiciana / RTC, Branch 21, Pagadian City	Atty. Marty P. Cachapero / Atty.	Submitted Formal Offer of Documentary Evidence		



## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
				Katherine Grace C. Lumilis (NIA-Region IX)			
34.	10/3/2016	NWRB Case Nos. 2016 - 151 and 2016-153 NIA vs. Luzon Clean Water Development Corporation 016-153	Opposition on the Water Permit Application / National Water Resources Board	Atty. Rizza A. Ibañez	With pending with Motion for Reconsideration by NIA		N/A
35.	Information dated 9/21/2016	Criminal Case No. 14478 People of the Philippines vs. B. Dominguez	Reckless Imprudence Resulting to Slight Physical Injury with Damage to Property/ Municipal Trial Court, Talavera, Nueva Ecija	Atty. Marty P. Cachapero	Presentation of witnesses for the defense		
36.	9/13/2016	Civil Case No. I-128 NIA vs. the Heirs of the Late J. Rojas, as represented by its Administrator, C. Rojas	RTC of Zamboanga Sibugay, Branch 24, Ipil, Zamboanga Sibugay/ Expropriation and Damages	Atty. Marty P. Cachapero / Atty. Katherine Grace C. Lumilis (NIA-Region IX)	-Writ of Possession is issued by the Court - Deposited money -Other party (Rojas) is willing to execute Deed of Donation		P7,406
37.	7/12/2016	Spl. Civil Action No. 1943 NIA vs. AJF Producers Co.	Expropriation/ RTC Branch 62, Bago City	Atty. Rizza A. Ibañez	With Writ of Possession; submitted for resolution		
38.	6/13/2016	Civil Case No. 16- 13284-CV CE CA Water and Energy Company, Inc. and NIA vs. NWRB and the Bugkalot Confederation of Nueva Vizcaya, Quirino and Aurora, Inc.	For Declaration of Nullity of NWRB Board Resolution No. 01-0901 dated 9/24/2001/ RTC, Branch 224, Quezon City	Atty. Lloyd Allain A. Cudal	Pre-trial hearing scheduled on April 2022		
39.	4/6/2016	Crim. Case No. 19646-16 People of the Philippines vs. J. Pascual y Mangunay	Reckless Imprudence Resulting to Homicide, Physical Injury, Damages/ RTC, Branch 36, Gapan City	Atty. Lloyd Allain A. Cudal and Atty. Nastassja Nicole J. Flores	Presentation of Prosecution's witnesses		

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
40.	7/21/2015	Civil Case No. DH -1415-15 Sps. Langit vs. NIA, et.al.	Damages/ RTC Branch 5, Dinalupihan, Bataan	Atty. Rizza A. Ibañez	Temporarily archived to accommodate settlement thru the intervention of the LGU of Dinalupihan, Bataan		P2 million as compensation, P50,000 as attorney's fees, P50,000 as moral damages, P150,000 as temperate damages and P250,000 as exemplary damages
41.	Complaint filed dated 5/25/2015	RTC 2005-10-SCA NIA vs. B. A. Bodo and I. T. Bodo	Expropriation / RTC, Branch 13, Carigara, Leyte	Atty. Marty P. Cachapero	Case dismissed / settled	5/3/2019	P4,960 plus legal interest from the time of the taking of subject property up to the time full compensation has been paid
42.	5/11/2015	Civil Case No. 7300 F. Pimentel et. al. vs. NIA	Sum of Money and Damages / RTC 28 Bayombong, Nueva Ecija	Atty. Lloyd Allain A. Cudal	Case dismissed	5/26/2021	Payment by Engr. F. A. Domingosil of P50,000 representing acceptance fees and also the amount of P1,500 representing the per appearance fee paid by the plaintiff to the counsel and P100,000 as moral damages
43.	12/12/2012	Civil Case No. 1797 Sps. Besario vs. NIA, et al.	Damages/ RTC Br. 62, Bago City	Atty. Rizza A. Ibañez	Trial (Presentation of defendant's witnesses)		P100,000 as actual damages, P100,000 as moral and exemplary damages, P70,000 as attorney's fees and litigation expenses
44.	10/18/2012	Civil Case No. 254-17 NIA vs. Mun. of Alfonso Lista, et. al.	For Declaration of Nullity of Notices of Assessment and Statement of Account/ RTC 15, Alfonso Lista, Ifugao	Atty. Lloyd Allain A. Cudal	Motion for Reconsideration filed by NIA		

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
45.	8/31/2011	Civil Case No. 7564 Heirs of A. Annang Rep. by R. Annang, et. al. vs. City Government of Tuguegarao, et al.	Injunction and Damages/ RTC, Branch 2, Tuguegarao City	Atty. Lloyd Allain A. Cudal	Submitted for resolution based on Demurrer to Evidence		P100,000 as actual damages, P100,000 as moral damages and P25,000 as exemplary damages
46.	12/23/2009	Civil Case No. 312 NIA vs. G. Bagaoisan and S. Purificacion	Collection of Sum of Money/ MTC, Branch 2, Calamaniugan, Cagayan	Atty. Lloyd Allain A. Cudal	Submitted for resolution based on Demurrer to Evidence		P187,838 representing the irrigation service fees from 1987 to 2009
<b>Region I (Legal Services)</b>							
47.	4/3/2007, 7/6/2007 and 7/30/2007	Civil Case No. 6588-V, Civil Case No. 6662-V and Civil Case No. 6676-V	EXPROPRIATION	Office of the Solicitor General	Resolved	11/18/2021	P1, 250,830; P210,077; P2,005,220; Plus legal interest of 6 per cent per annum to all the aforementioned amounts from the date of the filing of the complaints until fully paid.
48.		Civil Case No. T-2496 - Republic of the Philippines represented by the NIA	EXPROPRIATION Regional Trial Court First Judicial Region Branch 51, Tayug, Pangasinan	Office of the Solicitor General	Resolved	9/23/2021	P3,847,050 with legal interest thereon at 12 per cent per annum computed from the issuance of Order dated 3/7/2018 until the due amount shall have been fully paid.
49.		CA. G.R. CV No. 113130 entitled Sps. F. Fernandez, Jr. and S. De Leon vs. NIA, represented by Engr. Florencio F. Padernal, former Administrator	Court of Appeals - Manila, Second Division	Office of the Government Corporate Counsel	Appeal by the plaintiff-appellant was denied. The decision of the RTC of Tayug, Pangasinan in favor of NIA was affirmed	9/29/2021	
<b>Magat River Integration Irrigation System (MARIS)</b>							
50.	7/3/2019	Special Civil Action 16-19 (Expropriation) NIA vs. Spouses	RTC Branch 15, Alfonso Lista, Ifugao	Atty. Lloyd Allain A. Cudial	Pending dismissal due to the executed Compromise Agreement		

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
		D. T. Dalija and R. J. Dalija					
51.	12/29/2021	Civil Case No. 751 (For ejectment with damage) NIA vs. NPC, SNAP-M, Inc. and H. Bacani	MCTC Ramon-San Isidro, Isabela	Atty. Nastassja Nicole J. Flores	Pending dismissal due to the executed Compromise Agreement		
52.	12/29/2021	Civil Case No. 752 (for ejectment with damage) NIA vs. NPC, SNAP-M, Inc. and M. V. Pinera	MCTC Ramon-San Isidro, Isabela	Atty. Nastassja Nicole J. Flores	Pending		
53.	12/29/2021	Civil Case No. 753 (for ejectment with damage) NIA vs. NPC, SNAP-M, Inc. and J.T. Dela Cruz	MCTC Ramon-San Isidro, Isabela	Atty. Nastassja Nicole J. Flores	Pending		
54.	12/29/2021	Civil Case No. 754 (for ejectment with damage) NIA vs. NPC, SNAP-M, Inc. and Manuel F. Dumaguing	MCTC Ramon-San Isidro, Isabela	Atty. Nastassja Nicole J. Flores	Pending		
<b>Upper Pampanga River Integrated Irrigation System (UPRIIS)</b>							
55.	7/10/2021	CIAC Case N. 26-2021	CIAC, Makati City	Atty. June J. Barioga, CPA Atty. Ann Belle Domingo	Pending		P296,930,314
<b>Region IV-A CALABARZON</b>							
56.	6/15/2021	NWRB Case No. 2021-052, Petition for Change of Name from Blaine Corporation to Refamed Research Laboratory Corporation	NWRB, Quezon City	Jill B. Manangkil	Attended online hearing last 8/25/2021. Requested for time to file comment / opposition to the petition which a Manifestation was filed that NIA has no objection after verification from concerned offices. Next hearing was on 12/2/2021 for presentation of evidence.	For resolution	N/A
57.	6/25/2021	NWRB Case No. 2021-090, In the matter of the Petition to Increase Approved Flow	NWRB, Quezon City	Jill B. Manangkil	Attended online hearing last 9/1/2021. Requested for time to file comment/ opposition to the petition to which a Manifestation was filed that the NIA has	For resolution	N/A

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
		Rate Under Water Permit No. 6084 issued to Canlubang Sugar Estate			no objection after verification from concerned offices. Submitted for resolution.		
58.	8/12/2021	NWRB Case No. 2021-145, Petition for Approval of Assignment of Right to Use Water Allocation under Water Permit No. 021886 issued to MWSS by Manila Water Company, Inc., WAWAJVCO, Inc. as Petitioner	NWRB, Quezon City	Jill B. Manangkil	Attended online hearings held last 9/21/2021 and 10/11/2021. Manifestation was filed that NIA has no objection to the petition after verification from concerned offices. WAWAJVCO filed Formal Offer of Exhibits and an Order admitting petitioner's exhibits were received last 11/19/2021. Submitted for resolution.	For resolution	N/A
59.		NWRB Case Nos. 2021-141, 2021- 143, 2021- 143, 2021-144, In the Matter of the Petition to Increase Allowable Water Discharge under Water Permit Nos. 23082, 23083, 23084 and 24373 issued to Tatala Multi-Purpose Cooperative	NWRB, Quezon City	Jill B. Manangkil	Attended online hearing held last 11/16/2021. Atty. Edgar Paddayuman (Legal Counsel of Tatala Multipurpose Cooperative) presented Exhibits to prove jurisdictional requirements. NIA moved for reservation to file appropriate pleading and was given until 11/29/2021 to file comment or opposition to the Petition. Manifestation was filed that NIA has no objection to the petition after verification from concerned offices.	For resolution	N/A
60.	9/08/2021	NWRB Case Nos. 2021-153, 2021-154 and 2021-155, In the Matter of the Petition for Change of Purpose of Appropriation under Water Permit Nos. 14908, 15218 and 16751 Issued to Filinvest Land, Inc.	NWRB, Quezon City	Jill B. Manangkil	Hearing is scheduled on 12/7/2021. Manifestation was filed that NIA has no objection to the petition after verification from concerned offices of the Central Office (CO). Next hearing is on 1/12/2022.	For resolution	N/A

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
61.		NWRB Case Nos. 2020-007, 2020- 008, 2020- 009 and 2020- 010, Petition for Transfer of Water Permit Nos. 661, 662, 6655, 6658 and 666	NWRB, Quezon City	Atty. Rizza Ibañez	No copy on files. Handled directly by CO / Atty. Rizza Ibañez.		N/A
62.	30 July 2021	LRC Case No. NC- 1166-931, Petition for Reconstitution of OCT Nos. 0-3062 and 0-3871 of the Office of the Registry of Deeds for Province of Cavite and Issuance of their Corresponding Duplicate Certificates	Regional Trial Court, Branch 15, Naic, Cavite	Jill B. Manangkil	Initial hearing deferred as NIA moved for time to file comment. Filed comment that NIA has no objection to the petition after confirmation of data / report from Engr. Bryan of CBIMO. Hearing scheduled on Sept. 7, 2021 was reset due to lockdown. Waiting for Order.	For presentation of evidence	N/A
<b>Region V</b>							
63.	12/29/2021	S. I. Salva, et al vs. E. V. Echano, et al.	Notice of Disallowance/ COA Commission Proper	Atty. Karen N. Alferez	COA Commission Proper	Petition for Review was filed	P4,898,882
64.		F. Toquero, et al. vs E. V. Echano, et al.	Notice of Disallowance/ COA Commission Proper	Atty. Karen N. Alferez	For filing of Petition for Review before Commission Proper		P6,865,432
65.		NIA vs. Heirs of C. Iraula (Drafting of Expropriation Complaint)	RTC	Atty. Karen N. Alferez	Cancelled		N/A
66.	11/10/2021	Engr. E. Balondo's Disapproved Appointment	CSC Regional Office V	Atty. Karen N. Alferez	Appeal Memorandum was filed to CSC Regional Office V. No decision yet.		N/A
<b>Region VI and Jalaur River Multi-Purpose Project II (JRMP II)</b>							
67.	5/21/2014	Civil Case No. 14-32265 Estate of the Deceased Spouses J. Sale, Jr. and M. C. Sampani Sale, Represented by their Administrator R. S. Gabarra vs. NIA Region VI	Just Compensation RTC Branch 26, Iloilo City	Atty. Michael Margarico / Atty. Red Gabriel Convocar	TRO and Preliminary Injunction filed against NIA are denied. Motion for Reconsideration by Plaintiff is also denied. Case is still pending.		
68.	2017	Water Use Conflict Case Nos. 2018-136	Water Protest NWRB, Quezon City	Atty. Red Gabriel Convocar	NIA submitted its position paper. Case is submitted for Resolution.		

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
		and 2018-137 NIA vs. Puro Oro H2O Company, Inc.					
69.	9/13/2017	WPA No. VI-ILO-2017- 07-153 NIA Region VI vs. South Balibago Inc. Passi Branch	Water Protest NWRB, Quezon City	Atty. Red Gabriel Convocar	NIA filed its Position Paper. Case is submitted for Resolution.		
70.	7/4/2017	Civil Case No. 17- 33548 NIA Region VI vs. Spouses N. Castor and M. Castor	Expropriation RTC Branch 76, Janiuay, Iloilo	Atty. Red Gabriel Convocar	A Motion to Render Judgment based on the Permit to Enter and Affirmation was submitted and is pending for resolution.		
71.	7/4/2017	Civil Case No. 17- 33549 NIA Region VI vs. Spouses R.or and V. Castor	Expropriation RTC Branch 76, Janiuay, Iloilo	Atty. Red Gabriel Convocar	Writ of Possession Issued. A Comment/Opposition (to Defendants' Manifestation with Motion to Release Compensation due to the Defendants) was filed by NIA and is pending for resolution. Awaiting hearing schedule for a possible compromise agreement.		
72.	10/31/2018	CA -G.R. SP No. 10595 NIA Region VI vs. Estate of the Deceased Spouses J. Sale, Jr. and M. C. Sampani Sale, Represented by their Administrator R. S. Gabarra	Petition for Certiorari Court of Appeals, Cebu City	Atty. Michael Margarico	Petition by NIA is denied. Motion for Reconsideration by NIA is denied.	Resolved (6/28/2019)	
73.	4/3/2019	WUC Case No. 2019-151  NIA Region VI vs. J. Octaviano	Water Protest  NWRB, Quezon City	Atty. Red Gabriel Convocar	NWRB ruled in favor of J. Octaviano	Resolved (5/22/2020)	
74.	1/22/2020	NWRB Case No. 2019- 391 In re: Petition for Increase in the Volume of Water Granted Under Water Permit No. 024773 issued to AGSIRAB Water Resource Corporation	Petition for Increase in the Volume of Water Granted NWRB, Quezon City	Atty. Red Gabriel Convocar	Order dated October 13, 2020, set aside. Continuation of hearing held last 11/18/2021. Parties ordered to file respective Position Papers. NIA submitted its Position Paper last 12/2/2021. Submitted for Resolution.		

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
75.	6/18/2020	Civil Case No. 20-0007, NIA Region VI vs. Z. Sumbria	Expropriation RTC Branch 76, Janiway, Iloilo	Atty. Red Gabriel Convocar	Second Motion with Leave of Court to Serve Summons by Publication granted by the Court. Service of Summons through Publication on process.		
76.	03/02/2021	CAD Case No. 21-2203	Petition for Amended and Alteration of Transfer Certificate of Title No. 090-2019008033  G. Valderrama, et al. vs. NIA, Bureau of Internal Revenue Region VI, Registry of Deeds of the Province of Iloilo	Atty. Red Gabriel Convocar	NIA interposed no comment / objection due to the abandoned status of the canal and lack of service areas.  The court ruled in favor of Petitioners and ordered the cancellation of the Memorandum of Encumbrances and Usufruct in the title.	Dismissed (June 21, 2021)	
77.	5/19/2021	EMB Case No. 2020-21-1156 In the Matter of Violation of Presidential Decree No. 1586 and its IRR	Notice of Violation Environmental Management Bureau (EMB)	Atty. Red Gabriel Convocar	NIA found liable for alleged violation; ordered to settle fine with EMB Central Office. NIA filed its Motion for Reconsideration. Submitted for Resolution.		
78.	5/20/2021	Civil Case No. 21-34912 Landheights Development Corp. vs. B. Ronco, et. al. and NIA	Quieting of Title, Recovery of Possession, Damages RTC Branch 22, Iloilo City	Atty. Red Gabriel Convocar	NIA filed its Answer. Awaiting Resolution and/or schedule of hearing from the Court.		
79.	8/27/2021	Civil Case No. 797 A. Onate Ferrer, represented by Atty-in-Fact, A. Angel Ferrer vs. A. Lamig, E. Villarancla, E. Baylon, A. Bohol, NIA, et al.	Quieting of Title, Accion Reinvidicatoria with Damages MCTC Murcia-Don Salvador Benedicto Murcia, Negros Occidental	Atty. Red Gabriel Convocar	NIA filed its Answer. Hearing scheduled on 2/23/2022.		
<b>Region VII</b>							
80.		Civil Case No. 384 Lomod vs. Lomod and NIA	RTC Branch 51, Camen, Bohol	Atty. Lucille C. Maglajos	With Approved Compromise Agreement	9/13/2021	none
81.	10/23/2018	Sp. Civ. Case No. SCC-BAR- 060 for: Expropriation NIA vs. Heirs of Sps. F. Villaflor	RTC Branch 60, Barili, Cebu	Atty. Bjorn Madrid Atty. Revneil Jane Fabiosa	For Pre-trial		



Date Filed	Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved	
Region VIII							
82.	8/11/2017 (originally filed by the retainers)	CIVIL CASE No. R-210 For: Recovery of Property, Quieting of Title and Damages: Mabatas Irrigators Association Inc., vs. Heirs of V. Calacar	Civil/ Brach 6, MCTC, Flinunangan, Southern Levte	Atty. Kimberly Grace R. Peque	Ongoing: The Honorable Court on 11/25/2021 deferred the presentation of the 5 <sup>th</sup> witness for the Defendants due to the absence of Defendants' counsel. Although accompanied with Urgent Motion for Postponement, adverse counsel did not file and serve the Judicial Affidavit of their intended witness. Thereafter, counsel for Plaintiffs filed on December 1, 2021 a Motion to Declare the Defendant to have Waived the Presentation of Witness (with prayer to exclude the intended witness from the list of witnesses to be presented by the Defendants). Court Granted the same per Order dated 12/10/2021.	N/A	N/A
83.	10/11/2012 (Answer filed by former NIA Counsel)	Civil Case No. R-ORM-12- 00119-CV For Payment of Just Compensation: S. Chu vs. NIA	Civil/ Branch 35, RTC, Osmoc City, Leyte	Atty. Joseph Escalona / Atty. Kimberly Grace R. Peque	Ongoing: The Honorable Court on 6/18/2021 issued an Order granting the manifestation of Plaintiff to file their comment to the Fomal Offer of Documentary Exhibits filed by former counsel for the Defendant. Defendant was given 15 days to file a comment from receipt of the formal offer, thereafter, the fomal offer was submitted for the Court's resolve.	N/A	N/A
84.	2017 (Answer filed by former NIA Counsel)	Civil Case No. B-17-03-02 For Payment of Just Compensation and Damages: Heirs of A. Barte vs. NIA and Mahayag Farmers and Irrigators Association	Civil/ Branch 14, Baybay City, Leyte	Atty. Kimberly Grace R. Peque	Ongoing: The Honorable Court on December 13, 2021 issued the Order, setting the case for pre-trial on 1/18/2022. It must be noted that for this case, the court together with parties and counsels conducted an ocular inspection in the area. Further, the Honorable Court urged the parties to come up with a negotiation and ordered the Plaintiff to make the necessary computation on	N/A	

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
					<p>the arrears or balance unpaid by defendant, MAFIA, to account for actual damages. Further, Atty. Borja, former NIA Region VIII retained counsel, advised Atty. Peque to notify NIA Management to pay the just compensation on the property.</p> <p>Per reading of the case records, it appears however that the following defenses were interposed by Defendant, NIA:</p> <p>Plaintiff has no cause of action because the portion is no longer being used by which water from the dam is allowed to pass through for irrigation purposes. (Case filed is for Payment of Just Compensation)</p> <p>Collection of just compensation already prescribed.</p> <p>ROW acquisition was under the responsibility of the Defendant MAFIA based on the MOA. ROW Acquisition (if any) involves a property under CA 141 which allows the Government to use ROW strip of 60 meters length without cost to the government and</p> <p>Lack of personality to sue by alleged attorney-in-fact, C. P. Notarte.</p>		
85.	10/22/2020	Special Civil Action R-TAC-20-00881-CV for Expropriation: Republic of the Philippines, represented by the NIA vs. S. Chu	Special Civil Action / RTC Branch 45, Tacloban City	Atty. Zorayda V. Tejones-Zutliga	<p>Ongoing: The Honorable Court on 12/7/2021 issued an Order dispensing the conduct of the pre-trial and instead give the parties time to negotiate and agree on the amount of just compensation.</p> <p>Also, the plaintiff's (NIA) counsel was given five days from receipt to file her comment/ opposition on the Motion of the defendant to Withdraw Cash Deposit.</p>	N/A	P2,194,500 (Subject to final determination of Just Compensation)

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
86.	4/24/2018	Civil Case No. R-TAC-18-00325-CV for Injunction and Recovery of Possession of Real Properties with Damages: S. Chu vs. NIA represented by Board of Directors	Civil/RTC Branch 43, Tacloban City	Atty. Zorayda V. Tejones-	Ongoing: The incident of the case on 10/1/2021 hearing is Pre-trial, however during the said hearing, the court did not want to act on the case anymore pursuant to OCA Circular No. 45-2019 (small claims up to P400,000 will now be under the MTC jurisdiction). Eventually, the case will be remanded to the MTC.	N/A	Lot 3310: P23,480 (Assessed Value) Lot 3308-B: P35,760 (Assessed Value)
<b>Region IX</b>							
87.	5/13/2017	Civil Case No. 5273-2k17 ACCION PUBLICIANA	Ejectment of the respondents In NIA's property and payment of rentals RTC Branch 2	Atty. Katherine Grace Lumills	Waiting for the order of the court for the FORMAL OFFER OF DOCUMENTARY EVIDENCE submitted last 10/6/2021	N/A	P1,000 monthly rental from the date of filing the complaint until the property is peacefully restored and/or surrendered to NIA.  P50,000 Expenses Incurred in filing the case  P50,000 Exemplary damages Legal Interest
88.	9/13/2016	Special Civil Case No. 1-128 Expropriation and Damages	Expropriation, Branch 24, Ipil, Zamboanga Sibugay		A Writ of Possession was issued by the Court last 12/9/2019 in favor of NIA which deposited P7,046 aggregate zonal valuation. Mrs. Rojas is now open for mediation and is willing to execute a Deed of Donation. The approval and signature of her children which are far and dispersed throughout the country, are just the condition awaited by Mrs. Rojas. NIA's irrigation project which affects her portion, is still to be started pending budget allocation.	N/A	P7,046
<b>Region X</b>							
89.	4/15/2021	Civil Case No. 02-21 L. Gequillana	Recovery of possession, ownership or real	Atty. Lloyd Allain C. Cudal / Atty.	Pending. Recommendations for Settlement or		P21,000,000 + Cost of the buildings

## Annex A

Date Filed		Case Number and Case Title	Nature/Venue	Handling Lawyer	Status	Date Dismissed / Resolved (If Applicable)	Amount Involved
		Pallada, et al., vs. NIA	property covered by TCT No. d 60178 an damages / Valencia City	Ernel C. Condeza	Compromise Agreement is in the Office of the Administrator. For Trial.		(Estimated P300 million)
90.	7/1/2021*	(Shariah Court)	AL-MAHAKIM AL-SHARIYYAH court	Atty. Ernel C. Condeza	Claims denied thru a letter.		P915,666,985
91.	9/10/2021	Criminal Case No. 2021-42 People of the Philippines vs. M. B. Gayramon	Malicious Mischief/ Balingasag, Misamis Oriental	Atty. Ernel C. Condeza	Referred for Mediation on 1/10/2022; Another mediation on 1/24/2022;		Estimated Around P20 million - cost of property
<b>Region XI</b>							
92.	05/05/2021	609-SC	Civil Case / Davao de Oro MCTC	Atty. Riemann delos Santos	Motion for Execution Granted	05/21/2021	P300,000
93.	12/15/2021	129-2021	Civil Case / Branch 26 Surallah, Cotabato	Atty. Riemann delos Santos	Answer has been filed. RTC issued a resolution wherein the plaintiffs must first pay docket/filing fees.	N/A	P15,360,000 Actual Damages P150,000 Moral Damages P150,000 Exemplary damages
<b>Region XII</b>							
94.	8/6/2021	Civil Case No. 128 - 2021-NIA S. Catorse, et al. vs. The Local NIA, herein Represented by its local Director, Evelyn Obut, the Members of the Board of Directors of the local National Irrigator's Association	Injunction with Prayer for TRO and/or Preliminary Mandatory Injunction, and Damages. RTC Branch 26, Surallah, South Cotabato	Atty. Reimann Delos Santos	Answer was filed in Court.		
95.	11/21/2016	Special Civil Action No. 1273-B for Expropriation NIA versus A.S. Dator, A.M. Suyom, C.S., Arguilles and heirs of M.S. Magsipoc	Expropriation RTC Branch 26, Surallah, South Cotabato	Atty. Riza A. Ibañez	Pending schedule for Court trial. NIA has facilitated with the LBP Commissioners for their report to be submitted and presented to the Court.		P5 million

Acronyms:

ADR – Alternative Dispute Resolution  
BIR – Bureau of Internal Revenue

CAD - Cadastral  
CIAC - Construction Industry Arbitration Commission  
COA – Commission on Audit  
CSC – Civil Service Commission  
DENR – Department of Environment and Natural Resources  
ECC – Environmental Compliance Certificate  
ERC – Energy Regulatory Commission  
IRR – Implementing Rules and Regulations  
LGU – Local Government Unit  
MCTC - Municipal Circuit Trial Court  
MOA – Memorandum of Agreement  
MWSS – Manila Water Sewerage System  
ROW – Right of Way  
MTC – Municipal Trial Court  
NIA – National Irrigation Administration  
NPC – National Power Corporation  
NWRB - National Water Resources Board  
OCT – Original Certificate of Title  
RTC – Regional Trial Court  
TRO – Temporary Restraining Order

## PART II - OBSERVATIONS AND RECOMMENDATIONS

### A. FINANCIAL

1. The Casecnan Multipurpose Irrigation and Power Project (CMIPP) under a Build-Operate-and-Transfer (BOT) scheme/contract executed on November 13, 1994 by and between the NIA and the California Energy Casecnan Water and Energy Company, Inc. (CECWECI), with total payments made by NIA through the Bureau of the Treasury (BTr) to CECWECI of P106.231 billion, inclusive of the P33.750 billion project cost, was turned over by the CECWECI to the NIA on December 11, 2021. However, the NIA has not taken firm steps to require the CECWECI to turn over the financial reports and documents of CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to financial statements, and other pertinent financial documents at the time of transfer on December 11, 2021, consequently the NIA has not recognized in its books of accounts its 40 per cent interest in the joint operation of the CMIPP with the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.), contrary to Paragraphs 23, 24 and 29 of the International Public Sector Accounting Standard (IPSAS) 37 – *Joint Arrangements*. The non-recognition of the CMIPP in the books of accounts of NIA resulted in the material misstatements of its assets, liabilities, and equity accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion.

- 1.1. Pertinent provisions of IPSAS 37 – *Joint Arrangements* provides as follows:

*Paragraph 7. Xxx*

*A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.*

*Paragraph 9. A joint arrangement is an arrangement of which two or more parties have joint control.*

10. *A joint arrangement has the following characteristics:*

- (a) *The parties are bound by a binding arrangement (see paragraphs AG2–AG4).*
- (b) *The binding arrangement gives two or more of those parties joint control of the arrangement (see paragraphs 12–18).*

### *Joint Operations*

23. *A joint operator shall recognize in relation to its interest in a joint operation:*
- (a) Its assets, including its share of any assets held jointly;*
  - (b) Its liabilities, including its share of any liabilities incurred jointly;*
  - (c) Its revenue from the sale of its share of the output arising from the joint operation; and*
  - (d) Its expenses, including its share of any expenses incurred jointly.*
24. *A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IPSASs applicable to the particular assets, liabilities, revenues and expenses.*

*Xxxx*

### *Separate Financial Statements*

29. *In its separate financial statements, a joint operator or joint venture shall account for its interest in:*
- (a) A joint operation in accordance with paragraphs 23–25 xxx.*

- 1.2. On July 9, 1990, Republic Act (RA) No. 6957, known as the BOT Law, was amended by RA No. 7718 dated May 8, 1994. The BOT is defined in Section 2 (b) of the BOT Law, as follows:

*Build-operate-and-transfer - A contractual arrangement whereby the project proponent undertakes the construction, including financing, of a given infrastructure facility, and the operation maintenance thereof. The project proponent operates the facility over a fixed term during which it is allowed to charge facility users appropriate tolls, fees, rentals, and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract to enable the project proponent to recover its investment, and operating and maintenance expenses in the project. The project proponent transfers the facility to the government agency or local government unit concerned at the end of the fixed term which shall not exceed fifty (50) years. Xxx. The build-operate-and-transfer shall include a supply-and-operate situation which is a contractual arrangement whereby the supplier of equipment and machinery for a given infrastructure facility, if the interest of the Government*

*so requires, operates the facility providing in the process technology transfer and training to Filipino nationals.*

- 1.3. Likewise, Section 12.23 of the 2012 Revised Implementing Rules and Regulations (RIRR) of RA No. 6957, as amended by RA No. 7718, known as the BOT Law, states that:

*Under Contractual Arrangements involving transfer of the facility to the Agency/LGU [Local Government Unit], the transfer or turnover will necessarily include the transfer of full legal ownership over the project, all documents, property rights, source codes, equipment, among others, which are related to the project in favor of the Agency/LGU, subject to any existing liens as may be agreed upon in the contract. The facility, upon transfer to Agency/LGU, shall be operable and in good condition. The performance indicators for the project/facility and frequency of monitoring the indicators shall be stipulated in the contract. A third-party shall be commissioned to assess the residual value of the facility upon transfer or turnover of the facility to the Agency/LGU. Xxxx (Underscoring supplied for emphasis)*

- 1.4. Section 8, Chapter II of RA No. 9136 enacted on June 8, 2001, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), provides that:

*Within six (6) months from the effectivity of this Act, the transmission and subtransmission facilities of NPC [National Power Corporation] and all other assets related to transmission operations, including the nationwide franchise of NPC for the operation of the transmission system and the grid, shall be transferred to the TRANSCO [National Transmission Commission]. The TRANSCO shall be wholly owned by the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.).*

- 1.5. Records showed that on November 13, 1994, the NIA entered into a BOT scheme project/contract with the CECWECI, the Operator, for the CMIPP. The CMIPP was aimed to: (i) divert certain water in the Casecnan Watershed and transfer the water into the Pampanga watershed at the Pantabangan Reservoir for NIA's subsequent irrigation use in 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.
- 1.6. The CMIPP, under the BOT contract between NIA and CECWECI, provides for delivery of water for irrigation of the farmlands of the farmers and energy for use in the national grid, both are public goods/service, where the CECWECI built and operated for a period of 20 years on behalf of the NIA.



- 1.7. On June 26, 1995, NIA and CECWECI entered into an 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 million unirrigated but irrigable hectares of land nationwide over the next 10 years.
- 1.8. Sections 8.6 and 8.7, Part B, Article 8 of the Amended and Restated Casecan Project Agreement (BOT Contract) state that at the expiration of the Cooperation Period or Transfer Date on December 10, 2021, the CECWECI (Operator) shall transfer to NIA (Grantor) all its rights, title, and interest in and to the fixtures, fillings, spare parts, plant, and equipment (including test equipment and special tools and vehicles used solely in plant management and operation) and all improvements comprising the CMIPP, and also deliver to NIA the operating manuals, operation summaries/transfer notes, design drawings, and other information as may reasonably be required by NIA to enable it to take over the operation of the CMIPP.
- 1.9. Subsequently, on June 30, 1995, a Power Purchase Agreement (PPA) was entered into by and between NIA and NPC relative to the energy delivery for 20 years of Cooperation Period<sup>1</sup>, which started in 2001. Articles 1 (1) and 16 (16.1.) of the PPA provide for the turn-over of 60 per cent of ownership of the CMIPP to the NPC.
- 1.10. From the very start of the Cooperation Period in CY 2002 up to the present, the BTr advances the payment of NIA's contractual obligations upon approval of its request by the Department of Finance (DOF). Thus, from CY 2002 until the end of the 20-year Cooperation Period, as part of the National Government's guarantee, the total payments made by the BTr to CECWECI, in behalf of the NIA, for the Guaranteed Water Delivery Fee, Guaranteed Energy Delivery Fee, Variable Energy Delivery Fee, Duties, Taxes, and other expenses totaled P106.231 billion (inclusive of the P33.750 billion project cost), which were the obligations of the NIA under the BOT Contract, on which the BTr imposed interests on the outstanding advances totaling P27.202 billion, or a total expenditures of P133.433 billion [P106.231 billion + P27.202 billion] on the part of NIA as of December 31, 2021.
- 1.11. On September 29, 2003, NIA and CECWECI entered into a Supplemental Agreement regarding the Amended and Restated CMIPP Agreement.
- 1.12. On February 17, 2021, through NIA Memorandum Circular (MC) No. 30, s. 2021, the NIA constituted a Sub-Committee on Physical Inventory and

---

<sup>1</sup> The Cooperation Period is defined in the BOT Contract as the period of 20 years of commercial operation during which CECWECI (the Operator) shall operate the CMIPP and deliver electrical power and energy and water to the NIA, which will commence on the first day immediately succeeding the Completion Date. The Completion Date, on the other hand, is defined in the BOT Contract as the day upon which the CECWECI certifies that the CMIPP has been completed and successfully tested.

Performance Test for the eventual turnover of CMIPP by the CECWECI, among others, with the following duties and responsibilities:

- a. Secure copies of as-built drawings, operations/maintenance manuals, and previous records of the physical inventory and performance tests from CECWECI for reference of the Technical Working Group (TWG) members and commissioned consultant (third party) for conducting the physical inventory and performance tests of the hydroelectric power plant.
  - b. Assist the consultant in the creation of forms relative to the aforementioned undertakings.
  - c. Monitor equipment operations and performance to identify and address the possible malfunctioning of the hydroelectric power plant equipment such as generators, transformers, turbines, etc. Unusual occurrences such as unforeseen failures during operations shall be reported.
  - d. Conduct physical inventory and performance test of electromechanical equipment of intake structures/dams, specifically, the installed hydraulic steel gates and its associated electrical controls in Pelaway and Taan. Deficiencies noted during the course of inspection shall be reported for correction/rectification.
  - e. Assist the commissioned consultant in the preparation of required reports.
  - f. Undertake any other tasks necessary/applicable.
- 1.13. Through NIA MC No. 47 dated April 17, 2021, it created a Secretariat for the CMIPP turnover.
- 1.14. On December 6, 2021, the NIA and PSALM entered into a Memorandum of Agreement (MOA) relative to the CMIPP pending turnover by CECWECI to NIA, which provides for 40 and 60 per cent ownership sharing agreement, to wit:

*Xxx NIA and PSALM shall work together to ensure that CMIPP's irrigation function and power generation are preserved and maintained. Xxx. In terms of sharing in net revenue and expenses, the parties agreed to share all net revenues and expenses, accruing from the project beginning December 11, 2021, following their 60%-40% ownership ratio (60% for PSALM and 40% for NIA).*

*For cost-sharing and billing arrangement, NIA and PSALM shall proportionately share in the net income or loss from the project's monthly operations. The Parties shall discuss the protocols in the implementation of sharing and billing arrangements, including the accounting procedures for the*

same. It was agreed upon that PSALM will pursue the privatization of CMIPP, with the understanding that NIA and PSALM will share in the net proceeds in accordance with their 40%-60% ownership interest. (Underscoring supplied for emphasis)

- 1.15. On December 10, 2021, the Cooperation Period between the NIA and CECWECI ended and, the facilities comprising of the CMIPP were turned over by the CECWECI to the NIA on December 11, 2021, pursuant to Sections 8.6 and 8.7, Part B, Article 8 of the Amended and Restated BOT Contract and Section 12.23 of the 2012 RIRR of the RA No. 6957, as amended.
- 1.16. On December 14, 2021, the NIA turned over to PSALM Corp. the latter's 60 per cent ownership share to the CMIPP in compliance with the MOA and Section 8, Chapter II of RA No. 9136.
- 1.17. However, analysis of the FSs of NIA as at and for the year ended December 31, 2021; examination of the consolidated Trial Balances (TBs), schedules and other financial reports, and inquiry with the Accounting Division, NIA Central Office (CO), disclosed that NIA's acceptance/acquisition of the CMIPP facilities from CECWECI on December 11, 2021 was not recognized in its books of accounts, representing NIA's 40 per cent interest in the joint operation of CMIPP with the PSALM Corp.
- 1.18. The Deputy Administrator for Operations and Engineering informed that the CECWECI has not turned over any financial reports or documents to NIA, such as, statements of financial position, statements of comprehensive income, statements of cash flows, notes to financial statements and other related financial reports of CMIPP as at December 10, 2021, to provide necessary information on the operations of the CMIPP and to enable the NIA to account for its 40 per cent ownership and interest thereon.
- 1.19. Despite the fact that CMIPP had been transferred by CECWECI to the NIA on December 11, 2021, and the provision in Section 12.23 of the 2012 RIRR of RA No. 6957, as amended by RA No. 7718, Management has not taken firm steps to require the CECWECI to turn over all the financial reports, records, and documents of CMIPP.
- 1.20. It is worth mentioning though that the NIA was able to conduct physical inventory taking of the assets turned over by CECWECI, as evidenced by the CMIPP Final Inventory List/Report for Non-Hydro Power and Hydro Power Assets furnished to the Audit Team by the Administrative Department. However, examination of the said Report showed that there was no appraisal made to establish the fair value of the assets and/or PPE items. The appraisal of the CMIPP facilities as required under Section 12.23 of the 2012 RIRR of RA No. 6957, as amended, was not among the duties and responsibilities of the NIA Sub-Committee on

Physical Inventory and Performance Test, created under NIA MC No. 30, s. 2021.

- 1.21. Moreover, the Report on the Physical Count of Inventories (RPCI) and Report on the Physical Count of Property, Plant, and Equipment (RPCPPE) for the CMIPP as of December 31, 2021 were not submitted to the Audit Team.
- 1.22. The non-recognition in the books of accounts of NIA of its 40 per cent interest in the joint operation of CMIPP with the PSALM Corp. resulted in the material misstatements of its assets, liabilities, and equity as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion, contrary to Paragraphs 23, 24 and 29 of IPSAS 37 – *Joint Arrangements*.
- 1.23. **We recommended that top Management:**
  - a. **Direct the NIA Sub-Committee on Physical Inventory and Performance Test to request in writing/demand from the CECWECI the submission of the financial reports on the CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to financial statements and other related financial reports, records and documents as of December 10, 2021, invoking Section 12.23 of the 2012 RIRR of RA No. 6957, as amended by RA No. 7718, and Item 8.6 (b), Part B, Article 8 of the Amended and Restated Casecanan Project Agreement;**
  - b. **Require the NIA Sub-Committee on Physical Inventory and Performance Test and the Secretariat for CMIPP to cause the:**
    - b.1. **Immediate conduct by the Procurement and Property Division, in coordination with PSALM Corp., of the physical inventory taking and preparation of the RPCI and RPCPPE on the CMIPP facilities/assets upon receipt of the CMIPP's financial reports and records from CECWECI; and**
    - b.2. **In coordination with PSALM Corp., appraisal of the CMIPP assets/facilities upon completion of physical inventory taking and preparation of RPCI and RPCPPE; and**
  - c. **Direct the Accounting Division to recognize in the books of accounts the NIA's 40 per cent ownership/interest in the joint operation of CMIPP with the PSALM Corp., pursuant to Paragraphs 23, 24 and 29 of IPSAS 37.**

1.24. Management gave the following comments:

- a. NIA will coordinate with the PSALM Corp. to gather financial reports relative to the CMIPP and copy thereof will be furnished to the Audit Team;
- b. Assistance of the COA will be requested with regards to the proper accounting treatment of the joint operations; and
- c. During the exit conference on June 8, 2022, the Deputy Administrator of Engineering and Operations Sector informed that they will invite representatives from PSALM Corp. and COA to discuss the issues on the joint operations, specifically on the accounting policies and procedures.

1.25. As an audit rejoinder, **we further recommended that NIA Management coordinate with the COA Government Accountancy Sector on the proper recording of the NIA's 40 per cent ownership and interest in the CMIPP transferred by CECWECI on December 11, 2021.**

**2. The non-elimination of Receivables-Intra-agency Receivables and Intra-agency Payables accounts as at December 31, 2021 in the amounts of P1.717 billion and P1.708 billion overstated the total assets and total liabilities of NIA by said amounts, respectively, contrary to Paragraph 41 of IPSAS 18.**

2.1. Pertinent provisions of IPSAS 18 – *Segment Reporting* provide as follows:

9. Xxxx

*A segment is a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information for the purpose of (a) evaluating the entity's past performance in achieving its objectives, and (b) making decisions about the future allocation of resources.*

12. *An entity shall identify its separate segments in accordance with the requirements of paragraph 9 of this Standard and shall present information about those segments as required by paragraphs 51–75 of this Standard.*

17. *The types of segments reported to the governing body and senior manager of an entity are frequently referred to as service segments or geographical segments. These terms are used in this Standard with the following meanings:*

Xxxx

(b) A geographical segment is a distinguishable component of an entity that is engaged in providing outputs or achieving particular operating objectives within a particular geographical area.

41. The financial statements for the whole-of-government, and certain other controlling entities, will require the consolidation of a number of separate entities such as departments, agencies, and GBEs [Government Business Enterprises]. Xxx. However, segment revenue, segment expense, segment assets, and segment liabilities are determined before balances and transactions between entities within the economic entity are eliminated as part of the consolidation process, except to the extent that such intra-economic entity balances and transactions are between entities within a single segment. [Underscoring supplied for emphasis]

2.2. Paragraph 7 of IPSAS 1 defined Assets and Liabilities, viz.:

*Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.*

*Liabilities are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.*

2.3. The NIA complied with COA Circular No. 2020-002 dated January 28, 2020, re: *Adoption of the Updated Revised Chart of Accounts for Government Corporations*. Annex C of the same Circular provides the descriptions of the Intra-agency Receivables and Payables accounts, as presented in Table 1.

**Table 1 – Descriptions of Intra-agency Receivables and Intra-agency Payables Accounts**

Intra-agency Receivables	Intra-agency Payables
<b>Due from Other Funds</b> This account is debited to recognize transfers from one fund to another fund maintained within the corporation as legally authorized. This account is credited for receipt of payment, write-off, and/or adjustments.	<b>Due to Other Funds</b> This account is credited to recognize the authorized receipt of funds from one fund to another fund maintained by the same government corporation. This account is debited for the return of the fund to the source fund, and/or adjustments.
<b>Due from Central/Home/Head Office</b> This account is debited to recognize the amount of	<b>Due to Central/Home/Head Office</b> This account is credited to recognize the receipt of funds

<b>Intra-agency Receivables</b>	<b>Intra-agency Payables</b>
receivables of regional/branch/field offices from the central/home/head office. This account is credited for receipt of payment.	from the Central/Head/Home Office by Regional/Branch/Field Offices of government corporation for the implementation of specific programs or project subject to liquidation and other intra-agency transactions. This account is debited for liquidation of funds received, settlement of liabilities, and/or adjustments.
<b>Due from Regional/Branch Offices</b> This account is debited to recognize the amount of receivables of central/home/head office from its regional/branch office. It also includes receivables to a regional/branch office from another regional/branch office of the same government corporation. This account is credited for receipt of payment, liquidation, write-off, and/or adjustments.	<b>Due to Regional/Branch Offices</b> This account is credited to recognize payables of the Central/Head/Home Office to Regional/Branch Offices. This account is debited for liquidation of funds received, settlement of liabilities, and/or adjustments.

- 2.4. Paragraph 41 of IPSAS 18 requires elimination of intra-agency balances and transactions, however, review and analysis of the Financial Statements (FSs) as at and for the year ended December 31, 2021 showed that only the Due from/to Regional Offices (ROs) accounts and Subsidy to/from ROs and Other Funds accounts were eliminated in the FSs, while other Intra-agency Receivables and Intra-agency Payables accounts, which are reciprocal accounts, were not eliminated as presented in Table 2.

**Table 2 - Comparison of the Balances of Intra-agency Accounts  
As at December 31, 2021**

<b>Account Title (a)</b>	<b>Amount per FSs (b)</b>	<b>Account Title (c)</b>	<b>Amount per FSs (d)</b>	<b>Variance (e) = (b) – (d)</b>
<b><u>Intra-agency Receivables</u></b>		<b><u>Intra-agency Payables</u></b>		
Due from Other Funds	P1,717,163,944	Due to Other Funds	P1,708,384,017	P8,779,927
Due from CO	35,200	Due to CO	89,602	(54,402)
	<b>P1,717,199,144</b>		<b>P1,708,473,619</b>	<b>P8,725,525</b>

- 2.5. The reciprocal accounts in Table 2 could not be considered as assets and liabilities of the Agency since they do not fall within the definition provided in Paragraph 7 of IPSAS 1, but these are used only as temporary accounts to monitor and record intra-agency transactions. Intra-agency Receivables account does not represent assets that have the ability to generate economic benefits either as cash inflows or a reduction in cash outflows, while the Intra-agency Payables account could not be considered as a liability due to absence of an outflow of resources from the entity for it to be settled.
- 2.6. Consequently, the non-elimination of the Intra-agency Receivables and Intra-agency Payables balances resulted in the overstatement of the total assets and total liabilities of NIA as at December 31, 2021 by P1.717 billion and P1.708 billion, respectively, contrary to Paragraph 41 of IPSAS 18.

- 2.7. We recommended and top Management agreed to direct the Accounting Division to eliminate the reciprocal accounts during the preparation of the FSs of NIA, by conducting a nationwide regular reconciliation of the discrepancies to have reliable FSs balances at year-end.
3. The Property, Plant, and Equipment (PPE) account with carrying amount of P292.435 billion as at December 31, 2021 was net understated by P661.497 million due to: (a) recognition under Repairs and Maintenance – Other Structures expense account of P675.777 million payment for progress billing of a contractor in Balog-Balog Multi-Purpose Project (BBMP), instead of PPE-Construction in Progress (CIP)-Other Structures account, thereby understating the PPE account and overstating the expense account by the said amount; (b) non-recognition of Office Building costing P58.782 million in RO No. II, which resulted in the understatement of the PPE account and related Accumulated Depreciation and Depreciation Expense accounts; and (c) non-derecognition of unserviceable PPE items totaling P73.062 million in NIA CO, three Irrigation Management Offices (IMOs) and one Project Management Office (PMO), which resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts; all in contrary to Paragraphs 13, 14, 24, 26, 30, 31 and 82 of IPSAS 17. Likewise, the non-reclassification from PPE-CIP account to the appropriate asset/expense accounts of completed infrastructure projects aggregating P12.507 billion, overstated the PPE-CIP account by the said amount and understated the appropriate asset/expense accounts by undetermined amounts.

3.1. Pertinent provisions of IPSAS 17 state that:

13. *Property, plant, and equipment are 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.*

14. *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.*



26. *An item of property, plant, and equipment that qualifies for recognition as an asset shall be measured at its cost; xxxx*

3.2. As at December 31, 2021, the PPE account had a carrying amount of P292.435 billion. However, review of the accounting records and documents disclosed that the said account was net understated by P661.497 million, computation shown in Table 3, with discussions in the succeeding paragraphs.

**Table 3 – Summary of Misstatements in the PPE and Other Affected Accounts**

Nature of Misstatements	Reference	Affected Accounts – Understatement/(Overstatement) (In Million Pesos)				
		PPE	Accumulated Depreciation	Depreciation Expense	Repairs and Maintenance- Other Structures	Accumulated Surplus/ (Deficit)
Progress payment to a contractor in RO No. III-BBMP recognized under Repairs and Maintenance-Other Structures expense account instead of PPE-CIP-Other Structures account		P675.777	Undetermined amount	Undetermined amount	P(675.777)	
Non-recognition of Office Building in RO No. II		58.782	Undetermined amount	Undetermined amount		
Non-derecognition of unserviceable PPE items in NIA CO and 3 IMOs and 1 PMO	Table 4	(73.062)	(Undetermined amount)			(Undetermined amount)
		<b>P661.497</b>			<b>P(675.777)</b>	

*Progress payment to a contractor amounting to P675.777 million in RO No. III-BBMP recognized under Repairs and Maintenance-Other Structures expense account instead of PPE-CIP-Other Structures account*

3.3. Paragraph 24 of IPSAS 17 provides as follows:

*Parts of some items of property, plant, and equipment may require replacement at regular intervals. Xxx. Items of property, plant, and equipment may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle in paragraph 14, an entity recognizes in the carrying amount of an item of property, plant, and equipment the cost of replacing part of such an item when that cost is incurred if the recognition criteria are met. Xxx.*

3.4. Review of the progress payment for infrastructure project in RO No. III–BBMP showed that the payment to a contractor amounting to P675.777 million was recognized under Repairs and Maintenance-Other Structures expense account instead of PPE-CIP-Other Structures account, contrary

to Paragraph 24 of IPSAS 17. As a result, the PPE-CIP-Other Structures account was understated by P675.777 million, while the Repairs and Maintenance-Other Structures expense account was overstated by the same amount.

*Non-recognition of Office Building costing P58.782 million in RO No. II*

3.5. Paragraphs 5.6, 6.2 and 6.3 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (Conceptual Framework, for brevity), state that:

5.6 An asset is: A resource presently controlled by the entity as a result of a past event.

Xxxx

6.2 *The recognition criteria are that:*

- *An item satisfies the definition of an element; and*
- *Can be measured in a way that achieves the qualitative characteristics and takes account of constraints on information in GPFRs [General Purpose Financial Reports].*

6.3 All items that satisfy the recognition criteria are recognized in the financial statements. *In some circumstances, an IPSAS may also specify that, to achieve the objectives of financial reporting, a resource or obligation that does not meet the definition of an element is to be recognized in the financial statements provided it can be measured in a way that meets the qualitative characteristics and constraints.*  
Xxxx [Underscoring supplied]

3.6. Paragraphs 30 and 31 of IPSAS 17 provide for the elements of cost of a PPE, to wit:

*Elements of Cost*

30. *The cost of an item of property, plant, and equipment comprises:*

- (a) *Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.*
- (b) *Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.*

- (c) *The 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.*

31. *Examples of directly attributable costs are:*

- (a) *Costs of employee benefits (as defined in IPSAS 25, Employee Benefits) arising directly from the construction or acquisition of the item of property, plant, and equipment;*
- (b) *Costs of site preparation;*
- (c) *Initial delivery and handling costs;*
- (d) *Installation and assembly costs;*
- (e) *Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment); and*
- (f) *Professional fees.*

3.7. Examination of records submitted by the Property Unit of Tumauni River Multipurpose Project (TRMP) showed that the office building located in Tumauni, Isabela with a total value of P58.782 million was not recognized in the books of accounts of NIA RO No. II, thus, resulted in the understatement of PPE-Office Building account by P58.782 million and likewise understated the Depreciation Expense and Accumulated Depreciation-Building accounts corresponding to the depreciation from the time the office building was available for use, contrary to Paragraphs 5.6, 6.2 and 6.3 of the Conceptual Framework, and Paragraphs 14, 30 and 31 of IPSAS 17.

*Non-derecognition of unserviceable PPE items totaling P73.062 million in NIA CO, three IMOs and one PMO*

3.8. Paragraph 82 of IPSAS 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. [Underlining supplied]*

3.9. Also, Section 40(d), Chapter 10 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, states that:

*All unserviceable property shall be reported in the Inventory and Inspection Report of Unserviceable Property (IIRUP) (Appendix 74). PPE reported in the IIRUP shall be dropped from the books by debiting Impairment Loss-Property, Plant and Equipment (cost of the PPE less Accumulated Depreciation).*

3.10. Through the NIA MC No. 84, s. 2021 dated July 15, 2021, the Disposal Committees of the NIA offices were constituted with responsibility for the recommendation of appraisal and final disposal of NIA unserviceable properties under their control and supervision, following existing guidelines, rules, and regulations as per Executive Order (EO) No. 888, s. 1983, COA Circular No. 89-296 dated January 27, 1989, and EO No. 309, s. 1996.

3.11. Annex C of NIA MC No. 84, s. 2018, requires the preparation of the IIRUP to be submitted by the NIA's Disposal Committees to report on the inventory of unserviceable properties, viz.:

*Inventory and Inspection Report of Unserviceable Property (Appendix 9-14) for semi-expendable materials and equipment and non-expendable supplies, accompanied by any of the following, whichever is appropriate:*

- *Individual survey report, duly certified by the Supply Officer and Head of Agency*
- *List of missing spare parts duly certified by the Supply Officer and Head of Agency*
- *Stencils of chassis and engine numbers of motor vehicles, and current photographs in two positions.*

3.12. Analysis of the RPCPPE in various NIA offices showed that unserviceable PPE items with total acquisition cost of P73.062 million (Table 4) were still reported in the RPCPPE and no IIRUP was prepared by the Disposal Committees to serve as basis of the Accounting Section of the NIA RO/Accounting Division of the NIA CO in the derecognition from the books of accounts upon disposal of these properties.

**Table 4 - Summary of Unserviceable PPE Items**

<b>NIA Office</b>	<b>Acquisition Cost</b>
CO	P 7,638,118
Cordillera Administrative Region (CAR) - Apayao Irrigation Management Office (IMO)	852,967
RO II - Cagayan - Batanes IMO	42,446,681
RO II – Magat River Integrated Irrigation System (MARIIS)	8,524,646
RO XI - Davao del Norte IMO	13,600,000
	<b>P73,062,412</b>

3.13. In the absence of IIRUP, the Accounting Section/Accounting Division would have no basis to analyze and derecognize from the books of

accounts the unserviceable PPE items and their corresponding Accumulated Depreciation.

- 3.14. The non-derecognition of the unserviceable PPE items resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts.

*Non-reclassification of completed infrastructure projects from the CIP account to appropriate asset/expense accounts totaling P12.507 billion in NIA CO, seven ROs and two PMOs*

- 3.15. This is a reiteration with updates of the previous year's observation as NIA did not fully comply with the audit recommendation.
- 3.16. Section 3.6 of NIA MC No. 182, s. 2020, dated December 21, 2020, prescribed the journal entry and supporting document for the transfer of completed projects to proper PPE account. Based on the said MC, the supporting documents shall consist of the following: (a) Final Statement of Work Accomplished (SWA) with the 100 per cent physical accomplishment; (b) Project Completion Report/Certificate of Project Completion; (c) Inventory of Facilities; and (d) CIP Ledger Cards showing all the items charged as direct costs or any other documents showing the total amount of CIP that is being reclassified to its appropriate PPE account.
- 3.17. Review of the PPE-CIP account revealed that the completed infrastructure contracts/projects aggregating P12.507 billion (Table 5) as at December 31, 2021 were not reclassified to their appropriate PPE account.

**Table 5 – Cost of Completed Infrastructure Projects\*  
Still Recognized under PPE-CIP Account as at December 31, 2021**

<b>NIA Office</b>	<b>Amount</b>
CO	P 573,798,936
RO I	1,882,240,462
RO II	3,625,662,677
RO II - MARIIS	23,697,071
RO IV-A	1,394,040,950
RO IV-B	1,855,775,292
RO VI	2,791,939,893
RO X	330,469,292
RO X – NISRIP*	9,705,272
RO XII	19,934,337
	<b>P12,507,264,182</b>

*NISRIP – National Irrigation Sector Rehabilitation and Improvement Project*

*\*Representing completed infrastructure assets consisting of: (a) National Irrigation System (NIS) to be managed and maintained by NIA; and (b) Small Reservoir Irrigation Projects (SRIPs) and Communal Irrigation Systems (CISs) which will be turned over to LGUs or Irrigator's Associations (IAs) concerned*

- 3.18. Inquiry disclosed that one of the causes of the non-reclassification of the completed civil work contracts from the PPE-CIP account to their appropriate PPE sub-account was due to the contractors' delay in the submission of their claims for progress payments and/or final billings. According to the Accounting Division in the CO, completed projects were only reclassified to the appropriate PPE account once fully paid, and not when it was finally completed.
- 3.19. Also, there had been delays in the submission by the Engineering Department to the Accounting Division of the necessary documents, as provided in Section 3.6 of NIA MC No. 182, s. 2020, dated December 21, 2020, which would serve as basis in the reclassification of completed projects to proper PPE account. In the absence of pertinent documents, the Accounting Section/Division would have no basis in determining the date of acquisition/completion, useful life and residual value pertaining to the NISs to be managed and maintained by NIA. Moreover, infrastructure projects comprising of SRIPs and CISs for turnover to LGUs/IAs concerned could not be readily identified.
- 3.20. In view of the non-reclassification of completed projects from the CIP account to appropriate PPE account, the CIP account as at December 31, 2021 was overstated by P12.507 billion, while the appropriate PPE accounts were understated by undetermined amounts (pertaining to the NISs to be managed and maintained by NIA) and, the appropriate expense accounts were also understated by undetermined amounts (corresponding to SRIPs for eventual turnover to LGUs to be recognized under Assistance to LGUs account, and CISs to be turned over to the IAs concerned to be recognized under Assistance to Non-Governmental Organizations/Civil Society Organizations (NGOs/CSOs) account.
- 3.21. Moreover, the non-reclassification of the completed NIS projects recorded under the CIP account to the appropriate PPE accounts, understated the Depreciation Expense and Accumulated Depreciation accounts for CY 2021 depreciation, while the Accumulated Surplus/(Deficit) account was overstated corresponding to prior years' depreciation.
- 3.22. **We recommended and top Management agreed to require the:**
- a. Accounting Sections of the ROs concerned/Accounting Division of CO to:**
    - a.1. Recognize under PPE-CIP-Other Structures account the P675.777 million progress payment to a contractor in BBMP;**
    - a.2. Record the office building in RO No. II costing P58.782 million and its corresponding depreciation;**
    - a.3. Derecognize from the books of accounts the unserviceable PPE items totaling P73.062 million upon disposal duly supported with IIRUP; and**

- a.4. **Analyze and complete the necessary documents and information to reclassify completed infrastructure projects totaling P12.507 billion from PPE-CIP account to appropriate PPE, Assistance to LGUs, and Assistance to NGOs/CSOs accounts, and recognize corresponding depreciation on the PPE sub-accounts affected; and**
- b. **Disposal Committee to prepare the IIRUP for the unserviceable PPE items totaling P73.062 million and submit a copy thereof to the Accounting Section/Division, as basis of the latter in the derecognition from the books of accounts the unserviceable properties.**

3.23. In RO No. IV-A, Management informed that completed projects amounting to P257.609 million were already reclassified to the appropriate Infrastructure Asset account on March 31, 2022, and instructed the Engineering Division to inform and assist the IMO's in the preparation of Project Completed Reports.

3.24. As a rejoinder, the Audit Team would like to point out that since the reclassification of completed infrastructure projects from the PPE-CIP account to the appropriate PPE sub-accounts was only effected in CY 2022, the balances of the PPE-CIP, Depreciation Expense, Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts as at December 31, 2021 were still misstated.

#### **Other Observation on PPE account**

*Non-provision of depreciation on PPE items totaling P1.188 billion in NIA CO, eight ROs and two PMOs, and on completed infrastructure assets still recognized under the CIP account pertaining to NIS with undetermined amount, contrary to Paragraphs 66 and 71 of IPSAS 17*

3.25. Paragraphs 66 and 71 of IPSAS 17 provide that:

66. *The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.*

*Xxxx*

71. *Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Xxx*

3.26. Examination of records showed that depreciation was not recognized on completed NIS projects with undetermined amount that were still recorded under the CIP account as at December 31, 2021, and on some PPE items with total cost of P1.188 billion, as presented in Table 6.

**Table 6 – PPE Items Without Provision for Depreciation**

<b>NIA Office</b>	<b>Cost</b>	<b>PPE Items/Account Title</b>
CO; ROs I, II, II-MARIIS, IV-A, IV-B, VI, X, X-NIS RIP, XII and XIII	Undetermined amount	NIS projects included in the completed infrastructure assets still recognized under the CIP account as at December 31, 2021
CO	P 5,772,433	Information and Communication Technology Equipment, Office Equipment, and Information and Communications Equipment
RO V	527,009,307	Office Equipment, Other Equipment, Other Land Improvements, Water Supply Systems, and Other Structures
RO VI	655,392,943	Land Improvements, Water Supply Systems, Buildings, Machinery and Equipment, Agricultural and Forestry Equipment, Construction and Heavy Equipment, Road Networks, and Other Structures
<b>P1,188,174,683</b>		

3.27. The non-provision of depreciation on the PPE items in Table 6 resulted in the understatement of Accumulated Depreciation account (corresponding to the prior years and CY 2021 depreciation) and Depreciation Expense account (pertaining to CY 2021 depreciation), while the Accumulated Surplus/(Deficit) account was overstated corresponding to prior years' unrecognized depreciation.

3.28. **We recommended and top Management agreed to direct the Accounting Sections of the ROs concerned/Accounting Division of CO to analyze and provide depreciation for PPE items costing P1.188 billion and on the completed NIS projects.**

*Unreconciled variance of P3.721 billion between the General Ledgers (GLs) balances of PPE sub-accounts in NIA CO totaling P16.935 billion vis-à-vis balances per PPE Ledger Cards (PPELCs) and CIP Ledger Cards (CIPLCs) of P13.214 billion*

3.29. Paragraph 3.26 of the Conceptual Framework states:

*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.*



- 3.30. Paragraph 27 of IPSAS 1 – *Presentation of Financial Statements* provides that:

*Financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful presentation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs. The application of IPSASs, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.*

- 3.31. Item 6.3 of COA Circular No. 2020-006 dated January 31, 2020, provides that:

*Reconciliation of inventory count per RPCPPE with property and accounting records.*

*The Property and Accounting Units shall undertake collaborative procedures to ensure that all PPEs included in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs maintained by the Accounting Unit are reconciled. The reconciliation shall be completed within ten (10) days from rendition of the RPCPPE by the Inventory Committee. Xxxx*

- 3.32. In NIA CO, comparison of the balances in the respective GLs maintained by the Accounting Division for PPE sub-accounts totaling P16.935 billion vis-à-vis balances reflected in the PPELCs and CIPLCs maintained by the Procurement and Property Division totaling P13.214 billion showed an unreconciled variance of P3.721 billion as at December 31, 2021.
- 3.33. In view of the unreconciled variance of P3.721 billion between the accounting and property records, the faithful representation and verifiability of the balances of the said accounts in the FSs as at December 31, 2021 could not be established.
- 3.34. **We recommended and top Management agreed to direct the Accounting Division of CO to analyze and reconcile the discrepancy/variance of P3.721 billion between GLs balances of PPE sub-accounts and PPE-CIP account vis-à-vis balances per PPELCs and CIPLCs.**

*Non-conduct of annual physical/inventory count of PPE items totaling P18.140 billion in NIA CO and RO No. III*

- 3.35. The physical count/inspection of PPE is an indispensable control procedure to establish property custodianship and accountability, and

ascertain existence and completeness of PPEs recorded in the books, and ensure that all PPEs under the custody of all NIA personnel are accounted for. Item 5.1 of COA Circular No. 2020-006 dated January 31, 2020 states that:

*5.1 Each government agency shall conduct physical count of all its PPE, whether acquired through purchase or donation, including those constructed by administration and found at station.*

- 3.36. Through NIA MC No. 84, s. 2018 dated September 20, 2018, the Inventory Committees for NIA CO, ROs, PMOs, IMOs, Division Offices and Special Projects were constituted. The said MC provides the duties and responsibilities of the Inventory Committees, including the preparation and submission of the RPCPPE to report the results of their conduct of physical/inventory count of PPEs.
- 3.37. Verification of records and evaluation of submitted RPCPPEs showed that NIA CO and RO No. III did not conduct physical/inventory count of PPE items costing P18.140 billion, breakdown in Table 7.

**Table 7 - PPE items Not Included in the Inventory Count in CY 2021**

NIA Office	PPE Account Title	Total Acquisition Cost per GL
CO	Water Supply System, Other Land Improvements, Construction and Heavy Equipment, Other Equipment, Other Machinery and Equipment, Other Transportation Equipment, Disaster Response and Rescue Equipment, Leased Asset, Machinery and Equipment, Books, Information and Communication Technology (ICT) Equipment, Military, Police and Security Equipment, and Furniture and Fixtures	P13,808,130,792
RO III	Infrastructure Assets Irrigation System, Land Improvements, Buildings and Improvements, and CIP – Infrastructure Assets	4,331,676,313
		<b>P18,139,807,105</b>

- 3.38. The non-conduct of the annual physical/inventory count casts doubt on the existence and completeness of the balances of the PPE sub-accounts as at December 31, 2021.
- 3.39. **We recommended and top Management agreed to direct the Inventory Committees in NIA CO and RO No. VIII to conduct complete physical/inventory count of PPEs, in compliance with Item 5.1 of COA Circular No. 2020-006 and NIA MC No. 84, s. 2018.**

*Unreconciled variance in absolute amount of P68.358 billion between the PPE balances per GLs of P144.326 billion vis-à-vis balances per RPCPPEs totaling P79.391 billion in NIA CO, 12 ROs, six PMOs and two IMOs*

- 3.40. After the conduct of annual physical/inventory count, the RPCPPE will be prepared by the Inventory Committee and shall be reconciled with the

accounting records, as required under Item 6.3 of COA Circular No. 2020-006 dated January 31, 2020.

- 3.41. Perusal of the NIA MC No. 84, s. 2018, however, showed that the reconciliation of the RPCPPE and accounting records was not among the mandated duties and responsibilities of the Inventory Committees. Moreover, the NIA Financial Management Operations Manual did not include policy and procedures regarding this matter.
- 3.42. As a consequence, comparison of the balances as at December 31, 2021 of PPE sub-accounts per GLs *vis-a-vis* balances shown in the RPCPPEs of NIA CO, 12 ROs, six PMOs and two IMOs disclosed an unreconciled variance in absolute amount totaling P68.358 billion, details shown in Table 8.

**Table 8 – Comparison between the GLs Balances of PPE Sub-accounts  
*vis-à-vis* Balances per RPCPPE**

Office/ROs	Balances per GL	Balances per RPCPPE	Variance (In Absolute Amount)
CO	P 51,846,338,793	P13,770,727,854	P38,075,610,940
CAR	192,830,738	129,557,164	63,273,574
RO I	398,775,250	326,440,083	72,335,167
RO I - NISRIIP	38,475,946	1,495,000	36,980,946
RO II	16,508,291,260	16,558,388,180	50,096,920
RO II - MARIIS	11,873,370,468	10,845,189,158	1,028,181,310
RO III	978,954,117	644,990,695	333,963,422
RO III - UPRIIS	8,220,754,917	1,178,207,371	7,042,547,545
RO III - BBMP II	159,556,591	159,856,591	300,000
RO IV-B - Romblon IMO	3,077,515,079	2,792,029,010	285,486,070
RO IV-B - NISRIIP	27,068,914	22,281,128	4,787,786
RO IV-B - Palawan IMO	2,247,851,352	55,146,727	2,192,704,624
RO V	8,437,705,498	4,609,269,824	3,828,435,674
RO VI	3,875,966,656	610,141,916	3,265,824,740
RO VI - NISRIIP	23,132,724	22,175,034	957,690
RO VIII	17,541,848,526	16,168,641,859	1,373,206,667
RO X	6,256,440,224	1,833,341,914	4,423,098,311
RO XI	3,801,911,780	5,463,361,480	1,661,449,700
RO XII	3,454,165,313	1,325,598,823	2,128,566,490
RO XIII	5,364,551,191	2,874,471,871	2,490,079,319
	<b>P144,325,505,337</b>	<b>P79,391,311,682</b>	<b>P68,357,886,895</b>

- 3.43. In view of the unreconciled variance in absolute amount of P68.358 billion between the balances of PPE sub-accounts per GLs *vis-à-vis* RPCPPEs, the faithful representation of the balance of the PPE account in the FSs as at December 31, 2021 could not be ascertained.
- 3.44. **We recommended and top Management agreed to require the Accounting Sections of the ROs concerned/Accounting Division of CO to analyze and reconcile, in coordination with the Procurement and Property Sections of ROs and Procurement and Property Division of CO, the variance of P68.358 billion between the PPE sub-accounts balances per GLs and the RPCPPEs and accordingly, adjust/correct the affected records.**

- 3.45. The Procurement and Property Division of CO informed that it religiously conducts reconciliation between the accounting records and the RPCPPE each last quarter of the year.
- 3.46. As a rejoinder, the Audit Team of NIA CO would like to inform that upon verification of the submitted reconciliation documents, it was noted that they contained only enumeration of several movements of PPE items and did not include an item-by-item reconciliation of the Property Cards maintained by the Procurement and Property Division vis-a-vis PPELCs of the Accounting Division, and the RPCPPE.

*Absence of PPELCs/CIPLCs on various PPE items totaling P88.138 billion in NIA CO, four ROs and one PMO, contrary to Item 6.3.2 of COA Circular No. 2020-002 and Appendix 77 of GAM for NGAs, Volume II*

- 3.47. The GL control accounts must be supported with subsidiary records with complete information as required under Sections 111 and 114 of Presidential Decree (PD) No. 1445, which state viz.:

*Section 111. Keeping of accounts. (1) The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government. (2) The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.*

*Section 114. The general ledger.*

*(1) The government accounting system shall be on a double entry basis with a general ledger in which all financial transactions are recorded.*

*(2) Subsidiary records shall be kept where necessary.*

- 3.48. The PPELC serves as: (a) subsidiary record for PPE account and reference for important information for each PPE item, such as, acquisition date, useful life, and residual value, among others; and (b) basis in the preparation of the Lapsing Schedule of PPE account. Item 6.3.2 of COA Circular No. 2020-006 states that:

*The Accounting Unit shall:*

*Take up the necessary accounting entries to recognize PPEs found at station and prepare/maintain corresponding PPELCs based on the List of PPEs Found at Station;*

*Xxxx*

*Update the PPELCs as necessary in the course of reconciliation;*

*Xxxx*

*f. Ensure that the total balance of PPELCs/SLs [Subsidiary Ledgers] tally with the balances of controlling PPE accounts in the General Ledger.*

- 3.49. Section 42(e), Chapter 10, Volume I and Appendix 71, Volume II of the GAM for NGAs, provide viz.:

*Property, Plant and Equipment Ledger Card (Appendix 71) - this card shall be used for each class of PPE to record the acquisition, description, custody, estimated life, depreciation, impairment, disposal, transfer/adjustment, repair history and other information about the property. It shall be kept and maintained by the Accounting Office/Unit.*

- 3.50. Appendix 77 of GAM for NGAs, Volume II also requires maintenance of the CIPLC, viz.:

*The CIPLC shall be kept in the Accounting Division/Unit for each project. The Accounting Staff in charge in maintaining the CIPLC shall record promptly the construction costs and other information about the asset constructed. It shall be maintained per fund cluster.*

- 3.51. Verification of accounting records revealed that PPE items totaling P88.138 billion (Table 9) as at December 31, 2021 were not supported with PPELCs/CIPLCs, contrary to Item 6.3.2 of COA Circular No. 2020-002 and Appendix 77 of GAM for NGAs, Volume II.

**Table 9 - PPE Sub-accounts Balances Not Supported with PPELCs/CIPLCs**

<b>NIA Office</b>	<b>Amount</b>
CO	P65,369,919,292
CAR	6,650,314,292
RO III	4,172,119,722
RO X	6,577,928,354
RO X – NIS RIP	3,602,027
RO XIII	5,364,551,191
	<b>P88,138,434,878</b>

- 3.52. The non-maintenance of PPELCs and CIPLCs hindered the Audit Teams to verify the completeness, existence and correctness of the recorded balances of PPE sub-accounts shown in Table 9 and the related Accumulated Depreciation and Depreciation Expense accounts.

- 3.53. **We recommended and top Management agreed to require the Accounting Sections of the ROs concerned/Accounting Division of CO to prepare and maintain complete PPELCs/CIPLCs and update said records on a regular basis.**

*Derecognition of PPE items with total cost of P462.028 million from the books of accounts of RO VIII was not supported with complete documentation and without authority from COA, contrary to Item 8.1 of COA Circular No. 2020-006*

- 3.54. Item 8.1 of COA Circular No. 2020-006 dated January 31, 2020, states that:

***PROCEDURES IN THE DERECOGNITION OF NON-EXISTING/MISSING PPEs WITHOUT AVAILABLE RECORD OF ACCOUNTABILITY***

- 8.1 *Non-existing/missing PPEs without available record of accountability shall be derecognized from the books of accounts only upon the grant of specific authority by the COA.*
- 8.2 *The Head of the Agency shall file the request for authority to derecognize non-existing/missing PPEs to the COA Audit Team Leader (ATL) and/or Supervising Auditor (SA), if the following conditions are met:*
- a. The PPE has already exceeded its estimated useful life, hence, its carrying value is equivalent to its residual value. Xxx; and*
  - b. Accountability/responsibility over the missing PPE could not be pinpointed after the conduct of investigation for the purpose.*
- 8.3 *The request shall be supported with the following documents:*
- a. List of Non-Existing/Missing PPEs and their carrying values certified by the Heads of the Property Unit and the Accounting Unit and approved by the Head of the Agency;*
  - b. Certification by the Head of the Accounting Unit that the non-existing/missing PPEs had already exceeded their estimated useful lives; and*
  - c. Certified copy of the report of investigation conducted pursuant to Paragraph 7.9 of this Circular.*

- 3.55. In RO No. VIII, verification of the SLs and Journal Entry Vouchers (JEVs) of all funds disclosed that PPE items totaling P462.028 million (Table 10) were derecognized/dropped from the PPE account but were not supported with complete documentation and without authority from COA, contrary to Item 8.1 of COA Circular No. 2020-006 dated January 31, 2020 relative to the one-time cleansing of PPE account balances.

**Table 10 - Derecognized PPE Items with Incomplete Documentation**

<b>PPE Items</b>	<b>Cost</b>
Other Land Improvements	P252,937,144
Water Supply Systems	179,059,857
Buildings	17,700,153
Office Equipment	10,006,301
Motor Vehicles	2,085,332
ICT Equipment	88,418
Other Machinery and Equipment	150,632
	<b>P462,027,837</b>

- 3.56. Thus, the validity of the derecognition from the books of accounts of RO No. VIII of PPE items with total cost of P462.028 million, in the absence of complete documentation and without the required authority from COA, could not be ascertained.

- 3.57. **We recommended and top Management agreed to request authority from COA to support the derecognition from the books of accounts the PPE items in RO No. VIII totaling P462.028 million, to be accompanied with complete documentation, as required under Item 8.1 of COA Circular No. 2020-006; otherwise, reverse the entry made.**

4. **The non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the: (a) nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively; (b) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (c) segment information for decision making and demonstration of accountability; (d) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (e) statement of compliance with IPSASs; (f) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (g) explanation(s) on significant movement of Other Receivables account; deprived the intended users of the FSs of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.**

- 4.1. The information provided by the NIA through its financial reports must possess the required qualitative characteristics such as relevance, timeliness, comparability, verifiability and understandability, among

others, in order for the financial reports to be fairly presented, useful and supportive to the achievement of financial reporting objectives.

- 4.2. To ensure the understandability of the information presented in the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity, or cash flow statement and the statement of comparison of budget and actual amounts, the disclosures provided in the Notes to FSs must include essential and other information as provided in Paragraphs 1, 15, 127, and 128 of IPSAS 1, viz.:

1. Xxxx

*Notes contain information in addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets/equity and cash flow statement. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.*

15. Xxx. *Specifically, the objectives of the general purpose financial reporting in the public sector should be to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it xxx.*

127. *The notes shall:*

- (a) *Present information about the basis of preparation of the financial statements and the specific accounting policies used, in accordance with paragraphs 132–139 [of IPSAS 1];*
- (b) *Disclose the information required by IPSASs that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity, or cash flow statement; and*
- (c) *Provide additional information that is not presented on the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity, or cash flow statement, but that is relevant to an understanding of any of them.*



128. *Notes shall, as far as practicable, be presented in a systematic manner. Each item on the face of the statement of financial position, statement of financial performance, statement of changes in net assets/equity, and cash flow statement shall be cross-referenced to any related information in the notes.*

- 4.3. Management has the principal responsibility to ensure that the FSs and the accompanying notes are properly and fairly presented in accordance with the IPSASs. The principle of full disclosure as an attribute of public accountability is shown when any important information that may impact the stakeholders' understanding of the entity's FSs is disclosed in the Notes to FSs.
- 4.4. Perusal of the Notes to FSs revealed that several significant information were not disclosed therein as discussed below.

*Non-disclosure of the nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively*

- 4.5. Paragraph 54 of IPSAS 3 states that:

54. *In applying paragraph 47, an entity shall disclose the following:*

- (a) *The nature of the prior period error;*
- (b) *For each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;*
- (c) *The amount of the correction at the beginning of the earliest prior period presented; and*
- (d) *If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected. (Underlining supplied)*

- 4.6. Notes 5 and 22 to FSs showed disclosures on prior period restatements/adjustments recognized during CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively, with details in Table 11.

**Table 11 – Composition of the Prior Period Restatements/Adjustments**

<b>Particulars</b>	<b>2021</b>	<b>2020 As restated</b>	<b>January 1, 2020 As restated</b>
Reclassification of prior years' expenses/accounts	P 3,962,443,037	P (607,981,776)	P(74,289,908,307)
Inter-agency adjustments	2,604,278,357	4,678,959,190	(2,967,116,023)
Irrigation Service Fees (ISFs) write-off	1,160,265,463	-	-
Closing of non-moving accounts/projects	166,375,597	2,701,948,974	1,276,094,449
Various adjustments	86,172,056	(745,828,988)	1,430,895,120
PPE adjustments	(2,974,162,291)	(15,548,978)	179,311,260
Depreciation	(2,260,330,855)	(6,538,664,900)	88,533,942
CIP adjustments	(2,182,562,319)	(228,723,870)	1,960,570,467
Accounts payable adjustments	(1,230,698,490)	-	1,520,237,157
Intra-agency adjustments	(115,207,961)	(781,730,266)	2,938,588,697
Receivables adjustments	(68,330,243)	-	-
Disbursements	(16,850)	(88,755,326)	46,005
Tax remittance advice	-	1,404,313	-
Impairment loss	-	(1,568,226)	117,020,013
Set up of dividends payable	-	-	(2,108,308,776)
Set up of provision for auditing services	-	-	(864,481,792)
Set up of service concession arrangement payable	-	-	(5,864,396,308)
	<b>P (851,774,499)</b>	<b>P(1,626,489,853)</b>	<b>P(76,582,914,096)</b>

- 4.7. However, examination of the NIA's FSs comprising of statements of financial position, statements of financial performance, statements of changes in net assets/equity, statements of cash flows, statement of comparison of budget and actual amounts and Notes to FSs revealed that the nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively, were not disclosed, contrary to Paragraph 54 of IPSAS 3.

*Non-disclosure of other significant information required in specific IPSASs*

- 4.8. In addition to the inadequate disclosures in the Notes to FSs regarding Prior Period Adjustments, there were other disclosure requirements which were not complied with/disclosed, such as: (a) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (b) segment information for decision making and demonstration of accountability; (c) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (d) statement of compliance with IPSASs; (e) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (f) explanation(s) on significant movement of Other Receivables account. The details are presented in Table 12.

**Table 12 – Disclosure Requirements Not Included in the Notes to FSs of NIA**

<b>Disclosure Requirements Not Included in the Notes to FSs</b>		<b>Applicable IPSASs</b>
Disclosure on the restatement amounting to P4.917 billion of the Net Surplus for CY 2020 made in CY 2021, and narrative on the basis and details thereof.		Paragraph 54 of IPSAS 3
<b>Particulars</b>	<b>Amount</b>	
Surplus for CY 2020 shown in the audited Statements of Financial Performance for the Years Ended December 31, 2020 and 2019	P20,575,176,239	
Surplus for CY 2020 as shown in the Statements of Financial Performance for the Years Ended December 31, 2021 and 2020	15,658,651,733	
<b>Restatement</b>	<b>P4,916,524,506</b>	
Disclosure on segment information of NIA's geographical subdivisions (i.e., CO, ROs, and PMOs) for decision-making and accountability purposes.		Paragraphs 9 to 13, 17 (b), 51 to 56, 59, 64 and 66 of IPSAS 18
Appropriate/sufficient disclosures adopting IPSASs 32 and 37 in the Accounting Policy section and of the required and other disclosures in the Notes to FSs.		Paragraphs 31 and 32 of IPSAS 32, and Paragraphs 1, 9 to 14, 17, 18, 21 to 24 of IPSAS 38, in relation to IPSAS 37
Disclosures of information in the Notes to FSs for the Service Concession Assets as at January 1 and December 31, 2020, and Joint Arrangements as at December 31, 2021 arising from the Service Concession Arrangements for the CMIPP.		
Disclosure of the Statement of Compliance with and date of adoption of IPSASs.		Paragraphs 27 and 28 of IPSAS 1
Disclosure of the estimation of financial effects, indication of uncertainties of amount and timing of cash flows, and possibility of reimbursement of 95 outstanding legal cases pending before the Courts in Note 19.1. to FSs.		Paragraphs 97 to 100 of IPSAS 19
Disclosure of explanations for significant movements of the balance of Other Receivables account amounting to P388.998 million, P1.154 billion, and P454.912 million as at December 31, 2021, December 31, 2020 and January 1, 2020, respectively.		Paragraph 3.17 of the Conceptual Framework

- 4.9. In view of the non-disclosures in the Notes to FSs of significant information to conform with the requirements of the applicable IPSASs, as discussed in the preceding paragraphs, the intended users of the FSs were deprived of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.
- 4.10. **We recommended that top Management, moving forward, require the Accounting Division of CO to ensure that all significant and relevant information are disclosed in the Notes to FSs so as the financial reports are fairly presented, useful and supportive to the achievement of financial reporting objectives and, for better understandability of the users of the FSs and other stakeholders.**

5. The faithful representation in the FSs, and the verifiability and reliability of the balance as at December 31, 2021 of the Receivables account with carrying amount of P28.715 billion were not established in view of the: (a) condonation/write-off of Accounts Receivable (A/R)-Irrigation Service Fee (ISF) in RO Nos. I, III, V, VI, VIII, and X totaling P4.814 billion without complete supporting documents, contrary to Paragraphs 3.10 and 3.26 of the Conceptual Framework; and (b) absence of agency-wide written policies or guidelines on the periodic assessment of the collectability of Receivables account as basis in providing Impairment Loss, contrary to Paragraphs 67, 68 and 72 of IPSAS 29.

5.1. Paragraphs 3.10 and 3.26 of the Conceptual Framework state that:

*3.10 To be useful in financial reporting, information must be a faithful representation of the economic and other phenomena that it purports to represent. Faithful representation is attained when the depiction of the phenomenon is complete, neutral, and free from material error. Information that faithfully represents an economic or other phenomenon depicts the substance of the underlying transaction, other event, activity or circumstance which is not necessarily always the same as its legal form.*

*Xxxx*

*3.26 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. Xxxx*

5.2. Audit of the Receivables account with carrying amount of P28.715 billion as at December 31, 2021 revealed deficiencies as discussed below.

*Condonation/write-off of A/R-ISF in RO Nos. I, III, V, VI, VIII, and X totaling P4.814 billion without complete supporting documents, contrary to Paragraphs 3.10 and 3.26 of the Conceptual Framework*

5.3. In line with the Government's commitment to lowering the cost of production of agricultural crops, increasing the income of farmers and relieving the farmers and IAs from the burden of and consequence of

unpaid ISFs, RA No. 10969, also known as the Free Irrigation Service Act, was enacted and approved on February 2, 2018. Section 4 of the Act, states that:

*To achieve the objectives of this Act, all unpaid ISF and the corresponding penalties of farmers with eight (8) hectares and below to NIA, and all loans, past due accounts and the corresponding interests and penalties of IAs to NIA, are hereby condoned and written off from the books of NIA.*

- 5.4. Rules 4.2 and 4.3 of the Implementing Rules and Regulations (IRR) of RA No. 10969 promulgated on December 18, 2018 by the NIA Board of Directors (BOD) through Resolution No. 8574-18, s. 2018, and published through NIA MC No. 108, s. 2018 dated January 14, 2019, state that:

4.2 *Within ninety (90) days from the effectivity of this IRR, NIA shall prepare and maintain a "Registry" of farmers and other irrigation system users which shall contain the name of farmer/landowner, actual tiller, size, and location of the landholding, and Original Certificate of Title (OCT) number.*

*Any subsequent dealings or transactions involving landholdings in the Registry, whether voluntary or involuntary shall be disclosed. Updating of the Registry shall be done every cropping season.*

4.3 *Apart from the OCT referred to in the immediately preceding rule, the following shall be considered as evidence of ownership which shall be used as basis for determining the extent of a farmer's/landowner's landholding:*

- (1) Transfer Certificate of Title (TCT);*
- (2) Certificate of Land Ownership Award (CLOA);*
- (3) Emancipation Patent (EP);*
- (4) Tax Declaration;*
- (5) Certificate of Landholdings issued by the Office of the Treasurer of the concerned LGU, the Land Registration Authority [LRA], or the Department of Agrarian Reform [DAR]; and*
- (6) Any other evidence which NIA may consider sufficient under applicable laws to prove the landholdings of any farmer or landowner.*

- 5.5. To prescribe the required supporting documents for the implementation of Section 4 of RA No. 10969, and Rules 4.2 and 4.3 of its IRR, the NIA issued MC No. 49, s. 2019 dated June 20, 2019, which serves as a guide to NIA on the forms required to be maintained for proper monitoring and to facilitate the condonation and write-off of A/R from farmers with

landholdings of eight hectares and below. List of documents is enumerated in Table 13.

**Table 13 - List of Supporting Documents for the Condonation/Write Off of A/R-ISF**

Form	Forms/Documents
IRR FISA Form 1	Registry of Landowners, Farmers, and Other Irrigation Water Users
IRR FISA Form 2	Statement of Account for Unpaid ISF of Exempt Landowners/ Farmers
IRR FISA Form 3	Request for Condonation and Writing-Off of Unpaid ISF
IRR FISA Form 4	Statement of Account for Unpaid IA Loan (Amortization) Balance
IRR FISA Form 5	Request for Condonation and Writing-Off of Unpaid IA Loan (Amortization) Balance
IRR FISA Form 6	Landowner's Declaration and Request for Issuance of Certificate of Exemption
IRR FISA Form 7	Certificate of Exemption in the Payment of ISF

*FISA – Free Irrigation Service Act*

- 5.6. Analysis of A/R-ISF account revealed that receivables from farmers, IAs, and other users of irrigations systems amounting to P4.814 billion (Table 14) in CY 2021 were condoned and written-off in the books of accounts despite without complete supporting documents, contrary to Section 4 of RA No. 10969, Rules 4.2 and 4.3 of its IRR, and NIA MC No. 49, s. 2019.

**Table 14 – Breakdown of A/R-ISF Balances Condoned/ Written-Off Without Complete Supporting Documents**

Office	Amount	Lacking Document/s
RO I	P 660,114,724	Rules 4.2 and 4.3 IRR, Schedule of A/R-ISF
RO III	1,591,669,569	Registry (Rule 4.2, IRR)
RO V	985,868,339	Registry (Rule 4.2, IRR)
RO VI	548,848,000	IRR FISA Form 2, IRR FISA Form 3, IRR FISA Form 6, and IRR FISA Form 7
RO VIII	194,094,497	IRR FISA Form 1, and IRR FISA Form 5
RO X	833,784,028	Registry (Rule 4.2, IRR)
	<b>P4,814,379,157</b>	

- 5.7. In the absence of complete supporting documents to establish entitlement and qualification of the landowners, farmers, and irrigation water users to Section 4 of RA No. 10969, the regularity and propriety of the condonation/write-off of P4.814 billion A/R-ISF from the books of NIA could not be established.

*Absence of agency-wide written policies or guidelines on the periodic assessment of the collectability of Receivables account as basis in providing Impairment Loss, contrary to Paragraphs 67, 68 and 72 of IPSAS 29*

- 5.8. Section 2(b) of RA No. 3601, as amended by PD Nos. 552 and 1702, states that:

*The NIA shall have the following powers and objectives:*

Xxxx

- (b) *To charge and collect from the beneficiaries of the water from all irrigation systems constructed by or under its administration such fees or administration charges as may be necessary to cover the cost of operation, maintenance and insurance, and to recover the cost of construction within a reasonable period of time to the extent consistent with government policy; to recover funds or portions thereof expended for the construction and/or rehabilitation of communal irrigation systems which funds shall accrue to a special fund for irrigation development xxx.*

5.9. In relation to the mandate of the NIA in Section 2(b) of RA No. 3601, as amended by PD Nos. 552 and 1702, to assess and collect ISF, Paragraphs 67, 68 and 72 of IPSAS 29, state that:

*Impairment and Uncollectibility of Financial Assets*

67. *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 apply paragraph 72 (for financial assets carried at amortized cost), paragraph 75 (for financial assets carried at cost) or paragraph 76 (for available-for-sale financial assets) to determine the amount of any impairment loss.*
68. *A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Xxxx*

*Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:*

- a. Significant financial difficulty of the issuer or obligor;*
- b. A breach of contract, such as default or delinquency in interest or principal payments;*

*Xxxx*

72. If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). 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. [Underscoring supplied]

5.10. As provided in Paragraph 67 of IPSAS 29, the NIA is required to conduct periodic assessment of the collectability and impairment of its Receivables account to determine whether there is objective evidence that an asset is already impaired.

5.11. However, verification of NIA's Financial Management Operations Manual and inquiry with the Accounting Division of the CO/Accounting Section of the ROs revealed that the Agency has no existing accounting policies and procedures in place to ensure periodic assessment of the collectability and impairment of the NIA's Receivables account as at reporting date, contrary to Paragraphs 67, 68 and 72 of IPSAS 29.

5.12. In the absence of approved agency-wide written policies or guidelines on the periodic assessment of the collectability of Receivables account as basis in providing Impairment Loss, the measurement of the Allowance for Impairment on the Receivables account could not be relied upon.

5.13. **We recommended and top Management agreed to:**

- a. **Require the Accounting Sections of RO Nos. I, III, V, VI, VIII, and X to submit the complete supporting documents to establish the validity of writing-off in the books of accounts the Receivables-A/R-ISF totaling P4.814 billion, otherwise reverse the entry made to restore the receivables in the books of accounts; and**
- b. **Formulate accounting policies or guidelines on the periodic assessment of the collectability and impairment of Receivables account, pursuant to Paragraphs 67, 68 and 72 of IPSAS 29.**

6. **The faithful representation in the FSs and verifiability of the balance as at December 31, 2021 of the Cash and Cash Equivalents account amounting to P11.283 billion could not be established due to: (a) abnormal/negative balances totaling P45.396 million in the Cash in Bank (CIB) accounts of three ROs which reduced the balance of the said account by the same**



amount; (b) unadjusted book reconciling items totaling P19.292 million in the Bank Reconciliation Statements (BRSS) of three ROs and one PMO due to absence of bank credit/debit memos and other pertinent documents, hence the difficulty in identifying the appropriate account(s) where these should be recognized/accounted for; and (c) non-preparation of BRSS in five ROs, all in contrary to Paragraph 3.26 of the Conceptual Framework.

6.1. Paragraph 3.26 of the Conceptual Framework states 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. Xxxx*

6.2. The balance of the Cash and Cash Equivalents account as at December 31, 2021 as presented in the Statements of Financial Position amounted to P11.283 billion. Audit of the said account revealed deficiencies as discussed hereunder.

*Abnormal/negative balances totaling P45.396 million in the CIB accounts of three ROs which reduced the balance of the said account by the same amount*

6.3. The normal balance of the CIB account is debit, as provided in the Revised Chart of Accounts prescribed under COA Circular No. 2020-002 dated January 28, 2020. However, review of the SLs maintained for CIB account in three ROs disclosed that some of the bank accounts had abnormal/negative balances totaling P45.396 million as at December 31, 2021, as shown in Table 15.

**Table 15 – CIB Accounts with Abnormal/Negative Balances**

<b>NIA Office</b>	<b>No. of Bank of Accounts</b>	<b>Amount</b>
RO X	13	P31,529,438
RO IV - A	5	9,867,691
RO IV - B	Not specified	3,998,475
	<b>18</b>	<b>P45,395,604</b>

6.4. The abnormal/negative balances totaling P45.396 million in the CIB accounts of three ROs which reduced the balance of the said account by the same amount.

- 6.5. The abnormal balances could be attributed to the absence of BRSs, incorrect postings caused by comingling of project and regular funds, and ineffective monitoring of cash balances.

*Unadjusted book reconciling items totaling P19.292 million in the BRSs of three ROs and one PMO due to absence of bank credit/debit memos and other pertinent documents, hence the difficulty in identifying the appropriate account(s) where these should be recognized/accounted for*

- 6.6. Section 74 of PD No. 1445 states that:

*Monthly reports of depositories to agency head. 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 on their books. The head of the agency shall see to it that a reconciliation is made between the balance shown in the reports and the balance found in the books of the agency.*

- 6.7. Review of the monthly BRSs in RO Nos. II, VI and X and BBMP showed that book reconciling items totaling P19.292 million representing on-line deposits, bank charges, interest income earned on bank deposits, fund transfers from CO, among others, remained unrecorded/unadjusted as at December 31, 2021, details shown in Table 16.

**Table 16 – Summary of Unadjusted Book Reconciling Items in the BRSs**

<b>NIA Office</b>	<b>Amount</b>
RO X	P16,458,122
RO II	1,425,604
RO VI	1,378,723
BBMP	29,814
	<b>P19,292,263</b>

- 6.8. The recording of the book reconciling items totaling P19.292 million in three ROs and one PMO could not be facilitated due to absence of bank credit/debit memos and other pertinent documents necessary in identifying the appropriate account(s) where these should be recognized/accounted for.

*Non-preparation of BRSs in five ROs*

- 6.9. As required by Section 74, PD No. 1445, the BRS is a crucial internal control procedure to ensure safeguarding of resources and correctness of the balances of CIB account reported in the FSs. However, examination showed non-preparation of BRSs in five ROs as shown in Table 17.

**Table 17 – ROs with No BRSs as at December 31, 2021**

<b>NIA Office</b>	<b>No. of BRSs</b>
RO II	11
RO IV - A	1
RO VI	7
RO X	15
RO XIII	16
	<b>50</b>

- 6.10. In view of the presence of abnormal/negative balances, unadjusted book reconciling items, and non-preparation of monthly BRSs, the verifiability and reliability of the balance as at December 31, 2021 of the Cash and Cash Equivalents account amounting to P11.283 billion could not be ascertained.
- 6.11. **We recommended and top Management agreed to require the Accounting Division of CO/Accounting Sections of concerned ROs and PMO to:**
- a. **Designate personnel to analyze, review, reconcile and adjust the abnormal/negative balances;**
  - b. **Request from the depository banks concerned copies of the bank credit and debit memos and gather pertinent documents as basis in the recognition in the books of accounts the unadjusted book reconciling items indicated in the BRSs; and**
  - c. **Ensure timely preparation of monthly BRSs for all CIB accounts.**

## **B. NON-FINANCIAL**

### **IRRIGATION CONTRACTS/PROJECTS IMPLEMENTATION**

- 7. Deficient planning and monitoring of the implementation of the irrigation contracts/projects by NIA resulted in, among others:**
  - a. Significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts costing P1.745 billion and, suspension of and/or granting of contract time extensions (CTEs) on 134 projects amounting to P2.168 billion, thereby depriving the intended beneficiaries of the timely use of these irrigation projects;**
  - b. Termination of 12 contracts totaling P1.194 billion due to, among others, contractor's fault or as mutually agreed upon by the parties in view of discontinuance of funding or the project is no longer needed, thus wastage of government funds;**
  - c. Non-turnover of one hundred twenty-six (126) completed projects amounting to P1.143 billion to Irrigator's Associations (IAs), exposing these projects to risk of damage and deterioration, as the responsibility and control for their maintenance and monitoring have not yet been turned over to the IAs;**
  - d. Incurrence of negative slippages by the contractors ranging from 1.24 to 71.07 per cent in 43 on-going contracts costing P1.381 billion, further delaying the completion of the irrigation projects;**
  - e. Payments of infrastructure projects costing P1.292 billion not supported with complete documents in Magat River Integrated Irrigation System (MARIS) and RO Nos. II, IV-B, V, VIII and IX, casting doubt on the propriety of the disbursements; and**
  - f. Non-imposition of liquidated damages and/or non-forfeiture of performance securities in favor of NIA in 24 contracts of defaulting contractors totaling P382.467 million, hence potential loss of funds.**
- 7.1.** In line with the mandate of NIA to contribute to the country's program on rice self-sufficiency and alleviation of poverty through irrigation development, pursuant to Republic Act (RA) No. 3601, as amended by Presidential Decree (PD) Nos. 552 and 1702, the Agency is tasked to develop and manage water resources for irrigation and provide necessary services on a sustainable basis, consistent with the agricultural development program of the government.
- 7.2.** The timely completion of irrigation projects is the foremost consideration of the government in entering into contract so that the intended benefits derived therefrom may be enjoyed by the intended beneficiaries. As such, the contracting parties are bound to adhere faithfully to the agreed terms and conditions of the contract.

- 7.3. Section 17.6 and Item 1 of Annex “A” of the Revised Implementing Rules and Regulations (RIRR) of RA No. 9184, otherwise known as the “Government Procurement Reform Act”, provide that:

*Section 17.6 - No bidding and award of contract for Infrastructure Projects shall be made unless the detailed engineering investigations, surveys and designs, for the project have been sufficiently carried out and duly approved in accordance with the standards and specifications prescribed by the HOPE [Head of Procuring Entity] concerned or his duly authorized representative, pursuant to the recommendation of the end-user or implementing unit and in accordance with the provisions of Annex “A” of this IRR. In case of projects with pending acquisition of right-of-way [ROW] site or location, the procurement process may commence, but no award of contract shall be made until an authority or permit to enter is issued by the property owner; or a notarized deed of sale or deed of donation is executed in favor of the government; or a writ of possession is issued by a court of competent jurisdiction, as the case may be.*

*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, including their effects on the cost, and (if necessary) the economic justification.*

- 7.4. Review of the implementation by NIA of the irrigation contracts/projects nationwide during the calendar year (CY) 2021 disclosed several deficiencies/observations which have been recurring as discussed hereunder.

*Significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts costing P1.745 billion and, suspension of and/or granting of CTEs on 134 projects amounting to P2.168 billion*

- 7.5. Audit disclosed that recurring issues on the delays in contracts/projects’ implementation were not fully addressed yet by NIA Management, as delays ranging from five to 637 calendar days were still noted in the implementation of 139 contracts/projects with total contract cost of P1.745 billion as of December 31, 2021. The breakdown of the contracts and causes of the delay are shown in Table 18.

**Table 18 - Irrigation Contracts/Projects with Delay in the Implementation**

RO/PMO*	No. of Contracts	Delays (no. of days)	Contract Cost	Causes of Delay (Refer to Legend)							
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
MARIIS	57	5-228	P 227,305,645	✓	✓	✓	✓				✓
RO II	14	11-515	375,061,590	✓	✓	✓	✓	✓			
RO V**	29	17-637	311,674,852	✓	✓	✓	✓	✓	✓	✓	✓
RO VIII	18	16-323	439,607,880	✓	✓	✓	✓				
RO IX	12	-	212,202,470	✓	✓	✓		✓			✓
RO XII	9	63-368	179,626,984	✓	✓				✓		
	<b>139</b>	<b>5-637</b>	<b>P1,745,479,421</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>3</b>

Legend:

(a) Unworkable site brought about by either unfavorable weather condition, flooding, or water delivery

(b) Variation Order, change of scheme or site of development and/or revision of plans, designs, and program of work

(c) Restriction policies due to the Coronavirus Disease 2019 (COVID-19) pandemic

(d) Unresolved ROW

(e) Peace and order situation

(f) Unsatisfactory performance of Contractors / Insufficient manpower and equipment of Contractors

(g) Existence of standing crops

(h) Others, such as, late releases of funds, late payment to Contractors, or delayed delivery of construction materials, etc.

\* RO – Regional Office / PMO – Project Management Office

\*\* Completed projects/contracts with delay

7.6. As observed, the implementation of contracts/projects had not much improved from the CY 2020 where the delays incurred ranged from 1 to 799 calendar days to 5 to 637 calendar days in CY 2021.

7.7. It was also noted that 134 projects with contract cost totaling P2.168 billion in four ROs along with MARIIS and Balog-Balog Multi-Purpose (BBMP) Project II were suspended and/or granted with CTEs for various reasons as presented in Table 19.

**Table 19 - Suspended and/or with CTEs Irrigation Contracts/Projects**

RO/PMO	No. of Contracts	Contract Cost	Causes of Suspension or CTEs (Refer to Legend)							
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
MARIIS	57	P 227,305,645	✓	✓				✓	✓	✓
BBMP II	10	698,806,187	✓		✓				✓	✓
RO II	14	375,061,590	✓	✓	✓	✓	✓		✓	✓
RO V	32	474,909,790	✓		✓		✓	✓	✓	
RO IX	12	212,202,470								
RO XII	9	179,626,984	✓	✓				✓		
	<b>134</b>	<b>P2,167,912,666</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>3</b>

Legend:

(a) Unworkable site brought about by either unfavorable weather conditions, typhoon, or water delivery

(b) Variation Order, change of scheme or site of development and/or revision of plans, designs, and program of work

(c) Road ROW

(d) Restriction policies due to the COVID-19 pandemic

(e) Scarcity, unavailability, or undelivered construction materials or delayed delivery of construction materials

(f) Peace and order situation

(g) Inaccessible project site

(h) Others, such as pending issuance of permits/clearance from Department of Environment and Natural Resources (DENR) and other agencies or late releases of funds.

- 7.8. In view of the significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts as well as suspension of and/or granting of CTEs on 134 projects, the intended beneficiaries have been deprived of the timely use of these irrigation projects.

*Termination of 12 contracts totaling P1.194 billion due to, among others, contractor's fault or as mutually agreed upon by the parties in view of discontinuance of funding or the project is no longer needed*

- 7.9. Further verification revealed that there were 12 irrigation contracts/projects totaling P1.194 billion that were terminated due to contractor's fault or mutually agreed upon by the NIA and the contractor concerned, details shown in Table 20.

**Table 20 – List of Terminated Contracts**

RO/PMO	No. of contracts	Amount	Particulars/Remarks
BBMP II	1	P 971,793,525	R3-BBMP IID-C-2R/Construction of Balog-Balog Diversion Tunnel – <ul style="list-style-type: none"> <li>The Contract was terminated on July 29, 2021. On August 3, 2021, the Contractor filed a motion for reconsideration to possibly allow them to finish the project which could prove more practical and advantageous to the government based on their submitted justifications. Actual accomplishment is based on the firmed-up quantities and costs. Per the original contract amount, physical accomplishment is 47.76 per cent.</li> <li>Review of the recurring problems on the terminated contract included problem in the planning and proper execution of detailed engineering, surveys, and designs. Another reason was the inability of NIA Management to require the defaulting Contractor to comply with his obligations.</li> </ul>
ROV	11	221,938,010	<ul style="list-style-type: none"> <li>Some contracts were terminated mutually by the Contractor and NIA Management due to unworkable conditions, inaccessibility, and eventual discontinuance of funding as the project was deemed no longer needed and delisted from the priority projects.</li> <li>Some projects were terminated due to Contractor's default. It was observed that the Termination Orders were issued late, ranging from 42 to 503 calendar days from the revised target dates of contracts to issue the said Orders. As a result, additional delays were incurred in the completion of the projects, since transitory measures to minimize work disruptions, such as takeover or rebidding, were not immediately undertaken.</li> <li>The delays in issuance of some Termination Orders were due to unavailability of the Contractors during the conduct of scheduled inventory of work accomplished.</li> </ul>
	<b>12</b>	<b>P1,193,731,535</b>	

- 7.10. The termination of 12 contracts totaling P1.194 billion due to reasons discussed in Table 20, could result in wastage of government funds.

*Non-turnover of one hundred twenty-six (126) completed projects amounting to P1.143 billion to IAs, exposing these projects to risks of damage and deterioration*

- 7.11. Under Section 2 of RA No. 3601, as amended by PD No. 552, the NIA is mandated to construct, improve, rehabilitate, and administer small irrigation projects or Communal Irrigation Systems (CIS), among others, with the participation of IAs, and subsequently transfers to the IAs the operation and maintenance (O and M) of the completed Communal Irrigation Project (CIP) or rehabilitated CIS.
- 7.12. The turnover of management responsibilities has been an integral component of the Institutional Development Program of the NIA and expected to lead to significant improvements in system performance and water use efficiency, while enabling the farmer-beneficiaries to increase farm productivity and family income. For CIP, complete turnover of responsibility, authority or control to IA is required.
- 7.13. In RO Nos. IX and XIII, a total of 126 completed CIPs with total cost of P1.143 billion were not yet turned over to the IAs concerned as of December 31, 2021, breakdown is shown in Table 21.

**Table 21 - Completed Irrigation Projects not Turned Over to IAs**

RO	No. of Projects/Contracts	Amount
RO IX	40	P 421,203,720
RO XIII	86	721,512,725
	<b>126</b>	<b>P1,142,716,445</b>

- 7.14. The non-transfer or turnover of these CIPs to the IAs concerned exposed the projects to risks of damage and deterioration, as the responsibility and control for their maintenance and monitoring have not yet been turned over to the IAs as of December 31, 2021.

*Incurrence of negative slippages by the contractors ranging from 1.24 to 71.07 per cent in 43 on-going contracts costing P1.381 billion, further delaying the completion of the irrigation projects*

- 7.15. Moreover, there were 43 on-going contracts costing P1.381 billion in RO Nos. V, IX and XII and BBMP II that have already incurred negative slippages ranging from 1.24 to 71.07 per cent, as presented in Table 22.



**Table 22 - On-going Contracts/Projects with Negative Slippages  
As of December 31, 2021**

<b>RO/PMO</b>	<b>No. of Contracts</b>	<b>Slippage (%)</b>	<b>Amount</b>
BBMP II	10	1.24 to 46.95%	P 698,806,187
RO V	14	1.25 to 30.86%	185,875,510
RO IX	4	15.00 to 19.00%	39,733,730
RO XII	15	5.65 to 71.07%	456,142,000
	<b>43</b>		<b>P1,380,557,427</b>

- 7.16. As presented in Table 22, the significant negative slippages incurred by the Contractors ranged from 15.00 to 71.07 per cent and none of these projects was terminated nor rescinded by NIA Management, contrary to Item A.2, Annex I of the RIRR of RA No. 9184 on the “Grounds for 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.*

- 7.17. The incurrence of the significant negative slippages by the contractors further delays the completion of the irrigation projects. Likewise, the farmer-beneficiaries were unduly deprived from enjoying the timely benefits that could have been derived from the said irrigation facilities. This condition might further result in wastage of government resources when the unfinished or uncompleted contracts/projects would eventually be terminated.

*Payments of infrastructure projects costing P1.292 billion not supported with complete documents in MARIIS and RO Nos. II, IV-B, V, VIII and IX, casting doubt on the propriety of the disbursements*

- 7.18. Section 4(6) of PD No. 1445 states that, “*Claims against government funds shall be supported with complete documentation.*”
- 7.19. Audit revealed that in MARIIS and RO Nos. II, IV-B, V, VIII and IX, the payments for infrastructure projects aggregating P1.292 billion were not supported with complete documentation. The lacking documents are listed in Table 23 (next page).
- 7.20. The absence of complete documentary requirements for the payments of infrastructure projects totaling P1.292 billion cast doubt on the validity and propriety of the transactions/disbursements.

**Table 23 – List of Lacking Documents**

<b>PMO/RO</b>	<b>No. of Projects</b>	<b>Amount</b>	<b>Lacking Documents</b>
MARIIS	88	P 384,897,599	<ul style="list-style-type: none"> <li>• Project Procurement Management Plan (PPMP)</li> <li>• Certification of Clearance of Equipment Rented/Lease</li> <li>• Omnibus Sworn Affidavit</li> <li>• Annual Procurement Plan (APP)</li> <li>• Detailed Approved Budget for the Contract (ABC)</li> <li>• Department of Labor and Employment (DOLE) Certification</li> <li>• Bidders Financial Proposal</li> <li>• Construction Methodology</li> <li>• Manpower &amp; Equipment Utilization Schedule</li> <li>• Financial &amp; Technical Proposal</li> <li>• Outline of Bid Evaluation Report (BER)</li> <li>• Notice of Post Qualification</li> <li>• Affidavit of Site Inspection</li> <li>• Quality Assessment Report</li> <li>• S-curve</li> <li>• Certification of Project Engineers and Material Engineers</li> <li>• Financial &amp; Technical Component</li> </ul>
RO II	5	110,953,931	<ul style="list-style-type: none"> <li>• Form of Bid</li> <li>• Construction Schedule in S-curve</li> <li>• Manpower &amp; Equipment Utilization Schedule</li> <li>• APP</li> <li>• Certification of Clearance of Equipment Rented/Lease</li> <li>• Construction Methods: Outline of Narrative Description</li> <li>• Project Evaluation and Review Technique/Critical Path Method (PERT/CPM) Diagram and Bar Chart with S-curve</li> <li>• PPMP</li> <li>• Affidavit of Site Inspection</li> <li>• Omnibus Sworn Affidavit</li> <li>• DOLE certification on construction safety and health program of laborers</li> </ul>
RO IV-B	14	299,332,462	<ul style="list-style-type: none"> <li>• Authenticated photocopy of the approved APP and any amendments thereto</li> <li>• PPMP</li> <li>• Evidence of posting of Supplemental Bid Bulletin in the PhilGEPS, the website of the Procuring Entity, and at any conspicuous place within the premises of the Procuring Entity</li> <li>• Printout copies of advertisement posted on the agency website</li> <li>• Bids and Awards Committee (BAC) Resolution justifying the change in the mode of procurement</li> <li>• Newspaper clippings of advertisement</li> <li>• Evidence of signboards</li> <li>• Philippine Atmospheric Geophysical and Astronomical Services Administration (PAGASA) report covering the area where the project is located due to adverse weather conditions for Time Suspension No. 8 dated October 31, 2020</li> <li>• Registration Certificate from Department of Trade and Industry (DTI) and Mayor's/Business Permit</li> <li>• Warranty Security</li> <li>• Copy of approved/revised PERT/CPM Network Diagram</li> <li>• Copy of Approved Change Order</li> <li>• Copy of the approved original plans</li> </ul>

PMO/RO	No. of Projects	Amount	Lacking Documents
			<ul style="list-style-type: none"> <li>• Copy of the Agency's report establishing the necessity/justification(s) for the need of such Change Order</li> <li>• Copy of approved detailed breakdown of contract cost for the variation order</li> <li>• Tax Clearance and Audited Financial Statements (FSs) stamp "received" by the Bureau of Internal Revenue (BIR)</li> <li>• Letter Request from the Contractor for substitution in release of retention money.</li> <li>• Suspension and Resume Orders</li> <li>• Copy of Approved Time Extension</li> </ul>
RO V	21	229,383,306	<ul style="list-style-type: none"> <li>• Statements of Work Accomplished (SWA) not submitted or not approved</li> </ul>
RO VIII	56	148,490,735	<ul style="list-style-type: none"> <li>• Statement of Time Elapsed</li> <li>• Photocopy of disbursement vouchers (DVs) of previous payments on five progress payments and final payments</li> <li>• Monthly Certificate of Payment on progress payments</li> <li>• Result of Test Analysis</li> <li>• Contractor's Affidavit on one final payment</li> <li>• Warranty Security on four final payments</li> <li>• As-Built Plan on one final payment</li> <li>• Computation for Liquidated Damages on two final payments</li> <li>• Copy of Joint Survey approved by Project Manager/Regional Manager (PM/RM)</li> <li>• Copy of Fabrication Drawings/Bar Reinforcement Drawings approved by PM/RM</li> <li>• Release of retention money for one project was not supported with Certification from the end-user that the project was completed and inspected while the other project was not supported with Retention Money Bond</li> </ul>
RO IX	26	119,154,720	<ul style="list-style-type: none"> <li>• Letter Request from the Contractor for Suspension of Work</li> <li>• Revised PERT-CPM w/ backup computation</li> <li>• Approved Time extension and approved time suspension</li> <li>• Warranty Security was not attached and some claims were supported with a warranty; however, the one-year defects liability period was not covered.</li> </ul>
	<b>210</b>	<b>P1,292,212,753</b>	

*Non-imposition of liquidated damages and/or non-forfeiture of performance securities in favor of NIA in 24 contracts of defaulting contractors totaling P382.467 million, hence loss of funds*

7.21. Items 8.1, 8.4, 9.1 and 9.3 of Annex "E" of the 2016 RIRR of RA No. 9184, provide that:

*Item 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.

*Item 8.4 - In case that the delay in the completion of the 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.*

*Item 9.1 - Once the contract duration expires, including any time extension duly granted, and the contractor refuses or fails to satisfactorily complete the work, the Procuring Entity shall impose upon the contractor in default liquidated damages. Liquidated damage is an amount 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*

*Item 9.3 - To be entitled to such liquidated damages, the Procuring Entity does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the contractor under the contract or collect such liquidated damages from the retention money or other securities posted by the contractor, or a combination thereof, whichever is convenient to the Procuring Entity.*

- 7.22. Notwithstanding the above-mentioned provisions, in RO Nos. II, IV-A, IV-B and V, audit disclosed that liquidated damages were not imposed against defaulting contractors; the performance securities were not forfeited in favor of NIA; and the contracts were not terminated or rescinded on 24 irrigation projects totaling P382.467 million, as shown in Table 24.

**Table 24 – List of Irrigation Contracts and Projects with Defaulting Contractors**

RO/PMO	No. of Projects/ Contracts	Contract Cost	Deficiencies / Actions not taken by NIA
RO II	1	P 51,714,011	- Was found unaccomplished during the inspection conducted on August 10, 2021. An Audit Observation Memorandum (AOM) was issued requiring the contractor to install the said item or refund the cost of the uninstalled/unfinished item. In their reply dated October 26, 2021, Management informed the Audit Team that during the implementation of the Project, there were some modifications, such as, the inclusion of letterings below the NIA Logo which was not included in the contract and variation order. Further, they informed that retention money was also withheld to cover uncorrected defects and third-party liabilities. A picture was taken on the project and it showed that the item was only installed on October 20, 2021, hence a delay of 216 days.
RO IV-A	6	109,905,939	- For projects - Construction of Lateral A@5+192.50-10+399 Terminal Facilities and its Appurtenant Structures Quipot Irrigation

RO/PMO	No. of Projects/ Contracts	Contract Cost	Deficiencies / Actions not taken by NIA
			<p>Project Package 4 and the Construction of Terminal Facilities and its Appurtenant Structures Package 3 Quipot Irrigation Project in Tiaong, San Antonio, Candelaria, Sariaya, Quezon and Rosario, San Juan, Batangas with project cost of P17,984,825.69 and P28,772,494.87, respectively, there were some portions of the irrigation canal which were not yet utilized at the time of inspection.</p> <ul style="list-style-type: none"> <li>- The delay in the completion of the projects exceeded the 10 per cent of the specified contract time.</li> <li>- Despite the absence of documents to show reasons for the delays in the implementation of the subject projects, Management did not impose liquidated damages, contrary to the provisions of Section 8, Annex E of the RIRR of RA No. 9184.</li> </ul>
RO IV-B	2	63,892,059	<ul style="list-style-type: none"> <li>- In Occidental Mindoro Irrigation Management Office (OMIMO), Upper Amman Package 1 project was only 94.06 per cent completed within the approved completion time. OMIMO did not impose and collect liquidated damages amounting to P1,635,592.54 which was equivalent to a total of 880 days of delay.</li> <li>- Upper Amman Package 2 project was only 83.17 per cent completed within the approved completion time. Liquidated damages computed amounting to P145,294.26 were inadequate which should have been P2,814,360.72.</li> <li>- Released retention money excessively in the amount of P4,304,659.00.</li> <li>- The above-mentioned two contracts were not properly terminated and, Management erroneously took over the implementation of the unfinished portions "by administration", contrary to the pertinent provisions of RA No. 9184.</li> </ul>
RO V	15	156,955,096	<ul style="list-style-type: none"> <li>- Significant delays in the submission of contract deliverables, like interim reports, draft feasibility reports, Value Engineering/Value Analysis (VE/VA) reports, and inception report as specified in the Terms of Reference (TOR), were not accordingly sanctioned or imposed with appropriate liquidated damages equivalent to one-tenth of one per cent (0.001) of the cost of unperformed work multiplied by the number of actual days delay.</li> <li>- In the post audit of CY 2021 payments for infrastructure projects of Camarines Norte Irrigation Management Office (CNIMO), it was also observed that the Agency did not impose correct liquidated damages on delayed prior years' infrastructure projects that were completed and/or paid in 2021, thus, resulting in under/over-deduction of liquidated damages and the consequent net overpayment to contractors totaling P70,984.10.</li> <li>- Contractors' SWAs and Management's own detailed computations of the: (a) cost of unperformed works as of contract expiry date; and (b) amount of liquidated damages as of actual completion date were not attached to the DVs to facilitate review and re-computation by the Auditors.</li> </ul>
	<b>24</b>	<b>P382,467,105</b>	

- 7.23. The damages incurred by RO Nos. II, IV-A, IV-B and V on the delay or non-completion of the irrigation contracts/projects within the timelines, might not be recovered due to non-imposition of liquidated damages against the erring contractors and non-forfeiture of their performance securities, which would indicate laxity in the enforcement of the stipulations specified in the contracts, thus loss of funds to the disadvantage of the government.

**Other Observations noted in the implementation of irrigation contracts/projects**

*Eleven (11) completed projects with total cost of P235.429 million were found to be either damaged or had deficiencies*

- 7.24. In Cordillera Administrative Region (CAR) and RO Nos. II and IV-B, there were 11 completed projects aggregating P235.469 million found to be either damaged or had deficiencies, as summarized in Table 25.

**Table 25 – List of Completed Projects with Deficiencies**

RO/PMO	No. of Projects/ Contracts	Amount	Deficiencies
CAR	2	P 20,719,645	<p>Based on the inspection reports dated March 25, 2021 of the COA-Technical Services Section (TSS), the following deficiencies were noted:</p> <p><i>CW-BENGUET-32-2017/NANGALISAN CIS PHASE I</i></p> <ul style="list-style-type: none"> <li>- The constructed intake at Irisan River (Source) including the installed 80 in.m. 8" diameter HOPE SDR 17 could no longer be verified;</li> <li>- Allegedly, the structure was damaged during the onslaught of Typhoon Ompong. Copy of Management Report of Damage at Nangalisan CIS dated September 17, 2018, was submitted to the Audit Team. Remedial measures were instituted by the Agency: (a) by installing two parallel 4" diameter HOPE SDR 13.5 from the source to the Tum-out at station 00+120; and (b) From Tum-out at station 00+120 to Tank I (Station 00+520), the 8" diameter HDPE SDR 17 (Main Pipeline -1) as required was installed with water flowing one third (1/3) full. However, Tank I was empty. There was no tapped Iron Saddle Clamp with accessories and 2" diameter HDPE SDR 13.5 to the Main Line.</li> <li>- From Tum-out at station 00+120 to Tank I (Station 00+520), the 8" diameter HDPE SDR 17 (Main Pipeline -1) as required was installed with water flowing one third (1/3) full. However, Tank I was empty. There was no tapped Iron Saddle Clamp with accessories and 2" diameter HDPE SDR 13.5 to the Main Line. From Tank I (Station 00+520) to Tank 2 (Station 01+180), the 8" diameter HOPE SDR 17 as required was installed. Tank 2 is filled up, however, the water pressure coming from the 2" diameter HOPE SDR 13.5 was reduced due to detached Iron Saddle Clamp and accessories from the Main Line. The water from the Main Line was inadequate due to leakage caused by this damage. No gate valves were seen at the distribution pipes.</li> <li>- From Tank 2 (Station 01+180) to Tank 3 (Station 01+720), the 8" diameter HDPE SDR 17 as required was also installed. Although the</li> </ul>

RO/PMO	No. of Projects/ Contracts	Amount	Deficiencies
			<p>tank is full, there was not enough pressure coming from the 2" diameter HDPE 13.5. No Iron Saddle Clamp and accessories were seen.</p> <ul style="list-style-type: none"> <li>- From Tank 3 (Station 01+720) to Tank 4 (Station 01+720), the 8" diameter HOPE SDR17 as required was installed. However, there was a leak at one fitting joint of the Main line. Despite this, Tank 4 was still being filled up.</li> <li>- From Tank 4 (Station 01+920) to Tank 5 (Station 02+850), the 6' diameter HOPE SDR 13.5 as required was also installed. All works for Tank 5 were accomplished; however, there was no water flowing from the Main Line, thus Tank 5 is empty.</li> <li>- From Tank 5 (Station 02+850) to Tank 6 (Station 04+000), the 8" diameter HOPE SDR 13.5 as required was installed. However, there was no water flowing from the main Line.</li> <li>- From Bucan Creek (00+000) to Tank -1BC (00+532), the 3' diameter HDPE SDR 13.5 (Main Pipeline 2) as required was installed. There was water flowing from the Main Pipeline 2. However, Tank - 1BC was not being filled up because the retaining wall supporting the foundation of the Tank was eroded. No gate valves were seen at the distribution pipe.</li> <li>- From Tank-1BC (00+532) to Tank-2BC (01+ 100), the 3" diameter HOPE SDR 13.5 as required was installed including the 2" diameter HOPE SDR 13.5 lateral pipe. There was water flowing from Main Pipeline, however, the pressure was too weak for it to reach Tank -2BC, hence it was empty.</li> <li>- From Tank= 2BC (01+100) to Tank-3BC (02+000), the 2" diameter HOPE SDR 13.5 lateral pipe was installed. However, no water was flowing through the pipe.</li> </ul>
<i>CW-BENGUET-57-2017/NANGALISAN CIS PHASE II</i>			
			<ul style="list-style-type: none"> <li>- From Tank 6 (04+000) to Tank 8 (06+120), the 6' diameter HOPE SDR 13.5 (Main Pipeline -1) as required was installed. However, no water was flowing.</li> <li>- For Lateral Pipeline -1 (00+000-02+600), the 3' diameter HOPE SDR 13.5 as required was installed. Water was flowing in full; however, from different source. Source was from an existing flume.</li> <li>- For Lateral Pipeline - I (02+600 -02+800), the 3' diameter HOPE SDR 13.5 as required was installed. Water was flowing in full; however, from different source. Source was from an existing flume.</li> <li>- For Lateral Pipeline - 2(00+000 - 00+800), the 3' diameter HOPE SDR 13.5 as required was installed. Water was flowing in full; however, from different source. Source was from an existing flume.</li> </ul>
RO II	2	11,893,629	<ul style="list-style-type: none"> <li>- Construction of Diversion Works, Canal and Canal Structures", located at Manglad PIP, Maddela, Quirino with Contract No. NCB-QIMO-20-17, four (4) spans of CHB canal lining which is about 20 in.m. structure had collapsed due to soil erosion.</li> <li>- Construction of Canal Structures along Diversion Main Canal, Dibuluan River Irrigation Project, San Agustin, Isabela (Contract No. NCB-RO2-</li> </ul>

RO/PMO	No. of Projects/ Contracts	Amount	Deficiencies
			ISA-05-17), soil clogging due to a landslide which remained not cleared and an obstacle in the smooth flow of water.
RO IV-B	7	202,815,605	<ul style="list-style-type: none"> <li>- Total cost deficiency of P291,621.82 due to shortage in the quantity of installed 4" CHB wall of BRIP Package 6.</li> <li>- Incomplete and "for replacement" items of BRIP Package 7.</li> <li>- Damaged grouted riprap of repair/rehabilitation of Mag-Asawang Tubig River Irrigation System (MTRIS) Package 1.</li> <li>- Deficient quantity on the total length/volume of repair work for the trapezoidal concrete lining of Repair/Rehabilitation of MTRIS (Package 3).</li> <li>- The completion of BRIP Packages 4 and 5 and repair/rehabilitation of MTRIS (Package 3) were delayed resulting in the imposition of liquidated damages.</li> <li>- Taking of three concrete class B samples 16 days beyond the completion date of Repair/Rehabilitation of Baco-Bucayao River Irrigation System (Package 2) 2019.</li> </ul>
<b>Total</b>	<b>11</b>	<b>P235,428,879</b>	

7.25. The damages and deficiencies discussed in Table 25 would indicate that the inspections on the work accomplishments of the contractors concerned were not accurately conducted by NIA Management, resulting in the payments of defective works subject for rectification, which would entail additional cost and delayed full usage of the irrigation projects by the intended beneficiaries.

*Delayed or non-conduct of inspection by NIA on 166 irrigation projects/contracts totaling P492.118 million*

7.26. In CAR and RO No. VII, delays or non-conduct of inspections by NIA in the implementation of 166 irrigation projects/contracts totaling P492.118 million were also noted. The details are shown in Table 26.

**Table 26 - Contracts/Projects With Delayed or Without Inspections**

RO/PMO	No. of Projects/ Contracts	Contract Cost	Remarks/Actions Not taken by Management
CAR	92	P182,293,582	<ul style="list-style-type: none"> <li>- Inspections were only executed 21 to 283 working days from receipt of the request for inspection.</li> <li>- According to the Regional Manager, the preparation and submission of complete billing attachments/documents usually take more than one month before submission at the RO. Likewise, inspection activities could not proceed without the complete billing documents.</li> </ul>
	56	186,180,060	<ul style="list-style-type: none"> <li>- Requests from the concerned contractors for the inspection of their respective projects were delayed ranging from 11 to 176 working days from the date of project completion. Some of the contractors did not file their request for inspection with NIA-CAR including their billing for the final payment because of the insignificant amount involved. It was further informed that despite the projects were not yet inspected by the NIA</li> </ul>



RO/PMO	No. of Projects/ Contracts	Contract Cost	Remarks/Actions Not taken by Management
			Inspectorate Committee, the irrigation projects were already being used by the farmer-beneficiaries.
RO VII	18	123,644,637	- The Engineering Division informed that they just relied on the Report on Firmed-Up Contract Quantities and Cost (FUCQC) prepared by the Project-in-Charge and did not conduct actual inspection of the projects. As per FUCQCs, the projects were 100 per cent completed; however, these were not duly verified and assessed by the Inspectorate Team of the Agency on the date of completion. The personnel of the Engineering Unit further informed that the Inspectorate Team could not immediately inspect the project on the date of completion because the members of the Team were also designated as members of the BAC/Technical Working Group (TWG).
	166	P492,118,279	

- 7.27. The delayed or non-conduct of inspections cast doubt on the veracity of the timeliness of project completion and indicative of lapse in the supervision and monitoring of the implementation of the irrigation contracts/projects by the NIA.

*Construction Safety and Health Program (CSHP) was not included in the ABC and the Program of Work (POW) in 41 infrastructure projects totaling P310.848 million or if included, but not fully implemented in 12 infrastructure projects with total contract cost of P128.010 million*

- 7.28. Based on Item 7, Annex "G" of the RIRR of RA No. 9184, the detailed engineering activities for the procurement of infrastructure projects shall include the preparation of minimum requirements for a CSHP approved by the DOLE. The Construction Project Manager, or in his absence, the Project Manager as authorized by the owner, shall be responsible for its preparation and execution, and likewise, the cost of implementing such shall be integrated into the project's construction cost, provided that said cost shall be a separate pay item, duly quantified and stated in the project's tender documents and construction contract documents.
- 7.29. In RO No. VIII, evaluation disclosed that the CSHP, as a separate pay item, was not included in the construction costs of 41 infrastructure projects with contract cost totaling P310.848 million during the preparation and review of the ABCs and POWs. Meanwhile, 12 infrastructure projects with total contract cost of P128.010 million were with CSHP in the ABC and POW with total allocation of P383,912; however, the following were observed:
- Personal Protective Equipment of the on-site construction workers were not in accordance with the requirement of the Occupational Safety and Health Standards (OSHS) and, the workers were not even provided with the basic Personal Protective Equipment, such as, Safety Helmet, Safety Gloves and Safety Shoes. Most of the laborers during the construction only wore short sleeve shirts and slippers, while some workers even worked barefooted;

- b. Construction safety signages, barriers, and road safety devices were absent on all vertical and horizontal project sites; and
- c. Other safety precautions like barricades and nets which would serve as protective gears from falling debris, construction tools and other materials which might fall during construction of vertical projects was on-going were not provided.

7.30. Further, post audit of the three projects with provisions for CSHP revealed that a total amount of P271,610 had been paid to the contractors as of December 31, 2021, despite non-implementation of OSHS.

7.31. The non-inclusion of the CSHP as part of the ABC and POW of the infrastructure project exposes the workers/laborers to hazard/injury which might result in suspension of work, hence, another potential delay in the completion of the irrigation projects.

*Slow implementation of ROW negotiations hampered the timely implementation of various infrastructure projects in BBMP II*

7.32. Based on the data obtained from the Survey and Right-of-Way Section of BBMP II, there were still 1,055 lots out of the 1,672 lots that were not acquired yet by the NIA due to the incomplete and non-submission of the supporting documents by the landowners who were affected the BBMP II's projects, given the fact of its right to do so as provided in Section 4 of RA No. 10752. The slow ROW negotiations with the landowners concerned resulted in the slack initiation of expropriation proceedings and, the execution of the projects in the affected areas continuously incur delays.

*Payments of contracts totaling P59.086 million was signed by unauthorized personnel*

7.33. In Palawan Irrigation Management Office (PIMO), post-audit of the DVs and supporting documents revealed that payments of contracts amounting to P59.086 million were deemed irregular since the personnel that signed the DVs and supporting documents is not the duly designated and authorized signatory for the contract payment, contrary to Rule Nos. 1 and 4 of Section 13 (c) of Rule IV, 2017 Omnibus Rules on Appointments and Other Human Resource Actions and COA Circular No. 2012-003 dated October 29, 2012. The said signatory was originally appointed as Senior Engineer A under coterminous status with NIA-National Irrigation Sector Rehabilitation Project (NISRIIP) effective August 9, 2019, and who was later designated as Overall-In-Charge of the project implementation in the Southern Palawan including Malatgao and Batang-Batang River Irrigation System (RIS), under Office Order No. 116S-2020 dated November 4, 2020, signed by the Division Manager of PIMO.

*Lapses on the posting of Warranty Securities for infrastructure projects with contract cost of P52.287 million*

- 7.34. Examination of the submitted documents for six completed infrastructure projects totaling P52.287 million by PIMO, NIA RO No. IV-B disclosed that for the five completed projects, no date of final acceptance was indicated and the certificate of final acceptance for Rehabilitation of Caruray-Kinabuyan CIS was not submitted. The PIMO had not observed and imposed the Defect Liability Period due to the lapses noted in the warranty securities of the contractors concerned, such as, the inadequate amount, late posting, and absence of certification from the Insurance Commission. The noted deficiencies were found to be inconsistent with Section 62 of the RIRR of RA No. 9184; hence, the Agency is exposed to risk of non-indemnification in case of structural defects and failures on the completed infrastructure projects.

*Delayed and/or non-submission of relevant documents for infrastructure projects with total contract cost of P567.475 million*

- 7.35. In RO Nos. IV-B and X, there were delays and/or non-submission of relevant documents to the Audit Teams observed for infrastructure contracts/projects totaling P567.475 million, as illustrated in Table 27.

**Table 27 - Delayed and/or Non-submission of Relevant Documents**

Office	Contract Cost	Remarks
RO IV-B- MOMARO IMO	P 183,852,530	-Relevant documents for 34 contracts were submitted to the Office of the Auditor/Audit Team 45 to 252 days after contract execution, thus precluding the Team to conduct timely verification.
RO X- BIMO	231,837,642	-Delayed submission of variation orders for 25 completed projects that have approved variation orders which resulted in changes in the original contract price ranging from a decrease by 22.92 per cent to an increase by 10.77 per cent. Thus, the auditorial review and technical evaluation were not promptly conducted. The approved variation orders along with the revised bill of quantities were only attached to the DVs in payments of the progress billings by the contractor.
RO X- BIMO	151,784,681	-17 completed projects that were not sufficiently documented and submitted, contrary to Annex "E" of the RIRR of RA No. 9184 and COA Circular No. 2009-001 dated February 12, 2009. For all the time extensions granted, there was no evaluation report establishing the need for time extension including the computation showing in sufficient detail how the number of days of extension was determined, and there was also no approved revised PERT/CPM Network Diagram reflecting the effect of the subject time extension. No documentation for delays caused by the alleged unfavorable weather conditions, peace and order situations, and other actual field circumstances.
<b>Total</b>	<b>P 567,474,853</b>	

\*MOMARO IMO – Mindoro Occidental-Marinduque-Romblon Irrigation Management Office

\*\* BIMO – Bukidnon Irrigation Management Office

- 7.36. The delay and/or non-submission of: (a) contracts within five working days after their execution; (b) variation orders prior to inspection of the completed projects; and (c) the documents granting of additional calendar days to the contract duration, precluded the Audit Teams and the COA-Technical Services Team from conducting timely and relevant review/evaluation and inspection of completed infrastructure projects and communicating the results thereof to Management for appropriate action.
- 7.37. In summary, the aforementioned problems and issues encountered by NIA that caused delays and adverse effects in the implementation of the irrigation contracts/projects could have been avoided had Management considered or addressed the same during the planning and monitoring phases and dutifully complied with the prerequisites to ensure efficient and effective implementation pursuant to RA No. 9184 and its RIRR.
- 7.38. **We reiterated our previous years' audit recommendations that top Management instruct the officials and personnel concerned:**
- a. **In the planning of the irrigation contracts/projects to be implemented to adhere strictly to the pertinent provisions of RA No. 9184 and its 2016 RIRR to ensure that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of ROW, peace and order situation, and other relevant conditions are duly considered to ensure that all irrigation contracts/projects are efficiently carried out;**
  - b. **In the CO, ROs and PMOs to: (i) require the contractors to regularly submit progress billings and status of work accomplishments; (ii) ensure immediate validation of the reports and inspection of projects; (iii) address the causes on the delays/suspension and grant of time extensions; and (iv) enforce the forfeiture of performance securities and/or imposition of liquidated damages for delays where contractors are at fault;**
  - c. **To review the post-qualification procedures conducted by the respective BAC for the terminated contracts to determine areas for improvement and ensure that contracts are only awarded to eligible and responsive contractors;**
  - d. **To immediately turn over the operations and maintenance of all completed communal irrigation projects to the IAs concerned duly covered with Memorandum of Agreement (MOA) to ensure proper maintenance of the irrigation facilities; and**
  - e. **To refrain from paying progress billings of the contractors without complete and relevant documentation in compliance with Section 4(6) of PD No. 1445.**

**7.39. We further reiterated our previous years' recommendations that top Management:**

- a. File appropriate charges against erring/defaulting contractors; and**
- b. Consider imposing administrative sanctions against NIA officials and personnel who are remiss of their duties, specifically in planning and monitoring of the implementation of irrigation contracts/projects, that resulted in delays, suspensions, terminations of infrastructure contracts/projects, and wastage of government funds.**

**7.40. We, likewise, recommended that the:**

- a. Regional/Project Managers of CAR and RO Nos. II and IV-B ensure the conduct of timely and accurate inspections of accomplishments of contractors to avoid payments of defective works;**
- b. Regional Manager in RO No. VIII ensure that the cost of CSHP is included as a separate item in the ABC and POW of the infrastructure contract/project as required in Item 7, Annex "G" of the 2016 RIRR of RA No. 9184;**
- c. Project Manager in BBMP II require the submission of complete supporting documents from the landowners concerned to expedite the expropriation proceedings on the acquisition of 1,055 ROWs;**
- d. Regional Manager of RO No. IV-B, moving forward, ensure that:**
  - d.1 Payments of irrigation contracts are approved/signed by authorized officials, as required in Rule Nos. 1 and 4 of Section 13(c) of Rule IV, 2017 Omnibus Rules on Appointments and Other Human Resource Actions and COA Circular No. 2012-003 dated October 29, 2012, to avoid suspension/disallowance of the transactions in audit; and**
  - d.2 Warranty securities are timely posted by the contractors, adequately cover the cost of the completed projects, supported by certification from the Insurance Commission, and regularly updated to guarantee indemnification by the contractors in case of structural defects and failures on the completed infrastructure projects, as required in Section 62 of the 2016 RIRR of RA No. 9184; and**
- e. Regional Managers of RO Nos. IV-B and X require the personnel concerned to promptly submit complete documentation to COA, such as the contracts, variation orders, and documents granting**

**extension of the contract period, to facilitate timely auditorial review, evaluation and inspection of irrigation contracts/projects.**

7.41. The following are the comments/justifications of Management:

- a. In general, the NIA offices concerned explained that the restrictions of the movements/travel/transportation and skeleton workforce arrangements, as well as errant weather conditions have adversely affected the completion of the projects within the timeline. They agreed to submit the lacking documents, comply with the recommendations, and make necessary actions to protect the interest of the government.
- b. The BBMP II Management stand firm in complying with the terms and conditions of the contracts. The PMO informed that warnings were sent to contractors if the projects were incurring slippages even in the early stage, and discussions with contractors are conducted to resolve the deficiencies. According to the PMO, it was more beneficial to the government if delayed projects (beyond the 15 per cent slippage) would proceed and not terminated. The formal and legal proceedings for ROWs were hard and lengthy resulting in stalled projects, while many landowners readily settle for the compensation of the damages to their crops.
- c. RO No. IV-B Management informed that the previous IMO Manager already sent letter to the insurance company on September 15, 2017, notifying of the liability for failure of the contractor to perform in accordance with the contract with NIA, while the incumbent IMO Manager sent a follow up letter dated February 21, 2022. They also commented that filing of the blacklisting of the defaulting contractor was initiated and found out that the said contractor was already blacklisted by the Philippine Contractors Accreditation Board (PCAB) since 2016.
- d. RO No. V Management explained that there was no allocation for settlement of ROW in CIS projects. Moreover, they assured that calibrated measures, notice of termination, and CTE documentation would be furnished to Auditors once issued.
- e. RO No. VIII Management commented that in then existing guidelines, the NIA Memorandum Circular (MC) No. 64, s. 2016, the ABC and/or unit cost derivation of irrigation projects, CSHP was not required as a separate item of work. CSHP was only under NIA MC No. 176, s. 2020 that prescribes the latest guidelines in the preparation of POWs and ABCs, which was only received by the RO on January 15, 2021. The Eastern Western Samar Irrigation Management Office (EWSIMO) further stated that the POWs of 11 projects with no integrated CSHP were prepared from October to December 2022, under MC No. 64, s. 2016, while POWs of the three projects with integrated CSHP were prepared under MC No. 176, s. 2020, from

January 29 to July 28, 2021. The Northern Samar Irrigation Management Office (NSIMO) Management issued Immediate Notice to all contractors for the proper and constant implementation of safety and health programs and standards.

- f. RO No. IX Management commented that the turnover of projects was sometimes delayed due to the unavailability and schedule of the politician in the area and the inadvertence of failing to attach the related turnover documents of the project. Nevertheless, the projects were utilized, used, and maintained by the IAs, as the maintenance is being subsidized based on Irrigation Management Transfers.

- 7.42. As audit rejoinder, the Audit Teams acknowledged NIA Management's commitment to make necessary actions to address the problems and issues noted in the implementation of the irrigation contracts/projects to protect the interest of the government. Their full compliance shall be monitored in the CY 2022 audit.

#### PROCUREMENT OF INFRASTRUCTURE CONTRACTS

- 8. **The pertinent provisions of RA No. 9184 and its 2016 RIRR were not strictly adhered to in 173 awarded contracts aggregating P1.290 billion posing risk that contracts were awarded to the bidders/contractors who might not be eligible and responsive with the requirements of the contracts, and that NIA was not assured that it has obtained the most advantageous price for the government, in view of the following deficiencies: (a) the eligibility and other documentary requirements for 37 contracts totaling P315.513 million were either lacking, deficient or not at all submitted to the respective Audit Teams; (b) procedures in the conduct of public bidding for 80 contracts costing P963.973 million were not properly observed; and (c) inappropriate procurement modality on the procurement of other supplies and materials for Civil Works, Office Equipment, and Construction Equipment involving 56 contracts amounting to P10.552 million.**

- 8.1. The RA No. 9184, its 2016 RIRR, and other related rules and regulations on procurement were 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.

- 8.2. Section 12.1, Rule V of the 2016 RIRR of RA No. 9184 provides for the functions of the BAC, to wit:

*The BAC shall have the following functions: (a) advertise and/or post the invitation to bid/request for expressions of interest; (b) conduct pre-procurement and pre-bid conferences; (c) determine the eligibility of prospective bidders; (d) receive and open bids; (e) conduct the evaluation of bids; (f) undertake post-qualification proceedings; (g) resolve requests for reconsideration; (h) recommend award of contracts to the HoPE or his duly authorized*

*representative: (i) recommend the imposition of sanctions in accordance with Rule XXIII; (j) recommend to the HoPE the use of Alternative Methods of Procurement as provided in Rule XVI hereof; (k) conduct any of the Alternative Methods of Procurement; (l) conduct periodic assessment of the procurement processes and procedures to streamline procurement activities pursuant to Section 3(c) of this IRR; xxx.*

- 8.3. Audit disclosed that the NIA CAR, RO No. VIII, Upper Pampanga River Integrated Irrigation System (UPRIIS), Chico River Pump Irrigation Project (CRPIP), and seven Irrigation Management Offices (IMOs) awarded 173 contracts with an aggregate contract cost of P1.290 billion, without adhering strictly with the pertinent provisions of RA No. 9184 and its 2016 RIRR, considering the following deficiencies: (a) eligibility and other documentary requirements were either lacking, deficient or not at all submitted to the respective Audit Teams; (b) procedures in the conduct of public bidding were not properly observed; and (c) inappropriate procurement modality in the procurement of other supplies and materials for Civil Works, Office Equipment, and Construction Equipment through Alternative Methods of Procurement. The details of the deficiencies noted are presented in Table 28.

**Table 28 - Deficiencies Noted on Various Awarded Contracts**

Observations	ROs/IMOs/PMOs Involved	Provision(s) of 2016 RIRR of RA No. 9184 not adhered to	No. of Contracts	Contract Amount	Lacking Documents/ Deficiencies/ Remarks
1. Without full compliance with the eligibility requirements and non-submission of other pertinent documentary requirements	NVIMO	Sections 3.1.a.i; 23.1.a.ii; 23.1.a.iii; Sections 4; 37.1.6; and 37.2.3.f	18	P 139,906,835	<ul style="list-style-type: none"> <li>• DTI Business Name Registration or Securities and Exchange Commission (SEC) Registration Certificate</li> <li>• Mayor's Permit/License</li> <li>• Tax Clearance Certificate</li> <li>• Notice of Post-Qualification</li> <li>• Bidding Results posted at NIA websites and Philippine Government Electronic Procurement System (PhilGEPS)</li> <li>• Construction Schedule and S-curve</li> <li>• Construction Methods: Outline of Narrative Description</li> <li>• Manpower Utilization Schedule</li> <li>• Equipment Utilization Schedule</li> <li>• Contractor's CSHP</li> </ul>
-do-	QIMO	Sections 37.1.6, 37.2.3.f, 37.2.3.d, 23.1.a.iii, 17.1.h, 25.2.b.vii, 25.2.b.viii,	16	129,478,243	<ul style="list-style-type: none"> <li>• Construction Schedule and S-curve</li> <li>• Construction Methods: Outline of Narrative Description</li> <li>• Manpower Utilization Schedule</li> <li>• Equipment Utilization Schedule</li> <li>• Contractor's CSHP</li> <li>• Performance Security</li> <li>• Approved POW</li> </ul>



Observations	ROs/IMOs/PMOs Involved	Provision(s) of 2016 RIRR of RA No. 9184 not adhered to	No. of Contracts	Contract Amount	Lacking Documents/ Deficiencies/ Remarks
		25.3, 32.2.1, 32.3, 32.2.2, 23.1.a.i, 23.1.a.ii, 8.5.1, 23.1.a.iv, 23.1.a.vi, 23.1.a.viii, 32.2, 32.3, 34.4			<ul style="list-style-type: none"> <li>• Bidding Results posted at NIA Websites and PhilGEPS</li> <li>• Tax Clearance Certificate</li> <li>• Form of Bid</li> <li>• Bid Security</li> <li>• Contractor's Organizational Chart for the Contract</li> <li>• Contractor's Certification on Key Personnel for the Contract</li> <li>• List of Contractor's Equipment Pledge to the Contract</li> <li>• Affidavit of Site Inspection</li> <li>• Omnibus Sworn Statement</li> <li>• Bill of Quantities (BOQ)</li> <li>• Summary of Bid Prices</li> <li>• Detailed Estimates</li> <li>• Cash Flow by Quarter and Payments Schedule</li> <li>• DTI Business Name Registration or SEC Registration Certificate</li> <li>• Mayor's Permit/License</li> <li>• PhilGEPS Registration</li> <li>• Statement of all on-going government and private construction contracts including contracts awarded but not yet started</li> <li>• Contractor's license</li> <li>• Audited FSs for the past three (3) years, stamped "received" by the BIR or its duly accredited and authorized institutions, showing, among others, the total and current assets and liabilities</li> <li>• Computation of Net Financial Contracting Capacity (NFCC) or a commitment from a licensed bank to extend him a credit line, if awarded the contract [10 per cent of ABC] or as cash deposits certificate issued by licensed bank (10 per cent of ABC)</li> <li>• BAC's Checklist of Technical Envelope Requirements</li> <li>• BAC's Checklist of Financial Proposal Requirements</li> <li>• Abstract of Bids</li> <li>• Bid Evaluation Report</li> <li>• Post-Qualification Report</li> <li>• Notice of Post-Qualification</li> </ul>
-do-	EWSIMO		2	21,944,457	<ul style="list-style-type: none"> <li>• Lacking Dump Truck as one of the required equipment as mentioned in the Bid Data Sheet</li> <li>• No Advance Payment Clause, which is required under Government Procurement Policy Board (GPPB) Circular No. 04-2020</li> </ul>

Observations	ROs/IMOs/PMOs Involved	Provision(s) of 2016 RIRR of RA No. 9184 not adhered to	No. of Contracts	Contract Amount	Lacking Documents/ Deficiencies/ Remarks
					<ul style="list-style-type: none"> <li>Percentage of completion and value of outstanding works of ongoing contracts not indicated</li> <li>In the blacklisting statement, this phrase is lacking: "by itself or by relation, membership, association, affiliation, or controlling interest with another blacklisted person or entity as defined and provided for in the Uniform Guidelines on Blacklisting"</li> <li>Construction Schedule</li> <li>S-Curve</li> <li>Manpower Schedule</li> <li>Construction Methods</li> <li>Equipment Utilization Schedule</li> <li>PERT/CPM</li> </ul>
-do-	NSIMO		1	24,183,554	<ul style="list-style-type: none"> <li>Incurrence of 38.89 per cent negative slippage of Project included in the "List of On-going Government and Private Contracts including Awarded but not yet Started" on the date of opening of bids</li> <li>Joint Venture Agreement</li> <li>Construction Schedule</li> <li>S-Curve</li> <li>Construction Methods</li> <li>CSHP - no approval of the DOLE</li> </ul>
			<b>37</b>	<b>315,513,089</b>	
2. There are procedural lapses in the conduct of public bidding	CAR	Section 23.6	10	397,122,004	<ul style="list-style-type: none"> <li>Management did not thoroughly examine and evaluate the contents of the contractor's bid and non-compliance with the rules and established practices in the conduct of post-qualification proceedings.</li> </ul>
-do-	Palawan IMO		16	117,374,536	<ul style="list-style-type: none"> <li>Late adoption of the latest edition of Philippine Bidding Documents (PBD)</li> </ul>
-do-	RO VIII	1.b, Paragraph 3 Section 23.4.2.4	1	46,975,471	<ul style="list-style-type: none"> <li>Only one partner of Joint Venture submitted a PhilGEPS Certificate of Registration</li> <li>No Single Largest Completed Contract (SLCC) similar to the contract being bid out</li> </ul>
-do-	EWSIMO	Section 20.2	16	111,909,275	<ul style="list-style-type: none"> <li>There is no proof that pre-procurement conference was conducted</li> </ul>
-do-	NSIMO	Section 20.2	6	69,378,340	-do-
-do-	NSIMO		12	90,830,850	<ul style="list-style-type: none"> <li>Print-out on posting of Invitation to Bid (ITB) in the PhilGEPS website</li> <li>Certification by the head of BAC Secretariat that the ITB was posted at a conspicuous place reserved for the</li> </ul>

Observations	ROs/IMOs/PMOs Involved	Provision(s) of 2016 RIRR of RA No. 9184 not adhered to	No. of Contracts	Contract Amount	Lacking Documents/ Deficiencies/ Remarks
					<p>purpose in the premises of the procuring entity for seven calendar days</p> <ul style="list-style-type: none"> <li>• Copy of duly received invitations to COA, duly recognized private sector or discipline relevant to procurement at hand and non-government organization on the procurement activities</li> <li>• Attendance sheet during pre-bid conference and bid opening</li> <li>• Report of the TWG on the Detailed Bid Evaluation for determination of the bidder with Lowest Calculated Bid (LCB)</li> <li>• BAC Resolution declaring the LCB</li> <li>• BAC notification to all the other bidders (losing bidders) of its recommendation of Award of Contract within three calendar days from issuance of resolution</li> <li>• Print-out on posting of Notice of Award in the PhilGEPS website</li> <li>• Certification of the BAC Secretariat of the posting of Notice of Award in any conspicuous place in the premises of the Agency</li> <li>• Print-out on posting of Notice to Proceed and approved contract in the PhilGEPS website</li> </ul>
-do-	NSIMO	Section 21.2.1	4	17,408,734	ITB
-do-	EWSIMO	Sections 13.1, 32.3, 34.4, 37.1.1, 37.1.6 and 37.4.2	9	84,290,244	<ul style="list-style-type: none"> <li>• BAC Resolution declaring the LCB</li> <li>• BAC Resolution Recommending Award of Contract to the bidders with the Lowest Calculated and Responsive Bid (LCRB)</li> <li>• Certification of BAC Secretariat on posting of the Notice of Award in any conspicuous place in the premises of the Agency</li> <li>• Observers from COA, duly recognized private group and non-government organization were invited only during pre-bid conference and bid opening</li> <li>• Other bidders (losing bidders) were not notified of the recommendation of the BAC of award of contract</li> <li>• Notice to Proceed on some contracts were not posted in the PhilGEPS</li> </ul>
-do-	MOMARO IMO	Section 37.1.6 and Item L.2 of Annex "H"	6	28,683,736	Delayed posting of awarded contracts in the PhilGEPS website
			<b>80</b>	<b>963,973,190</b>	

Observations	ROs/IMOs/PMOs Involved	Provision(s) of 2016 RIRR of RA No. 9184 not adhered to	No. of Contracts	Contract Amount	Lacking Documents/ Deficiencies/ Remarks
3. Inappropriate procurement modality	UPRIIS	Sections 54.1, 52.1, 52.2 and 53.9 GPPB NPM No. 061-2007 dated 12/03/2007	42	7,699,169	Procurement of Civil Works and Office Equipment through Shopping and Small Value Procurement instead of public bidding
-do-	QIMO	Section 54.1 GPPB NPM No. 061-2007 dated 12/03/2007	14	2,853,019	Procurement of Construction Equipment through Shopping and Emergency Purchase-Reimbursement instead of public bidding
			<b>56</b>	<b>10,552,188</b>	
<b>Total</b>			<b>173</b>	<b>P1,290,038,467</b>	

Acronyms:

CAR - Cordillera Administrative Region  
CBIMO - Cagayan-Batanes Irrigation Management Office  
CRPIP - Chico River Pump Irrigation Project  
EWSIMO - Eastern-Western Samar Irrigation Management Office  
IMOs – Irrigation Management Offices  
MOMARO - Mindoro Oriental, Marinduque, Romblon  
NPM – Non-Policy Matter  
NVIMO - Nueva Vizcaya Irrigation Management Office  
PMOs – Provincial Management Offices  
QIMO - Quirino Irrigation Management Office  
ROs- Regional Offices  
UPRIIS - Upper Pampanga River Integrated Irrigation Systems

- 8.4. The non-adherence to the pertinent provisions of RA No. 9184 and its 2016 RIRR, and GPPB issuances posed risk that the 173 contracts totaling P1.290 billion were awarded to the bidders/contractors who might not be eligible and responsive with the requirements of the contracts, and the NIA was not assured that it has obtained the most advantageous price for the government.
- 8.5. **We recommended and top Management agreed to require the Regional/Project Managers of ROs and PMOs concerned to:**
- a. **Direct the Bids and Awards Committee (BAC) and its Technical Working Group (TWG) to submit the lacking documentary requirements of 37 contracts to their respective Audit Teams for audit purposes, to avoid suspension of the transactions in audit; and**
  - b. **Comply thoroughly with the following procurement procedures prescribed under RA No. 9184 and its 2016 RIRR to ensure transparency and efficiency in the NIA's procurement activities:**
    - b.1. **Posting of ITB for seven days at any conspicuous place within the premises of the Agency, in accordance with Section 21.2.1(a) of the 2016 RIRR of RA No. 9184;**

- b.2. Posting of Notice of Award and Notice to Proceed in the PhilGEPS, the NIA website, and in any conspicuous place in the premises of NIA within the period required under the 2016 RIRR of RA No. 9184;
- b.3. Sending of invitation to observers, in addition to the representative of COA, to monitor the procurement proceedings, as required under Section 13.1 of the 2016 RIRR of RA No. 9184; and
- b.4. Requiring the contractors to post Performance Security not later than the date of contract signing to be valid until the issuance by NIA to the contractor concerned of the Certificate of Final Acceptance.

8.6. We further recommended that Management require the Regional/Project Managers concerned to stop the practice of any form of splitting of contracts as a way of avoiding the conduct of competitive bidding in compliance with Section 54.1, Rule XVI of the 2016 RIRR of RA No. 9184.

9. In NIA CO and RO Nos. II, VI, VIII and XIII, the Advances to Contractors totaling P1.048 billion on 46 terminated contracts were not recouped within 28 days from termination of the Contracts, contrary to Paragraph 46 of the General Conditions of the Contract (GCC) of the 5th Edition of the PBDs for the Procurement of Infrastructure Projects, due to absence of internal control policies and procedures to ensure that terminated contracts and settlement of balances between the NIA and contractors concerned are completely and timely detected and acted upon. The non-recoupment of the advances resulted in potential loss of funds since some of the contractors could no longer be located and the performance securities posted were already expired.

9.1. Section 4, Annex “E” of the 2016 RIRR of RA No. 9184 states that:

#### 4. ADVANCE PAYMENT

- 4.1. *The procuring entity shall, upon a written request of the contractor which shall be submitted as a contract document, make an advance payment to the contractor in an amount not exceeding fifteen percent (15%) of the total contract price, to be made in lump sum or, at the most, two installments according to a schedule specified in the Instructions to Bidders and other relevant Tender Documents.*
- 4.2. *The advance payment shall be made only upon the submission to and acceptance by the procuring entity of an irrevocable standby letter of credit of equivalent value from a commercial bank, a bank guarantee or a*

surety bond callable upon demand, issued by a surety or insurance company duly licensed by the Insurance Commission and confirmed by the procuring entity.

4.3 The advance payment shall be repaid by the contractor by deducting fifteen percent (15%) from his periodic progress payments a percentage equal to the percentage of the total contract price used for the advance payment. Xxxx [Underscoring supplied]

9.2. Paragraph 46 of the 5<sup>th</sup> Edition of the PBD for the Procurement of Infrastructure Projects requires the agency to recoup advance payments to contractors within 28 days from the date of Notice of Termination on any grounds for termination of the contract, as summarized in Table 29.

**Table 29 - Grounds for Termination of Contracts vis a vis Pertinent Provisions in the PBD for the Procurement of Infrastructure Projects**

Grounds for Termination of Contracts	Para. 46 GCC of the 5th Edition of the PBD for the Procurement of Infrastructure Projects
Termination for Default of Contractor (Section III (A) (2), Annex "I" of the 2016 RIRR, RA No. 9184)	46.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Procuring Entity's Representative shall issue a certificate for the value of the work done and Materials ordered <u>less advance payments received up to the date of the issue of the certificate</u> and less the percentage to apply to the value of the work not completed, as indicated in the Special Conditions of Contract (SCC). If the total amount due to the Procuring Entity exceeds any payment due to the Contractor, the difference shall be a debt payable to the Procuring Entity.
Termination for Insolvency (Section III (C), Annex "I" of the 2016 RIRR, RA No. 9184)	
Termination for Unlawful Acts (Section III (D), Annex "I" of the 2016 RIRR, RA No. 9184)	46.3 The net <u>balance</u> due shall be paid or repaid within twenty eight (28) days from the notice of termination.
Termination for Convenience (Section III (B), Annex "I" of the 2016 RIRR, RA No. 9184)	46.2 If the Contract is terminated for the Procuring Entity's convenience or because of a fundamental breach of Contract by the Procuring Entity, the Procuring Entity's Representative shall issue a certificate for the value of the work done, Materials ordered, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works, and <u>less advance payments received up to the date of the certificate</u> .
Termination by Contractor (Section III (E) (1), Annex "I" of the 2016 RIRR, RA No. 9184)	46.3 The net balance due shall be paid or repaid within twenty eight (28) days from the notice of termination.
	46.4. If the Contractor has terminated the Contract under GCC Clauses 17 or 18, the Procuring Entity shall promptly return the Performance Security to the Contractor.

9.3. Analysis of the Advances to Contractors account showed that NIA was not able to recoup the advances from the contractors concerned totaling P1.048 billion on 46 terminated contracts as shown in Table 30.

**Table 30 - Schedule of Advances to Contractors of Terminated Contracts**

Office/RO	No. of Contracts	Amount	Remarks
CO	17	P 1,002,710,512	Terminated in CYs 2016 to 2019
RO II	7	24,519,217	Terminated in CYs 2011 to 2017
RO VI	9	14,824,836	Terminated in CYs 2016 to 2021
RO VIII	10	3,124,183	Terminated in CYs 2020 to 2021
RO XIII	3	2,363,542	Terminated in CY 2021
	<b>46</b>	<b>P 1,047,542,290</b>	

- 9.4. The non-recoupment of the advances could be attributed to the absence of internal control policies and procedures to ensure that terminated contracts and settlement of balances between the NIA and contractors concerned are completely and timely detected and acted upon.
- 9.5. It would be worth mentioning that Sections 123 and 124 of PD No. 1445 requires government agencies to institute and effect necessary internal control procedures to safeguard assets and records and ensure accuracy of the FSs. In consonance with the said provisions of PD No. 1445 and Executive Order (EO) No. 292, s. 1987, otherwise known as the Administrative Code of 1987, the Department of Budget and Management (DBM) promulgated Circular Letter No. 2008-8 dated October 23, 2008, prescribing the National Guidelines on Internal Control Systems (NGICS). Chapter 3 of the NGICS requires the agencies to institute coordinated methods and measures to check completeness of transaction documents and reports, verification of transactions, and reconciliation of financial and non-financial records between relevant offices.
- 9.6. However, perusal of the NIA's Financial Management Operations Manual, interview with the Accounting Division personnel concerned, and confirmation with the NIA Operations and Engineering Sector revealed that there was no prescribed policy in place to ensure that the Accounting Division is timely informed and furnished with the Notice of Termination of contracts duly approved by the Contract Termination Review Committee (CTRC). The absence of such policy resulted in the non-recoupment of the outstanding advances to contractors despite the termination of the contracts and non-forfeiture of the related performance securities which eventually led to expiration thereof. As admitted by the NIA Management, the enforcement of the collection of long outstanding advances to contractors proved to be difficult because most of the contractors could no longer be located and the performance securities were already expired, hence would no longer be honored by the issuing insurance companies, resulting in loss of government funds.
- 9.7. **We recommended and top Management agreed to:**
- a. **Establish policy to ensure that all Notices of Termination approved by the CTRC are timely communicated/furnished to the Accounting Division, and advances to contractors are**

**recouped within 28 days in compliance with Para. 46, GCC of the 5th Edition of the PBD for the Procurement of Infrastructure Projects; and**

- b. Require the responsible officers and personnel concerned in the CO and ROs to exert all efforts to recoup the advances to contractors on the 46 terminated contracts totaling P1.048 billion, and hold them liable in case of non-recoupment, if warranted.**

9.8. Management provided the following comments:

- a. In CO, the Acting Division Manager of the Accounting Division and the Office of the Deputy Administrator for Engineering and Operations held a meeting to formulate the necessary policies and procedures.
- b. In RO No. II, Management informed that three contractors could no longer be located, and that the issue had been referred to the Legal Office for recoupment.
- c. In RO No. VI, Management committed to issue demand letters to the contractors for settlement of outstanding advances.
- d. In RO Nos. VIII and XIII, Management had referred the issue on unrecouped advances to contractors to the Legal Office.

9.9. As audit rejoinder, the Audit Teams appreciated Management's commitment and initial efforts to comply with the audit recommendations, which shall be continuously monitored in the CY 2022 audit.

#### COMPLIANCE WITH PROPERTY INSURANCE LAW

**10. Insurable PPEs and assets with total cost of P52.594 billion were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS), contrary to the applicable provisions of RA No. 656, as amended, and COA Circular No. 2018-002 dated May 31, 2018; thus, exposing NIA to the risk of non-indemnification or non-compensation in the event of loss or damage to such properties due to fortuitous events and casualty.**

- 10.1. RA No. 656 known as the "Property Insurance Law" dated June 16, 1951, as amended by PD No. 245 dated July 13, 1973, requires all government agencies (except municipal governments below first class category) to insure against any insurable risk their properties, assets, and interests with the GIF, as administered by the GSIS.
- 10.2. Likewise, COA Circular No. 2018-002 dated May 31, 2018 was issued to assist the GSIS in the implementation of RA No. 656, as amended, on the insurance and bonding of risks on insurable government assets and properties with the GIF. Section 5 of the said Circular provides, among others, the following guidelines:



*Heads of government agencies shall direct the pertinent official under his/her supervision to:*

- a. Secure directly from the GSIS GIF, all insurance or bonds covering properties, contracts, rights of action and other insurable risk of their respective offices;*
- b. Prepare the Property Inventory Form (PIF) listing of all the insurable properties and other assets, 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 (RPCPPE), as well as from the Report on the Physical Count of Inventories (RPCI), prepared in accordance with the provision of the Government Accounting Manual (GAM), 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. For this purpose, 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 of each year;*
- f. Include in the agency annual budget the amount of premiums for the general insurance covering all insurable properties and other assets and ensure its payment to the GSIS; and*
- g. Ensure centralized payment of premiums of all assets/property, whether located in the Central/Head Office (C/HO) or Regional/District Offices, Branches and/or Operating Units (R/DOs/Bs/OU) in order to avoid double payment. The Head of the Agency shall issue specific guidelines/instructions to the R/DOs/Bs/OU to submit their respective accurate and updated PIF for consolidation at the C/HO.*

10.3. Also, Section 5.5 of the same Circular provides the penalty clause for such non-compliance, to wit:

*Failure on the part of the agency officials concerned and the GSIS to submit and receive, respectively, the documents and reports mentioned herein, as well as failure of the GSIS underwriting officials to assess the premium due within the timeframe herein prescribed, shall automatically cause the suspension of the payment of their salaries until they shall have complied with the requirements of RA No. 656 and its Implementing Rules and Regulations, as well as the provisions of this Circular.*

- 10.4. Inquiry with NIA Management and analysis of insurance payment transactions revealed that insurable PPE items with total cost of P52.594 billion were not insured with the GIF of the GSIS. Of the total amount of P52.594 billion, P51.890 billion, summarized in Table 31, were not insured due to the non-conduct of physical inventory/count and non-preparation of the RPCPPE by the Inventory Committees of the concerned NIA offices, contrary to Section 5(c) of COA Circular No. 2018-002. In the absence of the RPCPPE, the NIA does not have the basis for the appraisal and preparation of the PIF.

**Table 31 – Composition of PPE Items Without RPCPPE  
As of December 31, 2021**

NIA Office	PPE Class	Acquisition Cost
CO	Water Supply System, Other Land Improvements, Construction and Heavy Equipment, Other Equipment, Other Machinery and Equipment, Other Transportation Equipment, Disaster Response and Rescue Equipment, Leased Asset, Machinery and Equipment, Books, ICT Equipment, Military, Police and Security Equipment, Furniture and Fixtures	P13,808,130,792
CO-CMIPP	Water Supply System, Road Networks, Power Supply System	33,750,000,000
RO III	Infrastructure Assets Irrigation System, Land Improvements, Buildings and Improvements, Construction in Progress - Infrastructure Assets	4,331,676,313
<b>Total</b>		<b>P51,889,807,105</b>

CMIPP – Casecan Multi-purpose Irrigation and Power Project

- 10.5. Further, out of the insurable assets totaling P52.594 billion, PPEs costing P704.574 million (Table 32) of seven ROs with respective RPCPPEs were not insured with the GIF of the GSIS, contrary to the above-mentioned law and COA Circular.

**Table 32 - Insurable Assets without GSIS Insurance Coverage in CY 2021**

RO	Insurable Assets	Amount
RO I	Building	P 45,153,004
RO II - CBIMO	Building	46,857,578
RO III	Various	227,874,160
RO IV-A	Building, Motor Vehicles, Construction and Heavy Equipment	83,826,436
RO V	Various	150,093,811
RO VI	Buildings and Other Structures, Construction and Heavy Equipment and Machineries	113,886,279
RO XIII	Transportation Equipment, Buildings and Other Structures, Construction and Heavy Equipment	36,882,479
		<b>P704,573,747</b>

CBIMO - Cagayan-Batanes Irrigation Management Office

- 10.6. Management of NIA Offices concerned explained that the causes/factors of non-implementation of the requirement on the insurance and bonding of risks on insurable government assets and properties with the GIF of the GSIS were attributed to the following:
- a. In RO No. I, no budget was allotted for the insurance of the buildings totaling P45.153 million. The four office buildings used as field offices located in Tagudin, Sta. Lucia, Cabugao and San Juan, Ilocos Sur and a pumping station located in San Mariano, Bantay, Ilocos Sur were not included in the PIF due to absence of supporting documents, thus excluded in the listing of insurable assets.
  - b. In RO No. II – CBIMO, the office buildings and other structures of the IMO and various Irrigation Systems totaling P46.858 million were not subjected to insurance due to damages from different calamities. Management explained that the old buildings did not have any electrical plans which are needed by the GSIS to process the insurance coverage; hence, the RO is planning to have renovations on these structures.
  - c. RO No. III informed that they have submitted to the GSIS various property insurance applications for various buildings and structures costing P9.869 million which are still pending as of December 31, 2021 with the latter for assessment of corresponding insurance premiums.
  - d. In RO No. IV-A, the total amount of assessment of all insurable properties was not determined by the GSIS due to non-submission of complete PIF for CY 2021.
  - e. In RO No. VI, the Property Officer was not able to prepare the required PIF as he is new to the position and is not aware of the submission thereof to the GSIS.
  - f. In RO No. XIII, some of the insurable properties were not yet insured in the absence of funding for the insurance coverage. The RO is still requesting budget from the NIA CO. Also, some Transportation Equipment under NISRIP could not be insured as the pertinent documents are still with the CO or in the field offices.
- 10.7. It is emphasized that absence of insurance coverage for all insurable assets exposed the Agency to risk of non-indemnification or non-compensation in case of losses or damages due to fortuitous events and other casualty.

10.8. **We recommended that top Management:**

- a. **Require the Inventory Committees in the CO, CMIPP and RO No. III to complete the physical/inventory count of all PPEs and prepare the corresponding RPCPPE, as basis in the accomplishment of the PIF for submission to the GSIS;**
- b. **Allocate funds/budget yearly for the insurance of all the insurable PPEs and assets of NIA in the CO, ROs and PMOs in compliance with RA No. 656, as amended;**
- c. **Instruct all personnel concerned to prepare the PIF annually to ensure that the insurable assets of NIA will be covered by insurance with the GIF of the GSIS; and**
- d. **Impose sanctions for non-compliance as duly provided under Section 5.5 of COA Circular No. 2018-002, if warranted.**

**GENDER AND DEVELOPMENT (GAD)**

**11. The existing rules and regulations on GAD were not fully complied with by the NIA in view of the following:**

- a. **GAD Agenda, as the NIA's strategic framework and plan on gender mainstreaming and achieving women's empowerment and gender equality, is not prepared yet by the Agency, thus, existing priority gender-issues and/or specific GAD mandates and targets of the NIA may not have been completely identified and addressed;**
- b. **NIA was not able to secure an endorsement from the Philippine Commission on Women (PCW) for its Fiscal Year (FY) 2021 GAD Plan and Budget (GPB) as it did not resubmit the revised GPB to the PCW and, likewise it was not able to submit final GAD Accomplishment Report (AR) to the PCW for review; thus, there was no assurance that the planned and implemented programs, activities, and projects (PAPs) were GAD-related and responsive to the gender issues of the NIA and its clients; and**
- c. **The Agency reported implementation of only 41 out of 117 GAD-related PAPs and the utilization of budget of only P259. 694 million or 7.997 per cent of the P3.247 billion GAD funds for FY 2021, depriving the targeted beneficiaries of the benefits expected from the planned GAD PAPs;**

**11.1. Section 2, RA No. 9710, known as the Magna Carta of Women (MCW), provides the declared policy of the Government on GAD, viz.:**

*Recognizing that the economic, political, and sociocultural realities affect women's current condition, the State affirms the role of women in nation building and ensures the*

*substantive equality of women and men. It shall promote empowerment of women and pursue equal opportunities for women and men and ensure equal access to resources and to development results and outcome. Further, the State realizes that equality of men and women entails the abolition of the unequal structures and practices that perpetuate discrimination and inequality. To realize this, the State shall endeavor to develop plans, policies, programs, measures, and mechanisms to address discrimination and inequality in the economic, political, social, and cultural life of women and men xxx.*

- 11.2. The PCW, National Economic and Development Authority (NEDA) and DBM issued Joint Circular No. 2012-01 to provide mechanics for the development of GAD-related PAPs, and guidelines for the preparation of the annual GPB and GAD AR to implement the MCW. Pertinent portions of which state that:

- 2.3 *Pursuant to the MCW and the General Appropriations Act (GAA), all government departments, including their attached agencies, offices, bureaus, state universities and colleges (SUCs), government-owned and controlled corporations (GOCCs), local government units (LGUs) and other government instrumentalities shall formulate their annual GPBs within the context of their policies, programs and projects. GAD Planning shall be integrated in the regular activities of the agencies, the cost of implementation of which shall be at least five per cent (5%) of their total budgets. The computation and utilization shall be implemented in accordance with the specific guidelines provided therein.*

Xxxx

6.0 **COSTING AND ALLOCATION OF THE GAD BUDGET**

- 6.1 *At least five per cent (5%) of the total agency budget appropriations authorized under the annual GAA shall correspond to activities supporting GAD plans and programs. The GAD budget shall be drawn from the agency's maintenance and other operating expenses (MOOE), capital outlay (CO), and personal services (PS). It is understood that the GAD budget does not constitute an additional budget over an agency's total budget appropriations.*

- 11.3. Audit of the Agency's implementation of GAD for FY 2021 revealed the following observations:

*GAD Agenda, as the NIA's strategic framework and plan on gender mainstreaming and achieving women's empowerment and gender equality, is not prepared yet by the Agency, thus, existing priority gender-issues and/or specific GAD mandates and targets of the NIA may not have been completely identified and addressed*

- 11.4. Section 4 of PCW MC No. 2018-04 dated September 19, 2018, provides that the GAD Agenda is a two-part document consisting of the GAD Strategic Framework (GADSF) and the GAD Strategic Plan (GADSP). The GADSF outlines the agency's GAD Vision, Mission and Goals anchored on the mandate of the agency, while GADSP defines the strategic interventions, indicators, and targets to be pursued to achieve GAD goals over a period of time. The timeframe of the GAD Agenda is six years.
- 11.5. As mentioned under Section 5 of PCW MC No. 2018-04, the steps in formulating the GAD Agenda include organizing the planning team; conducting gender analysis; setting the Agency's GAD Vision and Mission; formulating the GAD goals; prioritizing Gender Issues and/or GAD Mandates per GAD Goal; outlining the GAD Outcomes, Indicators, Baseline Data, and targets per GAD Goal; and translating the GAD Outcomes into GAD PAPs. The head of agency shall approve the GAD Agenda and issue a policy ensuring its implementation by the agency's sub-units.
- 11.6. For monitoring and evaluation, a review after three years and an end-term evaluation of the GADSF and GADSP shall be conducted by the GFPS and reports shall be prepared and submitted to PCW. The three-year progress report shall reflect the status of accomplishments based on the analysis of the desired results and outcomes, as well as variances. The end-term report shall reflect the overall assessment of the implementation of the GAD Agenda based on the goals and desired results/outcomes. It shall also reflect the variances, including unintended results, and the reasons for such, as well as the recommendations and lessons learned. The result of the evaluation may serve as basis in formulating the GAD Agenda for the next planning period.
- 11.7. Inquiry with the NIA GAD Committee Chairperson revealed that in CY 2021, the NIA was able to organize the GAD Agenda Committee and partially initiated the conduct of gender analysis. However, because of the restrictions on personnel transportation, limitations on face-to-face conferences, and reduced capacity due to skeletal workforce arrangements brought about by the COVID-19 pandemic, the NIA GAD Committee was not able to secure the representation and participation of ROs and PMOs to complete the formulation of the GAD Agenda in a participatory, consultative and inclusive process. Hence, the NIA was not able to complete its preparation of GAD Agenda and consequently the Agency:

- a. Was not able to ensure that agency-specific priority gender-issues are completely identified and addressed;
- b. Does not have a monitoring and evaluation framework for assessing GAD results and outcomes that shall be the basis for strengthening the mainstreaming of a GAD perspective in the Agency's operations and programs; and
- c. Does not have an assurance that its annual GPB addresses agency-specific priority gender-issues, and reflects aligned and consistent gender issues, indicators, targets, activities, and budget to achieve longer term results.

*NIA was not able to secure an endorsement from the PCW for its FY 2021 GPB as it did not resubmit the revised GPB to the PCW and, likewise it was not able to submit final GAD AR to the PCW for review; thus, there was no assurance that the planned and implemented PAPs were GAD-related and responsive to the gender issues of the NIA and its clients*

11.8. Items 1.2.5.1, 1.2.5.2 and 1.2.5.3 of PCW MC No. 2020-05 dated September 11, 2020, on the preparation and online submission of FY 2021 GAD GPB, provide that:

*1.2.5.1 PCW shall endorse the FY 2021 GPB if (1) the minimum five percent (5%) GAD Budget requirement has been met, and (2) the agency has complied with all the requested revisions (if any) in the GPB within the prescribed deadline.*

*1.2.5.3 For GPBs that have been returned by PCW for revision or enhancement, agencies may revise and resubmit their GPB twice to PCW to comply with the requirements requested for the plan's endorsement. On the third round of the submission of the GPB, PCW shall make the final decision as to the GPB's endorsement or non-endorsement.*

*1.2.5.3 PCW-endorsed GPBs shall be authenticated by the Gender Mainstreaming Monitoring System (GMMS) with a QR Code. Agencies shall print the PCW-endorsed GPB for signature of their agency head, and disseminate the signed copy to their concerned units. Agencies shall furnish their respective Commission on Audit (COA) Audit Team a copy of their signed GPB within 5 working days from its endorsement.* [Underlining supplied]

- 11.9. Likewise, Item 8.2 of the PCW-NEDA-DBM Joint Circular No. 2012-01 on the Guidelines for the Preparation of Annual GPBs and GAD ARs to implement the MCW, states that:

*The GFPS [GAD Focal Point System] of the agency shall review all submitted GPBs and as needed, provide comments or recommendations for revision. **Agency review of GPBs shall focus on the alignment of the GAD plan with the GAD agenda and the correctness and alignment of the entries in each column of the GPB template, e.g. if the proposed activities respond to the identified gender issue or cause of the issue, the issues are correctly identified or formulated, if there are clear indicators and targets, if the proposed budget is realistic, if the number of proposed activities are doable within the year, among others.** The GFPS shall then submit the final GPBs and the corresponding GAD ARs to PCW for review and endorsement to DBM. [Emphasis and underlining supplied]*

- 11.10. Moreover, Section 1.0 of PCW MC No. 2021-06 dated December 10, 2021, states that the deadline of preparation and submission of the FY 2021 GAD AR through the GMMS was on March 18, 2022.
- 11.11. The GAD Committee Chairperson furnished the Audit Team a copy of NIA's FY 2021 Annual GPB on May 17, 2022. Review of the said GPB revealed that it was not endorsed by the PCW considering that it was not certified authenticated by the GMMS with a QR code. Also, it was not signed by the NIA Administrator (Agency Head), contrary to Item 1.2.5.3 of PCW MC No. 2020-05.
- 11.12. It was noted that the NIA submitted its GAD AR for FY 2021 through the PCW GMMS on March 17, 2022; however, the Agency was not able to submit its final GAD AR for FY 2021, contrary to Section 1 of PCW MC No. 2021-06.
- 11.13. In view of the inability of the NIA to obtain a PCW-endorsed FY 2021 GPB and submit the corresponding final GAD AR, there was no assurance that the planned and implemented PAPs for CY 2021 were GAD-related and responsive to the gender issues of the NIA and its clients.

*Only 41 out of 117 identified GAD-related PAPs were implemented and only P259.694 million or 7.997 per cent of the P3.247 billion allocated GAD funds for FY 2021 were expended*

- 11.14. Through NIA Office Circular No. 10, s. 2021 dated May 14, 2021, the Agency constituted its GAD Committee. For FY 2021, the NIA's approved Corporate Operating Budget (COB) amounted to P38.553 billion, of which P3.247 billion or 8.42 per cent was allocated for the implementation of GAD PAPs, breakdown in Table 33.



**Table 33 - GAD-Related PAPs and Budget for FY 2021**

<b>GAD PAPs</b>	<b>No. of Activity</b>	<b>GAD Budget</b>
Client-focused	41	P 25,279,417
Organization-focused	36	41,725,463
Attributed program	40	3,180,374,795
<b>Total</b>	<b>117</b>	<b>P3,247,379,675</b>

- 11.15. Comparison of the GPB for FY 2021 vis-à-vis the GAD AR showed that out of the 117 planned/identified GAD-related PAPs with total budget of P3.247 billion, only 41 PAPs were implemented amounting to P259.694 million, or only 7.997 per cent of the allocated funds, while 76 planned GAD PAPs with total budget of P2.988 billion were not implemented, as summarized in Table 34.

**Table 34 - Comparison of FY 2021 GPB vis-à-vis GAD AR**

<b>GAD PAPs</b>	<b>Per GPB</b>		<b>Per GAD AR</b>		<b>Variance</b>	
	<b>No. of Activity</b>	<b>GAD Budget</b>	<b>No. of Activity</b>	<b>GAD Expenses</b>	<b>No. of Activity</b>	<b>Amount</b>
Client-focused	41	P 25,279,417	8	P 1,759,876	33	P 23,519,542
Organization-focused	36	41,725,463	13	8,520,227	23	33,205,236
Attributed program	40	3,180,374,795	20	249,413,793	20	2,930,961,002
	<b>117</b>	<b>P3,247,379,675</b>	<b>41</b>	<b>P259,693,896</b>	<b>76</b>	<b>P2,987,685,780</b>

- 11.16. The non-implementation of the planned 76 GAD PAPs and low utilization of the GAD funds for FY 2021, deprived the targeted beneficiaries of the benefits expected from the GAD PAPs.

- 11.17. **We recommended and top Management agreed to direct the GAD Committee of NIA to:**

- a. **Consider tapping the assistance of the PCW in formulating and finalizing the NIA's six-year GAD Agenda in accordance with PCW MC No. 2018-04;**
- b. **Submit the GPB and the GAD AR for the NIA within the prescribed deadline set by the PCW and communicate constantly with the latter and monitor its review of the GPB in the GMMS, to obtain a PCW-endorsed GPB annually; and**
- c. **Ensure that all the GAD PAPs outlined in the succeeding annual GPBs be fully implemented to address the gender issues of the Agency.**

## COMPLIANCE WITH TAX LAWS

12. **The Agency did not remit to the BIR the total amount of P79.382 million representing taxes withheld in prior years and in CY 2021, contrary to pertinent BIR regulations and depriving the National Government of additional revenue for its various programs and projects.**

- 12.1. Item II (1) I of BIR Revenue Memorandum Order (RMO) No. 8-2003 dated March 3, 2003, states that:

1. *The following government officials are personally charged with the duty to correctly withhold taxes on compensation, expanded and final withholding tax as well as government money payments to persons registered as Non-VAT (percentage, franchise, etc.) and VAT taxpayers and the timely remittance of taxes withheld:*

Xxxx

- c. *Government Owned or Controlled Corporations (GOCC) – Heads of Offices (officials holding the highest position) and Chief Accountants or other persons holding similar positions officially designated as such by the head of offices. Xxxx*

- 12.2. Likewise, Item B (4) of BIR Revenue Memorandum Circular (RMC) No. 23-2012 dated February 14, 2012 reiterated such responsibility, viz.:

- B. *RESPONSIBILITIES OF THE GOVERNMENT OFFICIALS / EMPLOYEES AS WITHHOLDING AGENTS.*

*The aforesaid government officials/employees have the following duties and obligations as withholding agents:*

Xxxx

4. *To remit on time taxes withheld. The responsible officials and employees, as withholding agents, should see to it that taxes withheld are accordingly remitted on or before their due dates using the prescribed monthly / quarterly withholding tax remittance returns, together with other attachments, where applicable xxxx*

- 12.3. Verification disclosed that the NIA had not fully complied with the regulations of the BIR on the withholding and remittances of taxes. In 14 NIA offices, of the total unremitted taxes of P139.521 million as of December 31, 2021 pertaining to prior and current years, only P60.139 million were remitted in January 2022, leaving a balance of P79.382 million unremitted taxes. Details are shown in Table 35.

**Table 35 - Computation of Unremitted Withholding Taxes in 14 NIA Offices**

NIA Office	Unremitted Withholding Taxes as of December 31, 2021	Remittances made in January 2022	Breakdown of Unremitted Balance		
			Current Year	Prior Year	Total
CAR	P 7,881,347	P 1,835,858	P -	P 6,045,489	P 6,045,489
RO II	19,150,242	19,106,316	-	43,926	43,926
RO II-NVIMO	1,964,302	1,844,530	119,772	-	119,772
RO II- QIMO	1,078,254	-	1,078,254	-	1,078,254
RO III	21,171,772	-	21,171,772	-	21,171,772
RO V	21,326,563	15,633,779	-	5,692,784	5,692,784
RO VI	2,821,603	2,102,272	-	719,331	719,331
RO VIII	7,312,936	-	7,312,936	-	7,312,936
RO IX	11,018,392	-	11,018,392	-	11,018,392
RO X	5,759,808	-	5,759,808	-	5,759,808
RO X-NIS RIP	170,105	-	6,886	163,219	170,105
RO XIII	20,617,708	16,787,774	-	3,829,934	3,829,934
MARIIS	4,166,305	2,828,791	108,781	1,228,733	1,337,514
UPRIIS	15,081,667	-	15,081,667	-	15,081,667
<b>Total</b>	<b>P139,521,004</b>	<b>P60,139,320</b>	<b>P61,658,268</b>	<b>P17,723,416</b>	<b>P79,381,684</b>

- 12.4. The details and delay of remittance could not be determined due to absence of aging schedules and pertinent documents.
- 12.5. According to Management, the causes, among others, of the unremitted balances per records could be attributed to wit:
- In RO No. III, a net discrepancy of P37,359.31 was noted during the review of the taxes withheld and the corresponding remittances pertaining to the three funds: (a) a net under remittance of P3,712.14 for fund Locally Funded Projects (LFPs); (b) a net under remittance of P47,757.88 for COB fund; and (c) a net over remittance of P14,110.71 for Comprehensive Agrarian Reform Project (CARP) Fund.
  - In RO No. V, the unremitted balance was allegedly due to the timing difference. Additionally, taxes withheld by RO amounting to P68,463.64 from the payment of Cagbacong CIP on October 31, 2021 remained unremitted to date because the Fund 101 from which the withholding was made was already closed, and the remaining cash balance was already remitted to the Bureau of the Treasury.
- 12.6. The non-observance of Item II (1) (c) of BIR RMO No. 8-2003 and Item B (4) of BIR RMC No. 23-2012 might subject those concerned NIA personnel to the corresponding penalties, while non-remittance of taxes deprives the National Government of additional revenue for its various programs and projects.
- 12.7. **We recommended that top Management require the NIA officials and personnel concerned to cause the immediate remittance of the taxes to the BIR.**

**COMPLIANCE WITH RA NO. 8291, GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) LAW**

13. NIA substantially complied with Section 14.1 of the IRR of RA No. 8291, which provides that each government agency shall remit directly to the GSIS the employees' and government agency's contributions within the first 10 days of the calendar month following the month to which the contributions apply.

**COMPLIANCE WITH RA NO. 10606, NATIONAL HEALTH INSURANCE ACT**

14. NIA considerably complied with the requirements of RA No. 10606 in deducting and remitting the premium contributions (employees' and employer's shares) to the Philippine Health Insurance Corporation.

**COMPLIANCE WITH RA NO. 9679 (PAG-IBIG)**

15. In accordance with the requirements of RA No. 9679, NIA properly deducted the Pag-IBIG fund contribution and payment of loans from the salaries of the officials and employees.

**SUMMARY OF AUDIT SUSPENSIONS, DISALLOWANCES, AND CHARGES**

16. As of December 31, 2021, the total unsettled suspensions, disallowances and charges for all funds amounted to P1.372 billion, P4.176 billion, P2.466 million, respectively. In addition, there is unsettled audit suspension of USD3.864 million under General Fund. The summary of unsettled suspensions, disallowances and charges at year-end is shown in Table 36, while the details and status are presented in **Appendix A**, Part IV of this Report.

**Table 36 - Unsettled Audit of Suspensions, Disallowances and Charges**

NIA Offices	Beginning Balance, January 01, 2021	Issuances CY 2021	Compliance/ Settlements CY 2021	Ending Balance, December 31, 2021
<b>I. Suspensions</b>				
CO	P 1,040,339,321	P -	P -	P 1,040,339,321
CAR	99,727,328	-	-	99,727,328
I	10,076,547	-	7,744,004	2,332,543
II	67,996,694	36,719,427	73,409,516	31,306,605
V	9,668,929	-	-	9,668,929
VI	18,666,256	-	-	18,666,256
VII	1,158,000	-	-	1,158,000
VIII	777,329	55,920,903	715,311	55,982,921
IX	21,698,366	3,253,797	539,132	24,413,031
X	116,151,115	13,681,800	44,864,344	84,968,571
XI	-	8,656,896	8,656,896	-
XIII	4,274,366	90,500	1,017,509	3,347,357
<b>Total</b>	<b>P 1,390,534,251</b>	<b>P118,323,323</b>	<b>P136,946,712</b>	<b>P 1,371,910,862</b>
<b>CO</b>	<b>USD 3,863,967</b>	<b>-</b>	<b>-</b>	<b>USD 3,863,967</b>

<b>NIA Offices</b>	<b>Beginning Balance, January 01, 2021</b>	<b>Issuances CY 2021</b>	<b>Compliance/ Settlements CY 2021</b>	<b>Ending Balance, December 31, 2021</b>
<b>II. Disallowances</b>				
CO	P 2,550,789,212	P 798,334,727	P -	P 3,349,123,939
CAR	22,208,163	38,527	956,672	21,290,018
I	28,745,973	-	7,126,601	21,619,372
II	145,782,980	370,260	1,489,843	144,663,397
III	262,947,755	-	1,604,680	261,343,075
IVA	10,730,345	-	1,472,250	9,258,095
IVB	18,243,066	-	-	18,243,066
V	13,423,367	236,214	-	13,659,581
VI	74,979,448	17,321	337,767	74,659,002
VII	23,016,848	345,950	-	23,362,798
VIII	40,524,192	55,948,273	12,000	96,460,465
IX	12,144,579	-	-	12,144,579
X	48,756,613	6,060,730	2,295,259	52,522,084
XI	30,470,167	3,708,908	-	34,179,075
XII	12,914,529	-	621,079	12,293,450
XIII	31,570,935	-	-	31,570,935
<b>Total</b>	<b>P 3,327,248,172</b>	<b>P 865,060,910</b>	<b>P 15,916,151</b>	<b>P 4,176,392,931</b>
<b>III. Charges</b>				
CO	P 1,200,000	P -	P -	P 1,200,000
CAR	128,375	-	-	128,375
I	189,892	-	-	189,892
II	10,660	-	10,660	-
VI	10,244	-	-	10,244
X	946,621	-	11,612	935,009
XIII	2,745	-	-	2,745
	<b>P 2,488,537</b>	<b>-</b>	<b>P 22,272</b>	<b>P 2,466,265</b>

- 16.1. **We recommended that Management vigorously enforce the settlement/collection of the outstanding disallowances and charges especially those that have become final and executory by regularly sending demand letters to the persons liable.**

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

Of the 120 audit recommendations embodied in prior years' Annual Audit Reports (AARs), 15 were fully implemented, 24 were partially implemented and 81 were not implemented, details as follows:

[illegible]

Reference	Observations	Recommendations	Actions Taken / Comments
	in the Financial Statements (FS).	<p>a.3. Coordinate with the PrD on the reconciliation of records, cause the immediate verification of the nature of the unreconciled balances so as to provide details that would lead to its proper disposition, and submission of reconciliation report;</p> <p>a.4. Exert efforts to coordinate with the proper office/s in order to complete the documentation necessary to reclassify the CIP account to appropriate PPE accounts;</p> <p>a.5. Refrain from recording non-infrastructure PPE items to CIP account and henceforth, adjust these transactions to the appropriate accounts.</p> <p>a.6. Effect the necessary adjustments after conducting analyses on the PPE items with abnormal negative balances;</p>	<p>Not Implemented.</p> <p>Not Implemented.</p> <p>Partially Implemented.</p> <p>Fully Implemented.</p> <p>The total adjustments of P35.059 million were recognized through JEV Nos. 101-21-07-012 and 102-21-06-022.</p>

Reference	Observations	Recommendations	Actions Taken / Comments
		a.7. Derecognize the carrying amount of the replaced parts of irrigation facilities that have undergone rehabilitation/repairs/improvement in Magat River Integrated Irrigation System (MARIIS) pursuant to Paragraph 85 of IPSAS 17 and dispose the unserviceable properties pursuant to Section 79 of PD No. 1445 and derecognize the same from the books pursuant to Paragraph 82 of IPSAS 17; and	Not Implemented.
		a.8. Provide the necessary disclosures of the PPE account in the Notes to FSs;	Not Implemented.
		b. Instruct the Property Officers of the CO and ROs concerned to maintain and regularly update property records for all PPE items and ensure the reconciliation of the same with the accounting records;	Not Implemented.
		c. Require the E/OD to regularly submit project completion report and turnover documents of all completed projects to the AD/S for proper	Not Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
		recording in the books; and	
		d. Instruct the Inventory Team/Committee to:	
		d.1. Conduct complete inventory count of all PPE items to establish the actual existence thereof and include the same in the Report on the Physical Count of Property, Plant and Equipment (RPCPPE); and	Not Implemented.
		d.2. Exert efforts to locate and account the properties not counted and not included in the RPCPPE; otherwise, require the accountable officers to pay the amount equivalent to the replacement cost of the item/s.	Not Implemented.
AO No. 2, Page 65	The reliability of the Cash and Cash Equivalents account balance of P6.621 billion as of December 31, 2020 could not be ascertained due to significant variances between the book and confirmed bank balances aggregating P15.821 million in RO Nos. VIII, X, V and XIII which were caused by, among others: (a) existence of abnormal/negative balances amounting to P78.966 million; (b) delayed or non-preparation of 64 Bank	We recommended that Management require the AD/S of concerned ROs to:	
		a. Assign personnel to be directly responsible in the analysis of book and bank reconciling items and prepare corresponding accounting entries, if warranted;	Not Implemented.
		b. Review the negative balances and prepare the correcting entries; if necessary;	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	Reconciliation Statements (BRSs); and (c) non-preparation of SLs for 12 bank accounts and variance of P42.825 million existed between the RO and IMO records in RO No. IX. Also, information in SLs in RO No. XIII were inadequate.	c. Prepare and submit BRSs and other supporting documents within the prescribed period in compliance with Section 5 of the GAM, Volume I; and  d. Prepare SLs with adequate information in RO No. XIII to facilitate reconciliation of records. In addition, reconcile the variance between the RO and ZDIMO records of RO No. IX to ensure accuracy of account balances.	Not Implemented.  Not Implemented.
AO No. 3, Page 68	The outstanding balances of Accounts Payable (A/P), Guaranty/Security Deposits Payable (G/SDP), and Other Payable (O/P) accounts of P6.484 billion, P2.451 billion and P2.191 billion, respectively, as at year-end could not be relied upon due to, among others: (a) existence of dormant and long outstanding payable accounts without supporting documents aggregating P317.925 million, (b) negative/abnormal account balances accumulating to P293.608 million, and (c) accounts amounting to P77.533 million were not duly supported with subsidiary records (Su/Rs) and Aging Schedules.	We recommended that Management instruct the Regional Accountants concerned to:  a. Review, analyze and reconcile the transactions and balances of payable accounts and effect the necessary accounting/adjusting entries to reflect their correct balances;  b. Revert the long-outstanding payables accounts which are not supported with documents; and	Partially Implemented.  A total of P292 million out of P293.608 million abnormal / negative balances had been adjusted in the books.  Partially Implemented.  A total of P286.052 million out of P317.925 million dormant and long outstanding payable accounts had been adjusted in the books.

[illegible]

Reference	Observations	Recommendations	Actions Taken / Comments
		the write off of the accounts of more than 10 years following the guidelines provided under COA Circular No. 2016-005 as well as long outstanding receivables which collectability is futile; and	
		c. Continue to analyze the abnormal/negative balances and prepare the necessary adjustments, if warranted.	Not Implemented.
<u>Other Observations</u> No. 5, Page 75	Several documentary requirements for 841 awarded contracts aggregating P6.579 billion in nine ROs, MARIIS and Chico River Pump Irrigation Project (CRPIP) were lacking while other required documents submitted to their respective COA Audit Teams as at year-end were deficient. In addition, the issuance of bid and performance security (PS) before signing of the contract, procurement timelines and certain procedures in the post-qualification evaluation of winning bidders were not thoroughly compliant with the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184 and Government Procurement Policy Board Manual of Procedures for the Procurement of Infrastructure Projects.	We recommended that Management direct the:  a. Bids and Awards Committee (BAC) and its Technical Working Group (TWG) of ROs, MARIIS and CRPIP concerned to submit the lacking documentary requirements to their respective COA Audit Teams for audit purposes, in compliance with the RIRR of RA No. 9184; and  b. Likewise, comply thoroughly with the following procurement procedures prescribed under the afore-cited law to ensure transparency and efficiency in the Corporation's procurement activities:	Fully Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
		b.1 Authorizations / permits to enter or proofs of acquisition of ROW are obtained prior to awarding of contract;	Fully Implemented.
		b.2 Posting of Invitation to Bid for seven days at any conspicuous place in accordance with Section 21.2.1(a) of the RIRR of RA No. 9184;	Fully Implemented.
		b.3 Notice of Award (NOA) and Notice to Proceed (NTP) are timely posted in the PhilGEPS, the NIA website, and in any conspicuous place in the premises of NIA within the period required under the 2016 RIRR of RA No. 9184; and	Fully Implemented.
		b.4 Post PS not later than the date of contract signing and valid until the issuance by NIA of the Certificate of Final Acceptance.	Fully Implemented.
	We further recommended that the BAC/TWG of ROs concerned to ensure the following:		
		a. Procurement be in accordance with the approved Annual Procurement Plan;	Fully Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
	Costs (FUCQC) for the reported completed projects/contracts totaling P923.970 million, among others. Thus, the enjoyment of the farmer-beneficiaries of the timely benefits that should have been derived from the irrigation projects were affected.	<p>currently hampering/ delaying the completion of the projects;</p> <p>b.2 Turn over immediately the operations and maintenance of all completed and operational communal irrigation projects to the IAs concerned duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the NIA ROs and the IAs concerned;</p> <p>b.3 Ensure that a thorough inspection and validation of the actual accomplishments on all infrastructure projects submitted for progress billing is conducted, and the project's work accomplishments are properly evaluated based on the approved plans and specifications before the projects are accepted;</p>	<p>Not Implemented.</p> <p>Not Implemented.</p>

Reference	Observations	Recommendations	Actions Taken / Comments
		b.4 Ensure that a regular monitoring and supervision as well as timely inspection and preparation of the FUCQC are being conducted for completed projects/ contracts to avoid further delay in the implementation of projects; and	Not Implemented.
		b.5 Facilitate the completion and submission of the necessary documents, i.e., Project Completion Reports and Operations and Monitoring Manual of the physically completed and turned over of MINSAAD projects under the CARP to fully close the projects;	Not Implemented.
		c. Require the AD/S of the CO and ROs/Irrigation Management Offices (IMOs) concerned to immediately impose liquidated damages to contractors that fail to complete the works within the specified contract time, ensure that payments for infrastructure projects are duly supported with complete documentation, and strictly implement the withholding of 10 per	Not Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
		cent retention money from the payments of infrastructure projects pursuant to the Government Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects, Volume 3;	
		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 and initiate the immediate take over process of the terminated projects to facilitate its completion;	Not Implemented.
		e. File appropriate charges against erring/defaulting contractors; and	Not Implemented.
		f. Require the contractors to regularly submit progress billings and status of work accomplishments as allowed under the contract.	Not Implemented.
AO No. 7, Page 94	Accounts Receivable - Irrigation Service Fees (ISFs) which consist of loans, past due accounts and penalties of farmers and irrigators association totaling P3.605 billion were condoned and written-off in	We recommended and Management agreed to require the Regional Irrigation Managers (RIMs) and Accountants concerned to submit to the COA Audit Teams the Registries and other	Not Implemented.  Updated and reiterated in Part II – Observation and Recommendation No. 5 of this Report.

Reference	Observations	Recommendations	Actions Taken / Comments
	the books of RO Nos. III, V, X and VIII without complete documentary requirements provided in Sections 4.2 and 4.3 of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 10969 and Section 111(1) of Presidential Decree (PD) No. 1445.	required supporting documents to support the condonation and writing-off of AR-ISF accounts; otherwise, reinstate/restore in the books the condoned and written-off accounts that are not compliant with the requirements of IRR of RA No. 10969 and Section 111(1) of PD No. 1445.	
AO No. 8, Page 97	Insurable properties in seven ROs totaling P652.551 million were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS) contrary to Republic Act (RA) No. 656 (as amended), Administrative Order (AO) No. 33 and COA Circular No. 2018-002, respectively, thus exposing NIA to risk of non-indemnification or non-compensation in case of loss or damage caused by natural or man-made calamity.	<p>We reiterated our previous year's audit recommendations and Management agreed to instruct the RIMs concerned to insure all its insurable properties with the GIF of the GSIS to protect the interest of NIA.</p> <p>We further recommended that Management include in their annual budget fund for insurable properties to ensure compliance with RA No. 656 and COA Circular No. 2018-002.</p>	<p>Updated and reiterated in Part II – Observation and Recommendation No. 11 of this Report.</p> <p>Not Implemented.</p> <p>Not Implemented.</p>
AO No. 9, Page 99	Advance payments in the total amount of P101.162 million were not recouped from 43 contractors whose projects were already terminated in RO Nos. VIII, XII, VI, XIII, X, II, XI and IV-A and BBMP II, contrary to Item 4.3 of Annex E of the RIRR of RA No. 9184, thereby depriving the ROs and PMO from the use of funds and	<p>We reiterated our previous year's audit recommendations that the RIMs/Project Manager concerned to:</p> <p>a. Deduct the advances from the retention money or to other claims due to the contractor and or forfeit their surety bond;</p>	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	exposed the same to possible loss of government funds.	otherwise, a Notice of Disallowance shall be issued for the unrecouped advances to contractors;	
		b. Initiate legal action to those contractors who refuse to refund the unrecouped advances and impose administrative sanctions against erring personnel who failed to recoup the advances from the progress billings; and	Not Implemented.
		c. Henceforth, strictly comply with the provisions of Item 4.3 of Annex E of the RIRR of RA No. 9184 on the recoupment of advance.	Not Implemented.
AO No. 10, Page 102	Cash advances (CAs) totaling P7.117 million remained unliquidated as at year-end, while liquidation of CAs totaling P316,555 were delayed thus, exposing the funds to possible misuse, contrary to Section 14 of Executive Order (EO) No. 298; Item 2 of COA Circular No. 2012-004; and Items 4.1.3, 5.8 and 5.13 of COA Circular No. 97-002.	We recommended that Management require the AD/S of ROs concerned to:	
		a. Direct and remind AOs to submit their liquidation reports within the prescribed period and to refund excess of their CAs on timely manner, in compliance with Item 5.8 of COA Circular No. 97-002; otherwise enforce collection through deduction from payroll and from other benefits due to the AOs concerned;	Not Implemented.
		b. Send demand letters to the officers and employees concerned	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
		who have long outstanding CAs, to support request for write-off of accounts, if warranted; and	
		c. Strictly adhere to the rules and regulations on the liquidation of CAs.	Not Implemented.
AO No. 11, Page 104	RO No. VIII utilized a total of P2.145 million Disaster Risk Reduction Management Fund (DRRMF) for expenditures not attributable to DRRM activities, contrary to Section 1, Rule 19 of the IRR of RA No. 10121. In addition, the Monthly Statements on the Utilization of DRRMF required for submission to the National Disaster Risk Reduction and Management Council (NDRRMC) under Section 4, Rule 9 of the said IRR was not complied with.	We recommended that Management direct the Management of RO No. VIII to return the funds utilized for non-DRRM activities and to submit Monthly Statements on the Utilization of DRRMF in compliance with Sections 1 and 4, Rule 19 of the IRR of RA No. 10121.	Partially Implemented.  RO No. VIII had corrected the improper charging of the P928,030 to the DRRMF. The expenditures were charged to the project fund instead.
AO No. 12, Page 105	The non-attribution of infrastructure projects that are GAD responsive resulted in the reported low utilization rate of 30.03 per cent or P787.917 million out of GAD allocation of P2.624 billion in CO, seven ROs and five PMOs totaling P2.694 billion. In addition, the GAD Plan and Budget (GPB) and GAD Accomplishment Report (GAR) for CY 2020 were not approved/endorsed by the Philippine Commission on Women (PCW) due to non-compliance with the requirements of the latter.	We recommended that Management:  a. Ensure that proper procedure for attribution is observed based on the actual cost of specific major programs or projects actually implemented for the year in accordance with the HGDG; and	Updated and reiterated in Part II – Observation and Recommendation No. 12 of this Report.  Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
		b. Direct the focal persons of NIA CO and ROs to submit their GPBs to PCW on time for review pursuant to existing regulations to ensure that GAD activities are carried out as planned during the year.	Not Implemented.
AO No. 13, Page 108	Taxes withheld in prior and current years in 11 ROs, UPRIS, MARIIS and JRMP II in the aggregate amount of P210.732 million remained unremitted to the Bureau of Internal Revenue (BIR) as of December 31, 2020.	We reiterated our previous year's audit recommendation that Management direct the CO and ROs concerned to continue the analysis and reconciliation of the composition of the unremitted taxes for appropriate adjustments and/or immediate remittance to the BIR within the prescribed period as provided for in BIR regulations, to avoid incurrence of interests, penalties, and charges.	Not Implemented.
		We further recommended that Management identify the personnel who incurred or caused the delay/late remittances of the taxes withheld and direct them to refund the amount paid to the BIR for the interests, penalties, and charges, if any.	Not Implemented.
AO No. 14 Page 110,	GSIS, HMDP/Pag-IBIG and PhilHealth employer's and employees' contributions and payments of employees' loan amortizations for CY 2020 in CO and two ROs aggregating P43.450 million were not remitted within the grace period granted under RA Nos. 11469 and 11494 or	We recommended and Management agreed to direct the Offices concerned to:  a. Remit the employer's and employees' contributions and loans amortizations/ payments on time to the	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	the “Bayanihan to Heal as One Act 1 and 2”, respectively, resulting in the payment of interests to the PHIC in the amount of P64,628, while PYs’ and CY’s contributions totaling P18.274 million remained unremitted as of December 31, 2020, contrary to RA No. 8291 or the Revised Government Insurance Act of 1977, RA No. 9679 or the 2009 HDMF Law, and RA No. 10606 or the 2013 National Health Insurance Act. Likewise, outstanding loan amortizations amounting to P4.636 million were not remitted to the GSIS, contrary to Section 47 of RA No. 11465 or the 2020 General Appropriations Act (GAA) and RA No. 8291.	<p>GSIS/Pag-IBIG/ PhilHealth to avoid interests, penalties and surcharges;</p> <p>b. Instruct the personnel responsible and accountable to refund the interest paid to PhilHealth of P64,628, otherwise, the payment out of government fund will be disallowed in audit;</p> <p>c. Exert utmost efforts to analyze and make necessary adjustments on the PYs’ unremitted contributions and loan payment amortizations and fully remit to the GSIS/Pag-IBIG/ PhilHealth PYs’ contributions; if warranted;</p> <p>d. Effect all deductions for loan payments, particularly the defaulting ones and remit the same in accordance with the Monthly Billing received from the GSIS; and</p> <p>e. Reconcile records of employees’ individual loan accounts who are in default with the GSIS’ records and effect all deductions for loan payments and remit the same to the GSIS.</p>	<p>Not Implemented.</p> <p>Not Implemented.</p> <p>Not Implemented.</p> <p>Not Implemented.</p>
<b>2019 AAR</b> Page 56	Unadjusted accounting errors/omissions in the aggregate amount of P1.884 billion resulted in the overstatement of	We recommended that Management instruct the Heads of Offices concerned to direct the Accountants to carefully	<p>Partially Implemented.</p> <p>Updated and reiterated in Part II –</p>

Reference	Observations	Recommendations	Actions Taken / Comments
	Construction in Progress (CIP), Property, Plant and Equipment (PPE), Intra-agency Receivables (I-aR) and Intra-agency Payables (I-aP) by P50.970 million, P2.654 million, P1.781 billion and P49.236 million, respectively, and understatement of appropriate PPE/ Inventory/ Expense accounts and Accumulated Surplus/ (Deficit) account of P1.853 billion and P30.667 million, respectively, affected the fair presentation of the Combined Financial Statements (FSs) of the National Irrigation Administration (NIA) for CY 2019.	analyze the transactions by tracing the original accounting entries and prepare the correcting entries as basis for adjustments in the books of accounts and henceforth, observe the highest degree of objectivity and consistency in keeping of the accounts to safeguard against inaccurate or misleading information.	Observation and Recommendation Nos. 3 and 5 of this Report.
<b>2019 AAR</b> Page 60	Accounting deficiencies that remained unresolved affected the fair presentation of the Combined FSs of the NIA for CY 2019.	<p>We recommended and Management agreed to require the Heads of the Offices and Accountants concerned to:</p> <p>a. Review and account for the unreconciled variances/ differences on the aforementioned accounts and effect the correcting/adjusting entries on discrepancies/ errors and other reconciling items noted. Moreover, secure Certificate of Titles for the land to establish rights and</p>	Updated and reiterated in Part II – Observation and Recommendation Nos. 3 and 5 of this Report.
			Partially Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
		ownership and record the donated assets;	
		b. Provide depreciation for all depreciable assets;	Partially Implemented.
		c. Exhaust all efforts to analyze the accounts with negative balances and dormant accounts, and adjust the accounts accordingly. Moreover, consider the filing of request for authority to write-off dormant accounts, following the guidelines set forth under pertinent COA Circular No. 2016-005; and	Partially Implemented.
		d. Maintain and update subsidiary records for all accounts.	Partially Implemented.
<b>2019 AAR</b> Page 63	Central Office (CO), Cordillera Administrative Region (CAR), Agno River Irrigation System Extension Project (ARISEP), Lower Agno River Irrigation System Improvement Project (LARISEP), Upper Pampanga River Integrated Irrigation System (UPRIIS) and four Regional Offices (ROs) awarded 339 contracts aggregating P19.986 billion that did not meet the required eligibility requirements as they have: (a) incomplete documentary requirements; (b) non-compliance with the issuance of bid and performance security before signing of the contract; (c) non-compliance with the procurement timelines, and	We reiterated our previous year's audit recommendations that Management require the:  a. Bids and Awards Committee (BAC) and its Technical Working Group (TWG) of the CO and ROs concerned 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 ensure	Partially Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
	(d) inadequate procedures in the post-qualification evaluation of winning bidders. Moreover, contract in CO was awarded without first securing authorities/permits to enter or proofs of acquisition of Right of Way (ROW), contrary to the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184 and Government Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects.	<p>Contractor's compliance with the eligibility requirements.</p> <p>b. BAC/TWG concerned of the CO and ROs to ensure the following:</p> <p>b.1. Authorities/permits to enter or proofs of acquisition of ROW are obtained prior to awarding of contract;</p> <p>b.2 Posting of Invitation to Bid for seven days at any conspicuous place in accordance with Section 21.2.1(a) of the RIRR of RA No. 9184;</p> <p>b.3 Notice of Award (NOA) and Notice to Proceed (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</p> <p>b.4 The Performance Security (PS) is posted not later than the date of contract signing and valid until the issuance by NIA of the Certificate of Final Acceptance.</p>	<p>Partially Implemented.</p> <p>Partially Implemented.</p> <p>Partially Implemented.</p> <p>Partially Implemented.</p>

Reference	Observations	Recommendations	Actions Taken / Comments
		c. We further recommended that the BAC/TWG and ROs concerned to ensure the following:	
		c.1 Procurement be in accordance with the approved Annual Procurement Plan;	Partially Implemented.
		c.2 Declare winning sole bidders as Single Calculated and Responsive Bidder if found responsive with the bidding requirements after eligibility check; and	Partially Implemented.
		c.3 Observers, in addition to the representative of COA, are invited to monitor the procurement proceedings.	Partially Implemented.
<b>2019 AAR</b> Page 69	Copies of 1,249 perfected infrastructure/ non-infrastructure contracts and purchase orders (POs), together with their supporting documents in the aggregate amount of at least P14.618 billion were submitted from 1 to 353 days delayed, while 382 contracts and POs, and their supporting documents amounting to P2.760 billion were not submitted as at year-end, contrary to the provisions of COA Circular No. 2009-001, thereby, precluded the COA Audit Teams concerned from conducting timely review and evaluation thereof, as well as of the propriety and validity of	We reiterated our previous year's audit recommendation and Management agreed to submit copies of approved contracts and/or POs with complete supporting documents within the prescribed period of five working days from their perfection in compliance with the provisions of COA Circular No. 2009-001 dated February 12, 2009, to prevent undue delay in the review and evaluation thereof and the consequential issuance of Notice of Suspension or Notice of Disallowance in	Fully Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
		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 IAs concerned duly covered with Memorandum of Agreement embodying the terms and conditions, as well as the duties and responsibilities of both the Agency and the Irrigators Associations (IAs);	Partially Implemented.
		b.4 Ensure that all completed projects are provided with warranty securities by the contractors concerned as a requisite before the issuance of certificate of final	Partially Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
		acceptance by the Corporation; and	
		b.5 Ensure that a thorough inspection and validation of the actual accomplishments on all infrastructure projects submitted for progress billing is conducted and that the detailed status reports showing the accurate actual work accomplished, percentage of slippage, reasons for delay, suspension and/or termination, and other pertinent data are prepared;	Partially Implemented.
		c. Require the Accounting Division/Section (AD/S) of the CO and ROs/Irrigation Management Offices (IMOs) concerned to immediately impose LDs to Contractors that failed to complete the works within the specified contract time; and	Not Implemented.
		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	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
		Contractor's fault or negligence, and initiate the immediate take over process of the terminated projects in order to facilitate its completion.	
		We likewise recommended that Management:	
		a. Encourage the Contractors to regularly submit progress billings and status of work accomplishments as allowed under the contract; and	Not Implemented.
		b. Ensure that the final inspection of completed contracts/projects is conducted prior to the issuance of Certificate of Completion.	Not Implemented.
<b>2019 AAR</b> Page 81	The prescribed standards on Information and Publicity on Programs/Projects/Activities (PPAs) in the implementation of 549 infrastructure projects with aggregate costs of P3.802 billion were not complied with in ROs II, III, VII, Magat River Integrated Irrigation System (MARIIS), Chico River Pump Irrigation Project (CRPIP), Balog-Balog Multipurpose Project (BBMP) II and 10 IMOs, contrary to Sections 2.1 and 3.1 of COA Circular No. 2013-004 dated January 30, 2013; thus, transparency on project implementation of the government was not achieved and people were deprived of the right to	We recommended and Management agreed to direct the ROs/IMOs concerned to:	
		a. Comply with the prescribed standards on Information and Publicity on PPAs of Government Agencies on the projects being undertaken by the Agency as stated in COA Circular No. 2013-004 dated January 30, 2013 on the posting of signboards/billboards specified in Annex A of the same Circular; and	Fully Implemented.
		b. Inform the Audit Team within 10 days after the award of any	Fully Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	information on matters of public concern.	infrastructure project that the project signboards are already posted for validation and monitoring purposes.	
<b>2019 AAR</b> Page 86	Advance payments amounting to P149.100 million were not recouped from the contractors whose projects were already either completed or terminated, contrary to Section 4.3 of Annex E of the RIRR of RA No. 9184, thereby depriving the Corporation from the use of funds and exposes it to possible loss of government funds.	<p>We recommended that the Regional Irrigation Managers concerned to:</p> <ul style="list-style-type: none"> <li>a. Initiate legal action to those contractors who refuse to refund the unrecouped advances;</li> <li>b. Impose administrative sanctions against erring personnel who failed to recoup the advances from the progress billings and or forfeit the surety bond/ performance security of the contractors concerned; and</li> <li>c. Henceforth, strictly comply with the provisions of Section 4.3 of Annex E of the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184 on the recoupment of advance payments made to the contractors.</li> </ul>	<p>Not Implemented.</p> <p>Not Implemented.</p> <p>Not Implemented.</p>
<b>2019 AAR</b> Page 96	Expenditures not directly attributable to quick-response activities of P1.439 million were charged against appropriations for QRF in Region XIII, thereby depleting the stand-by funds for the intended purpose. On the other hand, Region VI did not prepare a Disaster	We recommended that Management require RO XIII to submit to the COA Audit Team the detailed breakdown of the P6.269 million disbursements funded out of DRRMF to support the validity of the transactions disbursed out of the fund in compliance	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	Risk Reduction Management (DRRM) Plan and allocate a budget for DRRM activities and programs, hence could not respond to disaster risk reduction and management which resulted in the loss of construction materials that were damaged by typhoon Ursula worth P96,186. Both are contrary to RA No. 10121 and its RIRR and/or the Special Provisions of the General Appropriations Act.	with Section 4(6) of Presidential Decree (PD) No. 1445 to avoid suspension or further disallowance in audit.	
<b>2019 AAR</b> Page 104	Taxes withheld in prior and current years totaling P123.491 million remained unremitted to the Bureau of Internal Revenue (BIR) in Central Office (CO), 12 ROs, Magat River Integrated Irrigation System (MARIIS), Agno River Irrigation System Extension Project (ARISEP), Upper Pampanga River Integrated Irrigation System (UPRIIS) and Jalaur River Multipurpose Project (JRMP) II as of December 31, 2019, contrary to Section 272 of the Internal Revenue Code of 1997 and BIR Revenue Regulations No. 2-98. Moreover, penalties and surcharges amounting P0.872 million was paid to the BIR due to late remittance of taxes in RO X.	We reiterated our previous year's audit recommendation that Management direct the ROs concerned to exert utmost efforts in analyzing the unremitted taxes and remitting all taxes withheld to the BIR within the deadline to avoid incurrence of interests, penalties and surcharges.  We further recommended that Management identify the personnel who incurred or caused the delay/late remittances of the taxes withheld in RO X and direct them to refund to NIA the amount paid to the BIR of P0.872 million.	Not Implemented.  Not Implemented.
<b>2018 AAR</b> Page 81	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	We recommended and Management agreed to direct the AD to:  a. Update recording in the SLs indicating therein all required/ necessary information to facilitate tracking of recorded	Not Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
	accounts of P7.000 million, and (c) discrepancies of P14.058 billion between book and confirmed balances.	transactions and prepare ageing schedules as required under Annex 3 of COA Circular No. 2016-005 dated December 19, 2016;	
		b. Investigate the unsupported adjustment of P7 million and make the necessary correction, if warranted; and	Not Implemented.
		c. 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.	Not Implemented.
<b>2018 AAR</b> Page 32	The reliability of the Inter-agency Payable account balances, particularly the Due to NGAs 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 the confirmed balances of Source Agencies; (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;	We recommended that Management direct the Accounting Division/ Section (AD/S) of the Central Office (CO) and Regional Offices (ROs) concerned to prepare the updated and complete detailed schedules and SLs as well as supporting documents pertaining to the accounts.	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	and (e) misclassification of transactions to the account totaling P7.320 million, thus, adversely affecting the FS presentation as at year-end.		
<b>2018 AAR</b> Page 87	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 National Irrigation Sector Rehabilitation Improvement Project (NISRIP) contracts totaling P356.167 million. Likewise, the Guaranty Deposits Payable account under General Fund showed negative balance of P38.954 million, dormant accounts of P117.497 million and discrepancy of P21.435 million between books and confirmed amount.	We recommended and Management agreed to direct the AD/S of CO, ROs concerned, and UPRIIS to: <ul style="list-style-type: none"> <li>a. Maintain and update SLs for each contractor/supplier starting from their respective inception dates;</li> <li>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</li> <li>c. Prepare an updated ageing schedule of payables.</li> </ul>	Not Implemented.  Not Implemented.  Not Implemented.
<b>2018 AAR</b> Page 100	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	We recommended that Management: <ul style="list-style-type: none"> <li>a. Require the Legal Department and Internal Audit Services to conduct</li> </ul>	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	delays of up to 2,287 calendar days 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 (PSs) of P472.067 million were not forfeited for 43 terminated contracts costing P2.207 billion and (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.	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  b. Require the Legal Department to file appropriate case against the persons responsible, if warranted.  We likewise recommended that Management create an inspectorate team to conduct a thorough inspection and turnover of completed projects to the Irrigators Associations (IAs) for operation and maintenance and render the necessary reports thereon.	Not Implemented.  Not Implemented.
<b>2018 AAR</b> Page 110	Inadequate evaluation and validation procedures in the conduct of bidding, post qualification and awarding by the Bids and Awards Committee (BAC) and its Technical Working Group (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;	We recommended that Management require the:  a. BAC and its TWG of the CO and ROs concerned 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	Fully Implemented.



Reference	Observations	Recommendations	Actions Taken / Comments
	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/Operations Department (E/OD) 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.	structure, and other non-power component of the San Roque Multipurpose Project and to substantiate the capitalization of the payments as PPE.	
<b>2017 AAR</b> Page 41	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 Communal Irrigation System (CIS) accounts of IAs, thus, receivables are not reduced to its carrying amount; (b) inadequate details/subsidiary ledgers (SLs) for	We recommended that Management direct the personnel concerned of the Accounting Division/Section (AD/S) of the CO and ROs concerned to 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.	Not Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	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 IMOs records, and between general ledgers (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 SLs details or no SLs at all and have been dormant for more than 10 years to 45 years.		
<b>2017 AAR</b> Page 60	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.	We recommended that Management direct the Accounting Division, CO to 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.	Not Implemented.
<b>2017 AAR</b> Page 81	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	We recommended that Management hold the officials and employees concerned of RO II accountable and responsible for splitting the procurement.	Fully Implemented.

Reference	Observations	Recommendations	Actions Taken / Comments
	of the RIRR 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.		
<b>2017 AAR</b> Page 94	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 bidden 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 Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184 and Government Procurement Policy Board (GPPB) Manual of Procedures for the Procurement of Infrastructure Projects.	<p>We reiterated our previous year's recommendations that Management require the:</p> <p>a. Legal Department:</p> <p>a.1. To conduct investigation to determine liability of the contractors for submitting deficient documents to support compliance with the eligibility requirements of the Contract; and</p> <p>a.2. To 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 RIRR of RA No. 9184, if warranted.</p> <p>b. Internal Audit Services and the Legal</p>	<p>Not Implemented.</p> <p>Not Implemented.</p> <p>Not Implemented.</p>

Reference	Observations	Recommendations	Actions Taken / Comments
		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.	
<b>2017 AAR</b> Page 96	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 (CTEs), 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	<p>We recommended that Management instruct the Legal Department and the Internal Audit Services Department to:</p> <p>a. Conduct investigation to determine persons responsible for: (i) not imposing liquidated damages; (ii) approving/granting of ChOs/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</p> <p>b. File appropriate case against the persons responsible, if warranted.</p>	<p>Not Implemented.</p> <p>Not Implemented.</p>



Reference	Observations	Recommendations	Actions Taken / Comments
	change orders (ChOs)/ variation orders (VOs).		
<b>2016 AAR</b> Page 100	Claims for Progress Billings totaling P486.898 million were processed and paid without complete and reliable documentations, contrary to Section 4(6) of Presidential Decree (PD) No. 1445 and casting doubt on the regularity and propriety of the expenditures.	<p>We recommended that Management require the Legal Department and the Internal Audit Services to conduct investigation to determine persons liable and file appropriate charges if warranted for:</p> <p>a. Reporting complete delivery of steel gates that were not actually delivered;</p> <p>b. 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;</p> <p>c. Payment of the Reinforced Steel Bars (RSB) without the Mill Certificate; and</p> <p>d. Non-installation of RSB within the prescribed period.</p>	<p>Not Implemented.</p> <p>Not Implemented.</p> <p>Not Implemented.</p> <p>Not Implemented.</p>
<b>2016 AAR</b> Page 104	Increase in quantity of various items of work totaling P23.811 million and decreases in quantity due to deletion of work totaling P18.761 million in two Participatory Irrigation Development Project (PIDP) Contracts were not covered with approved change orders/variation orders,	<p>We recommended that Management require the:</p> <p>a. PIDP Project Management Office (PMO) to impose sanctions on the persons responsible for the preparation and approval of detailed</p>	<p>Not Implemented.</p>

Reference	Observations	Recommendations	Actions Taken / Comments
	contrary to the General Conditions of the Contract (GCC), thus payment relative thereto are without legal basis. Moreover, Contract PIDP2-Nueva Vizcaya Bagabag Irrigation System (NVBIS) N-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>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>b.1. Implementing and payment of additional works/ variation order of more than 20 per cent and without approved change order; and</p> <p>b.2. Deletion of work items without evaluation and approval.</p>	<p>Not Implemented.</p> <p>Not Implemented.</p>

**DETAILS AND STATUS OF UNSETTLED AUDIT SUSPENSIONS,  
DISALLOWANCES AND CHARGES  
AS OF DECEMBER 31, 2021**

**A. AUDIT SUSPENSIONS**

<b>Notices of Suspension (NS)</b>						
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>		<b>Unsettled Amount</b>	<b>Remarks</b>
<b>CENTRAL OFFICE (CO)</b>						
<b>Corporate Fund</b>						
2017-001-501	1/25/2017	Non-submission of documents as prescribed under COA Circular Nos. 2012-001 & 2009-001 and the Revised IRR of RA No. 9184	Officers and employees concerned, and contractor	P	84,602,307.75	For issuance of Notice of Disallowance (ND)
2015-003-501	11/04/2015	Lack of supporting documents necessary for auditorial review of payments of contract No. NIACO-S-2R	-do-		29,200,000.00	For issuance of Notice of Settlement of Suspension/ Disallowance/ Charge (NSSDC)
2015-002-501	10/08/2015	Deficient supporting documents in the Construction of Umayam Diversion Dam & its Appurtenant structures, Contract No. UMRIPD-C-1	-do-		173,036,646.04	-do-
<b>NIAConsult, Inc. (NIACI), former subsidiary of the NIA, subsumed in CO-Corporate Fund</b>						
2014-003-NIACI	02/19/2014	Release of retention fee was not supported with complete documentation	NIACI officers and employees		21,000.00	For issuance of ND
2013-008-NIACI (12)	08/27/2013	Incomplete documents to support payment of remuneration of Consultants for CY 2012	-do-		21,865,927.40	-do-
10-048-NIACI (09)	06/02/2010	Non-submission of the contract of car rental and other supporting documents	-do-		136,880.00	For issuance of ND or NSSDC
10-033-NIACI (09)	05/28/2010	Non-submission of original documents relative to the liquidation of cash advance	-do-		171,913.77	-do-
<b>General Fund</b>						
2017-003-101	12/20/2017	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	Officers and employees concerned, and contractor		14,500,000.00	For issuance of ND or NSSDC
2017-002-102	12/20/2017	Lack of supporting documents for payment of two units Hydraulic Excavator Model EW 145 wheel Type, 0.60 cu.m. for Contract No. PIDPN-S-5R for participatory Irrigation Development Project	-do-		11,700,000.00	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2017-001-102	10/13/2017	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. NISRIPD-S-3	Officers and employees concerned, and contractor	13,365,000.00	For issuance of ND or NSSDC
2016-015-102	11/10/2016	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)	-do-	6,959,368.66	-do-
2016-011-102	10/07/2016	Lack of supporting documents for payment of Progress Billing No. 7/final for Contract No. SPISP-C-3 Construction of Binalawan Concrete Buttress Dam	-do-	15,248,418.51	-do-
2016-010-102	8/12/2016	Lack of supporting documents for payment of 15% mobilization for Contract No. NISRIPD-C-2 for the Rehabilitation and Improvement of Malatgao River Irrigation System and Construction of Irrigator's Association	-do-	28,404,551.91	-do-
2016-009-102	6/16/2016	Lack of supporting documents for payment of Progress Billing No. 7 for Contract No. HCAAPD-C-2 Construction of Bulao Diversion Dam, Irrigation and Drainage Canals and Appurtenant Structures under Help for Catubig Agricultural Advancement Project	-do-	10,292,166.13	-do-
2016-007-101	4/19/2016	Lack of supporting documents for payment of 15% mobilization for Contract No. CMIPP2/NCB-C-S6-3 Construction of Super Diversion Canal (SDC) Sta. 50+540 – Sta. 51+850); Laterals "U" & "V" and Sub-Laterals including Related Structures and Supply Delivery, Installation and Commissioning of Steel Gates	-do-	41,348,369.06	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2016-006-101	3/18/2016	Lack of supporting documents for payment of Progress Billing Nos. 28, 29 and 30 for Contract No. SRIPD-C-16 Construction of Tangub Earthfill Dam and Appurtenant Structures under the Small River Irrigation Project	Officers and employees concerned, and contractor	36,211,858.85	For issuance of ND or NSSDC
2016-005-101	3/03/2016	Lack of supporting documents for payment of 15% mobilization for Contract No. QIPD-C-3 Construction of Quipot Main Canal (Sta. 4+720 to 11+290.85 and Lateral A (Sta. 0+000 to 3+672.80) and its Appurtenant Structures, including Supply and Delivery of 2 units 10"200mm x 200mm dia., 45 HP Pump and Accessories	-do-	14,386,661.12	-do-
2016-002-101	2/16/2016	Lack of supporting documents for payment of 15% mobilization for Contract No. QIPD-C-1 Construction of Quipot Diversion Dam and its Appurtenant Structures including Supply, Delivery, Installation and Commissioning of Barrage Steel Gates under Quipot Irrigation Project	-do-	18,268,619.72	-do-
2015-008-102	12/02/2015	Lack of supporting documents for the payment Final Progress Billing of Consultancy Services on Construction Supervision and Quality Assurance	-do-	77,272.73	-do-
2014-033-101	12/11/2014	Lack of supporting documents for the payment of Progress Billings for the provision of technical assistance for the Feasibility Study of Alternative Dam Designs for Balog Balog Multipurpose Project Phase II to NIACI	-do-	1,925,059.51	-do-
2014-032-102	11/10/2014	Lack of supporting documents for the advance payment of Contract No. SRIPD-C-22, Construction of Upper Tabuating and its Appurtenant Structures	-do-	33,021,447.07	-do-
2014-031-102	11/10/2014	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	-do-	23,232,164.88	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
		for Batutu River Irrigation System			
2014-030-101	9/22/2014	Lack of supporting documents for the partial advance payment of Contract No. SRIPD-C-18 Construction of Marimay Earthfill Dam and its Appurtenant Structures	Officers and employees concerned, and contractor	22,342,252.03	For issuance of ND or NSSDC
2014-029-102	9/22/2014	Lack of supporting documents for the partial advance payment of Contract No. PIDP10-C-MARISN-1 Construction of Maranding River Irrigation System including Supply, Delivery and Installation and Commissioning of Steel Gates	-do-	7,943,368.97	-do-
2014-028-101	9/22/2014	Lack of supporting documents for the advance payment of Consultancy agreement for the Upgrading of Parcellary Maps of Selected National Irrigation System	-do-	1,460,325.30	-do-
2014-027-102	9/18/2014	Lack of supporting documents for the partial advance payment of Contract No. PIDP5-C-THIRISN-1r Rehabilitation of Tigman-Hinagyanan-Inarihan Rivers Irrigation System	-do-	13,128,635.51	-do-
2014-026-101	9/16/2014	Lack of supporting documents for the advance payment of Provision of Technical Assistance for the Climate Change Vulnerability Mapping Project (CCVMP)	-do-	13,728,181.83	-do-
HCAAP 2014-001 (12)	8/28/2014	Incomplete submission of documents supporting the payments of PBs of Consultancy Services Contract in the implementation of the Help for Catubig Agricultural Advancement Project	-do-	8,891,600.99	-do-
2014-022-102	7/15/2014	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 Irrigation Project (SRIP)	-do-	68,224,695.34	-do-
2014-020-102	6/23/2014	Lack of supporting documents for the Supply Delivery of Surveying Instruments under the National Irrigation Sector Rehabilitation and Improvement Project	-do-	3,710,000.00	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-016-101	5/06/2014	Lack of supporting documents for the payment of Undertaking of the Detailed Engineering Design of Balog Balog Multipurpose Project Phase II	Officers and employees concerned, and contractor	14,932,562.16	Certificate of final acceptance not submitted.  For issuance of ND
2014-015-101	5/06/2014	Lack of supporting documents for the payment of Reassessment Study and Detailed Engineering and Design of Selected Dam Type of Libmanan Cabusao Dam and Rehabilitation Project	-do-	8,584,227.00	-do-
2014-014-101	5/02/2014	Lack of supporting documents for the payment of Feasibility Study and Detailed Engineering Design of Tumauni River Multipurpose Project	-do-	21,446,960.31	-do-
2014-013-101	4/30/2014	Lack of supporting documents for the payment of Feasibility Study of Sapalan River Irrigation Project	-do-	10,748,729.83	-do-
2014-012-101	4/11/2014	Lack of supporting documents for the payment of Feasibility Study of Ilaguen Multipurpose Irrigation and Power Project	-do-	25,659,406.23	-do-
2014-011-101	4/11/2014	Lack of supporting documents for the payment of Feasibility Study of Gandara River Basin Irrigation Project	-do-	19,998,848.51	-do-
2014-001-101(13)	1/09/2014	Lack of supporting documents for the payment of mobilization fee for Contract No. SRIPD-C-19 Construction of Barbar Earthfill Dam and its Appurtenant Structures	-do-	40,971,251.80	-do-
2014-003-101 (13)	1/22/2014	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP11-C-BRISN-3 Rehabilitation of Diversion Works, Main Canal West, Extension Area including appurtenant structures and supply, delivery installation of Steel Gates for Batutu River Irrigation System	-do-	6,037,604.65	-do-
2014-005-101 (13)	1/22/2014	Lack of supporting documents for the payment of mobilization fee for Contract No. PIDP2-C-NVBISN-1R	-do-	11,171,650.38	For issuance of NSSDC
2014-007-101(13)	1/24/2014	Lack of supporting documents for the payment of Contract No. PIDP2-C-ZRISI-1R	-do-	4,254,200.18	-do-
2014-008-101(13)	2/05/2014	Lack of supporting documents for the payment of Contract No. PIDP2-C-BCISN-1R	-do-	9,811,452.27	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-009-102 (13)	2/19/2014	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	Officers and employees concerned, and contractor	27,140,711.89	For issuance of NSSDC
2014-010-102(13)	2/19/2014	Lack of supporting documents for the seminar-workshop conducted	Officers and employees concerned	197,500.00	-do-
2013-004-101(12)	4/29/2013	Contract Price Escalation Nos. 1-3 for Contract No. BHIP2-C-2, Construction of Irrigation Canal and Appurtenant Structures for Bohol Irrigation Project, Stage I	Officers and employees concerned, and contractor	39,078,014.61	-do-
2013-003-101(11)	4/22/2013	Lack of documents to support the time extensions granted for the payment of Contract No. SJPIPD-C-1	-do-	42,016,752.06	-do-
2013-006-102 (13)	8/02/2013	Non submission of documents necessary for the evaluation of the revised contract due to time extension to support the payment of GOP Progress Billing No. 32 under Contract No. ARIIP-C-1	-do-	4,614,325.52	-do-
12-017-101(11)	11/26/2012	Lack of supporting documents for payment of lodging fees of NIA officials	Officers and employees concerned	48,093.75	-do-
12-016-101 (11)	11/26/2012	Lack of supporting documents for payment of lodging fees of NIA officials	-do-	26,550.00	-do-
12-015-101 (11)	12/04/2012	Lack of supporting documents for the payment of meals and accommodation of Irrigators Association National Congress	-do-	433,625.00	-do-
12-012-101 (11)	06/25/2012	Non submission of documents to support the payment of Monetary Incentives for CY 2010 National Level Outstanding Irrigators Association both CIA and NIA	-do-	150,000.00	-do-
12-011-101(11)	06/25/2012	Non submission of documents to support the payment of meals and accommodation spent during the Irrigators Association National Congress	-do-	214,625.00	-do-
11-007-102 (07)	11/29/2011	Lack of documents for the payment of additional cost in Item B Sub-Item Diversion and Care of River and Irrigation Canal during Construction & Dewatering Foundation under Contract No. CMIPPI-C-S1 (JBIC Financed Portion)	Officers and employees concerned, and contractor	34,538,860.49	-do-



<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
11-004-102 (11)	09/21/2011	Payment of Progress Billing No. 5 for the Contract No. SPISP-C-3 Construction of Binalawan Concrete Butress Dam and Appurtenant Facilities	Officers and employees concerned, and contractor	858,675.92	-do-
<b>TOTAL CENTRAL OFFICE (Philippine Peso)</b>				<b>P 1,040,339,320.64</b>	
<b>General Fund</b>					
2016-014-102	11/07/2016	Lack of supporting documents for payment of Final Progress Billing No. 34 (Loan Proceeds Portion) for Contract No. ARIIP-C-1 Re-regulating Pond Facilities for the Agno River Integrated Irrigation Project	Officers and employees concerned, and contractor	US\$ 3,863,966.92	For issuance of ND or NSSDC
<b>TOTAL CENTRAL OFFICE (US\$)</b>				<b>US\$ 3,863,966.92</b>	
<b>CORDILLERA ADMINISTRATIVE REGION (CAR)</b>					
<b>Regional Office-General Fund</b>					
15-001-101-(10)	07/24/2015	Lack of pertinent documents to support the disbursements for the Repair/Rehabilitation/ Restoration of various CIS projects located at Benguet	Officers and employees concerned	P 1,733,628.34	For issuance of ND
<b>Kalinga and Ifugao Irrigation Management Office (IMO) – General Fund</b>					
2017-002-101-(11-12) KIMO	11/13/2017	Incomplete documents to support the payment of the Rehabilitation of the Lamut CIS, Lamut, Ifugao	Officers and employees concerned	1,202,694.94	For issuance of ND
12-004-101-(11)	7/20/2012	Incomplete documents to support payment of the Protection Works	-do-	34,352.58	-do-
<b>Regional Office - Corporate Fund</b>					
20-01-501 LFP (20)	8/05/2020	Lack of supporting documents for the payment of Mobile Phones	Officers and employees concerned	489,249.62	Details update for
20-02-501 LFP (19)	8/17/2020	Lack of supporting documents for the liquidation of the cash advance of an employee	-do-	193,889.00	-do-
<b>Kalinga and Ifugao IMO – Corporate Fund</b>					
2018-002-501 LFP-(17) KIMO	11/29/2018	Incomplete documents to support the payment of the completed Rehabilitation of Bun-ayan Bago CIS-01-2016, Lubuagan, Kalinga	Officers and employees concerned, and contractor	2,594,852.95	Details update for
2018-001-501 LFP-(17) KIMO	05/22/2018	Incomplete documents to support the payment of the completed Rehabilitation of Bun-ayan Bago CIS-01-2016, Lubuagan, Kalinga	-do-	12,706,763.57	-do-
17-004-501 LFP-(13-14) KIMO	11/14/2017	Incomplete documents to support the payments of the implemented projects at KIMO	-do-	80,771,897.33	-do-
<b>TOTAL CORDILLERA ADMINISTRATIVE REGION</b>				<b>P 99,727,328.33</b>	

Notices of Suspension (NS)						
No.	Date	Nature of Suspension	Persons Responsible	Unsettled Amount	Remarks	
REGIONAL IRRIGATION OFFICE NO. I						
Regional Office - General Fund						
2011-001(101)	1/26/2011	Lack of supporting documents to support the payments of Right of Way (ROW)	Officers and employees concerned, and landowner	P 2,332,543.47	Details for update	
TOTAL REGIONAL IRRIGATION OFFICE I				P 2,332,543.47		
REGIONAL IRRIGATION OFFICE NO. II						
Regional Office - Corporate Fund						
2020-002-501-(2017) LFPs-003	2/12/2020	Payment of Contract ID No. NCB-NVIMO-29-17 without complete supporting documents	Officers and employees concerned, and contractor	1,296,074.90	With partial compliance	
2019-001-501-(2018)-NVIMO	2/07/2019	Payment of contract with ID No. INFRA-NCB-NVIMO-02-17 with incomplete supporting documents	-do-	2,720,300.00	-do-	
2021-001- NIA-RO2-NVIMO	2/16/2021	Payment of contract (INFRA-NCB-NVIMO-31-20)	-do-	15,876,066.53	-do-	
2021-002- NIA-RO2-NVIMO	2/17/2021	Payment of contract (INFRA-NCB-NVIMO-23-20)	-do-	1,604,537.95	-do-	
2021-003- NIA-RO2-NVIMO	5/20/2021	Payment of contract (INFRA-NCB-NVIMO-33-20)	-do-	6,400,566.55	-do-	
2021-004- NIA-RO2-NVIMO	5/27/2021	Payment of contract (INFRA-NCB-NVIMO-37-20)	-do-	3,409,058.76	-do-	
TOTAL REGIONAL IRRIGATION OFFICE NO. II				P 31,306,604.69		
REGIONAL IRRIGATION OFFICE NO. V						
Regional Office - General Fund						
12-001-101 (12)	5/09/2012	The project was 36.10% above COA estimate and 26.10% above authorized limit	Officers and employees concerned, and contractor	P 459,700.87	Details for update	
12-002-101 (12)	5/09/2012	The project was 19.78% above COA estimate and 9.78% above authorized limit	-do-	89,975.28	-do-	
12-008-101	10/01/2012	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	-do-	321,928.49	-do-	
12-009-101	10/03/2012	The project was 20.26% above COA estimate and 10.26% above authorized limit	-do-	136,472.77	-do-	
12-011-101	11/05/2012	Audit suspension of payments for long overdue projects which have incurred more than 10% slippage	-do-	4,902,538.59	-do-	
12-012-101	11/05/2012	Audit suspension of payments for long overdue projects which have incurred more than 10% slippage	-do-	3,758,313.48	-do-	
TOTAL REGIONAL IRRIGATION OFFICE NO. V				P 9,668,929.48		

Notices of Suspension (NS)						
No.	Date	Nature of Suspension	Persons Responsible	Unsettled Amount	Remarks	
REGIONAL IRRIGATION OFFICE NO. VI						
Regional Office - General Fund						
09-002-101-(09)	11/13/2009	Failure to support the claims with the mandatory minimum supporting documents	Officers and employees concerned	P 98,000.00	For issuance of ND	
09-001-101 (09)	11/13/2009	-do-	-do-	112,506.00	-do-	
Iloilo – Guimaras IMO – General Fund						
09-002-102-(09)	11/13/2009	Conduct of training-lacks supporting documents	Officers and employees concerned	80,793.75	For issuance of ND	
09-001-102 (09)	11/13/2009	-do-	-do-	112,031.25	-do-	
2010-002-101	10/14/2012	Failure to support the claims with the mandatory minimum supporting documents	-do-	268,195.11	-do-	
11-003-101	06/08/2011	Lack of Authority to Disburse	-do-	4,544,858.14	-do-	
11-002-101	03/07/2011	Payment of Collective Negotiation Agreement (CNA) Incentive for CY 2010	-do-	295,000.00	-do-	
2010-001-101	10/15/2010	Failure to support the claims with the mandatory minimum supporting documents	-do-	28,960.72	-do-	
17-001-102 (16)	10/04/2017	Attendance to seminar not authorized by Government Procurement Policy Board (GPPB)	-do-	19,055.50	Details update	for
17-002-102 (16)	10/06/2017	-do-	-do-	19,995.26	-do-	
17-003-102 (16)	10/09/2017	-do-	-do-	4,671.62	-do-	
17-004-102 (16)	10/10/2017	-do-	-do-	4,774.62	-do-	
17-5-102-JRMPII (17)	10/10/2017	Payment not supported with required documents	-do-	19,687.50	-do-	
17-6-102-JRMPII (17)	10/02/2017	-do-	-do-	122,751.78	-do-	
Regional Office - Corporate Fund						
09-001-501	11/13/2009	Payment of CY 2012 Collective Negotiation Agreement (CNA)	Officers and employees concerned	1,573,658.72	For issuance of ND	
Iloilo – Guimaras IMO – Corporate Fund						
2013-001-501 (2012)	01/10/2013	Payment of CY 2012 CNA	-do-	2,329,000.00	-do-	
2010-002-501 DA	07/02/2010	One unit Motor Engine Toyota 2L	Officers and employees concerned, and supplier	78,553.57	-do-	
2010-001-501 DA	07/02/2010	Partial Payment of Siwaragan CIS	Officers and employees concerned, and contractor	1,900,000.00	-do-	
Antique IMO – Corporate Fund						
2012-003-501	03/12/2012	Non-submission of supporting documents of the salary claim under unnumbered general payroll for the period January 1-15, 2012	Employee concerned	13,298.76	-do-	
2011-007-501(10)	07/19/2011	Payment of CNA Incentive is contrary to rules and regulations, hence considered as irregular	Employee concerned	48,000.00	-do-	

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2011-006-501(10)	07/19/2011	Payment of CNA Incentive is contrary to rules and regulations, hence considered as irregular	Employee concerned	1,302,000.00	For issuance of ND
2011-005-501(10)	07/01/2011	Payment of Cost of Living and Amelioration Allowance (COLAA) without specific authority from Department of Budget and Management (DBM) / President of the Republic of the Philippines	-do-	497,301.80	-do-
2011-004-501(10)	07/01/2011	-do-	-do-	49,490.00	-do-
2011-003-501(10)	07/01/2011	-do-	-do-	1,008,300.00	-do-
2011-002-501(10)	03/17/2011	Payment of CNA Incentive is contrary to rules and regulations, hence considered as irregular	-do-	369,000.00	-do-
2011-001-501(10)	03/17/2011	-do-	-do-	2,317,500.00	-do-
2010-002-501(10)	04/26/2010	Payment of COLAA	-do-	226,245.76	-do-
2010-001-501(10)	04/26/2010	Payment of CNA for CY 2010	-do-	150,000.00	-do-
2020-001-501-(18)	01/30/2020	Missing DV and supporting documents	-do-	7,360.00	-do-
<b>Capiz IMO – Corporate Fund</b>					
2011-001-(2010)	01/26/2011	Payment of CNA	Officer/ employee concerned	50,000.00	-do-
2011-002-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-003-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-004-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-005-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-006-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-007-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-008-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-009-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-010-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-011-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-012-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-013-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
2011-014-(2010)	01/26/2011	Payment of CNA	-do-	50,000.00	-do-
<b>Jalaor River Multipurpose Project (JRMP)</b>					
15-02-501 JRMP II (12)	9-2015	Expenses in connection with Philippine Institute of Civil Engineers (PICE) mid-year convention 2012	Officers and employees concerned	223,848.90	-do-
15-03-501 JRMP II (12)	9/10/2015	-do-	-do-	66,856.90	Details for update
15-04-501 JRMP II (12)	9/11/2015	-do-	-do-	27,920.00	-do-

Notices of Suspension (NS)							
No.	Date	Nature of Suspension	Persons Responsible	Unsettled Amount		Remarks	
Regional Office - Special Fund							
09-001-158-(07)	11/12/2009	Lack of supporting documents on liquidation of cash advance	Employees concerned		11,710.25	For issuance of ND	
09-002-158-(07)	11/12/2009	-do-	-do-		8,958.00	-do-	
09-004-158-(07)	12/21/2009	-do-	-do-		16,000.00	-do-	
09-001-158A2-(07)	11/12/2009	-do-	-do-		9,972.25	-do-	
TOTAL REGIONAL IRRIGATION OFFICE RO NO. VI					P 18,666,256.16		
REGIONAL IRRIGATION OFFICE NO. VII							
Regional Office - Corporate Fund							
2011-011-501(10)	02/07/2011	Monthly Retainer's fee of a Lawyer	Lawyer/ consultant	P	84,000.00	Details update	for
011-001-501 COB-(11)	09/05/2011	CNA Incentive CY 2009	Officers and employees concerned		306,000.00	-do-	
2011-002-501 COB-(11)	09/05/2011	CNA Incentive CY 2010	-do-		768,000.00	-do-	
TOTAL REGIONAL IRRIGATION OFFICE NO. VII					P 1,158,000.00		
REGIONAL IRRIGATION OFFICE NO. VIII							
Regional Office - Corporate Fund							
2019-015 ('18) 501 LFPs	10/2/2019	Lacking supporting documents	Officers and employees concerned, and supplier	P	7,125.00	Details update	for
2019-029 ('18) 501 LFPs	10/2/2019	Lacking supporting documents	-do-		54,892.86	-do-	
2021-012-501 (2021) COB RO	08/02/2021	Details for update	Details for update		2,615.09	Settled on Jan. 6, 2022	
2021-021-501 (2021) COB RO	08/12/2021	-do-	-do-		17,145.50	Details update	for
2021-022-501 (2021) COB RO	08/12/2021	-do-	-do-		8,299.25	Settled on Feb. 24, 2022	
2021-023-501 (2020) LFP LIMO	08/12/2021	-do-	-do-		270,245.45	Settled on Feb. 22, 2022	
2021-024-501 (2020) LFP LIMO	08/12/2021	-do-	-do-		617,790.14	Settled on Feb. 22, 2022	
2021-030-501 (2021) COB RO	08/23/2021	-do-	-do-		4,808.04	Settled on Jan. 6, 2022	
2021-034-501 LFP	12/10/2021	-do-	-do-		25,000,000.00	Settled on Jan. 31, 2022	
2021-035-501 LFP	12/10/2021	-do-	-do-		25,000,000.00	Settled on Jan. 31, 2022	
2021-036-501 LFP	12/10/2021	-do-	-do-		5,000,000.00	Settled on Jan. 31, 2022	
TOTAL REGIONAL IRRIGATION OFFICE NO. VIII					P 55,982,921.83		
REGIONAL IRRIGATION OFFICE NO. IX							
Regional Office - Corporate Fund							
2019-002-501(18)	06/26/2019	Incomplete supporting documents	Officers and employees concerned, and supplier	P	8,294,803.65	Details update	for
2019-009-501(19)	01/22/2020	-do-	Officers and employees concerned, and contractor		12,258,065.36	-do-	

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2020-013-501(20)	07/14/2020	Incomplete supporting documents	Officers and employees concerned, and supplier	255,403.22	Details for update
Details for update	Details for update	Details for update	Details for update	350,961.43	-do-
2021-039-501(20)	-do-	Payment of Final Billing of Patunan SIP- Construction of Diversion Works, Canalization and Canal structures	-do-	3,253,796.85	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. IX</b>				<b>P 24,413,030.51</b>	
<b>REGIONAL IRRIGATION OFFICE NO. X</b>					
<b>Regional Office - Corporate Fund</b>					
2018-001-501-2018	06/29/2018	Security Consultancy Services from June 2017 – May 2018	Officers and employees concerned, and consultant	P 600,000.00	-do-
2020-003	10/20/2020	Non-submission of supporting documents for Contract Ref. No. CW-LDS-SIP-2019-BANTAYAO	Officers and employees concerned, and contractor	2,073,994.07	-do-
2020-005	12/03/2020	Non-submission of supporting documents for Contract Ref. No. CW-LDS-EEECIS-2018-MASIU-NP	-do-	14,805,834.73	-do-
2016-001-501 (2015)	02/16/2016	Unsubmitted disbursement vouchers and supporting documents	Officers / employees concerned	68,384.56	-do-
2016-002-501 (2015)	03/17/2016	Unsubmitted liquidation of cash advances (CA)	-do-	106,406.16	-do-
2016-003-501- (2015)	07/26/2016	Use of cash advance other than its intended purpose	-do-	65,000.00	-do-
2018-001-501	05/07/2018	Non-submission of various Disbursements Vouchers and supporting documents	Officers and employees concerned, and supplier	4,319,776.33	-do-
2020-001-501 LFPs (2017 & 2018)	09/04/2020	Non submission of contract supporting documents	-do-	2,618,173.08	-do-
2020-002-501 LFPs (2016 & 2017)	09/04/2020	-do-	-do-	1,033,089.34	-do-
2019-112 (2018) IMTSS-LFPs	08/05/2019	-do-	-do-	23,250.00	-do-
2019-113 (2018) Talakag IP 501	07/17/2019	-do-	Employee concerned	750.00	-do-
2019-006 (2019)	Details for update	Non-submission of July-September 2019 Vouchers	Officers and employees concerned	26,811.00	-do-
2020-006 Dagumbaan CIP	-do-	Lacks supporting documents for liquidation	Employee concerned	20,035.00	-do-
2020-007 Dagumbaan CIP	-do-	-do-	-do-	20,035.00	-do-
2020-008 Dagumbaan CIP	Details for update	-do-	-do-	20,035.00	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2020-006	-do-	Non-submission of June 2020 documents	Officers and employees concerned	3,799,967.92	Details for update
2020-09 BIMO MOE	-do-	Travel Expense Voucher (TEV) Liquidation	Employee concerned	13,145.00	-do-
2020-017 Taytay Unggoy CIP, GESA	-do-	-do-	-do-	26,811.00	-do-
2020-010	12/16/2020	Non-submission of September 2020 documents	-do-	540,396.36	-do-
2021-005	08/11/2021	Lacks supporting documents for payroll	-do-	40,733.88	-do-
2021-006	08/11/2021	Lacks supporting documents for replenishment of Petty Cash	-do-	19,607.13	-do-
2021-007	08/12/2021	Lacks supporting documents for payroll	-do-	104,532.02	-do-
2021-008	08/12/2021	Lacks supporting documents for payment of fidelity Bond	-do-	22,500.00	-do-
2021-0069	09/07/2021	Lacks supporting documents for Payment of Resource Speaker during Virtual Psychological Battle Against COVID-19	Officers and employees concerned, and consultant	64,000.00	-do-
2021-010	09/14/2021	Delapa Small Irrigation Project Consulting Services Contract	-do-	8,516,501.55	-do-
2021-011	09/24/2021	Non-submission of Disbursement Vouchers (DVs) for July 2021	Officers and employees concerned	68,906.93	-do-
2021-012	10/28/2021	Non-submission of DVs for August 2021	-do-	27,344.20	-do-
2021-0113	10/28/2021	Non-submission of DVs for September 2021	-do-	176,083.62	-do-
2021-001-501 COB (2017)	04/20/2021	Non-submission of various DVs and supporting documents	-do-	603,617.53	-do-
2021-002-501 COB (2018)	04/20/2021	-do-	-do-	341,148.60	-do-
2021-003-501 COB (2019)	04/20/2021	-do-	-do-	1,209,518.30	-do-
2021-004-501 LFPS (2017)	04/20/2021	-do-	-do-	235,372.05	-do-
2021-005-501 LFPS (2018)	04/20/2021	-do-	-do-	235,372.16	-do-
2021-006-501 LFPS (2018)	04/20/2021	-do-	-do-	870,480.57	-do-
2021-007-501 LFPS (2018)	04/20/2021	-do-	-do-	100,012.44	-do-

<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2021-008-501 LFPS (2019)	04/20/2021	Non-submission of various DVs and supporting documents	Officers and employees concerned	262,153.94	Details for update
2021-011-501 COB (2018)	04/20/2021	-do-	-do-	201,444.91	-do-
2021-012-501 LFPS (2018)	05/03/2021	-do-	-do-	175,718.77	-do-
2021-013-501 LFPS (2019)	05/03/2021	-do-	-do-	19,500.00	-do-
2021-014-501 LFPS (2019)	05/03/2021	-do-	-do-	19,655.00	-do-
2021-015-501 COB	09/19/2021	Non-submission of Daily Time Records (DTRs)	-do-	430,762.00	-do-
<b>Regional Office - General Fund</b>					
2015-001-101-2013	03/02/2015	Unsubmitted supporting documents for Contract project with L-Beths Construction under Contract Ref. No. CW-BUK-CF (PABLO)-2013-PULRIS-NEGO	Officers and employees concerned, and contractor	16,966,788.82	-do-
2014-001-101-2013	10/09/2014	Unsubmitted supporting documents for Contract project with L-Beths Construction for Manupali River IS	-do-	22,570,512.00	-do-
<b>Lanao del Norte, Misamis Occidental, Misamis Oriental, and Camiguin (LAMISCA) IMO – General Fund</b>					
2016-001-101 (2015)	02/16/2016	Unsubmitted payrolls and supporting documents	Officers and employees concerned	388,329.78	-do-
<b>Bukidnon IMO – General Fund</b>					
2019-0165 (2018) NISRIP LP	09/10/2019	Performance System Development (PSD) National Irrigation Sector Rehabilitation and Improvement Project (NISRIP)	Consultant	1,000.00	-do-
2019-0167(2018) Various CIP Account	09/18/2019	Unsubmitted supporting documents for February to December 2018	Officers and employees concerned	779,310.10	-do-
2019-0173 NISRIP	10/02/2019	-do-	Employee concerned	20,370.24	-do-
2020-10 NISRIP FSSM PC	Details for update	CA Liquidation	-do-	11,500.00	-do-
2020-11 NISRIP FSSM PC	-do-	-do-	-do-	46,000.00	-do-
2020-12 NISRIP FSSM PC	-do-	-do-	-do-	15,000.00	-do-
2020-13 R10-102-2018-075 PC	-do-	TEV Liquidation	-do-	21,147.00	-do-
2020-14 R10-102-2018-075 PC	-do-	TEV Liquidation	-do-	21,147.00	-do-



<b>Notices of Suspension (NS)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Suspension</b>	<b>Persons Responsible</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2020-15 R10-102-2018-075 PC	Details for update	TEV Liquidation	Officers and employees concerned	21,147.00	Details for update
2020-16 R10-102-2018-075 PC	-do-	-do-	-do-	21,147.00	-do-
<b>Bukidnon IMO-Special Fund</b>					
2016-001-Special-2015	02/16/2016	Non-submission of payrolls and supporting documents	Officers and employees concerned	642.81	-do-
2016-002-Special-2015	03/17/2016	Non-submission of liquidation of cash advances	-do-	56,600.00	-do-
2016-003-Special Fund-2016	07/22/2016	Lack of supporting documents for payment of expenses incurred during coordination meeting and performance assessment	-do-	74,550.00	-do-
2021-009-158 ARISP (2018)	04/20/2021	Non-submission of various DVs and supporting documents	-do-	21,767.85	-do-
2021-010-102 MINSAAD (2018)	04/20/2021	-do-	-do-	4,751.27	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. X</b>				<b>P 84,968,571.02</b>	
<b>REGIONAL IRRIGATION OFFICE NO. XIII</b>					
<b>Regional Office - General Fund</b>					
14-001-101-(14)	05/26/2014	Details for update	Officers and employees concerned	P 13,400.48	-do-
12-003-101(12)	11/19/2012	Payment of plane ticket without complete documentary requirements	-do-	18,002.00	-do-
10-003-102 SPISP-(09)	01/06/2010	Payment of CNA Incentives	-do-	225,000.00	-do-
11-001-101 (11)	11/08/2011	Payment of plane ticket rebooking	-do-	3,339.00	-do-
12-006-101-(12)	12/10/2012	Payment of 15% mobilization without complete documentary requirements	-do-	495,062.43	-do-
10-002-101 MDS-(09)	01/06/2010	Payment of CNA Incentives	-do-	1,800,000.00	-do-
2021-004-102 (NISRIIP) (19)	Details for update	Non-attachment of supporting documents	-do-	23,897.00	-do-
2020-06 (Supplemental)	-do-	Details for update	-do-	5,626.00	-do-
<b>Regional Office - Corporate Fund</b>					
19-002-501 LFPS-(19)	12/16/2019	Non-attachment of supporting documents	Officers and employees concerned	10,586.75	-do-
19-005-501 LFPS-(19)	12/16/2019	Liquidation of CA without complete documentary requirements	-do-	4,800.00	-do-
18-001-501 COB-(17)	Details for update	Payment of per diems for the 1st 30 days - transfer from NIA Agusan del Sur to NIA Region XIII, Butuan City, without appropriate legal basis	-do-	24,000.00	-do-
18-002-501 COB-(17)	-do-	Payment of per diems for the 1st 30 days - transfer from NIA Agusan del Sur to NIA Region	-do-	24,000.00	-do-

<b>Notices of Suspension (NS)</b>					
No.	Date	Nature of Suspension	Persons Responsible	Unsettled Amount	Remarks
		XIII, Butuan City, without appropriate legal basis			
18-001-501 LFPs-(17)	-do-	-do-	Officers and employees concerned	24,000.00	Details for update
12-002-501 COB	11/19/2012	Payment of plane ticket without complete documentary requirements	-do-	7,198.00	-do-
10-013-501 COB-(09)	01/06/2010	Payment of CNA Incentives	-do-	180,000.00	-do-
<b>Agusan Del Norte, Surigao Del Norte, and Dinagat Islands IMO</b>					
19-001-501 LFPS-SDN-(19)	12/10/2019	Liquidation of CA was suspended due to non-attachment of documentary requirements	Officers and employees concerned	5,000.00	-do-
19-007-501 LFPS-CABRIS-(19)	11/13/2019	Details for update	Details for update	39,750.00	-do-
19-006-501 LFPS-LARPIS-(19)	11/13/2019	-do-	-do-	30,285.72	-do-
19-005-501 LFPS-ADN-(19)	11/13/2019	-do-	-do-	42,996.25	-do-
19-004-501 LFPS-ADN-(19)	11/13/2019	-do-	-do-	17,887.50	-do-
17-002-501TF-(17)	Details for update	-do-	-do-	182,643.52	-do-
17-002-501TF-(17)	-do-	-do-	-do-	26,464.02	-do-
2021-003-501 LFPS-(19)	-do-	-do-	-do-	38,418.24.00	-do-
<b>Regional Office - Special Fund</b>					
10-001-158 CARP-09	01/06/2010	Payment of CNA Incentive	Officers and employees concerned	105,000.00	-do-
<b>TOTAL REGIONAL IRRIGATION MANAGEMENT OFFICE NO. XIII</b>				<b>P 3,347,356.91</b>	
<b>TOTAL AMOUNT OF NOTICES OF SUSPENSION (Philippine Peso)</b>				<b>P1,371,910,862.54</b>	
<b>TOTAL AMOUNT OF NOTICES OF SUSPENSION (US Dollar)</b>				<b>US\$ 3,863,966.92</b>	

## B. AUDIT DISALLOWANCES

<b>Notices of Disallowance (ND)</b>					
No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount	Remarks
<b>CENTRAL OFFICE</b>					
<b>General Fund (GF)</b>					
2014-011-101	05/07/2014	Payment of honorarium to officers of NIA and other reimbursable cost	Officers and employees concerned	P 733,665.09	With Notice of Finality of Decision (NFD) and COA Order of Execution (COE)
2014-010-101	05/06/2014	-do-	-do-	647,262.50	-do-
2014-009-101	05/02/2014	-do-	-do-	857,729.32	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-008-101	04/30/2014	Payment of honorarium to officers of NIA and other reimbursable cost	Officers and employees concerned	534,282.75	With NFD and COE
2014-006-101	04/11/2014	-do-	-do-	1,164,821.36	-do-
2014-005-101	04/11/2014	-do-	-do-	934,145.01	-do-
12-015-101(04)	11/28/2012	Transfer of income already paid by Fund 101 to Fund 501	-do-	1,928,918.53	With NFD
11-010-102 (09)	07/19/2011	Overpayment of Terminal Leave	-do-	18,305.76	-do-
11-03-101 (10)	12/07/2011	Cost of auditing services charged to General Fund	-do-	3,246,721.00	-do-
Supplemental ND No. 2019-002 (2016-002-102-A)	10/04/2019	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	Officers and employees concerned, and supplier	25,126,000.00	ND affirmed in Corporate Government Sector (CGS) Cluster V Decision No. 2019-028 dated August 13, 2019
Supplemental ND No. 2019-001 (2016-003-102-A)	09/11/2019	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	-do-	23,648,000.00	ND affirmed with modification in CGS Cluster V Decision No. 2019-015 dated June 7, 2019
2016-001-102-A	03/29/2019	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	-do-	27,246,000.00	ND affirmed with modification in CGS Cluster V Decision No. 2019-005 dated February 28, 2019
2016-003-102	04/06/2016	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	-do-	272,000.00	ND affirmed with modification in CGS Cluster V Decision No. 2019-015 dated June 7, 2019
2016-002-102	03/28/2016	Procurement of 17 units Nissan Frontier Navarra 4 WD MT per Contract No. PIDP-S-7 exceeded the current prevailing market price per unit at the time of purchase and no volume discount availed	-do-	289,000.00	ND affirmed with modification in CGS Cluster V Decision No. 2019-028 dated August 13, 2019
2016-001-102	03/21/2016	Procurement of 19 units motor vehicle Model Nissan Frontier Navarra 4 WD per Contract No. PIDP-S- 2R2 exceeded the current prevailing market	-do-	494,000.00	ND affirmed with modification in CGS Cluster V Decision No.

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
		price per unit at the time of purchase and no volume discount availed			2019-005 dated February 28, 2019
2015-002-101	07/02/2015	Payment of per diem 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	Officers and employees concerned, and consultant	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)	08/28/2014	Overpayment of accomplishment and non-deduction of the cost of material withdrawn by the contractor to NIA	Officers and employees concerned, and contractor	6,343,953.68	With CGS Cluster 5 Decision No. 2016-029 dated September 23, 2016 partially granting the appeal
HCAAP 2014-002 (12)	08/28/2014	Overpayment of accomplishment and non-deduction of the cost of material withdrawn by the contractor to NIA	-do-	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
2017-014-102	12/20/2017	Payments for Advances / Mobilization Fees under Contract No. PIDPC-C-UCRISI-1	-do-	201,272,895.12	Details for update
2017-013-101	10/11/2017	Payment of claims under Contract No. PIDP11-C-BRISN-1	-do-	81,587,134.60	-do-
2017-012-102	04/20/2017	Payment of claims under Contract No. SPISPI-C-3	-do-	9,129,808.99	-do-
2017-011-101	04/18/2017	Payment of interest charges due to delayed payments of Progress Billings under Contract No. BBMPD-C-3	-do-	13,000,000.00	-do-
2017-010-101	04/18/2017	Payment of interest charges due to delayed payments of Progress Billings under Contract No. CMIPP-C-S1	-do-	10,825,033.74	-do-
2017-010-101	04/18/2017	Payment of interest charges due to delayed payments of Progress Billings under Contract No. CMIPP-C-S1	-do-	10,825,033.74	-do-
2017-009-102	04/03/2017	Payments of claims under Contract No. R6-JRMPII-NCB-C-1 were not adequately supported with appropriate/ proper documents	-do-	80,813,154.60	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2017-008-101	03/30/2017	Payments of claims under Contract No. CMIPPD-C-S5-9.b were not adequately supported with appropriate/proper documents	Officers and employees concerned, and contractor	117,343,947.72	Details for update
2017-007-101	03/28/2017	Payment of claims under Contract No. CMIPP2/NCB-C-S6-2 considered as irregular expenditure	-do-	95,274,436.74	-do-
2017-006-102	03/23/2017	Payment of claims under Contract No. PIDP2-C-MRISN-1R considered as irregular expenditure	-do-	35,681,359.23	-do-
2017-005-101	02/20/2017	Payment of claims under Contract No. SRIPD-C-24 considered as irregular expenditure	-do-	121,645,171.43	-do-
2017-004-101	02/17/2017	Payment of claims under Contract No. SRIPD-C-23 considered as irregular expenditure	-do-	435,809,849.91	-do-
2017-003-101	01/16/2017	Payment of claims under Contract No. UMRIPD-C-3 considered as irregular expenditure	-do-	138,945,742.35	-do-
2017-002-101	01/16/2017	Payment of 7.5 per cent mobilization fee considered as irregular expenditure	-do-	19,360,652.56	-do-
2017-001-101	01/11/2017	Payments of claims under Contract No. SRIPD-C-21 considered as irregular expenditures	-do-	203,675,370.73	-do-
2016-007-101	12/16/2016	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 its IRR	-do-	167,422,114.84	-do-
2016-006-101	12/16/2016	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	-do-	25,311,068.06	-do-
2016-005-101	12/16/2016	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	-do-	122,473,922.21	-do-
2015-007-102	12/17/2015	Delivered items were not in accordance with the specifications indicated in the contract	-do-	1,157,990.00	-do-

**Notices of Disallowance (ND)**

No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount	Remarks
2015-003-102	10/07/2015	Payment of Item 117- Supply and Delivery of Steel Sheet Piles which did not conform to the contract specifications for the Contract No. PIDP2-C-VISN-1R	Officers and employees concerned, and contractor	27,717,840.00	Details for update
2015-001-101	06/16/2015	Payment for items 125, 126 and 127 was disallowed in audit due to non-submission of the documents required under NS No. 2014-017-101 dated May 16, 2014	-do-	47,057,674.15	-do-
HCAAP 2014-003 (12)	08/28/2014	Payment for overrun or increase in quantity for item 104.b of the Contract	-do-	168,774,744.39	-do-
2015-006-102	12/02/2015	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	-do-	116,590.83	-do-

**Corporate Fund**

2016-004-501	08/03/2016	Payment of meals and snacks in 2013	Officers and employees concerned	5,386.00	With NFD and COE
2016-001-501	04/04/2016	Reimbursement of jet plane fuel and incidental expenses	-do-	406,315.78	With NFD
2014-002-501 (12)	05/30/2014	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	-do-	29,250.00	With NFD and COE
2014-001-501 (12)	11/08/2013	-do-	-do-	16,961.15	-do-
2013-096-501 (11)	10/16/2013	-do-	-do-	25,830.00	-do-
2013-073-501 (11)b	09/27/2013	-do-	-do-	37,000.00	-do-
2013-071 501 (11)	09/20/2013	-do-	-do-	23,000.00	-do-
2013-024-501 (12)	03/22/2013	Overpayment of Representation Allowance (RA) and Transportation Allowance (TA) for CY 2012	-do-	22,000.00	-do-
2013-012-501 (11)	02/22/2013	Overpayment of RA from January to October 2011	-do-	8,000.00	-do-
11-017-501 (09)	04/18/2011	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	-do-	136,500.00	-do-
11-016-501 (09)	04/18/2011	-do-	-do-	132,000.00	-do-
11-015-501 (10)	04/18/2011	-do-	-do-	45,000.00	-do-
11-012-501 (10)	04/18/2011	Overpayment of RA for the period January to October 2010	-do-	19,000.00	-do-
11-007-501 (10)	04/18/2011	-do-	-do-	19,200.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
11-004-501 (10)	04/18/2011	Overpayment of RA for December 2010	Officers and employees concerned	800.00	With NFD and COE
10-016-501 (09)	03/16/2010	Payment of CNA incentive for NIA Contractual employees for the year 2009	-do-	19,904.15	-do-
2021-005-501(2020)	11/11/2021	Payment of Overtime (OT) services from March to September 2020 charged to COVID-19 fund	-do-	467,746.95	Details for update
2019-001-501	08/23/2019	Advance payment made to A.M. Oreta & Co. (AMOCO) in relation to project Contract No. R5-LCDPN-C1 for the construction of diversion dam and appurtenant structures for the Libmanan-Cabusao Dam and rehabilitation project, located in Malaguico Sipocot, Camarines Sur	Officers and employees concerned, and contractor	105,116,655.00	-do-
2016-002-501 (A)	06/06/2019	Lack of supporting documents necessary for auditorial review of payments of contract No. NIACO-S-2R	Officers and employees concerned, and supplier	28,680,000.00	-do-
2016-005-501	08/05/2016	Payment of OT Services rendered for the period November 17-30, 2015	Officers and employees concerned	23,900.25	Affirmed in CGS Cluster-V Decision No. 2018-045 dated December 20, 2018
2015-016-501 (12)	09/15/2015	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	-do-	955,000.00	With Petition for Review
2015-015-501 (12)	09/08/2015	-do-	-do-	723,000.00	-do-
2015-014-501 (12)	09/08/2015	-do-	-do-	312,000.00	-do-
2015-013-501 (12)	09/07/2015	-do-	-do-	317,000.00	-do-
2015-012-501 (12)	09/04/2015	-do-	-do-	840,000.00	-do-
2015-011-501 (12)	09/04/2015	-do-	-do-	273,000.00	-do-
2015-010-501 (12)	09/02/2015	-do-	-do-	615,000.00	-do-
2015-009-501 (12)	08/24/2015	-do-	-do-	69,000.00	-do-
2015-008-501 (12)	08/24/2015	-do-	-do-	234,000.00	-do-
2015-007-501 (12)	08/12/2015	-do-	-do-	1,170,000.00	-do-
2015-006-501 (12)	08/17/2015	-do-	-do-	507,000.00	-do-
2015-005-501 (12)	08/17/2015	-do-	-do-	124,000.00	-do-
2015-004-501 (12)	08/12/2015	-do-	-do-	507,000.00	-do-
2015-003-501 (12)	08/12/2015	-do-	-do-	156,000.00	-do-
2015-002-501 (12)	02/12/2015	-do-	-do-	700,000.00	-do-
2013-118-501 (11)	11/07/2013	-do-	-do-	37,000.00	-do-
2013-117-501 (11)	10/29/2013	-do-	-do-	21,500.00	-do-
2013-116-501 (11)	10/29/2013	-do-	-do-	7,000.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2013-115-501 (11)	10/29/2013	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	Officers and employees concerned	37,000.00	With Petition for Review
2013-114-501 (11)	10/29/2013	-do-	-do-	17,000.00	-do-
2013-113-501 (11)	10/29/2013	-do-	-do-	37,000.00	-do-
2013-112-501 (11)	10/29/2013	-do-	-do-	37,000.00	-do-
2013-111-501 (11)	10/25/2013	-do-	-do-	37,000.00	-do-
2013-110-501 (11)	10/25/2013	-do-	-do-	7,000.00	-do-
2013-109-501 (11)	10/25/2013	-do-	-do-	17,000.00	-do-
2013-108-501 (11)	10/25/2013	-do-	-do-	17,000.00	-do-
2013-107-501 (11)	10/25/2013	-do-	-do-	308,500.00	-do-
2013-106-501 (11)	10/24/2013	-do-	-do-	74,000.00	-do-
2013-105-501 (11)	10/24/2013	-do-	-do-	14,000.00	-do-
2013-104-501 (11)	10/24/2013	-do-	-do-	5,000.00	-do-
2013-103-501 (11)	10/24/2013	-do-	-do-	5,000.00	-do-
2013-102-501 (11)	10/23/2013	-do-	-do-	22,500.00	-do-
2013-101-501 (11)	10/23/2013	-do-	-do-	22,500.00	-do-
2013-100-501 (11)	10/23/2013	-do-	-do-	15,000.00	-do-
2013-099-501 (11)	10/23/2013	-do-	-do-	6,000.00	-do-
2013-098-501 (11)	10/22/2013	-do-	-do-	6,000.00	-do-
2013-097-501 (11)	10/22/2013	-do-	-do-	7,500.00	-do-
2013-095-501 (11)	10/07/2013	-do-	-do-	25,000.00	-do-
2013-094-501 (11)	10/07/2013	-do-	-do-	296,000.00	-do-
2013-093-501 (11)	10/07/2013	-do-	-do-	21,500.00	-do-
2013-092-501 (11)	10/07/2013	-do-	-do-	27,500.00	-do-
2013-091-501 (11)	10/07/2013	-do-	-do-	5,000.00	-do-
2013-090-501 (11)	10/07/2013	-do-	-do-	7,000.00	-do-
2013-089-501 (11)	10/04/2013	-do-	-do-	80,000.00	-do-
2013-088-501 (11)	10/04/2013	-do-	-do-	37,000.00	-do-
2013-087-501 (11)	10/04/2013	-do-	-do-	154,000.00	-do-
2013-086-501 (11)	10/04/2013	-do-	-do-	148,000.00	-do-
2013-085-501 (11)	10/04/2013	-do-	-do-	210,000.00	-do-
2013-084-501 (11)	10/04/2013	-do-	-do-	6,000.00	-do-
2013-083-501 (11)	10/04/2013	-do-	-do-	14,000.00	-do-
2013-082-501 (11)	10/04/2013	-do-	-do-	37,000.00	-do-
2013-081-501 (11)	10/03/2013	-do-	-do-	111,000.00	-do-
2013-080-501 (11)	10/02/2013	-do-	-do-	195,500.00	-do-
2013-079-501 (11)	09/30/2013	-do-	-do-	111,000.00	-do-
2013-078-501 (11)	09/30/2013	-do-	-do-	37,000.00	-do-
2013-077-501 (11)	09/30/2013	-do-	-do-	74,000.00	-do-



<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2013-076-501 (11)	09/30/2013	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	Officers and employees concerned	37,000.00	With Petition for Review
2013-075-501 (11)	09/30/2013	-do-	-do-	111,000.00	-do-
2013-074-501 (11)	09/27/2013	-do-	-do-	111,000.00	-do-
2013-073-501 (11)	09/27/2013	-do-	-do-	354,500.00	-do-
2013-072-501 (11)	09/20/2013	-do-	-do-	74,000.00	-do-
2013-070-501 (11)	09/13/2013	-do-	-do-	885,000.00	-do-
2013-069-501 (11)	09/12/2013	-do-	-do-	465,500.00	-do-
2013-068-501 (11)	09/12/2013	-do-	-do-	148,000.00	-do-
2013-067-501 (11)	09/12/2013	-do-	-do-	255,500.00	-do-
2013-066-501 (11)	09/11/2013	-do-	-do-	17,000.00	-do-
2013-065-501 (11)	09/10/2013	-do-	-do-	37,000.00	-do-
2013-064-501 (11)	09/11/2013	-do-	-do-	296,000.00	-do-
2013-063-501 (11)	09/10/2013	-do-	-do-	30,000.00	-do-
2013-062-501 (11)	09/09/2013	-do-	-do-	27,500.00	-do-
2013-061-501 (11)	09/09/2013	-do-	-do-	37,000.00	-do-
2013-060-501 (11)	09/09/2013	-do-	-do-	7,500.00	-do-
2013-059-501 (11)	09/09/2013	-do-	-do-	222,000.00	-do-
2013-058-501 (11)	09/09/2013	-do-	-do-	21,500.00	-do-
2013-057-501 (11)	09/04/2013	-do-	-do-	37,000.00	-do-
2013-056-501 (11)	09/04/2013	-do-	-do-	37,000.00	-do-
2013-055-501 (11)	09/04/2013	-do-	-do-	235,000.00	-do-
2013-054-501 (11)	09/02/2013	-do-	-do-	894,500.00	-do-
2013-053-501 (11)	09/03/2013	-do-	-do-	925,000.00	-do-
2013-052-501 (11)	09/02/2013	-do-	-do-	37,000.00	-do-
2013-051-501 (11)	09/02/2013	-do-	-do-	629,000.00	-do-
2013-050-501 (11)	09/02/2013	-do-	-do-	666,000.00	-do-
2013-049-501 (11)	09/02/2013	-do-	-do-	74,000.00	-do-
2013-047-501 (11)	08/29/2013	-do-	-do-	592,000.00	-do-
2013-046-501 (11)	08/29/2013	-do-	-do-	592,000.00	-do-
2013-045-501 (11)	08/29/2013	-do-	-do-	111,000.00	-do-
2013-044-501 (11)	08/29/2013	-do-	-do-	1,184,000.00	-do-
2013-043-501 (11)	08/23/2013	-do-	-do-	1,036,000.00	-do-
2013-042-501 (11)	08/23/2013	-do-	-do-	222,000.00	-do-
2013-041-501 (11)	08/23/2013	-do-	-do-	259,000.00	-do-
2013-040-501 (11)	08/23/2013	-do-	-do-	74,000.00	-do-
2013-039-501 (11)	08/23/2013	-do-	-do-	185,000.00	-do-
2013-038-501 (11)	08/23/2013	-do-	-do-	962,000.00	-do-
2013-037-501 (11)	08/23/2013	-do-	-do-	111,000.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2013-036-501 (11)	08/23/2013	Payment of CNA incentive for CY 2012 in excess of the DBM prescribed ceiling of P25,000	Officers and employees concerned	185,000.00	With Petition for Review
2013-035-501 (11)	08/23/2013	-do-	-do-	444,000.00	-do-
2013-034-501 (11)	08/22/2013	-do-	-do-	814,000.00	-do-
2013-033-501 (11)	08/22/2013	-do-	-do-	814,000.00	-do-
2013-032-501 (11)	08/22/2013	-do-	-do-	555,000.00	-do-
2013-031-501 (11)	08/16/2013	-do-	-do-	555,000.00	-do-
2013-030-501 (11)	08/13/2013	-do-	-do-	296,000.00	-do-
2013-029-501 (11)	08/13/2013	-do-	-do-	518,000.00	-do-
2013-028-501 (11)	08/13/2013	-do-	-do-	370,000.00	-do-
2013-027-501 (11)	08/06/2013	-do-	-do-	37,000.00	-do-
2021-001-501 LFPs (17/18/19/20)	03/24/2021	Payment for Contract No. SRIPD-C-23, Construction of Barotac Viejo Earthfill Dam and its Appurtenant Structures	Officers and employees concerned, and contractor	405,401,400.99	Details for update
2021-001-501 LFPs (19/20)	03/24/2021	Payment for contract No. SRIPD-C-24, Construction of Hibulangan Earthfill Dam and its Appurtenant Structures	-do-	124,471,699.06	-do-
2021-003-101/501 (17/18/19)	05/04/2021	Payment for Contract No. UMRIPD-C-2R, Construction of Main Canal (Sta. 0+000 to Sta. 10+750 (Headgate of Lateral D) and its Appurtenant Structures	-do-	185,760,484.59	-do-
2021-005-501 (19/21)	10/04/2021	Payment for Contract No. SRIPD-C-26, Construction of Sulvec Earthfill Dam and its Appurtenant Structures	-do-	71,408,361.82	-do-
20-001-501 (18)	06/09/2020	Payment of unnecessary Consultancy Service on Security	Officers and employees concerned, and consultant	600,000.00	-do-
20-002-501 (18)	06/11/2020	-do-	-do-	600,000.00	-do-
20-003-501 (18)	06/11/2020	-do-	-do-	650,000.00	-do-
20-004-501 (18)	06/11/2020	-do-	-do-	300,000.00	-do-
20-005-501 (17)	06/11/2020	-do-	-do-	150,000.00	-do-
20-006-501 (17)	06/11/2020	-do-	-do-	406,451.61	-do-
20-007-501 (17)	06/11/2020	-do-	-do-	250,000.00	-do-
20-008-501 (17)	06/11/2020	-do-	-do-	54,838.71	-do-
2017-01-501	06/23/2017	Payment to Kryo Builders for Contract No. UMRIPD-C1	Officers and employees concerned, and contractor	119,460,053.27	-do-
2016-009-501	10/25/2016	Payment to Masangkay Computer Center for the supply and delivery of various Information and Technology (IT) equipment	Officers and employees concerned, and supplier	769,226.08	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2016-008-501	09/02/2016	Payment of the Supply, Printing and Delivery of 1,200 pcs. T-shirts and 1,200 Conference bags for the Convention-Consultation and Mass Turn-over of Completed Project to IAs	Officers and employees concerned, and supplier	372,000.00	Details for update
2016-007-501	07/29/2016	Payment for the lease of venue including accommodation and meals for 1,200 participants	-do-	8,437,400.00	-do-
2016-003-501	07/22/2016	Payment of Overtime Services rendered for the period January to December 2015	Officers and employees concerned	473,543.50	-do-
2016-002-501	04/25/2016	Supply and Delivery of Twenty (20) units Pick-up Truck, Double Cab, 4x4, DED, Model Nissan Frontier Navarra 4 WD MT under NIA Corporate Fund	Officers and employees concerned, and supplier	520,000.00	-do-

**NIACI, former subsidiary of the NIA, subsumed in CO-Corporate Fund**

2017-001-NIACI	02/16/2017	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	NIACI Officers and employees concerned, and consultant	843,750.00	-do-
2015-014-NIACON	09/23/2015	Payments of vehicle rentals and wages of enumerators were not supported with complete and proper documentary requirements	NIACI Officers and employees concerned, and consultants and supplier	62,100.00	-do-
2015-013-NIACON	09/23/2015	-do-	-do-	23,600.00	-do-
2015-012-NIACON	09/23/2015	-do-	-do-	17,200.00	-do-
2015-011-NIACON	09/23/2015	-do-	-do-	9,500.00	-do-
2015-010-NIACON	09/23/2015	-do-	-do-	95,550.00	-do-
2015-008-NIACON	09/23/2015	-do-	-do-	7,102,875.00	Affirmed in CGS 5 Decision No. 2019-002 dated January 30, 2019
2017-002-NIACI	11/06/2017	-do-	-do-	4,476,420.01	Details for update
2015-015-NIACON	09/23/2015	Incomplete and improper supporting documents	-do-	19,000.00	With NFD and COE
2015-009-NIACON	09/23/2015	Payments of Separation/Retirement Pay and Terminal Leave Benefits were not adequately supported with appropriate/ proper documents	NIACI Officers and employees concerned	1,346,920.85	-do-
2015-004-NIACI	09/15/2015	Payments of vehicle rentals, plane ticket of consultant and wages of enumerators were not supported with complete and proper documentary requirements	NIACI Officers and employees concerned, and consultants	92,789.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-019-NIACI	12/01/2014	Payments of meals of consultants and enumerators were covered by per diem and daily wages, respectively	NIACI Officers and employees concerned, and consultants	7,024.00	With NFD and COE
2014-017-NIACI	11/20/2014	Liquidation of CA was not supported with complete and proper documentary requirements	NIACI Officers and employees concerned	32,370.00	-do-
2014-007-NIACON	03/21/2014	Irregular disbursement incurred for vehicle rental	NIACI Officers and employees concerned, and consultants	14,000.00	-do-
2014-006-NIACON	03/21/2014	Irregular expenses incurred were not within the period indicated in the Travel Order	-do-	6,702.00	-do-
2014-005-NIACI (12)	03/18/2014	Signatures of persons acknowledging receipt of payment for services rendered differed with their signatures appearing in the photocopy of their Identification Card (ID) submitted	NIACI Officers and employees concerned	6,400.00	-do-
2014-003-NIACI (12)	02/25/2014	Irregular payment of vehicle rental and honoraria	-do-	80,400.00	-do-
2014-002-NIACI (12)	02/25/2014	Irregular payment of vehicle rental	NIACI Officers and employees concerned, and consultants	15,000.00	-do-
2014-001-NIACI (12)	02/06/2014	Non-submission of documentary requirements within the reglementary period	NIACI Officers and employees concerned	32,370.00	-do-
12-006-NIACI(11)	11/23/2012	Grant of uniform allowance, mid-year bonus / cash gift and Productivity Incentive Bonus (PIB) to various NIA Officers who acted as advisors of NIACI without authority from the President	-do-	22,750.00	-do-
12-003-NIACI(10)	08/31/2012	Lack of legal basis for inclusion in the liquidation report of expenses for snacks and groceries since per diem was already claimed	-do-	2,915.50	-do-
12-002-NIACI(09)	05/14/2012	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	-do-	29,000.00	-do-
11-003-NIACON(10)	11/14/2011	Illegal payment of annual fee made to CITI Gold Mastercard	-do-	2,500.00	-do-
11-001-NIACON(09)	03/29/2011	Non-liquidation of CA	-do-	25,497.00	-do-
10-002-NIACON(09)	09/14/2010	Payment of separation pay for the period June 15, 2005 to February 11, 2009 without legal basis	-do-	33,010.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
10-001-NIACON(09)	09/08/2010	Payment of annual fee of personally owned credit card by an employee	NIACI Officers and employees concerned	2,000.00	With NFD and COE
11-004-NIACI (10)	12/15/2011	Double payment of clothing/uniform allowance	-do-	12,000.00	Details for update
2015-007-NIACI	09/18/2015	Disbursements incurred were not adequately supported with appropriate/proper documents	-do-	39,310.00	Affirmed in CGS 5 Decision No. 2018-042 dated November 28, 2018
2015-006-NIACI	09/18/2015	-do-	-do-	58,900.00	-do-
2015-005-NIACI	09/15/2015	-do-	-do-	41,000.00	-do-
2015-003-NIACI	09/15/2015	-do-	-do-	56,000.00	-do-
2014-018-NIACI	11/25/2014	-do-	-do-	1,011,200.00	Affirmed in CGS Cluster 5 Decision No. 2015-016 dated October 30, 2015
2013-003-NIACI (12)	09/12/2013	Remuneration paid to an employee not qualified as Consultant	-do-	297,087.47	Affirmed with modification in CGS 5 Decision No. 2014-013 dated September 24, 2014
2013-001-NIACI (12)	08/27/2013	Payment of remuneration and honoraria to NIA and NIACI officers for CY 2012 without legal basis	-do-	1,459,800.00	Affirmed in CGS 5 Decision No. 2014-010 and COA Decision No. 2016-245
12-005-NIACI (11)	11/23/2012	Payment to NIA Officers who acted as members of the Technical Assistance Team for consultancy contracts between NIA and NIACI without legal basis	-do-	2,137,000.00	Affirmed in COA Decision No. 2016-435 dated December 27, 2016
12-004-NIACI (10)	11/23/2012	-do-	-do-	399,000.00	-do-
2014-008-NIACON	04/14/2014	Payment of honoraria without authority	-do-	655,200.00	-do-
2014-004-NIACI (12)	03/12/2014	Penalties incurred due to late payment of value added tax (VAT) for the 4th quarter of CY 2012	-do-	139,889.55	Details for update
<b>Special Fund</b>					
11-001-158(08-07)	04/25/2011	Payment of honorarium to NIA CARP officers	Officers concerned	443,589.25	With COE
2014-016-158(12)	06/25/2014	Payment of salaries, bonuses and allowances received after compulsory retirement on April 16, 2012 or for the period of April 17, 2012 to December 31, 2012 without legal basis	Officers and employees concerned	473,613.08	With CGS 5 Decision No. 2017-016 dated January 14, 2017; With Petition for Review
2016-002-158	08/04/2016	Monetary remuneration of overtime is contrary to CSC-DBM Joint Circular No. 2 dated 10/04/04	-do-	44,991.04	Details for update

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
10-003-158(09)	04/27/2010	Payment of CNA	Officers and employees concerned	60,000.00	Details for update
10-002-158(09)	04/27/2010	-do-	-do-	60,000.00	-do-
10-001-158(09)	03/22/2010	-do-	-do-	418,069.02	-do-
<b>TOTAL CENTRAL OFFICE</b>				<b>P3,349,123,939.39</b>	
<b>CORDILLERA ADMINISTRATIVE REGION</b>					
<b>Regional Office - General Fund</b>					
2018-06-101-(11) KIMO	01/10/2018	Payment of meals and lodging. Management failed to comply with the submission of the supporting documents required within the prescribed period	Officers and employees concerned	P 10,459.00	Details for update
2018-05-101-(11) KIMO	01/10/2018	-do-	-do-	7,709.00	-do-
2018-003-101 (11) KIMO	06/07/2018	Deficiency of 6.33 per cent on the completed Pakkitan CIS	-do-	93,253.00	-do-
12-017-101-(12)	08/15/2012	Excessive claim of per diems	-do-	3,200.00	-do-
12-014-101-(12)	05/08/2012	-do-	-do-	1,120.00	-do-
2018-07-101 (15) KIMO	11/29/2018	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%	-do-	27,424.02	With COE
15-003-101-(10)	01/30/2015	Grouted riprap was not in accordance with the standard grouting of Igang CIS	-do-	145,316.83	With COE
15-002-101-(10)	01/30/2015	Measured volume of reinforced concrete reservoir of Asin CIS was deficient by 16.87 cubic meter	-do-	7,352.16	Details for update
15-001-101-(10)	01/28/2015	Measured volume of RC reservoir was deficient by 8.30 cubic meter - Lubesal CIS	-do-	11,977.15	With COE
2017-03-101-(10)	07/11/2017	Substandard concrete mixture / improper construction method applied by the Pakyaw Group in the implementation of Malin-awa CIS	-do-	16,273.39	With NFD and COE
2017-02-101-(10)	03/11/2017	Irregularities and inconsistencies in the procurement of construction materials used in Malalao CIS	-do-	9,516.97	-do-
2018-04-101-(10) KIMO	01/10/2018	Irregular procurement of pipes costing P94,575.00 for Balintaugan CIS project	-do-	94,575.00	-do-
16-001-101-(12)	05/23/2016	Procured three units of pump with accessories were missing	-do-	345,480.00	Details for update
<b>Regional Office – Corporate Fund</b>					
2015-010-501 (11)	01/12/2015	Payment of Viability Incentive Grant (VIG) for CY 2013 without legal basis / authority	Officers and employees concerned	43,000.00	With NFD and COE

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-011-501 (13-14)	01/12/2015	Payment of Viability Incentive Grant (VIG) for CY 2013 without legal basis / authority	Officers and employees concerned	3,166,096.79	With COE
2018-02-(501 COB)	04/18/2018	Payment of consultancy services is disallowed for its non-compliance with Sections 2 and 7.2 of RA No. 9184 and without complete documents	Officers and employees concerned, consultant and	350,000.00	Details for update
16-002-501-(15)	05/10/2016	Payment COLAA without legal basis / authority	-do-	68,647.55	-do-
15-009-501-(07)	12/10/2015	Payment of CNA Incentive for CYs 2007-2008 without legal basis / authority	-do-	10,000.00	-do-
15-008-501-(07)	08/25/2015	-do-	-do-	20,000.00	-do-
15-007-501-14 (07-08)	07/29/2015	-do-	-do-	55,000.00	-do-
15-005-501-14 (RO)	06/30/2015	Payment of VIG for CY 2012	-do-	1,335,960.00	-do-
12-005-501-10	06/27/2012	Early payment of CNA	-do-	500,000.00	Affirmed in COA-CAR Decision No. 2015-044 dated July 20, 2015
12-004-501-10	06/27/2012	-do-	-do-	2,050,000.00	-do-
12-003-501-10	06/27/2012	-do-	-do-	2,350,000.00	-do-
12-001-501-11	05/06/2012	CNA granted for CY 2011 was in excess of P25,000.00	-do-	760,000.00	-do-
2021-02-501 LFP (17-18)	Details for update	Nangalisan Communal Irrigation Project (CIP)	Officers and employees concerned, contractor and	14,961.48	Details for update
2021-01-501 LFP (17-18)	-do-	Nangalisan CIP	-do-	23,565.35	-do-
2020-01-501 NIA-KIMO	10/26/2020	Irregular payment to consultants	Officers and employees concerned, consultant and	128,374.66	-do-
15-006-501-14 (RO)	09/06/2015	Payment of VIG has without legal basis / authority	Officers and employees concerned	1,974,971.28	Affirmed in COA-CGS-5 Decision No. 2016-009 dated May 18, 2016
13-003-501-12	01/17/2014	CNA granted for CY 2011 in excess of P25,000.00	-do-	320,000.00	Affirmed in CGS Cluster-V Decision No. 2015-015 dated October 30, 2015
13-002-501-12	01/16/2014	-do-	-do-	3,045,000.00	-do-
13-001-501-12	01/16/2014	-do-	-do-	1,843,750.00	-do-
12-008-501-11	10/19/2012	Unreasonable contract cost with a variance of 15.61% above the contract amount	Officers and employees concerned, contractor and	944,427.30	Details for update
2018-001-501-(16)	10/01/2018	Irregular Pakyaw Contract	Officers and employees concerned, and laborers	137,458.65	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
<b>Regional Office -Special Fund</b>					
2019-07-158-CARP CARE (09-10)	10/14/2019	Irregular Pakyaw Contract	Officers and employees concerned, and laborers	890,278.55	With COE and NFD
12-002-158-11	06/05/2012	Payment of CNA in excess of the P25,000.00 limitation	Officers and employees concerned	55,000.00	Affirmed in COA-CAR Decision No. 2015-044 dated July 20, 2015
12-011-158-11	01/11/2013	The payment for the construction of Daguioman CIS (Intake 1,4 and 5) was disallowed because the actual accomplishment of the project is only 97.47%.	Officers and employees concerned, and contractor	202,027.32	Details for update
12-012-158-11	01/11/2013	-do-	-do-	227,842.15	-do-
<b>TOTAL CORDILLERA ADMINISTRATIVE REGION</b>				<b>P 21,290,017.60</b>	
<b>REGIONAL IRRIGATION OFFICE NO. I</b>					
<b>Regional Office – General Fund</b>					
2009-01-101/158-LUPIO	06/16/2009	Payment of cash gift and year-end bonus to Job Order employees	Officers and employees concerned, and job order employees	P 73,634.58	With NFD and COE
2013-01-101 (12)	12/27/2013	Payment of CNA Incentive for CY 2012 in excess of P25,000	Officers and employees concerned	273,000.00	Affirmed in CGS-5 Decision No. 2015-015 dated October 30, 2015
LUIMO-2013-01-101 (12)	12/27/2013	-do-	-do-	78,000.00	-do-
<b>Regional Office – Corporate Fund</b>					
12-001-501 (COB)-(11)	01/31/2012	Payment of CY 2011 CNA	Officers and employees concerned	115,000.00	With NFD and COE
11-501-COB-001 (10)	05/11/2011	-do-	-do-	115,000.00	-do-
19-006-501-(19)	11/04/2019	Payment for the services of Legal Consultant	Officers and employees concerned, and consultant	40,000.00	With NFD
19-007-501-(19)	11/04/2019	-do-	-do-	40,000.00	-do-
19-008-501-(19)	11/04/2019	-do-	-do-	40,000.00	-do-
2013-12-001(F501)	Detail for update	Payment of CNA incentive for CY 2012 in excess of P25,000.00	Officers and employees concerned	4,914,899.92	Details for update
12-001-501-(11)	01/09/2012	-do-	-do-	64,440.00	-do-
11-001-501-(10)	05/11/2011	Payment of CNA incentive for CY 2010 in excess of P25,000.00	-do-	180,000.00	-do-
LUIMO-2013-01-501(12)	12/27/2013	Payment of CY 2012 CNA	-do-	654,000.00	-do-
12-002-501(12)	08/22/2012	-do-	-do-	216,000.00	-do-
15-001 (14)	05/07/2015	Payment of VIG for CY 2013	-do-	508,000.00	-do-
15-002 (14)	05/07/2015	-do-	-do-	235,000.00	-do-
15-003 (14)	05/07/2015	-do-	-do-	83,000.00	-do-
15-004 (14)	05/07/2015	-do-	-do-	16,000.00	-do-



**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
15-005 (14)	05/07/2015	Payment of VIG for CY 2013	Officers and employees concerned	75,000.00	Details for update
15-006 (14)	05/07/2015	-do-	-do-	28,000.00	-do-
2015-03-001-501 COB(13)	04/30/2015	-do-	-do-	750,950.00	Affirmed in CGS Cluster-5 Decision No. 2015-020 dated December 22, 2015
2013-02-501(12)	12/27/2013	Payment of CNA incentive for CY 2010 in excess of P25,000.00	-do-	1,730,750.00	Affirmed in CGS Cluster-5 Decision No. 2015-015 dated October 30, 2015
2012-07-001	07/25/2012	-do-	-do-	1,565,000.00	Affirmed in COA (Regional Office) Decision No. 2015-039 dated October 13, 2015
2011-08-003	08/16/2011	-do-	-do-	192,000.00	Affirmed in COA Commission Proper Decision No. 2016-478 dated December 28, 2016
2011-05-002	05/12/2011	-do-	-do-	72,000.00	-do-
11-05-001	05/06/2011	-do-	-do-	460,000.00	-do-
2015-01-001-501 COB(13)	04/30/2015	Payment of VIG CY 2013	-do-	2,209,456.99	Affirmed in CGS-5 Decision No. 2015-020 dated December 22, 2015
2013-01-501(12)	12/27/2013	Payment of CNA incentive for CY 2010 in excess of P25,000.00	-do-	2,255,750.00	Affirmed in CGS-5 Decision No. 2015-015 dated October 10, 2015
15-001-501 (2014)	03/09/2015	Payment of VIG CY 2013	-do-	770,000.00	Affirmed in CGS-5 Decision No. 2015-020 dated December 22, 2015
SM-12-001 (12)	04/11/2012	Payment of CNA incentive for CY 2011 in excess of P25,000.00	-do-	80,000.00	With NFD
ND No. SM-12-002 (12)	12/06/2012	-do-	-do-	882,000.00	Affirmed in COA CGS-5 Decision No. 2015-009 dated July 28, 2015
NIA – BPIS	Detail for update	-do-	-do-	360,000.00	Details for update

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-01 501COB (2013)	-do-	Payment for VIG CY 2014	Officers and employees concerned	814,100.00	Affirmed in CGS 5 Decision No. 2015-020 dated December 22, 2015
2015-01 501COB (2014)	-do-	-do-	-do-	1,611,391.00	-do-
<b>Regional Office – Special Fund</b>					
2013-01-158(12)	2/11/2014	Payment of CNA Incentive for CY 2012 is in excess of P25,000	Officers and employees concerned	39,000.00	Affirmed in COA Decision No. 2015-015 dated October 30, 2015
2013-01-158(12)	12/27/2013	-do-	-do-	78,000.00	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. I</b>				<b>P 21,619,372.49</b>	
<b>REGIONAL IRRIGATION OFFICE NO. II</b>					
<b>Regional Office – General Fund</b>					
2018-002-101 (2015)	10/04/2018	Payment of fuel with lacking documents	Officers and employees concerned	105,008.37	Details for update
2021-001-102 (2019)	09/17/2021	Payment of per diems for the first 30 days	-do-	24,000.00	-do-
2018-NIARO2-0003 (2015)	08/31/2018	Payment for Job Order No. PIDP2-C-BCISS-2	Officers and employees concerned, and job order employees	214,438.54	-do-
2020-002 (2019)	01/30/2020	Payment of legal fee	Officers and employees concerned, and consultant	38,000.00	-do-
2020-003 (2019)	01/30/2020	-do-	-do-	114,000.00	-do-
2020-004 (2019)	01/30/2020	-do-	Officers and employees concerned, and consultant	190,000.00	-do-
2020-007 (2019)	10/12/2020	Overpayment of travelling expenses	Officers and employees concerned	7,280.00	Settled in 1 <sup>st</sup> Quarter of CY 2022
2020-008 (2019)	10/12/2020	-do-	-do-	800.00	-do-
2020-012 (2019)	10/12/2020	-do-	-do-	22,660.00	-do-
2020-013 (2019)	10/12/2020	-do-	-do-	18,080.00	-do-
2020-014 (2019)	10/12/2020	-do-	-do-	12,610.00	-do-
<b>Regional Office – Corporate Fund</b>					
2018-001-501 (2017)-NVIMO	03/2/2018	Payment of VIG for CY 2014 without legal basis	Officers and employees concerned	503,528.81	With NFD and COE
2018-002-501- (2017)-NVIMO	03/2/2018	-do-	-do-	151,397.73	-do-
2018-NIAISAIMO-0001 (2017)	04/20/2018	-do-	-do-	252,238.52	-do-
2018-003-501 (2015) CBIMO	10/4/2018	Payment of fuel without complete documentation	-do-	24,041.45	-do-
2021-007[NIA-RO2-QIMO]	09/08/2021	Project Allowance	-do-	65,000.00	Details for update

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2021-008[NIA-RO2-QIMO	10/12/2021	Project Allowance	Officers and employees concerned	40,000.00	Details for update
2019-001-501 (2017)	12/11/2019	Payment of construction materials for the renovation of MPIS without complete documentation	Officers and employees concerned, and supplier	241,892.22	-do-
2019-002-501 (2015)	12/11/2019	Payment for the fabrication/ mounting/bracket of aircon and piping system without complete documentation	-do-	69,610.50	-do-
2017-001-501- (2015)	12/13/2017	-do-	-do-	21,325.00	Affirmed in CGS Cluster 5 Decision No. 2018-034 dated 10/28/2018
2017-004-501- (2014-2015)-CBIMO	12/6/2017	Payment of VIG for CYs 2014 and 2015	Officers and employees concerned	5,174,122.00	Affirmed in CGS Cluster 5 Decision No. 2018-031 dated 09/07/2018
2018-NIARO2-0002 (2017)	05/11/2018	-do-	-do-	4,132,914.42	Affirmed in CGS Cluster 5 Decision No. 2020-002 dated 11/22/2020
2018-NIAMARIIS-0001 (2017)	05/11/2018	-do-	-do-	133,240,449.33	Affirmed in COA Cluster V Case No. 2018-034 filed on 08/22/2018
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. II</b>				<b>P 144,663,396.89</b>	
<b>REGIONAL IRRIGATION OFFICE NO. III</b>					
<b>Regional Office – General Fund</b>					
16-01-101 (14) BANE	10/06/2016	Payments for Contract No. R3-101-2013-BANEPU San Micon	Officers and employees concerned, and contractor	P 6,843,899.96	Details for update
<b>Regional Office – Corporate Fund</b>					
2017-003-F501-COB(2017)	08/11/2017	Grant of VIG for 2016 was without legal basis	Officers and employees concerned	700,000.00	Details for update
2017-003-F501-COB(2017)	07/24/2017	Grant VIG for 2014 and 2015 without legal basis	-do-	2,299,999.66	-do-
2017-03-501 (2014-2016)/PAMBAT	Detail for update	Grant of VIG without legal basis	-do-	2,440,000.00	-do-
2015-01(2013/2014)/PamBat	-do-	-do-	-do-	590,222.13	-do-
2017-02-501 (2014-2016)/RO	-do-	-do-	-do-	8,703,162.68	-do-
2015-01(2013/2014)/RO	-do-	-do-	-do-	3,849,000.00	-do-
2017-03-501(2014 -2016)/BANE	-do-	-do-	-do-	25,072,000.00	-do-
2015-01(2013/2014)/BANE	-do-	-do-	-do-	4,340,000.00	-do-

**Notices of Disallowance (ND)**

No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount	Remarks
2015-002-F501-COB(2013)	08/15/2011	Grant of VIG for 2012 without legal basis	-do-	698,701.68	-do-
2015-001-F501-COB(2014)	07/30/2015	Grant of VIG for 2013 without legal basis	-do-	497,830.76	-do-
13-53-501(12)	02/12/2013	Overpayment of CNA for CY 2012	-do-	6,619,717.72	With NFD
13-04-501(13)	02/12/2013	-do-	-do-	1,013,000.00	Affirmed in COA CP Decision No. 2020-403 dated 01/31/2020
15-01-501(13) OMS	07/13/2015	Payment of VIG for CYs 2012 and 2013	-do-	48,396,848.00	Details for update
15-02-501(14) OMS	07/13/2015	Payment of VIG for CY 2014	-do-	40,342,893.71	-do-
17-004-501 (17)	10/04/2017	Payment of VIG for CY 2016	-do-	442,200.00	-do-
17-003-501 (17)	09/04/2017	-do-	-do-	10,982,900.00	-do-
-do-	-do-	-do-	-do-	5,183,400.00	-do-
-do-	-do-	-do-	-do-	3,683,755.61	-do-
-do-	-do-	Payment of VIG for CY 2014	-do-	3,704,000.00	-do-
-do-	-do-	-do-	-do-	4,545,035.93	-do-
-do-	-do-	Payment of VIG for CY 2015	-do-	6,363,000.00	-do-
-do-	-do-	Payment of VIG for CY 2016	-do-	3,730,544.89	-do-
-do-	-do-	Payment of VIG for CY 2015	-do-	6,220,000.00	-do-
-do-	-do-	-do-	-do-	1,050,000.00	-do-
-do-	-do-	-do-	-do-	2,248,260.57	-do-
-do-	-do-	Payment of VIG for CY 2015	-do-	2,366,020.00	-do-
-do-	-do-	-do-	-do-	6,104,454.29	-do-
-do-	-do-	-do-	-do-	4,481,939.24	-do-
-do-	-do-	-do-	-do-	2,948,000.00	-do-
-do-	-do-	Payment of VIG for CY 2014 without legal basis	-do-	12,208,690.00	-do-
-do-	-do-	-do-	-do-	3,780,733.87	-do-
-do-	-do-	-do-	-do-	3,775,750.00	-do-
-do-	-do-	-do-	-do-	5,852,498.00	-do-
-do-	-do-	-do-	-do-	7,591,889.20	-do-
-do-	-do-	Payment of VIG for CY 2014	-do-	6,276,875.00	-do-
-do-	-do-	-do-	-do-	4,755,666.67	-do-
2020-002	12/20/2020	Details for updating	-do-	502,826.71	-do-
2020-001	12/20/2020	Details for updating	-do-	137,359.01	-do-

**TOTAL REGIONAL IRRIGATION OFFICE NO. III**

**P 261,343,075.29**

**REGIONAL IRRIGATION OFFICE NO. IV - A**

**Regional Office – General Fund**

13-005-501	10/16/2013	Payment of CNA Incentive	Officers and employees concerned	P	30,000.00	Details for update
------------	------------	--------------------------	----------------------------------	---	-----------	--------------------

**Notices of Disallowance (ND)**

No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount	Remarks
13-005-501	10/16/2013	Payment of CNA Incentive	Officers and employees concerned	60,000.00	Details for update

**Regional Office – Corporate Fund**

2015-003-501(13)	11/20/2015	Payment of VIG for CY 2013	Officers and employees concerned	984,005.51	-do-
2015-003-501(13)	11/20/2015	-do-	-do-	514,139.66	-do-
2015-003-501(13)	11/20/2015	-do-	-do-	852,700.00	-do-
2013-007-501(12)	10/09/2013	Payment of CNA for CY 2012	-do-	1,979,250.00	-do-
2013-006-501(12)	10/18/2013	-do-	-do-	1,683,000.00	-do-
2013-005-501(12)	10/16/2013	-do-	-do-	2,082,000.00	-do-
13-004-501	10/04/2013	Payment of CNA for CY 2012	-do-	1,472,250.00	-do-
2015-001-501(14)	11/20/2015	Payment of VIG for CY 2014	-do-	923,000.00	-do-

**Regional Office – Special Fund**

Region IV-A 13-005-501	10/16/2013	Payment of CNA incentives	Officers and employees concerned	90,000.00	-do-
Region IV-A 13-006-501	10/18/2013	-do-	-do-	60,000.00	-do-

**TOTAL REGIONAL IRRIGATION OFFICE NO. IV - A**

**P 9,258,095.17**

**REGIONAL IRRIGATION OFFICE NO. IV - B**

**Regional Office – General Fund**

2020-001-101 (15) NIA PIMO	01/12/2020	Details for update	Officers and employees concerned	750,127.60	-do-
-------------------------------	------------	--------------------	----------------------------------	------------	------

**Regional Office – Corporate Fund**

2015-001-501 (14)	10/27/2015	Payment of VIG	Officers and employees concerned	88,140.00	-do-
18-002-501(17)-NIA MOMARO IMO	08/30/2018	-do-	-do-	210,000.00	-do-
18-001-501(17)-NIA MOMARO IMO	08/30/2018	-do-	-do-	3,654,000.00	-do-
2018-001-501 (2017)	08/31/2018	-do-	-do-	666,728.70	-do-
2016-001-501 (13)	03/18/2016	-do-	-do-	415,544.71	ND affirmed in CGS 5 Decision No. 2016-056 dated November 17, 2016
2015-004-501(13and14)	09/09/2015	-do-	-do-	4,116,638.03	Details for update
2015-002-501(13and14)	09/03/2015	-do-	-do-	107,810.95	-do-
2013-002-501(12)	12/20/2013	Excessive CNA Payment	-do-	2,120,000.00	-do-
18-003-501(17)-NIA MIMAROPA RO	08/30/2018	-do-	-do-	1,449,047.00	-do-
2013-001-501 (12)	12/20/2013	-do-	-do-	195,000.00	-do-
2015-001-501(13)	09/03/2015	-do-	-do-	5,000.00	-do-
2015-003-501(12and13)	09/09/2015	-do-	-do-	1,343,861.68	-do-
2018-001-501-(17)- NIA-PIMO	08/22/2018	-do-	-do-	1,993,739.44	-do-

**Notices of Disallowance (ND)**

No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount	Remarks
2016-002-501 (14)	03/18/2016	Payment of VIG	Officers and employees concerned	991,427.60	Details for update
2020-001-501(18)	03/09/2020	Retainer's fee	Officers and employees concerned, and consultant	136,000.00	-do-

**TOTAL REGIONAL IRRIGATION OFFICE NO. IV - B**

**P 18,243,065.71**

**REGIONAL IRRIGATION OFFICE NO. V**

**Regional Office – General Fund**

2020-001-101-(2019)	10/07/2020	Payment for 72 sets of surface water pumps that are not in accordance with approved appropriation of the Agency	Officers and employees concerned, and supplier	P 6,865,200.00	-do-
---------------------	------------	---	--	----------------	------

**Regional Office – Corporate Fund**

2017-01-100(14)	05/25/2017	Payment of VIG without authority	Officers and employees concerned	236,213.96	-do-
2016-048-0-(2014)	12/08/2016	-do-	-do-	98,218.59	-do-
2016-047-0-(2014)	12/08/2016	-do-	-do-	237,478.80	-do-
2016-046-0-(2014)	12/08/2016	-do-	-do-	320,000.00	-do-
2016-045-0-(2014)	12/08/2016	-do-	-do-	11,200.00	-do-
2016-044-0-(2014)	12/08/2016	-do-	-do-	135,800.00	-do-
2016-043-0-(2014)	12/08/2016	-do-	-do-	3,200.00	-do-
2016-042-0-(2014)	12/08/2016	-do-	-do-	20,785.75	-do-
2016-041-0-(2014)	12/08/2016	-do-	-do-	30,000.00	-do-
2016-040-0-(2014)	12/08/2016	-do-	-do-	26,000.00	-do-
2016-039-0-(2014)	12/08/2016	-do-	-do-	20,000.00	-do-
2016-038-0-(2014)	12/08/2016	-do-	-do-	22,000.00	-do-
2016-037-0-(2014)	12/08/2016	-do-	-do-	135,000.00	-do-
2016-036-0-(2014)	12/08/2016	-do-	-do-	36,500.00	-do-
2016-035-0-(2014)	12/08/2016	-do-	-do-	25,000.00	-do-
2016-034-0-(2014)	12/08/2016	-do-	-do-	174,713.96	-do-
2016-033-0-(2014)	12/08/2016	-do-	-do-	72,000.00	-do-
2016-032-0-(2014)	12/08/2016	-do-	-do-	16,000.00	-do-
2016-031-0-(2014)	12/08/2016	-do-	-do-	268,000.00	-do-
2016-030-0-(2014)	12/08/2016	-do-	-do-	61,337.28	-do-
2016-029-0-(2014)	12/08/2016	-do-	-do-	533,496.33	-do-
2016-028-0-(2014)	12/08/2016	-do-	-do-	70,000.00	-do-
2016-027-0-(2014)	12/08/2016	-do-	-do-	70,000.00	-do-
2016-026-0-(2014)	12/08/2016	-do-	-do-	40,443.36	-do-
2016-025-0-(2014)	12/08/2016	-do-	-do-	521,044.75	-do-
2016-024-0-(2014)	12/08/2016	-do-	-do-	200,719.13	-do-
2016-022-0-(2014)	12/08/2016	-do-	-do-	32,997.00	-do-
2016-021-0-(2013)	12/02/2016	-do-	-do-	91,249.82	-do-
2016-020-0-(2013)	12/02/2016	-do-	-do-	47,143.71	-do-
2016-019-0-(2013)	12/02/2016	-do-	-do-	59,306.19	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2016-018-0-(2013)	12/02/2016	Payment of VIG without authority	Officers and employees concerned	215,466.53	Details for update
2016-017-0-(2013)	12/02/2016	-do-	-do-	15,000.00	-do-
2016-016-0-(2013)	12/02/2016	-do-	-do-	711,250.00	-do-
2016-015-0-(2013)	12/02/2016	-do-	-do-	190,000.00	-do-
2016-014-0-(2013)	12/02/2016	-do-	-do-	376,250.00	-do-
2016-013-0-(2013)	12/02/2016	-do-	-do-	20,000.00	-do-
2016-012-0-(2013)	12/02/2016	-do-	-do-	85,000.00	-do-
2016-011-0-(2013)	12/02/2016	-do-	-do-	272,750.00	-do-
2016-010-0-(2013)	12/02/2016	-do-	-do-	27,000.00	-do-
2016-009-0-(2013)	12/02/2016	-do-	-do-	238,336.76	-do-
2016-008-0-(2013)	12/02/2016	-do-	-do-	19,000.00	-do-
2016-007-0-(2013)	12/02/2016	-do-	-do-	31,000.00	-do-
2016-006-0-(2013)	12/02/2016	-do-	-do-	114,799.72	-do-
2016-005-0-(2013)	12/02/2016	-do-	-do-	10,000.00	-do-
2016-004-0-(2013)	12/02/2016	-do-	-do-	15,000.00	-do-
2016-003-0-(2013)	12/02/2016	-do-	-do-	20,000.00	-do-
2016-002-0-(2013)	12/02/2016	-do-	-do-	30,692.61	-do-
2016-001-0-(2013)	12/02/2016	-do-	-do-	40,000.00	-do-
2016-001-(2013)	12/23/2016	-do-	-do-	746,987.00	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. V</b>				<b>P 13,659,581.25</b>	
<b>REGIONAL IRRIGATION OFFICE NO. VI</b>					
<b>Regional Office - General Fund</b>					
2010-003-101-(10)	04/21/2010	Excessive claim of taxi fare	Officers and employees concerned	P 1,300.00	Details for update
09-011-101-(01/02)	11/13/2009	DVs and SDs were not submitted to the Office of the Auditor	-do-	39,026.98	-do-
09-009-101-(09)	11/13/2009	Excessive claim of taxi fare	-do-	600.00	-do-
09-006-101-(08)	11/13/2009	-do-	-do-	2,100.00	-do-
09-004-101-(08)	11/13/2009	-do-	-do-	520.00	With NFD
09-002-101-(08)	11/13/2009	Hotel accommodation already included in per diems	-do-	1,040.00	-do-
11-005-101-(10)	12/29/2011	47th NIA Anniversary Expenses which was suspended under NS No. 10-001-101 matured into disallowance	-do-	150,000.00	Details for update
11-004-101-(10)	02/08/2012	Payment of CNA incentive for CY 2009	-do-	775,000.00	-do-
<b>Regional Office - Corporate Fund</b>					
09-002-501	11/06/2009	Details for updating	Details for update	7,816.54	-do-
15-01-501-(14)	06/16/2015	Payment of VIG for CY 2013	Officers and employees concerned	812,453.07	-do-
13-009-501 (12)	01/10/2013	Payment of CNA incentive for CYs 2011 and 2012	-do-	8,989,750.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2012-007-501(11)	08/30/2012	Various expenses during NIA 48th Anniversary	Officers and employees concerned	157,656.33	Details for update
2011-006-501	12/29/2011	Payment of CNA incentive for CYs 2009 and 2010	-do-	3,788,000.00	-do-
2011-005-501(11)	02/07/2012	Payment of CNA incentive for CY 2011	-do-	1,770,000.00	-do-
2011-004-501(10)	08/31/2011	Payment of CNA incentive for CY 2009	-do-	6,220,000.00	-do-
2021-001-501	08/31/2021	Excessive amounts of Meals provided to visitors from NIA Central Office	-do-	17,321.00	-do-
<b>Regional Office - Special Fund</b>					
09-001-158 (08)	11/11/2009	Excessive claims of per diems	Officers and employees concerned	850.00	With NFD
09-002-158 (07)	11/11/2009	-do-	-do-	2,230.00	-do-
09-003-158	11/11/2009	-do-	-do-	1,763.00	-do-
09-004-158	11/11/2009	-do-	-do-	737.00	-do-
09-005-158	11/11/2009	-do-	-do-	220.00	-do-
09-001-158A2-(07)	11/11/2009	-do-	-do-	2,124.00	-do-
12-009-158	07/31/2012	Payment of CNA incentives for CYs 2006, 2008, and 2010	-do-	98,000.00	Details for update
11-008-158	02/18/2011	-do-	-do-	50,000.00	-do-
11-007-158	11/12/2009	-do-	-do-	150,000.00	-do-
<b>Iloilo-Guimaras IMO - General Fund</b>					
2017-001-101	08/31/2017	Overpayment of PERA	Officers and employees concerned	2,908.84	With NFD
11-001-101	02/17/2011	Payment of honoraria of BAC members for 2010 Colorado et al.	-do-	32,000.00	-do-
11-002-101	05/13/2011	Payment of items mobilization / demobilization as part of pay	-do-	24,000.00	Details for update
<b>Iloilo-Guimaras IMO - Corporate Fund</b>					
2018-001-501 LFPs (17)	1-23-2018	Extravagant expenditures for hotel accommodation	Officers and employees concerned	44,062.50	With NFD
2017-001-501 LFPS	8-31-2017	Overpayment of PERA	-do-	33,725.19	-do-
2019-001-501LFPS	4-8-2019	-do-	-do-	94,866.32	Details for update
2015-01-501 IGIMO(13)	6-24-2015	Payment of VIG for CY 2013	-do-	3,332,764.67	-do-
2012-001-501	10-15-2012	Payment of CNA incentive for CY 2011	-do-	5,664,000.00	-do-
2012-001-NDC	8-24-2012	Payment of CNA incentive for CY 2010	-do-	512,693.84	-do-
2011-001-501 (10)	7-26-1120	Payment of CNA incentive for CY 2009	-do-	6,990,000.00	-do-
2011-001-501	3-30-2011	Payment of CNA incentive for CY 2010	-do-	465,000.00	-do-



<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
<b>Antique IMO - General Fund</b>					
2013-003-101(12)	01/04/2013	Salaries and PERA of casual employees were charged to projects	Officers and employees concerned	44,566.27	With NFD
2013-002-101(12)	01/03/2013	Salaries and wages of casual employees were charged to project	-do-	749,467.10	-do-
2012-013-101(12)	12/18/2012	Travel of NIA-Antique IMO employees	-do-	55,629.00	-do-
2012-012-101(12)	12/14/2012	Travel of regular and casual employees to NIA Central Office during NIA's 49th Anniversary	-do-	103,530.00	-do-
2012-010-101(11)	11/20/2012	Travel of Job Order Personnel to NIA Central Office during NIA's 49th Anniversary	-do-	23,231.60	-do-
2012-006-101(11)	04/11/2012	Travelling Expenses	-do-	3,520.00	-do-
2012-005-101(11)	04/11/2012	-do-	-do-	3,520.00	-do-
2012-004-101(11)	04/11/2012	-do-	-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	-do-	-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	Transportation Allowance	-do-	16,050.00	With COE
<b>Antique IMO - Corporate Fund</b>					
2011-002-501 (11)	11/3/2011	Payment of honorarium as BAC member	Officers and employees concerned	1,800.00	With NFD
2009-006-501 (09)	12/29/2009	Overpayment of Incentive Pay	-do-	271.42	-do-
2009-001-501(09)	12/29/2009	-do-	-do-	53,044.71	-do-
2013-004-501(12)	01/04/2013	Payment of salaries and wages of casual employees charged to F501-BSGC	-do-	337,474.30	-do-
2012-009-501(12)	10/29/2012	Payment of CNA incentive for CY 2011	-do-	625,500.00	-do-
2012-008-501(12)	10/29/2012	-do-	-do-	490,000.00	-do-
2012-007-501 (12)	10/29/2012	-do-	-do-	324,000.00	-do-
2011-003-501(11)	11/04/2011	Payment of Honorarium as BAC member	-do-	1,400.00	-do-
2011-001-501(10)	03/08/2011	Payment of CNA incentive for CY 2010	-do-	50,000.00	Details for update
2015-001-501(13)	06/24/2015	Payment of VIG for CY 2013	-do-	821,396.90	ND affirmed in CGS 5 Decision No. 2016-010 dated May 20, 2016
<b>Antique IMO - Special Fund</b>					
2013-01-158(12)	01/02/2013	Salary of casual employee	Officers and employees concerned	76,331.42	With NFD
<b>Aklan IMO – General Fund</b>					
2012-101-001-(08/09/10/11)	08/16/2012	Payment of CNA incentive for CYs 2008-2011	Officers and employees concerned	197,000.00	Details for update

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
<b>Aklan IMO - Corporate Fund</b>					
2015-002-501-(07/08)	07/29/2015	Payment of CNA for CY 2007	Officers and employees concerned	10,000.00	With NFD
2015-001-501-(14)	06/10/2015	Payment of VIG for CY 2013	-do-	479,800.00	Details for update
2012-501-07-(09)	08/16/2012	Payment of CNA for CY 2011	-do-	1,050,000.00	-do-
2012-501-06-(09)	08/16/2012	Payment of CNA for CY 2010	-do-	1,680,000.00	-do-
2012-501-05-(09)	08/16/2012	Payment of CNA for CY 2009	-do-	648,000.00	-do-
2012-501-04-(09)	08/16/2012	Payment of CNA for CY 2010	-do-	1,800,000.00	-do-
2012-501-03-(09)	08/16/2012	Payment of CNA for CY 2009	-do-	570,000.00	-do-
2012-501-02-(09)	08/16/2012	-do-	-do-	1,800,000.00	-do-
2012-501-01-(08 and 09)	08/16/2012	Payment of CNA for CY 2008 and 2009	-do-	2,370,000.00	-do-
<b>Capiz IMO – Corporate Fund</b>					
2015-002-501-(07/08)	07/27/2015	Payment of CNA for CY 2007	Officers and employees concerned	9,350.00	With NFD
2019-002-501(16&17)	09/11/2019	Irregular payment of wages to casual employees	-do-	1,812.12	Details for update
2015-001-501-(14)	06/10/2015	Payment of VIG for CY 2013	-do-	126,600.00	-do-
<b>Negros Occidental IMO – Corporate Fund</b>					
2018-008-501 (17)	Detail for update	Payment of VIG for CY 2014	Officers and employees concerned	18,000.00	Details for update
2018-007-501 (17)	-do-	Payment of VIG for CYs 2014 and 2015	-do-	586,000.00	-do-
2018-006-501 (17)	-do-	-do-	-do-	153,000.00	-do-
2018-005-501 (17)	-do-	-do-	-do-	1,615,900.00	-do-
2018-004-501 (17)	-do-	Payment of VIG for CY 2015	-do-	486,000.00	-do-
2018-003-501 (17)	-do-	-do-	-do-	637,500.00	-do-
2018-002-501 (17)	-do-	Payment of VIG for CY 2014	-do-	468,000.00	-do-
2018-001-501 (17)	-do-	-do-	-do-	691,500.00	-do-
2015-002-501 (07)	08/04/2015	Payment of CNA for CY 2007	-do-	5,000.00	-do-
2015-007-501 (14)	07/06/2015	Payment of VIG for CY 2013	-do-	136,075.00	-do-
2015-006-501 (14)	07/06/2015	-do-	-do-	54,445.00	-do-
2015-005-501 (14)	07/06/2015	-do-	-do-	274,200.00	-do-
2015-004-501 (14)	07/06/2015	-do-	-do-	1,214,250.00	-do-
2015-003-501 (14)	07/06/2015	-do-	-do-	214,000.00	-do-
2015-002-501 (14)	07/06/2015	-do-	-do-	573,000.00	-do-
2015-001-501 (14)	07/06/2015	-do-	-do-	850,000.00	-do-
2015-008-501 (13)	07/06/2015	Payment of VIG for CY 2012	-do-	104,848.70	-do-
2015-007-501 (13)	07/06/2015	-do-	-do-	107,120.00	-do-
2015-006-501 (13)	07/06/2015	-do-	-do-	595,985.00	-do-
2015-005-501 (13)	07/06/2015	-do-	-do-	81,000.00	-do-
2015-004-501 (13)	07/06/2015	-do-	-do-	911,400.00	-do-
2015-003-501 (13)	07/06/2015	-do-	-do-	452,000.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-002-501 (13)	07/06/2015	Payment of VIG for CY 2012	Officers and employees concerned	610,000.00	Details for update
2015-001-501 (13)	07/06/2015	-do-	-do-	425,000.00	-do-
2014-007-501 (13)	06/19/2014	-do-	-do-	221,000.00	-do-
2014-006-501 (13)	06/19/2014	-do-	-do-	276,000.00	-do-
2014-005-501 (13)	06/19/2014	-do-	-do-	507,000.00	-do-
2014-004-501 (13)	06/19/2014	-do-	-do-	507,000.00	-do-
2014-003-501 (13)	06/19/2014	-do-	-do-	195,000.00	-do-
2014-002-501 (13)	06/19/2014	-do-	-do-	585,000.00	-do-
2014-001-501 (13)	06/19/2014	-do-	-do-	702,000.00	-do-
2014-006-501 (12)	04/15/2014	Payment of CNA Incentive for CY 2011	-do-	17,000.00	-do-
2014-005-501 (12)	04/15/2014	-do-	-do-	6,500.00	-do-
2014-004-501 (12)	04/15/2014	-do-	-do-	272,000.00	-do-
2014-003-501 (12)	04/15/2014	-do-	-do-	160,000.00	-do-
2014-002-501 (12)	04/15/2014	-do-	-do-	576,000.00	-do-
2014-001-501 (12)	04/15/2014	-do-	-do-	480,000.00	-do-
<b>Jalaur River Multipurpose Project – Corporate Fund</b>					
2014-001-501	02/13/2014	CNA for CY 2012	Officers and employees concerned	4,029,500.00	Details for update
15-02-501(13)	09/07/2015	Payment of conference and registration fee of personnel who act as resource persons/facilitators during the conference at Queens Beach Resort, Boracay	-do-	72,000.00	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE VI</b>				<b>P 74,659,001.82</b>	
<b>REGIONAL IRRIGATION OFFICE NO. VII</b>					
<b>Regional Office - General Fund</b>					
2011-004-101NIA DA (10)	08/31/2011	Irregular payment for catering services	Officers and employees concerned, and supplier	25,000.00	Details for update
2011-003-101 NIA DA (10)	06/06/2011	Travelling expenses – irregular being contrary to the provisions of Section 4(3) of PD No. 1445	Officers and employees concerned	15,297.00	-do-
2010-001-102(09)	06/15/2010	Agency failed to deduct, withheld, and remit withholding taxes	-do-	420.00	-do-
2010-002-102(09)	06/16/2010	-do-	-do-	3,996.30	-do-
2010-003-102(09)	06/18/2010	-do-	-do-	1,012.46	-do-
2010-004-102(09)	06/18/2010	-do-	-do-	1,500.00	-do-
2011-005-101(10)	02/02/2011	Irregular Payment of CNA Incentive	-do-	25,000.00	-do-
2011-004-101(10)	02/02/2011	Irregular payment of overtime services rendered	-do-	844.74	-do-
2011-001-101(10)	02/02/2011	-do-	-do-	2,266.32	-do-
2011-003-101(10)	02/02/2011	-do-	-do-	8,559.42	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2011-002-101(10)	02/02/2011	Irregular payment of overtime services rendered	Officers and employees concerned	15,744.40	Details for update
2011-006-101(10)	02/02/2011	-do-	-do-	7,497.76	-do-
2010-001-102(10)	09/16/2010	Irregular payment of CNA Incentive	-do-	25,000.00	-do-
2011-008-101(10)	02/15/2011	Irregular payment of overtime services rendered	-do-	16,350.96	-do-
2011-009-101(10)	02/15/2011	-do-	-do-	25,000.00	-do-
2011-010-101(10)	02/15/2011	-do-	-do-	16,518.20	-do-
2011-011-101(10)	02/15/2011	-do-	-do-	14,988.38	-do-
2011-012-101(10)	02/15/2011	-do-	-do-	17,988.36	-do-
2011-013-101(10)	02/15/2011	-do-	-do-	19,243.36	-do-
2011-014-101(10)	02/15/2011	-do-	-do-	14,988.38	-do-
2011-015-101(10)	02/15/2011	-do-	-do-	19,243.36	-do-
2011-016-101(10)	02/15/2011	-do-	-do-	14,988.38	-do-
2011-017-101(10)	02/15/2011	Irregular payment of CNA Incentive	-do-	15,000.00	-do-
2011-018-101(10)	02/15/2011	Irregular payment of overtime services rendered	-do-	22,528.27	-do-
2011-019-101(10)	02/15/2011	-do-	-do-	16,297.49	-do-
2011-020-101(10)	02/15/2011	-do-	-do-	21,046.68	-do-
2011-021-101(10)	02/15/2011	-do-	-do-	16,297.49	-do-
2011-022-101(10)	02/15/2011	-do-	-do-	22,528.25	-do-
2011-023-101(10)	02/15/2011	-do-	-do-	16,297.49	-do-
2011-024-101(10)	02/15/2011	-do-	-do-	22,528.25	-do-
2011-025-101(10)	02/15/2011	-do-	-do-	14,815.90	-do-
2011-026-101(10)	02/15/2011	-do-	-do-	21,228.48	-do-
2011-027-101(10)	02/15/2011	-do-	-do-	14,815.90	-do-
2011-028-101(10)	02/15/2011	-do-	-do-	22,528.25	-do-
2011-029-101(10)	02/15/2011	-do-	-do-	16,297.49	-do-
2011-030-101(10)	02/15/2011	-do-	-do-	20,605.94	-do-
<b>Regional Office - Corporate Fund</b>					
2010-001-501 (09)	06/03/2010	Excess expenditure	Officers and employees concerned	10,286.00	-do-
2010-002-501 (09)	06/03/2010	Agency failed to deduct, withheld and remit taxes	-do-	4,360.50	-do-
2010-003-501 (09)	06/03/2010	-do-	-do-	1,766.85	-do-
2011-001-501 COB-(10)	02/07/2011	Payment of retainer's fee contrary to Retainership Agreement	-do-	68,250.00	-do-
2011-001-501 COB - (11)	05/19/2011	Payment of Year End Bonus and Cash Gift contrary to Section 4 of DBM Budget Circular No. 2010-1	-do-	12,000.00	-do-
2015-002-501(14)	12/08/2015	Payment of VIG without legal basis	-do-	3,418,715.20	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-001-501(13)	12/08/2015	Payment of VIG without legal basis	Officers and employees concerned	2,396,722.57	Details for update
2015-002-501 RO- (14)	12/04/2015	-do-	-do-	4,601,733.91	-do-
2015-001-501 RO- (13)	12/04/2015	-do-	-do-	2,982,100.33	-do-
2015-002-501 PIO- (14)	12/04/2015	-do-	-do-	2,263,041.96	-do-
2015-001-501 PIO- (13)	12/04/2015	-do-	-do-	2,579,093.76	-do-
2015-002(14)	12/02/2015	-do-	-do-	1,805,637.70	-do-
2015-001(13)	11/26/2015	-do-	-do-	2,166,472.00	-do-
2011-005-501 NDC - (10)	02/02/2011	Irregular payment of overtime services	-do-	2,620.21	-do-
2011-004-501 NDC - (10)	02/02/2011	Irregular payment of allowances	-do-	8,000.00	-do-
2011-003-501 NDC - (10)	02/02/2011	Irregular payment of PIB	-do-	2,000.00	-do-
2011-002-501 NDC -(10)	02/02/2011	Irregular payment of overtime services	-do-	14,085.24	-do-
2011-001-501 NDC -( 10)	02/02/2011	-do-	-do-	14,085.24	-do-
2011-004-501 NDC - (10)	02/02/2011	-do-	-do-	9,246.64	-do-
2011-003-501 NDC - (10)	02/02/2011	Irregular payment pf allowances	-do-	4,000.00	-do-
2011-002-501 NDC - (10)	02/02/2011	Irregular payment of overtime services	-do-	15,744.40	-do-
2011-001-501 NDC- (10)	02/02/2011	-do-	-do-	7,622.20	-do-
2010-002-501(10)	09/16/2010	Payment of CNA Incentive to those who perform managerial functions	-do-	25,000.00	-do-
2010-001-501(10)	09/16/2010	-do-	-do-	25,000.00	-do-
2010-001-501 COB- (10)	09/16/2010	-do-	-do-	25,000.00	-do-
2021-001-501(2020)	04/21/2021	Irregular payment of COVID-19 hazard pay	-do-	229,150.00	-do-
2021-002-501(2020)	06/02/2021	-do-	-do-	82,200.00	-do-
2021-003-501(2020)	06/10/2021	-do-	-do-	28,000.00	-do-
2021-004-501(2020)	06/14/2021	-do-	-do-	6,600.00	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. VII</b>				<b>P 23,362,798.37</b>	
<b>REGIONAL IRRIGATION OFFICE NO. VIII</b>					
<b>Regional Office - Corporate Fund</b>					
2012-001-F501COB (10)	04/04/2012	Payment of RA and TA	Officers and employees concerned	48,000.00	With COE

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2012-002-F501COB (10)	04/04/2012	Payment of RA and TA	Officers and employees concerned	48,000.00	With COE
2012-003-F501COB (10)	04/04/2012	-do-	-do-	48,000.00	-do-
2012-004-F501COB (10)	04/04/2012	-do-	-do-	48,000.00	-do-
2012-005-F501COB (10)	04/04/2012	-do-	-do-	48,000.00	-do-
2012-006-F501COB (10)	04/04/2012	-do-	-do-	48,000.00	-do-
2012-007-F501COB (10)	04/04/2012	-do-	-do-	48,000.00	-do-
2012-008-F501COB (10)	04/04/2012	-do-	-do-	126,000.00	-do-
2012-009-F501COB (10)	04/04/2012	-do-	-do-	42,000.00	-do-
2012-010-F501COB (10)	04/04/2012	-do-	-do-	42,000.00	-do-
2012-011-F501COB (10)	04/04/2012	-do-	-do-	35,000.00	-do-
2015-001-(15) 501 COB	09/22/2015	Payment of TA	-do-	12,000.00	Details for update
2015-002-(15) 501 COB	11/05/2015	-do-	-do-	8,000.00	-do-
2015-002-(15) 501 COB	01/28/2016	-do-	-do-	8,000.00	-do-
2017-002-501 (2016) LFP N. Samar	04/10/2017	Payment of penalties	-do-	8,928.00	-do-
2017-011-501 (2016) LFP N. Samar	07/03/2017	Payment of surcharge and penalties	-do-	6,170.00	-do-
2017-013-501 (2016) LFP N. Samar	07/03/2017	Payment of penalties	-do-	1,020.00	-do-
2019-001('18) LFP 501	10/02/2019	Excessive travel claims	-do-	4,385.28	-do-
2019-002('18) LFP 501	10/02/2019	-do-	-do-	800.00	-do-
2019-003('18) LFP 501	11/04/2019	Unnecessary travel claim	-do-	8,259.88	-do-
2019-004('18) LFP 501	10/28/2019	Excessive travel claims	-do-	800.00	-do-
2019-003-501 (2016) LFP N. Samar	09/19/2019	Payment without complete documents	-do-	4,800.00	-do-
2017-004-501 (2016) LFP N. Samar	04/25/2017	Details for update	-do-	600.00	-do-
2017-010-501 (2016) LFP N. Samar	05/25/2017	-do-	-do-	2,976.00	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2017-008-501 (2016) LFP N. Samar	05/25/2017	Details for update	Officers and employees concerned	1,354.00	Details for update
2017-011-501 (2016) LFP N. Samar	05/08/2017	-do-	-do-	6,170.00	-do-
2017-013-501 (2016) LFP N. Samar	05/08/2017	-do-	-do-	1,020.00	-do-
2017-014-501 (2016) LFP N. Samar	05/09/2017	-do-	-do-	200.00	-do-
2017-015-501 (2016) LFP N. Samar	05/10/2017	-do-	-do-	240.00	-do-
2016-002-101 (2016) Regular N. Samar	12/02/2016	-do-	-do-	840.00	-do-
2021-002-501 (2021) COB RO	12/08/2021	Overpayment of Allowances	-do-	13,970.00	-do-
2014-001-501(RO) 2012	01/14/2014	Payment of CNA CY 2012	-do-	2,160,000.00	-do-
2014-002- 501(RO)2011	01/15/2014	Payment of CNA CY 2011	-do-	2,543,500.00	-do-
2014-003- 501(Leyte)2011	01/17/2014	Payment of CNA CY 2012	-do-	1,530,000.00	-do-
2014-004- 501(Leyte)2011	01/17/2014	Payment of CNA CY 2011	-do-	1,521,000.00	-do-
2014-005- 501(NIS)2012	02/06/2014	Payment of CNA CY 2012	-do-	2,700,000.00	-do-
2014-006- 501(NIS)2011	02/12/2014	Payment of CNA CY 2011	-do-	3,452,500.00	-do-
2014-007-501(E. Samar)2012	01/14/2014	Payment of CNA CY 2012	-do-	1,620,000.00	-do-
2014-008-501(E. Samar)2011	02/18/2014	Payment of CNA CY 2011	-do-	1,554,000.00	-do-
2014-009-501(W. Samar)2011	02/20/2014	-do-	-do-	1,385,025.00	-do-
2014-010-501(N. Samar)2011	02/21/2014	-do-	-do-	938,000.00	-do-
2014-011-501(N. Samar)2012	02/21/2014	Payment of CNA CY 2012	-do-	1,062,500.00	-do-
2014-012-501(W. Samar)2012	02/24/2014	-do-	-do-	1,935,000.00	-do-
2014-013- 501(RO)2012	02/26/2014	-do-	-do-	639,000.00	-do-
2014-014- 501(Leyte)2012	02/26/2014	-do-	-do-	450,000.00	-do-
2014-015-501(E. Samar)2012	02/26/2014	-do-	-do-	477,000.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-016-501(N. Samar)2012	02/26/2014	Payment of CNA CY 2012	Officers and employees concerned	326,250.00	Details for update
2014-017-501(NIS)2012	02/28/2014	-do-	-do-	893,250.00	-do-
2015-001-501(14) Leyte	03/17/2015	Payment of VIG for CY 2013	-do-	1,971,700.00	-do-
2015-002-501(14) Leyte	03/17/2015	-do-	-do-	600,000.00	-do-
2015-003-501(14) Leyte	03/17/2015	-do-	-do-	540,000.00	-do-
2015-004-501(14) Leyte	03/17/2015	-do-	-do-	620,000.00	-do-
2015-005-501(14) Leyte	03/17/2015	-do-	-do-	360,000.00	-do-
2015-006-501(14) Leyte	03/17/2015	-do-	-do-	260,000.00	-do-
2015-007-501(14) Leyte	03/17/2015	-do-	-do-	155,000.00	-do-
2015-008-501(14) Leyte	03/17/2015	-do-	-do-	180,000.00	-do-
2015-009-501(14) Leyte	03/17/2015	-do-	-do-	242,000.00	-do-
2015-010-501(14) Leyte	03/17/2015	-do-	-do-	25,000.00	-do-
2015-011-501(14) Leyte	03/17/2015	-do-	-do-	40,000.00	-do-
2015-012-501(14) Leyte	03/17/2015	-do-	-do-	30,000.00	-do-
2015-013-501(14) Leyte	03/17/2015	-do-	-do-	50,000.00	-do-
2015-014-501(14) Leyte	03/17/2015	-do-	-do-	80,000.00	-do-
2015-015-501(14) Leyte	03/17/2015	-do-	-do-	200,000.00	-do-
2015-016-501(13) Leyte	03/18/2015	Payment of VIG for CY 2012	-do-	1,800,000.00	-do-
2015-017-501(13) Leyte	03/18/2015	-do-	-do-	100,000.00	-do-
2015-018-501(13) Leyte	03/18/2015	-do-	-do-	150,000.00	-do-
2015-019-501(13) Leyte	03/18/2015	-do-	-do-	60,000.00	-do-
2015-020-501(13) Leyte	03/18/2015	-do-	-do-	160,000.00	-do-
2015-021-501(13) Leyte	03/18/2015	-do-	-do-	30,000.00	-do-
2015-022-501(13) Leyte	03/18/2015	-do-	-do-	10,000.00	-do-
2015-023-501(13) Leyte	03/18/2015	-do-	-do-	27,000.00	-do-
2015-024-501(13) Leyte	03/18/2015	-do-	-do-	3,189,000.00	-do-



**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-025-501(13) Leyte	03/18/2015	Payment of VIG for CY 2012	Officers and employees concerned	50,306.00	Details for update
2015-026-501(13) RO	03/18/2015	-do-	-do-	359,000.00	-do-
2015-027-501(13) RO	03/18/2015	-do-	-do-	124,000.00	-do-
2015-028-501(12) E. Samar	03/25/2015	Payment of VIG for CY 2011	-do-	164,297.50	-do-
2015-029-501(12) W. Samar	03/25/2015	-do-	-do-	195,000.00	-do-
2015-030-501(12) Leyte	03/31/2015	-do-	-do-	995,200.00	-do-
2015-031-501(13) N. Samar	04/16/2015	Payment of VIG for CY 2012	-do-	1,258,500.00	-do-
2015-032-501(2007) RO	07/10/2015	Payment of CNA for CY 2007	-do-	70,000.00	-do-
2017-020-501(2007) RO	06/22/2017	-do-	-do-	585,000.00	-do-
2021-012-501(2021) COB RO	08/02/2021	Payment without supporting documents	Officers and employees concerned, and supplier	2,615.09	-do
2021-021-501(2021) COB RO	08/12/2021	Payment supported with expired invoice	-do-	17,145.50	-do
2021-022-501(2021) COB RO	08/12/2021	Payment without supporting documents	-do-	8,299.25	-do
2021-023-501(2020) LFP LIMO	08/12/2021	Payment to the contractor supported with expired Official Receipt	Officers and employees concerned, and contractor	270,245.45	-do
2021-024-501(2020) LFP LIMO	12/08/2021	Lacking Time Suspension/ Extension Order No. 2	-do-	617,790.14	-do
2021-030-501(2021) COB RO	08/23/2021	Lacking Statement of Account/ Billing Notice	Officers and employees concerned, and supplier	4,808.04	-do
2021-034-501 LFP	12/10/2021	Lacking breakdown and/or supporting document of various contracts	Officers and employees concerned, and contractor	25,000,000.00	-do
2021-035-501 LFP	12/10/2021	-do-	-do-	25,000,000.00	-do
2021-036-501 LFP	12/10/2021	-do-	-do-	5,000,000.00	-do
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. VIII</b>				<b>P 96,460,465.13</b>	

**REGIONAL IRRIGATION OFFICE NO. IX**

**Regional Office – Corporate Fund**

2014-02-501(12)	12/23/2014	Unauthorized payment of CNA Incentive	Officers and employees concerned	39,000.00	Details for update
2014-03-501(12)	12/23/2014	-do-	-do-	5,635.00	-do-
2014-04-501(12)	12/23/2014	-do-	-do-	5,635.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-05-501(12)	12/23/2014	Unauthorized payment of CNA Incentive	Officers and employees concerned	34,220.00	-do-
2014-06-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-07-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-08-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-09-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-10-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-11-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-12-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-13-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-14-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-15-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-16-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-17-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-18-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-19-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-20-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-21-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-22-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-23-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-24-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-25-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-26-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-27-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-28-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-29-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-30-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-31-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-32-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-33-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-34-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-35-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-36-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-37-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-38-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-39-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-40-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-41-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-42-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2014-43-501(12)	12/23/2014	Unauthorized payment of CNA Incentive	Officers and employees concerned	5,000.00	Details for update
2014-44-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-45-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-46-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-47-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-48-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-49-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-50-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-51-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-52-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-53-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2014-54-501(12)	12/23/2014	-do-	-do-	39,000.00	-do-
2015-01-501(13)	03/20/2015	-do-	-do-	898,449.94	-do-
2015-02-501(13)	03/20/2015	-do-	-do-	706,049.94	-do-
2015-03-501(13)	03/20/2015	-do-	-do-	42,000.00	-do-
2015-04-501(13)	03/20/2015	-do-	-do-	77,600.00	-do-
2015-05-501(13)	03/20/2015	-do-	-do-	445,100.00	-do-
2015-06-501(12)	03/20/2015	-do-	-do-	338,528.00	-do-
2015-07-501(12)	03/20/2015	-do-	-do-	464,455.40	-do-
2015-08-501(12)	03/20/2015	-do-	-do-	81,403.34	-do-
2015-09-501(12)	03/20/2015	-do-	-do-	433,052.06	-do-
2015-10-501(12)	03/20/2015	-do-	-do-	264,823.38	-do-
2015-11-501(12)	03/20/2015	-do-	-do-	125,613.36	-do-
2015-12-501(12)	03/20/2015	-do-	-do-	62,806.68	-do-
2015-13-501(12)	03/20/2015	-do-	-do-	219,823.38	-do-
2015-14-501(12)	03/20/2015	-do-	-do-	565,260.12	-do-
2015-15-501(12)	03/20/2015	-do-	-do-	240,549.59	-do-
2015-16-501(12)	03/20/2015	-do-	-do-	382,492.69	-do-
2015-17-501(12)	03/20/2015	-do-	-do-	295,191.42	-do-
2015-09-501(2007-14)	07/28/2015	-do-	-do-	432,000.00	-do-
2015-13-501(2007-13)	07/28/2015	-do-	-do-	387,000.00	-do-
2015-04-501(2007-14)	07/28/2015	-do-	-do-	396,040.00	-do-
2015-05-501(2007-14)	07/28/2015	-do-	-do-	432,000.00	-do-
2015-11-501(2008-09)	07/28/2015	-do-	-do-	45,000.00	-do-
2015-12-501(2008-09)	07/28/2015	-do-	-do-	40,000.00	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-14-501(2007-08)	07/28/2015	Unauthorized payment of CNA Incentive	Officers and employees concerned	15,000.00	Details for update
2015-15-501(2007-09)	07/28/2015	-do-	-do-	55,000.00	-do-
2015-02-501(2011-12)	07/28/2015	-do-	-do-	96,000.00	-do-
2015-03-501(2013-14)	07/28/2015	-do-	-do-	41,320.00	-do-
2015-06-501(2007-14)	07/28/2015	-do-	-do-	432,000.00	-do-
2015-07-501(2007-14)	07/28/2015	-do-	-do-	432,000.00	-do-
2015-06-501(2007-14)	07/28/2015	-do-	-do-	432,000.00	-do-
2015-07-501(2007-14)	07/28/2015	-do-	-do-	432,000.00	-do-
2015-08-501(2007-14)	07/28/2015	-do-	-do-	41,165	-do-
2015-01-501(2007-11)	07/28/2015	Irregular payment of VIG	-do-	291,014.50	-do-
2015-09-501(2008)	07/28/2015	-do-	-do-	4,350.00	-do-
2014-55-501(12)	06/09/2016	Irregular payment of CNA Incentive	-do-	14,000.00	-do-
2014-56-501(12)	06/09/2016	-do-	-do-	14,000.00	-do-
2014-57-501(12)	06/09/2016	-do-	-do-	14,000.00	-do-
2014-58-501(12)	06/09/2016	-do-	-do-	14,000.00	-do-
2014-59-501(12)	06/09/2016	-do-	-do-	14,000.00	-do-
2014-60-501(12)	06/09/2016	-do-	-do-	9,000.00	-do-
2014-61-501(12)	06/09/2016	-do-	-do-	14,000.00	-do-
2014-62-501(12)	06/09/2016	-do-	-do-	14,000.00	-do-
2014-63-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-64-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-65-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-66-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-67-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-68-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-69-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-70-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-71-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-72-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
2014-73-501(12)	06/09/2016	-do-	-do-	39,000.00	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. IX</b>				<b>P 12,144,578.80</b>	

Notices of Disallowance (ND)							
No.	Date	Nature of Disallowance	Persons Liable		Unsettled Amount	Remarks	
REGIONAL IRRIGATION OFFICE NO. X							
Bukidnon IMO – General Fund							
12-001-101-12	01/10/2013	Reimbursement of expenses for meals incurred	Officers and employees concerned	P	6,406.50	With NFD and COE	
12-002-101-12	01/10/2013	Reimbursement of expenses for the procurement of vehicle spare parts, labor paid for overhaul and crankshaft alignment and welding	-do-		7,913.00	-do-	
12-003-101-12	01/10/2013	Reimbursement for expenses incurred for food during the monthly meeting on February 6, 2012	-do-		3,227.00	-do-	
12-004-101-12	01/10/2013	Reimbursement for expenses incurred for procurement of various hardware supplies and etc.	-do-		5,182.85	-do-	
12-003-101 FSDE-IRPEP-11	08/28/2012	Payment of CNA CY 2009	-do-		5,469.84	-do-	
12-004-101-FSDE-IRPEP-11	08/28/2012	-do-	-do-		6,089.85	-do-	
12-005-101-FSDE-IRPEP-11	08/28/2012	-do-	-do-		6,807.99	-do-	
12-006-101-FSDE-IRPEP-11	08/28/2012	-do-	-do-		6,807.99	-do-	
08-28-12 12-007-101-FSDE-11	08/28/2012	Payment of round-trip plane ticket to attend NIA's 48th Anniversary on June 19-25, 2011	-do-		7,026.00	-do-	
12-008-101 FSDE-IRPEP-11)	08/28/2012	Payment of cash advance for traveling expenses and per diems in attending NIA's 48th Anniversary on June 18-25, 2011	-do-		14,142.48	-do-	
12-009-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		14,142.48	-do-	
12-010-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		14,142.48	-do-	
12-011-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		14,142.48	-do-	
12-012-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		14,142.48	-do-	
12-013-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		10,142.48	-do-	
12-014-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		3,262.48	-do-	
12-015-101 FSDE-IRPEP-11	08/28/2012	-do-	-do-		14,142.48	-do-	
12-016-101 IRPEP Dagumbaan CIS-11	08/28/2012	Payment of cash advance for traveling expenses and per diems in attending NIA's 48th Anniversary on June 18-25, 2011	-do-		7,742.48	-do-	

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
12-017-101 IRPEP IDP-11	08/28/2012	Payment of cash advance for traveling expenses and per diems in attending NIA's 48th Anniversary on June 21-25, 2011	Officers and employees concerned	11,826.48	With NFD and COE
12-018-101-IRPEP IDP-11	08/28/2012	-do-	-do-	11,826.48	-do-
12-020-101 FSDE IRPEP-11	08/28/2012	Payment of cash advance for traveling expenses and per diems in attending NIA's 48th Anniversary on June 19 & 25, 2011	-do-	5,112.80	-do-
12-021-101 FSDE IRPEP-11	08/28/2012	-do-	-do-	5,029.48	-do-
12-022-101 FSDE IRPEP-11	12/29/2012	Payment for reimbursement of various goods purchased	-do-	9,893.17	-do-
12-023-101 IRPEP- Paiwaig CIS-11	12/29/2012	Payment of 10 days monetization of leave credits for CY 2011	-do-	9,796.00	-do-
12-024-101 IRPEP- IDP-11	08/28/2012	Payment of 15 days monetization of leave credits for CY 2011	-do-	9,681.28	-do-
12-025-101 FSDE IRPEP-11	08/28/2012	Payment of 20 days monetization of leave credits for CY 2011	-do-	8,318.75	-do-
12-026-101 FSDE IRPEP-11	08/28/2012	Payment of 15 days monetization of leave credits for CY 2011	-do-	3,327.50	-do-
12-028-101 FSDE IRPEP-11	12/28/2012	Payment of 10 days monetization of leave credits for CY 2011	-do-	5,288.51	-do-
12-029-101 FSDE IRPEP-11	12/29/2012	Reimbursement of fruits amounting P1,092 and purchased of software amounting P3,000	-do-	4,092.00	-do-
12-030-101 FSDE IRPEP-11	12/29/2012	Reimbursement of various goods purchased	-do-	7,536.00	-do-
12-031-101-FSDE IRPEP-11	12/29/2012	Reimbursement of expenses during the M and E Orientation	-do-	5,000.00	-do-
12-032-101 FSDE IRPEP-11	01/08/2012	Reimbursement of expenses incurred for meals	-do-	11,078.50	-do-
12-033-101-FSDE IRPEP-11	01/09/2012	Reimbursement of expenses incurred for catering services during the BUWAFFIA Meeting on October 5, 2011	-do-	11,080.00	-do-
12-034-101 FSDE IRPEP-11	01/09/2013	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	-do-	5,075.00	-do-
12-035-101 FSDE IRPEP-11	01/09/2013	Reimbursement of expenses incurred on various dates for meals, bread and groceries-snack items	-do-	3,070.65	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
12-036-101 FSDE IRPEP-11	01/10/2013	Reimbursement of expenses incurred in the purchased of helmet and goggles	Officers and employees concerned	2,298.00	With NFD and COE
2018-02 NIS RIP PC/LP	06/26/2018	Payment of accommodation, meals, snacks, training kits, and supplies	-do-	3,200.00	-do-
2021-001 NIS RIP FAPS	Detail for update	TEV on 11/6-12/2016 (lack of supporting documents)	-do-	1,340.00	-do-
2021-057 - NIS RIP PC	-do-	Unliquidated Cash Advances (matured balances of NS No. 2020-007 dated 9/24/20 and released/received by Management on 10/13/20)	-do-	15,000.00	-do-
2021-058-102 NIS RIP	-do-	-do-	-do-	35,320.00	-do-
2021-059-102 NIS RIP	-do-	-do-	-do-	50,700.00	-do-
2021-065 NIS RIP FSSM	-do-	Matured NS No. 2019-11 NIS RIP FSSM dated 4/10/19 on TEV Liquidation	-do-	518.96	-do-
2021-066 102 NIS RIP	-do-	Matured NS No. 2020-007 NIS RIP dated 9/24/2020 on CA liquidation	-do-	10,570.00	-do-
2021-107 NIS RIP	-do-	Unsettled NS due to lack of supporting documents	-do-	20,380.24	-do-
2021-109 NIS RIP	-do-	Unsettled NS due to lack of supporting documents	-do-	26,135.42	-do-
<b>Regional Office – Corporate Fund</b>					
12-001-501-IRPEP- Paiwaig-11	08/28/2012	Payment of 10 days monetization of leave credits CY 2011	Officers and employees concerned	3,935.64	With COE
12-004-501-IRPEP- Paiwaig CIS-11	12/28/2012	Payment of cash advance for traveling expenses and per diems in attending NIAs 48th Anniversary at NIA CO on June 19-26, 2011	-do-	12,717.00	-do-
12-005-501-IRPEP- La Fortuna CIS-11	12/28/2012	-do-	-do-	13,642.48	-do-
12-006-501-IRPEP- Paiwaig CIS-11	12/28/2012	-do-	-do-	5,197.48	-do-
12-006-501-IRPEP- Paiwaig CIS-11	12/28/2012	Payment of round-trip plane ticket in attending NIA's 48th Anniversary at NIA CO on June 19 and 25, 2011	-do-	6,127.00	-do-
2014-001-501- (2013)	01/13/2014	Payment of CNA Incentive for CY 2012 in excess of P25,000.00	-do-	4,613,472.00	Details for update
2014-501-001- (2013)	03/24/2014	Excessive CNA granted in 2012 paid to NIA-BIMO Employees	-do-	3,219,250.00	-do-
2014-001-501 (2013)	01/01/2014	Payment of CNA Incentive for CY 2012 in excess of P25,000.00	-do-	1,957,000.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2018-001-501-2016	03/31/2018	Payment of CNA 2016 to NIA Bukidnon IMO Employees without complete documentation	-do-	2,488,750.01	Details for update
2015-001-501 (2013)	05/25/2015	Details for update	-do-	3,961,897.00	-do-
2015-002-501 (2014)	06/02/2015	Payment of VIG for CY 2014	-do-	1,023,765.00	-do-
2015-002-501- (2013)	10/16/2015	-do-	-do-	3,349,874.30	-do-
2015-001-501- (2014)	06/16/2015	-do-	-do-	4,541,000.00	-do-
2015-002-501- (2013)	08/17/2015	-do-	-do-	2,869,700.00	-do-
2015-003-501- (2013)	08/17/2015	-do-	-do-	147,118.00	-do-
2019-002-501- (2017)	10/07/2019	-do-	-do-	3,706,784.74	-do-
2019-001-501- (2018)	11/07/2019	-do-	Officers and employees concerned, and contractor	3,019,160.14	-do-
2019-01(2017)	07/17/2019	Refresher course systems operation NIS-TEV excess claim	Officers and employees concerned	1,461.88	-do-
2019-001	06/16/2019	Details for update	-do-	114,101.45	-do-
2019-007	Detail for update	-do-	Details for update	2,693,270.84	-do-
2019-002-501- (2015)	07/09/2019	-do-	Officers and employees concerned	9,359.04	-do-
2019-003-501- (2017)	07/09/2019	-do-	-do-	2,660,998.64	-do-
2019-004 (2018)	07/24/2019	-do-	-do-	2,799,348.68	-do-
2019-005	Detail for update	NS No. 2019-002 not complied with matured into disallowance	Details for update	6,000.00	-do-
2019-006	-do-	NS No. 2019-003 matured into disallowance	-do-	56,500.00	-do-
2020-001	-do-	Overpayment of CNA Incentive for CY 2019	Officer/ employee concerned	1,924.33	-do-
2020-001 501(2019)-345 MOOE	-do-	Excessive Claim of Travelling Allowance	-do-	1,100.00	-do-
2020-002 501 (2019)-411 MOOE	-do-	Excessive Claim of Travelling Allowance	-do-	1,761.00	-do-
2020-003 501(2019)- 411 MOOE	-do-	Excessive Claim of Travelling Allowance	-do-	900.00	-do-
2020-001-501- (2019)	-do-	Unsubmitted vouchers and disbursement supporting documents	Officers and employees concerned, and contractor	4,474,587.37	-do-



**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2019-002-501-(2018)	Detail for update	Payment of tax penalties	Officers and employees concerned	871,722.38	Details for update
ND 2021-001-501(2014-2016)	05/14/2021	Payment for construction of Access Road was irregular for failure to follow appropriate rules of procedure	Officers and employees concerned, and contractor	557,772.00	-do-
2021-002-501 LFPs (2020)	10/29/2021	Payment of FY 2020 Service Recognition Incentive (SRI) to 44 NIA LAMISCA IMO casual personnel charged against fund 501-LFPs	Officers and employees concerned	440,000.00	-do-
2021-004 (2017) PRIS LFPs	Detail for update	Travelling Expenses	-do-	320.00	-do-
2021-002 (2017) Sigmatan CIS LFPs	-do-	Detail for update	-do-	1,100.00	-do-
2021-007 (2019)	-do-	TEV Liquidation	-do-	20,515.00	-do-
2021-008 (2019)	-do-	-do-	-do-	518.96	-do-
2021-009 (2019)	-do-	-do-	-do-	9,860.00	-do-
2021-010 (2019)	-do-	-do-	-do-	9,860.00	-do-
2021-011 (2019)	-do-	-do-	-do-	9,860.00	-do-
2021-012 (2019)	-do-	-do-	-do-	9,860.00	-do-
2021-014 (2019)	-do-	-do-	-do-	9,860.00	-do-
2021-015 (2019)	-do-	-do-	-do-	600.00	-do-
2021-016 (2019)	-do-	-do-	-do-	736.32	-do-
2021-017 (2019)	-do-	-do-	-do-	3,860.00	-do-
2021-018 (2019)	-do-	-do-	-do-	3,860.00	-do-
2021-019 (2019)	-do-	-do-	-do-	880.00	-do-
2021-021 (2019)	-do-	-do-	-do-	880.00	-do-
2021-022 (2019)	-do-	-do-	-do-	1,700.00	-do-
2021-023 (2019)	-do-	-do-	-do-	1,600.00	-do-
2021-024 (2019)	-do-	-do-	-do-	2,200.00	-do-
2021-025 (2019)	-do-	-do-	-do-	2,200.00	-do-
2021-026 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-027 (2019)	-do-	-do-	-do-	1,700.00	-do-
2021-028 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-029 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-030 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-032 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-033 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-034 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-035 (2019)	-do-	-do-	-do-	1,100.00	-do-
2021-036 (2019)	-do-	-do-	-do-	1,100.00	-do-
2021-037 (2019)	-do-	-do-	-do-	21,794.48	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2021-038 (2019)	-do-	TEV Liquidation	Officers and employees concerned	13,952.36	Details for update
2021-039 (2019)	-do-	-do-	-do-	1,800.00	-do-
2021-040 (2019)	-do-	-do-	-do-	1,390.00	-do-
2021-041 (2019)	-do-	-do-	-do-	1,390.00	-do-
2021-042 (2019)	-do-	-do-	-do-	16,868.16	-do-
2021-043 (2019)	-do-	-do-	-do-	13,030.00	-do-
2021-044 (2019)	-do-	-do-	-do-	17,330.48	-do-
2021-045 (2019)	-do-	-do-	-do-	17,330.48	-do-
2021-046 (2019)	-do-	-do-	-do-	1,960.00	-do-
2021-047 (2019)	-do-	-do-	-do-	1,960.00	-do-
2021-048 (2019)	-do-	-do-	-do-	2,420.00	-do-
2021-049 (2019)	-do-	-do-	-do-	20,239.00	-do-
2021-050 (2019)	-do-	-do-	-do-	3,620.00	-do-
2021-051 (2019)	-do-	-do-	-do-	1,300.00	-do-
2021-052 (2019)	-do-	-do-	-do-	27,821.20	-do-
2021-053 (2019)	-do-	-do-	-do-	1,080.00	-do-
2021-054 (2019)	-do-	-do-	-do-	3,420.00	-do-
2021-055 (2019)	-do-	-do-	-do-	27,474.88	-do-
2021-056 (2019)	-do-	-do-	-do-	18,150.00	-do-
2021-060	-do-	NS No. 2020-002 dated 2/11/20 and served on 2/21/20 matured into disallowance (failure to submit DVs with supporting documents-for the month of November 2019)	-do-	44,631.00	-do-
2021-061	-do-	NS No. 2020-003 dated 6/30/20 and served on 7/15/20 matured into disallowance (failure to submit DVs with supporting documents-December 2019 to March 2020)	-do-	1,090,567.95	-do-
2021-062	-do-	NS No. 2020-004 dated 8/30/20 and served on 8/130/20 matured into disallowance (failure to submit DVs with supporting documents-April 2020)	-do-	37,478.57	-do-
2021-063	-do-	NS No. 2020-008 dated 10/27/20 and served on 11/11/20 matured into disallowance (failure to submit DVs with supporting documents - July 2020)	-do-	657,280.60	-do-
2021-064	-do-	NS No. 2021-003 dated 8/26/21 and served on 4/7/2021 matured into disallowance (failure to submit	-do-	63,944.80	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
		DVs with supporting documents - December 2020)			
2021-068 (2017) Talasan CIS MINSAAD	-do-	Matured NS No. 2019-51 (2017) Talasan CIS MINSAAD dated 4/15/19 and served on 7/23/19 (Unsettled claims for taxi fare from DORM to MOA during PICE 2017 Mid-year National Convention dated June 15-17)	Officers and employees concerned	1,500.00	Details for update
2021-069 (2017) PRIS LFPs	-do-	Matured NS No. 2019-065 (2017) PRIS LFPs dated 7/16/19 and served on 8/27/19 (Unsettled balance on claims for BUS PUB Tickets)	-do-	1,060.00	-do-
2021-071 (2018) Taytay Unggoy CIP	-do-	Matured NS No. 2019-090 (2018) Taytay Unggoy CIP dated 7/17/19 and served on 9/17/19 (Unsettled balance of taxi fare and excessive claims of TEV upon return to station)	-do-	1,960.00	-do-
2021-072 (2018) Kili Kili CIS	-do-	Matured NS No. 2019-101 (2018) Kili Kili CIS dated 7/17/19 and served on 9/17/19 (Unsettled balance on claims of taxi fare and excessive claim of TEV)	-do-	1,960.00	-do-
2021-073 (2018) Talasan CIP	-do-	Unsettled NS due to lack of supporting documents	-do-	70,000.00	-do-
2021-076(2018) Talakag IP	-do-	-do-	-do-	750.00	-do-
2021-077(2018) MURIS LFPs	-do-	-do-	-do-	4,050.00	-do-
2021-078(2018) MURIS LFPs	-do-	-do-	-do-	4,050.00	-do-
2021-079(2018) MOOE	-do-	-do-	-do-	3,190.00	-do-
2021-080(2018) Talasan CIP	12/03/2014	-do-	-do-	14,335.76	-do-
2021-082(2018) Kalabugao CIP	12/03/2014	-do-	-do-	4,160.00	-do-
2021-083(2018) IMTSS LFPs	01/14/2015	-do-	-do-	1,470.00	-do-
2021-086(2018) IMTSS LFPs	01/20/2015	-do-	-do-	620.00	-do-
2021-087 (2018) MOOE	05/26/2015	-do-	-do-	450.00	-do-
2021-088 (2018) MOOE	02/04/2015	-do-	-do-	15,475.00	-do-
2021-093 (2018) MOOE	02/10/2015	-do-	-do-	6,000.00	-do-
2021-094 (2018) MOOE	06/03/2015	-do-	-do-	20,350.35	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2021-098 (2018) San Roque	02/10/2015	Unsettled NS due to lack of supporting documents	Officers and employees concerned	1,300.00	Details for update
2021-099 (2018) San Roque Panadtalan CIS	08/10/2015	-do-	-do-	12,520.00	-do-
2021-100 (2018) RKRIS LFPs	02/03/2016	-do-	-do-	12,520.00	-do-
2021-101 (2018) CARIIS CIP	02/17/2016	-do-	-do-	12,520.00	-do-
2021-102 (2018) IMTSS	02/17/2016	-do-	-do-	600.00	-do-
2021-104 (2018) MOOE	03/15/2017	-do-	-do-	6,692.27	-do-
2021-110 (2019) Kulaman	03/15/2017	-do-	-do-	25,919.01	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. X</b>				<b>P 52,522,083.59</b>	
<b>REGIONAL IRRIGATION OFFICE NO. XI</b>					
<b>Regional Office – General Fund</b>					
09-02-F101-09	12/01/2009	Excess payment of overtime services	Officers and employees concerned	P 58.56	Details for update
09-05-F101-09	12/01/2009	-do-	-do-	110.37	-do-
09-09-F101-09	12/01/2009	-do-	-do-	319.61	-do-
09-10-F101-09	12/01/2009	-do-	-do-	234.32	-do-
09-13-F101-09	12/01/2009	-do-	-do-	91.98	-do-
09-18-F101-09	12/01/2009	-do-	-do-	26.12	-do-
09-08-F101-09	12/01/2009	Expenses not related to purpose of cash advance	-do-	24,400.00	With NFD and COE
09-36-F101-07	12/28/2009	Irregular payment of CNA	-do-	39,120.00	Details for update
09-04-F101-09	12/01/2009	Excess payment of per diems	-do-	480.00	-do-
09-03-F101-09	12/01/2009	Details from update	-do-	640.00	-do-
09-07-F101-09	12/01/2009	Payment for diesel not in accordance with the purpose of releases from DBM for F101	-do-	56,559.80	-do-
09-17-F101-09	12/01/2009	Excess claim of TEV	-do-	540.00	-do-
09-22-F101-09	12/01/2009	Excess payment of salaries for 1 day of Job Order	-do-	418.36	-do-
09-24-A-F101-09	12/02/2009	Suspension which matured into disallowance due to failure to submit tickets for bus fares	-do-	700.00	-do-
09-25-F101-06	12/28/2009	-do-	-do-	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-	-do-	800.00	-do-
09-31-F101-07	12/28/2009	-do-	-do-	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-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
09-44-F101-08	12/28/2009	Suspension which matured into disallowance due to failure to submit tickets for bus fares	Officers and employees concerned	800.00	Details for update
09-45-F101-08	12/28/2009	-do-	-do-	372.00	-do-
09-47-F101-08	12/28/2009	-do-	-do-	815.40	-do-
09-48-F101-08	12/28/2009	-do-	-do-	5,672.87	-do-
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-
<b>Davao del Norte – IMO – General Fund</b>					
Detail for update	Detail for update	Unauthorized grant of honorarium	Officers and employees concerned	164,450.00	-do-
<b>Regional Office – Corporate Fund</b>					
09-01-F501-NDC	12/29/2009	Details for update	Details for update	1,711.20	-do-
09-02-F501-NDC	12/29/2009	-do-	-do-	240.00	-do-
09-03-F501-NDC	12/29/2009	Payment of No-show penalty for return flight	Employee concerned	448.00	-do-
09-05-F501-NDC	12/29/2009	Excess payment of traveling expenses of Mr. Razo	-do-	2,800.00	-do-
09-07-F501-NDC09	12/29/2009	Details for update	Details for update	1,220.00	Details for update
09-08-F501-NDC	12/28/2009	Payment of CNA for CY 2006	Officers and employees concerned	93,000.00	With NFD
09-09-F501-NDC	12/28/2009	Payment of representation expenses	Officers and employees concerned	18,022.75	Details for update
09-10-F501-NDC	12/28/2009	Details for update	Details for update	5,620.00	-do-
09-11-F501-NDC-08	12/28/2009	Payment of traveling expenses without boarding pass	Officer concerned	5,239.72	With NFD
09-12-F501-NDC	12/28/2009	-do-	-do-	4,584.00	-do-
09-13-F501-NDC	12/28/2009	-do-	-do-	5,534.00	-do-
09-14-F501-NDC	12/28/2009	Details for update	Details for update	400.00	Details for update
09-02-F501-PNB	11/23/2009	Payment of overtime services	Officers and employees concerned	507.20	-do-
09-03-F501-PNB	11/23/2009	-do-	-do-	1,832.97	-do-
09-04-F501-PNB	11/23/2009	-do-	-do-	1,519.60	-do-
09-05-F501-PNB	11/23/2009	Details for update	Details for update	208.31	-do-
09-07-F501-PNB	11/23/2009	Payment of overtime services	Officers and employees concerned	4,626.36	-do-
09-08-F501-PNB	11/23/2009	-do-	-do-	1,388.27	-do-
09-11-F501-PNB	11/23/2009	-do-	-do-	3,513.34	-do-
09-13-F501-PNB	11/23/2009	-do-	-do-	1,214.67	-do-
09-15-F501-PNB	11/23/2009	-do-	-do-	1,003.07	-do-
09-16-F501-PNB	11/23/2009	Details for update	-do-	622.58	-do-
09-17-F501-PNB	11/23/2009	-do-	-do-	519.49	-do-
09-18-F501-PNB	11/23/2009	Payment of overtime services	-do-	1,631.63	-do-
09-19-F501-PNB	11/23/2009	-do-	-do-	2,239.16	-do-

**Notices of Disallowance (ND)**

<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
09-20-F501-PNB	11/23/2009	Payment of overtime services	Officers and employees concerned	2,664.61	Details for update
09-21-F501-PNB	11/23/2009	-do-	-do-	1,773.96	-do-
09-22-F501-PNB	11/24/2009	-do-	-do-	149.83	-do-
09-23-F501-PNB	11/24/2009	-do-	-do-	1,130.58	-do-
09-25-F501-PNB	11/24/2009	-do-	-do-	2,451.02	-do-
09-26-F501-PNB	11/24/2009	-do-	-do-	1,516.74	-do-
09-54-F501-COB-LBP	Detail for update	Payment of CNA Incentive for CY 2006	-do-	1,480,000.00	-do-
09-03-F501-LBP-LT-07	12/28/2009	-do-	-do-	375,000.00	-do-
09-40-F501-PNB	12/28/2009	Payment of plane fare without boarding pass	-do-	8,608.00	With NFD
09-43-F501-PNB	12/28/2009	Payment of CNA Incentive	-do-	1,428,863.89	Details for update
09-45-F501-PNB	12/28/2009	-do-	-do-	321,139.50	-do-
09-49-F501-PNB	12/28/2009	-do-	-do-	1,216,994.99	With NFD
09-50-F501-PNB	12/28/2009	-do-	-do-	1,135,000.00	-do-
2015-501-001-(14)	12/01/2015	Irregular withholding and remittance of HDMF, PhilHealth and GSIS contributions	-do-	9,475.28	Details for update
2015-501-002-(14)	12/01/2015	Overpayment of salaries and wages	-do-	110,923.50	-do-
2016-001-501 (14)	06/20/2016	Payment for repair of Nissan Navarra	-do-	27,100.00	-do-
12-001-004(11)	07/16/2012	Payment of CNA Incentive in excess of P25,000.00	-do-	1,446,581.15	-do-
13-003(11)	11/27/2013	-do-	-do-	236,114.00	-do-
2013-002-501-DO(12)	11/25/2013	-do-	-do-	1,063,750.00	-do-
13-001-501- (11)	12/18/2013	-do-	-do-	2,693,250.00	-do-
2015-501-003	09/18/2015	-do-	-do-	3,666,000.00	-do-
NIARO-2018-001-501(COB)	11/21/2018	Payment of VIG allowance for CY 2014 - 2015	-do-	734,700.00	-do-
NIARO-2021-001-501 Local Trust (2020)	11/10/2021	Purchase of 15 units cellular phones for the BAC members and TWG @ 32,789.00 per unit	Officers and employees concerned, and supplier	491,841.00	-do-
NIARO-2021-001-501LFPs (2020)	11/10/2021	Purchase of 11 units cellular phones for EOD personnel	-do-	273,690.00	-do-
NIARO-2021-001-501 CARP (2020)	11/10/2021	Purchase of 3 units cellular phones for CARP personnel	-do-	62,970.00	-do-
<b>Davao del Sur IMO – Corporate Fund</b>					
2015-001-501 (DDS)-(12)	09/18/2015	Payment of CNA Incentive for CY 2012	Officers and employees concerned	1,615,750.00	Details for update
2015-002-501 (DDS)-(13)	10/20/2015	-do-	-do-	1,077,500.00	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
2015-003-501 (DDS)-(14)	10/20/2015	Payment of VIG allowance	Officers and employees concerned	1,485,500.00	Details for update
2016-001- 501(DDS)-(13)	06/15/2016	-do-	-do-	173,000.00	-do-
NIA-DDSur-2018- 001_VIG	11/21/2018	-do-	-do-	956,000.00	-do-
18-001	03/20/2015	-do-	-do-	691,750.00	-do-
15-001	03/20/2015	-do-	-do-	231,500.00	-do-
2015-001- 501(2012&2013)	10/27/2015	-do-	-do-	470,800.00	-do-
IMO -Del Sur- 2021-001- 501LFPs (2020)	11/03/2021	Details for update	Details for update	2,604,198.00	-do-
2015-004-501-(13)	10/20/2015	Payment of VIG allowance	Officers and employees concerned	2,126,867.00	-do-
2015-005-501-(14)	10/20/2015	-do-	-do-	1,588,500.00	-do-
09-01-F501- POSTAL	12/28/2009	Payment of plane fare without boarding pass	-do-	75,679.53	-do-
2013-001-- 501(DDS)-(12)	09/09/2013	Payment of CNA Incentive for CY 2011	-do-	1,563,250.00	-do-
09-06-F501-PNB	11/23/2009	Payment for salary differential without signature	-do-	57.86	-do-
09-01-F501-LBP- LT	11/29/2009	Details for update	-do-	100,000.00	-do-
09-01-F501-PNB	11/18/2009	-do-	-do-	6,644.85	-do-
09-14-F501-PNB	11/23/2009	-do-	-do-	35,000.00	-do-
09-24-F501-PNB	11/24/2009	-do-	-do-	50,000.00	-do-
09-27-F501-PNB	11/24/2009	-do-	-do-	100,000.00	-do-
09-28-F501-PNB	11/24/2009	-do-	-do-	25,000.00	-do-
09-29-F501-PNB	11/24/2009	-do-	-do-	550.00	-do-
09-36-F501-PNB	12/02/2009	-do-	-do-	2,400.00	-do-
09-37-F501-PNB	12/24/2009	-do-	-do-	40,000.00	-do-
09-38-F501-PNB	12/28/2009	-do-	-do-	20,729.34	-do-
09-42-F501-PNB	12/28/2009	-do-	-do-	9,300.00	-do-
09-48-F501-PNB	12/28/2009	-do-	-do-	100.00	-do-
12-001-501- (11)	01/18/2012	-do-	-do-	4,016.65	-do-
12-003-501- (11)	01/18/2012	-do-	-do-	4,400.00	-do-
18-001	09/10/2018	Payment of CNA	-do-	1,008,000.00	-do-
18-001(15)	09/10/2018	-do-	-do-	274,000.00	-do-
<b>Davao del Norte IMO – Corporate Fund</b>					
IMO Del Norte- 2021-001- 501Local Trust (2020)	11/10/2021	Excessive purchase of cellular phones	Officers and employees concerned, and supplier	114,960.00	-do-

**Notices of Disallowance (ND)**

No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount	Remarks
IMO Del Norte-2021-001-501LFPs (2020-2021)	11/10/2021	Excessive purchase of cellular phones	Officers and employees concerned, and supplier	127,349.00	Details for update

**Davao de Oro IMO – Corporate Fund**

IMO De Oro-2021-001-501Local Trust	11/10/2021	Purchase of cellular phones	Officers and employees concerned, and supplier	33,900.00	-do-
------------------------------------	------------	-----------------------------	--	-----------	------

**Regional Office – Special Fund**

09-03-F158-MINSSAD	11/25/2009	Payment for plane ticket without boarding pass	Officers and employees concerned	29,909.00	With COE
09-01-F158-MINSSAD	11/25/2009	Unauthorized grant of honorarium from MINSSAD for CY 2008	Officers and employees concerned	240,076.00	Details for update

**TOTAL REGIONAL IRRIGATION OFFICE NO. XI** **P 34,179,075.00**

**REGIONAL IRRIGATION OFFICE NO. XII**

**Regional Office – Corporate Fund**

2008-501-01(07)	07/02/2008	Payment of CNA incentive for CY 2007 in excess of P25,000	Officers and employees concerned	P 18,700.00	With NFD
2008-501-01(07)	07/02/2008	-do-	-do-	4,350.00	-do-
2012-001-501(11)	01/24/2012	-do-	-do-	195,000.00	Details for update
2013-008-501(12)	12/21/2013	-do-	-do-	1,349,050.00	-do-

**Cotabato IMO – Corporate Fund**

12-001-101(11)	03/01/2012	Payment of CNA incentives	Officers and employees concerned	475,000.00	With NFD
2013-01-501	12/27/2013	-do-	-do-	3,588,000.00	-do-

**Maguindanao IMO – Corporate Fund**

2013-001-501	09/26/2013	Payment of CNA incentive for CY 2012 in excess of P25,000	Officers and employees concerned	539,750.00	Details for update
--------------	------------	---	----------------------------------	------------	--------------------

**Sultan Kudarat IMO – Corporate Fund**

2012-002 to 42	02/15/2012	Payment of CNA incentive	Officers and employees concerned	190,000.00	-do-
2012-001	02/15/2012	-do-	-do-	5,000.00	-do-
2013-001-501	09/26/2013	-do-	-do-	1,290,000.00	-do-
2014-001-501	03/19/2014	-do-	-do-	723,100.00	-do-
2015-001-501	07/02/2015	-do-	-do-	62,500.00	-do-

**South Cotabato IMO – Corporate Fund**

2013-001-501	09/26/2013	Payment of CNA incentive	Officers and employees concerned	663,000.00	Details for update
2012-001-501(11)	01/24/2012	-do-	-do-	80,000.00	-do-
2012-002-501(11) Mabaris	01/24/2012	-do-	-do-	10,000.00	-do-
2012-003-501(11) SCIMO	01/24/2012	-do-	-do-	90,000.00	-do-
2013-001-501	09/26/2013	-do-	-do-	2,245,500.00	-do-
2012-004-501(11)	01/24/2012	-do-	-do-	185,000.00	-do-
2013-001-501	09/26/2013	-do-	-do-	569,500.00	-do-



Notices of Disallowance (ND)						
No.	Date	Nature of Disallowance	Persons Liable	Unsettled Amount		Remarks
Regional Office – Special Fund						
2012-006-158(11) SCIMO	01/24/2012	Excess payment of CAN for CY 2011	Officers and employees concerned		5,000.00	Details for update
2012-006-158(11) SCIMO	01/24/2012	-do-	-do-		5,000.00	-do-
TOTAL REGIONAL IRRIGATION OFFICE NO. XII				P 12,293,450.00		
REGIONAL IRRIGATION OFFICE NO. XIII						
Regional Office – General Fund						
17-001-101-(16)	Detail for update	Labor services under Pakyaw Contracting System in excess of the P500,000.00 limit	Officers and employees concerned, and laborers	P	45,267.07	With NFD
12-003-101-(12)	09/24/2012	Transfer of Interest Income to NIA Caraga RO XIII Fund 501 NIMF instead to BTr	Officers and employees concerned		2,547,151.67	Details for update
19-002-501 LFPS-(17)	05/20/2019	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.	-do-		12,000.00	-do-
2020-001	01/07/2020	Reimbursement of Meals during overtime	-do-		935.00	-do-
Regional Office – Corporate Fund						
19-007(19) 501 COB	12/17/2019	Excessive travel claims	Officers and employees concerned		2,700.00	Details for update
19-003(19) 501 COB	12/18/2019	-do-	-do-		7,280.00	-do-
19-004(19) 501 COB	12/18/2019	-do-	-do-		944.00	-do-
19-008(19) 501 COB	12/18/2019	-do-	-do-		1,362.14	-do-
19-010(19) 501 COB	Detail for update	-do-	-do-		459.00	-do-
09-076-501 COB-(09)	-do-	Liquidation of CA	-do-		7,001.05	-do-
2014-002-501-(13)	04/21/2014	-do-	-do-		3,853,000.00	-do-
2014-003-501-(13)	04/21/2014	-do-	-do-		3,830,750.00	-do-
2014-004-501 (13)	04/21/2014	Excessive payment of CNA	-do-		32,750.00	-do-
2014-005-501 (13)	04/21/2014	-do-	-do-		4,380,750.00	-do-
19-001-501 COB-(17)	05/20/2019	Payment of VIG without legal basis	-do-		1,482,918.00	-do-
19-001-501 COB-(17)	05/20/2019	-do-	-do-		2,058,333.33	-do-
15-03-501-(14) RO	07/03/2015	-do-	-do-		1,326,973.33	-do-
15-04-501-(14) RO	07/03/2015	-do-	-do-		50,000.00	-do-
15-05-501-(14) RO	07/03/2015	-do-	-do-		30,000.00	-do-
15-06-501-(14) RO	07/03/2015	-do-	-do-		219,665.50	-do-

<b>Notices of Disallowance (ND)</b>					
<b>No.</b>	<b>Date</b>	<b>Nature of Disallowance</b>	<b>Persons Liable</b>	<b>Unsettled Amount</b>	<b>Remarks</b>
15-07-501-(14) RO	07/03/2015	Payment of VIG without legal basis	Officers and employees concerned	25,000.00	Details for update
15-08-501-(14) RO	07/03/2015	-do-	-do-	25,000.00	-do-
15-09-501-(14) RO	07/03/2015	-do-	-do-	27,000.00	-do-
15-10-501-(14) RO	07/03/2015	-do-	-do-	427,250.00	-do-
15-11-501-(14) RO	07/03/2015	-do-	-do-	5,000.00	-do-
15-12-501-(14) RO	07/03/2015	-do-	-do-	16,669.50	-do-
15-13-501-(14) RO	07/03/2015	-do-	-do-	10,000.00	-do-
15-03-501-(14)	Detail for update	-do-	-do-	23,200.00	-do-
Detail for update	-do-	-do-	-do-	264,000.00	-do-
2015-001-501(14)	06/09/2015	-do-	-do-	1,638,000.00	-do-
2019-06-022	06/17/2019	-do-	-do-	262,900.00	-do-
2015-001-501-COB	10/01/2015	-do-	-do-	828,000.00	-do-
2015-002-501-COB	10/01/2015	-do-	-do-	390,000.00	-do-
2015-003-501-COB	10/01/2015	-do-	-do-	41,000.00	-do-
2015-004-501-COB	10/01/2015	-do-	-do-	191,000.00	-do-
2015-005-501-COB	10/01/2015	-do-	-do-	174,000.00	-do-
2019-001-501 (17)	09/10/2019	-do-	-do-	608,000.00	-do-
2019-002-501 (17)	09/10/2019	-do-	-do-	558,000.00	-do-
2014-001-101/501(12)	04/21/2014	-do-	-do-	1,877,250.00	-do-
<b>Agusan Del Norte, Surigao Del Norte, and Dinagat Islands IMO – Corporate Fund</b>					
19-002-501 (17)	COB- 05/20/2019	Project Allowance without legal basis	Officers and employees concerned	17,500.00	-do-
15-14-501 (14) ASDI	07/15/2015	Details for update	Details for update	2,010,000.00	-do-
15-15-501 (14) ASDI	07/15/2015	-do-	-do-	85,000.00	-do-
15-16-501 (14) ASDI	07/15/2015	-do-	-do-	288,075.00	-do-
15-17-501 (14) ASDI	07/15/2015	-do-	-do-	4,000.00	-do-
15-17-501 (14) ASDI	07/15/2015	-do-	-do-	596,000.00	-do-
<b>Surigao Del Sur IMO – Corporate Fund</b>					
2014-001-501 (13)	04/21/2014	Payment CNA Incentive for the CY 2012 in excess of P25,000.00	Officers and employees concerned	1,283,000.00	-do-
<b>Regional Office – Special Fund</b>					
12-005-GOP3 (12)	09/17/2012	Overpayment of salaries	Officers and employees concerned	2,280.00	-do-
19-001(19)-NISRIP	12/16/2019	Detail for update	Employee concerned	3,570.29	-do-
<b>TOTAL REGIONAL OFFICE NO. XIII</b>				<b>P 31,570,932.88</b>	
<b>TOTAL DISALLOWANCES</b>				<b>P4,176,392,931.38</b>	

**C. AUDIT CHARGES**

Notice of Charge (NC)		Nature of Charge	Persons Liable	Unsettled Charges as of year-end	Remarks
No.	Date				
CENTRAL OFFICE					
2016-001-102	04/06/2016	Non-forfeiture of bid security	Various Contractors		P 1,200,000.00 Details for update
TOTAL CENTRAL OFFICE				1,200,000.00	
CORDILLERA ADMINISTRATIVE REGION					
2020-01-501 NIA-KIMO	10/26/2020	Collection of service or rental fee for the use of irrigation water/facilities in the irrigation system under a Memorandum of Agreement dated April 2, 2012 entered into between National Irrigation Administration - CAR and DPJ Engineers & Consultants	Officers and employees concerned, and contractor	128,374.66	Details for update
Total CAR				128,374.66	
REGIONAL IRRIGATION OFFICE NO. I					
11-001-501(11)	06/03/2011	Under-remittance of Irrigation Service Fees	Officers and employees concerned	189,892.42	Affirmed in CP Decision No. 2019-165 dated May 23, 2019
TOTAL REGIONAL IRRIGATION OFFICE NO. I				189,892.42	
REGIONAL IRRIGATION OFFICE NO. VI					
2012-501-02	11/19/2012	Restitution of 10% discount for prompt payment	Employee concerned	4,094.63	With NFD
2012-501-05	11/19/2012	-do-	-do-	508.30	-do-
2012-501-09	11/19/2012	-do-	-do-	5,640.99	-do-
TOTAL REGIONAL IRRIGATION OFFICE NO. VI				10,243.92	
REGIONAL IRRIGATION OFFICE NO. X					
19-001-501	4/17/2018	Non-payment of rental for use of drilling rig	Lessee	437,360.00	Details for update
04-001 (17)	4/17/2018	House Rental Payment	Employee concerned	22,974.00	-do-
04-002 (17)	4/17/2018	-do-	-do-	7,288.00	-do-
04-003 (17)	4/17/2018	-do-	-do-	6,340.00	-do-
04-004 (17)	4/17/2018	-do-	-do-	14,964.00	-do-
04-005 (17)	4/17/2018	-do-	-do-	6,340.00	-do-
04-006 (17)	4/17/2018	-do-	-do-	17,336.00	-do-
04-007 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-008 (17)	4/17/2018	-do-	-do-	7,816.00	-do-
04-009 (17)	4/17/2018	-do-	-do-	17,812.00	-do-
04-010 (17)	4/17/2018	-do-	-do-	16,892.00	-do-
04-011 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-012 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-013 (17)	4/17/2018	-do-	-do-	9,428.00	-do-
04-014 (17)	4/17/2018	-do-	-do-	6,536.00	-do-
04-015 (17)	4/17/2018	-do-	-do-	7,508.00	-do-
04-016 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-017 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-018 (17)	4/17/2018	-do-	-do-	6,980.00	-do-

**APPENDIX A**  
AAR Page No. 156

<b>Notice of Charge (NC)</b>		<b>Nature of Charge</b>	<b>Persons Liable</b>	<b>Unsettled Charges as of year-end</b>	<b>Remarks</b>
<b>No.</b>	<b>Date</b>				
04-019 (17)	4/17/2018	House Rental Payment	Employee concerned	6,980.00	Details for update
04-020 (17)	4/17/2018	-do-	-do-	8,292.00	-do-
04-021 (17)	4/17/2018	-do-	-do-	19,908.00	-do-
04-022 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-023 (17)	4/17/2018	-do-	-do-	18,064.00	-do-
04-024 (17)	4/17/2018	-do-	-do-	23,290.00	-do-
04-025 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-026 (17)	4/17/2018	-do-	-do-	6,980.00	-do-
04-027 (17)	4/17/2018	-do-	-do-	21,530.00	-do-
04-028 (17)	4/17/2018	-do-	-do-	3,179.16	-do-
04-029 (17)	4/17/2018	-do-	-do-	3,179.16	-do-
04-030 (17)	4/17/2018	-do-	-do-	262.50	-do-
04-031 (17)	4/17/2018	-do-	-do-	612.50	-do-
04-032 (17)	4/17/2018	-do-	-do-	10,232.00	-do-
04-033 (17)	4/17/2018	-do-	-do-	10,882.00	-do-
04-034 (17)	4/17/2018	-do-	-do-	7,976.00	-do-
04-035 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-036 (17)	4/17/2018	-do-	-do-	15,396.00	-do-
04-037 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-038 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-039 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-040 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-041 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-042 (17)	4/17/2018	-do-	-do-	19,428.00	-do-
04-043 (17)	4/17/2018	-do-	-do-	7,816.00	-do-
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. X</b>				<b>935,009.32</b>	
<b>REGIONAL IRRIGATION OFFICE NO. XIII</b>					
09-002-101 MDS-(06)	11/06/2009	Shortage during cash count	Employee concerned	2,745.00	Details for update
<b>TOTAL REGIONAL IRRIGATION OFFICE NO. XIII</b>				<b>2,745.00</b>	
<b>Total</b>				<b>P 2,446,265.32</b>	

## **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.

NIA 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 of the Philippines. 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 had 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. In a Memorandum dated November 3, 2016 of the then Executive Secretary, the Cabinet Secretary was designated as the Acting Chairperson of the NIA Board of Directors (BOD). Through EO No. 168, s. 2022 dated April 25, 2022, the NIA was transferred back as an attached agency under the DA.

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

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

- a. To investigate, study and develop all available water resources in the country, primarily for irrigation purposes; to plan, design, construct and/or improve all types of irrigation projects and appurtenant structures; to operate, maintain and administer all national irrigation systems; to supervise the operation, maintenance and repair;

- b. To administer temporarily all communal and pump irrigation systems constructed, improved and/or repaired wholly or partially with government funds; to delegate the partial or full management of national irrigation systems to duly organized cooperatives or associations; and
- c. To charge and collect from the beneficiaries of all irrigation systems constructed by or under administration such fees or administrative charges as may be necessary to cover the cost of operation, maintenance and insurances; and to cover the cost of construction within a reasonable period of time to the extent consistent with government policy; to cover funds or portions thereof expended for the construction of communal irrigation systems, which shall accrue to a special fund for irrigation development.

NIA is headed by an Administrator who is assisted by a Senior Deputy Administrator and supported by Deputy Administrator for Administrative and Finance and Deputy Administrator for Engineering and Operations. Besides the Central Office (CO), it has 17 Regional Offices (ROs) including the Upper Pampanga River Integrated Irrigation System (UPRIIS) and the Magat River Integrated Irrigation System (MARIIS), 54 Irrigation Management Offices (IMOs) inclusive of seven interim IMOs, six Satellite Offices, and nine Project Management Offices (PMOs).

As at December 31, 2021, NIA had personnel complement of 8,354 composed of 3,391 permanent employees; 2,839 casual/daily; and 2,124 project-based paid personnel.

## **FINANCIAL HIGHLIGHTS (In Philippine Peso)**

### **I. Comparative Financial Position**

	<b>2021</b>	<b>2020</b> <b>(As restated)</b>	<b>Increase/ (Decrease)</b>
Total assets	337,510,286,208	324,764,338,515	12,745,947,693
Total liabilities	115,902,416,773	118,442,801,061	(2,540,384,288)
Equity	221,607,869,435	206,321,537,454	15,286,331,981

### **II. Comparative Results of Operations**

	<b>2021</b>	<b>2020</b> <b>(As restated)</b>	<b>Increase/ (Decrease)</b>
Revenue	678,691,067	547,325,346	131,365,721
Current operating expenses	27,627,711,612	18,961,234,564	8,666,477,048
Deficit from current operations	(26,949,020,545)	(18,413,909,218)	(8,535,111,327)
Other non-operating income	101,442,535	90,695,910	10,746,625
Gains	10,267,096	1,434,734	8,832,362
Losses	(2,607,702)	(3,492,910)	885,208
Deficit before tax	(26,839,918,616)	(18,325,271,484)	(8,514,647,132)
Income tax expense	-	-	-
Deficit after tax	(26,839,918,616)	(18,325,271,484)	(8,514,647,132)
Assistance and subsidy	42,978,025,096	33,983,923,217	8,994,101,879
Net surplus for the period	16,138,106,480	15,658,651,733	479,454,747

### III. Comparison of Budget and Actual Amounts

	<b>Budget</b>	<b>Actual Amount</b>	<b>Difference</b>
Personnel services	4,588,534,998	3,891,152,924	697,382,074
Maintenance and other operating expenses	3,114,785,922	15,796,925,994	(12,682,140,072)
Capital outlay	29,988,229,192	25,134,724,246	4,853,504,946
Financial expenses	-	1,128,317,075	(1,128,317,075)
	<b>37,691,550,112</b>	<b>45,951,120,239</b>	<b>(8,259,570,127)</b>

### 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, 2021 in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) to enable us to express an opinion on the fairness of presentation of the financial statements (FSs) for the years ended December 31, 2021 and 2020. Also, we conducted our audit to assess compliance by the Corporation with the pertinent laws, rules and regulations, as well as adherence to the prescribed policies and procedures.

### AUDITOR'S OPINION

We rendered an adverse opinion on the fairness of presentation of the FSs, in view of the following:

1. The Casecnan Multipurpose Irrigation and Power Project (CMIPP) under a Build-Operate-and-Transfer (BOT) scheme/contract executed on November 13, 1994 by and between the NIA and the California Energy Casecnan Water and Energy Company, Inc. (CECWECI), with total payments made by NIA through the Bureau of the Treasury (BTr) to CECWECI of P106.231 billion, inclusive of the P33.750 billion project cost, was turned over by the CECWECI to the NIA on December 11, 2021. However, the NIA has not taken firm steps to require the CECWECI to turn over the financial reports and documents of CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs, and other pertinent financial documents at the time of transfer on December 11, 2021, consequently the NIA has not recognized in its books of accounts its 40 per cent interest in the joint operation of the CMIPP with the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.), contrary to Paragraphs 23, 24 and 29 of the International Public Sector Accounting Standard (IPSAS) 37 – *Joint Arrangements*. The non-recognition of the CMIPP in the books of accounts of NIA resulted in the material misstatements of its assets, liabilities, and equity accounts as at December 31, 2021 as well as the revenues and expenses for the year ended December 31, 2021, considering the substantial payments of the government to CECWECI totaling P106.231 billion.

2. The non-elimination of Receivables-Intra-agency Receivables and Intra-agency Payables accounts as at December 31, 2021 in the amounts of P1.717 billion and P1.708 billion overstated the total assets and total liabilities of NIA by said amounts, respectively, contrary to Paragraph 41 of IPSAS 18.
3. The Property, Plant, and Equipment (PPE) account with carrying amount of P292.435 billion as at December 31, 2021 was net understated by P661.497 million due to: (a) recognition under Repairs and Maintenance – Other Structures expense account of P675.777 million payment for progress billing of a contractor in Balog-Balog Multi-Purpose Project (BBMP), instead of Construction in Progress (CIP)-Other Structures, thereby understating the PPE account and overstating the expense account by the said amount; (b) non-recognition of Office Building costing P58.782 million in RO No. II, which resulted in the understatement of the PPE account and related Accumulated Depreciation and Depreciation Expense accounts; and (c) non-derecognition of unserviceable PPE items totaling P73.062 million in NIA CO, three IMOs and one PMO, which resulted in the overstatement of PPE account by P73.062 million and the Accumulated Depreciation and Accumulated Surplus/(Deficit) accounts by undetermined amounts; all in contrary to Paragraphs 13, 14, 24, 26, 30, 31 and 82 of IPSAS 17. Likewise, the non-reclassification from PPE-CIP account to the appropriate asset/expense accounts of completed infrastructure projects aggregating P12.507 billion, overstated the PPE-CIP account by the said amount and understated the appropriate asset/expense accounts by undetermined amounts.
4. The non-disclosure in the Notes to FSs to conform with the requirements of the IPSASs the: (a) nature and amount of correction(s) for each FSs line item affected by the prior period restatements/adjustments in CYs 2021, 2020 and 2019 in the amounts of P851.774 million, P1.626 billion and P76.583 billion, respectively; (b) the nature of restatement by P4.917 billion on the Surplus for CY 2020; (c) segment information for decision making and demonstration of accountability; (d) information on the Service Concession Arrangements and Joint Operation of the CMIPP; (e) statement of compliance with IPSASs; (f) estimation of financial effects, indication of uncertainties of amount and timing of cash flows on the 95 outstanding legal cases pending before the Courts; and (g) explanation(s) on significant movement of Other Receivables account; deprived the intended users of the FSs of the vital information in making economic decisions, contrary to Paragraph 54 of IPSAS 3, and Paragraphs 1, 15, 127 and 128 of IPSAS 1.

For the aforementioned observations, which caused the issuance of an adverse opinion, we recommended that Management:

- 1.1. Direct the NIA Sub-Committee on Physical Inventory and Performance Test to request in writing/demand from the CECWECI the submission of the financial reports on the CMIPP, such as, the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, notes to FSs and other related financial reports, records and documents as of December 10, 2021, invoking Section 12.23 of the 2012 Revised Implementing Rules and Regulations (RIRR) of RA No. 6957, as amended by RA No. 7718, and Item 8.6 (b), Part B, Article 8 of the Amended and Restated Casecanan Project Agreement;



- 1.2. Require the NIA Sub-Committee on Physical Inventory and Performance Test and the Secretariat for CMIPP to cause the:
  - a. Immediate conduct by the Procurement and Property Division, in coordination with PSALM Corp., of the physical inventory taking and preparation of the Report on the Physical Count of Inventories (RPCI) and Report on the Physical Count of PPE (RPCPPE) on the CMIPP facilities/assets upon receipt of the CMIPP's financial reports and records from CECWECI; and
  - b. In coordination with PSALM Corp., appraisal of the CMIPP assets/facilities upon completion of physical inventory taking and preparation of RPCI and RPCPPE; and
- 1.3. Direct the Accounting Division of CO to recognize in the books of accounts the NIA's 40 per cent ownership/interest in the joint operation of CMIPP with the PSALM Corp., pursuant to Paragraphs 23, 24 and 29 of IPSAS 37.
- 2.1. Direct the Accounting Division of CO to eliminate the reciprocal accounts during the preparation of the FSs of NIA, by conducting a nationwide regular reconciliation of the discrepancies to have reliable FSs balances at year-end.
- 3.1. Require the Accounting Sections of the ROs concerned/Accounting Division of CO to:
  - a. Recognize under PPE-CIP-Other Structures account the P675.777 million progress payment to a contractor in BBMP;
  - b. Record the office building in RO No. II costing P58.782 million and its corresponding depreciation;
  - c. Derecognize from the books of accounts the unserviceable PPE items totaling P73.062 million upon disposal duly supported with Inspection Report of Unserviceable Property (IIRUP); and
  - d. Analyze and complete the necessary documents and information to reclassify completed infrastructure projects totaling P12.507 billion from PPE-CIP account to appropriate PPE, Assistance to Local Government Units (LGUs), and Assistance to Non-Governmental Organizations/Civil Society Organizations (NGOs/CSOs) accounts, and recognize corresponding depreciation on the PPE sub-accounts affected; and
- 3.2. Require the Disposal Committee to prepare the IIRUP for the unserviceable PPE items totaling P73.062 million and submit a copy thereof to the Accounting Section/Division, as basis of the latter in the derecognition from the books of accounts the unserviceable properties.
- 4.1. Moving forward, require the Accounting Division of CO to ensure that all significant and relevant information are disclosed in the Notes to FSs so as the financial reports are fairly presented, useful and supportive to the achievement of financial

reporting objectives and, for better understandability of the users of the FSs and other stakeholders.

## **OTHER SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS**

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

5. Deficient planning and monitoring of the implementation of the irrigation contracts/projects by NIA resulted in, among others:
  - a. Significant delays, ranging from five to 637 calendar days in the completion of 139 irrigation contracts costing P1.745 billion and, suspension of and/or granting of contract time extensions (CTEs) on 134 projects amounting to P2.168 billion, thereby depriving the intended beneficiaries of the timely use of these irrigation projects;
  - b. Termination of 12 contracts totaling P1.194 billion due to, among others, contractor's fault or as mutually agreed upon by the parties in view of discontinuance of funding or the project is no longer needed, thus wastage of government funds;
  - c. Non-turnover of one hundred twenty-six (126) completed projects amounting to P1.143 billion to Irrigator's Associations (IAs), exposing these projects to risk of damage and deterioration, as the responsibility and control for their maintenance and monitoring have not yet been turned over to the IAs;
  - d. Incurrence of negative slippages by the contractors ranging from 1.24 to 71.07 per cent in 43 on-going contracts costing P1.381 billion, further delaying the completion of the irrigation projects;
  - e. Payments of infrastructure projects costing P1.292 billion not supported with complete documents in MARIIS and RO Nos. II, IV-B, V, VIII and IX, casting doubt on the propriety of the disbursements; and
  - f. Non-imposition of liquidated damages and/or non-forfeiture of performance securities in favor of NIA in 24 contracts of defaulting contractors totaling P382.467 million, hence potential loss of funds.
- 5.1. We reiterated our previous years' audit recommendations that top Management instruct the officials and personnel concerned:
  - a. In the planning of the irrigation contracts/projects to be implemented to adhere strictly to the pertinent provisions of RA No. 9184 and its 2016 RIRR to ensure that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs, including the acquisition of Right of Way (ROW), peace and order situation, and other relevant conditions are duly considered to ensure that all irrigation contracts/projects are efficiently carried out;

- b. In the CO, ROs and PMOs to: (i) require the contractors to regularly submit progress billings and status of work accomplishments; (ii) ensure immediate validation of the reports and inspection of projects; (iii) address the causes on the delays/suspension and grant of time extensions; and (iv) enforce the forfeiture of performance securities and/or imposition of liquidated damages for delays where contractors are at fault;
  - c. To review the post-qualification procedures conducted by the respective Bids and Awards Committee (BAC) for the terminated contracts to determine areas for improvement and ensure that contracts are only awarded to eligible and responsive contractors;
  - d. To immediately turn over the operations and maintenance of all completed communal irrigation projects to the IAs concerned duly covered with Memorandum of Agreement (MOA) to ensure proper maintenance of the irrigation facilities; and
  - e. To refrain from paying progress billings of the contractors without complete and relevant documentation in compliance with Section 4(6) of PD No. 1445.
- 5.2. We further reiterated our previous years' recommendations that top Management:
  - a. File appropriate charges against erring/defaulting contractors; and
  - b. Consider imposing administrative sanctions against NIA officials and personnel who are remiss of their duties, specifically in planning and monitoring of the implementation of irrigation contracts/projects, that resulted in delays, suspensions, terminations of infrastructure contracts/projects, and wastage of government funds.
- 6. The pertinent provisions of RA No. 9184 and its 2016 RIRR were not strictly adhered to in 173 awarded contracts aggregating P1.290 billion posing risk that contracts were awarded to the bidders/contractors who might not be eligible and responsive with the requirements of the contracts, and that NIA was not assured that it has obtained the most advantageous price for the government, in view of the following deficiencies: (a) the eligibility and other documentary requirements for 37 contracts totaling P315.513 million were either lacking, deficient or not at all submitted to the respective Audit Teams; (b) procedures in the conduct of public bidding for 80 contracts costing P963.973 million were not properly observed; and (c) inappropriate procurement modality on the procurement of other supplies and materials for Civil Works, Office Equipment, and Construction Equipment involving 56 contracts amounting to P10.552 million.
- 6.1. We recommended and top Management agreed to require the Regional/Project Managers of ROs and PMOs concerned to:
  - a. Direct the BAC and its Technical Working Group (TWG) to submit the lacking documentary requirements of 37 contracts to their respective Audit

Teams for audit purposes, to avoid suspension of the transactions in audit;  
and

- b. Comply thoroughly with the following procurement procedures prescribed under RA No. 9184 and its 2016 RIRR to ensure transparency and efficiency in the NIA's procurement activities:

- b.1. Posting of Invitation to Bid (ITB) for seven days at any conspicuous place within the premises of the Agency, in accordance with Section 21.2.1(a) of the 2016 RIRR of RA No. 9184;
- b.2. Posting of Notice of Award and Notice to Proceed in the Philippine Government Electronic Procurement System (PhilGEPS), the NIA website, and in any conspicuous place in the premises of NIA within the period required under the 2016 RIRR of RA No. 9184;
- b.3. Sending of invitation to observers, in addition to the representative of COA, to monitor the procurement proceedings, as required under Section 13.1 of the 2016 RIRR of RA No. 9184; and
- b.4. Requiring the contractors to post Performance Security not later than the date of contract signing to be valid until the issuance by NIA to the contractor concerned of the Certificate of Final Acceptance.

- 6.2. We further recommended that Management require the Regional/Project Managers concerned to stop the practice of any form of splitting of contracts as a way of avoiding the conduct of competitive bidding in compliance with Section 54.1, Rule XVI of the 2016 RIRR of RA No. 9184.

- 7. In NIA CO, RO Nos. II, VI, VIII and XIII, the Advances to Contractors totaling P1.048 billion on 46 terminated contracts were not recouped within 28 days from termination of the Contracts, contrary to Paragraph 46 of the General Conditions of the Contract (GCC) of the 5th Edition of the Philippine Public Documents (PBDs) for the Procurement of Infrastructure Projects, due to absence of internal control policies and procedures to ensure that terminated contracts and settlement of balances between the NIA and contractors concerned are completely and timely detected and acted upon. The non-recoupment of the advances resulted in potential loss of funds since some of the contractors could no longer be located and the performance securities posted were already expired.

- 7.1. We recommended and top Management agreed to:

- a. Establish a policy to ensure that all Notices of Termination approved by the Contract Termination Review Committee (CTRC) are timely communicated/furnished to the Accounting Division, and advances to contractors are recouped within 28 days in compliance with Paragraph 46, GCC of the 5th Edition of the PBD for the Procurement of Infrastructure Projects; and

- b. Require the responsible officers and personnel concerned in the CO and ROs to exert all efforts to recoup the advances to contractors on the 46 terminated contracts totaling P1.048 billion, and hold them liable in case of non-recoupment, if warranted.

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

As of December 31, 2021, the total unsettled suspensions, disallowances, and charges for all funds amounted P1.372 billion, P4.176 billion, and P2.466 million, respectively. In addition, there is an unsettled audit suspension of USD3.864 million under the General Fund. The details and status of the unsettled suspensions, disallowances and charges at year-end are shown in Part IV, Appendix A of this Report.

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

Of the 120 audit recommendations embodied in the prior years' Annual Audit Reports, 15 were fully implemented, 24 were partially implemented, and 81 were not implemented. Details are presented in Part III of this Report.