

## EXECUTIVE SUMMARY

### A. Introduction

Buenavista Water District was created by virtue of Resolution No. 17 dated May 7, 1981 passed by the Sangguniang Bayan of Buenavista, Guimaras. At present the Buenavista Water District is operating under Conditional Certificate of Conformance No. 164 approved by the LWUA.

The District's main function is to provide safe, economical and adequate water supply to the Municipality of Buenavista. It is committed to reach out and expand the delivery of efficient water services to all the barangays of Buenavista.

The Board of Directors is composed of representatives coming from the different sectors of the community, as follows:

| Name                | Sector/Designation         | Term                |
|---------------------|----------------------------|---------------------|
| Remy Berlin-Piodena | Professional (Chairperson) | 1/1/2013-12/31/2020 |
| Fidela P. Sotero    | Women (Vice Chairperson)   | 1/1/2013-12/31/2018 |
| Herminia H. Reyes   | Education (Secretary)      | 1/1/2017-12/31/2022 |
| Osee H. Legita      | Business (Member)          | 1/1/2013-12/31/2018 |
| Glenda G. Wilson    | Civic (Member)             | 2/1/2013-12/31/2018 |

Personnel complement is composed of 19 regular and 14 casual, or a total of 33 employees. The General Manager is Engr. Dione J. Gabayoyo.

### B. Financial Highlights

The Financial Position and the Results of Operations of Buenavista Water District for the Calendar Year (CY) ended December 31, 2018, with the comparative figures for CY 2017, are presented below:

#### Comparative Financial Position

|             | 2018           | 2017           |
|-------------|----------------|----------------|
| Assets      | P48,473,816.88 | P47,675,905.15 |
| Liabilities | 19,636,041.83  | 20,278,848.82  |
| Equity      | 28,837,775.05  | 27,397,056.33  |

#### Comparative Results of Operations

|                                   | 2018           | 2017           |
|-----------------------------------|----------------|----------------|
| Total Income                      | P26,816,543.82 | P23,533,717.64 |
| Total Expenses                    | 26,201,988.42  | 22,652,369.00  |
| Net Income (Loss) from Operations | 614,555.40     | 881,348.64     |

### **C. Scope of Audit**

The audit covered the examination, on a test basis, of the accounts and financial transactions and operations of Buenavista Water District for the period from January 1, 2018 to December 31, 2018 in accordance with International Standards of Supreme Audit Institutions (ISSAIs). The audit also involved performing procedures to ascertain the propriety of financial transactions and compliance of the District to prescribed laws, rules and regulations.

### **D. Auditor's Opinion on the Financial Statements**

An unmodified/unqualified opinion was rendered on the fairness of the presentation of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for CY 2018 for reasons stated in the Independent Auditor's Report under Part I of this Report.

### **E. Significant Findings and Recommendations**

The summary of the significant findings and their corresponding recommendations which are discussed in detail in Part II of this Report is presented below.

1. Year-End Bonus (YEB) totaling P502,079.00 was released to personnel earlier than the prescribed schedule contrary to item 6.1 of Budget Circular No. 2016-4, thereby resulted in untimely cash outflow.

We recommended and Management agreed that YEB be released to personnel as scheduled in item 6.1 of Budget Circular No. 2016-4 to improve the system of cash outflow.

2. GAD budget of P575,000.00 was less than 5% of the Corporate Operating Budget and its plan was not implemented contrary to items 6.1 and 9.1, respectively, of PCW, NEDA and DBM Joint Circular No. 2012-01, thereby hindering the mainstream of gender perspectives and responsiveness in operations.

We recommended and Management agreed that the required GAD budget and implementation of the GAD plan be complied to promote gender equity and equality as mandated under the Magna Carta of Women. Ensure that at least 5% of the Corporate Operating Budget is allocated for GAD through attribution of major programs, projects and activities, and the GAD plan is timely implemented through improved coordination with the LWUA and PCW.

3. DRRMP was not formulated contrary to Rule 1, Section 4 of the Implementing Rules and Regulations of Republic Act No. 10121, thereby forgoing institutionalized arrangements and measures for reducing disaster risks and enhancing disaster preparedness and response capabilities in ensuring water safety and supply to concessionaires.

We recommended and Management agreed that Rule 1, Section 4 of the IRR of RA No. 10121 be complied to improve disaster risk reduction management in operations.

Formulate and implement DRRMP to ensure water safety and supply to concessionaires in times of disasters.

4. WSP was not formulated contrary to LWUA MC No. 010-14, thereby risking the consistent safety of drinking-water supply.

We recommended and Management agreed that the safety of drinking-water supply be assured. Formulate Water Safety Plan in accordance with the guidelines as directed by the LWUA for prompt implementation to improve the management of drinking-water quality.

#### **F. Status of Implementation of Prior Years' Audit Recommendations**

Of the 17 audit recommendations contained in the prior years' annual audit report, 13 were fully implemented and four were partially implemented.

#### **G. Status of Suspensions, Disallowances and Charges as at December 31, 2018**

The District has suspensions, disallowances and charges amounting to P737,484.69, P1,368,667.35 and P0.00, respectively, or a total of P2,106,152.04.