

EXECUTIVE SUMMARY

Introduction

The Maluso Water District (MAWAD) was established in the year 1992. Just like other water districts in the country, Maluso Water District used to be a quasi public corporation performing public service and supplying public needs.

However, pursuant to Supreme Court decision in the case of Davao City Water District et. al vs. Civil Service Commission et. al (September 13, 1991) the Supreme Court declared all water districts in the country as government owned and controlled corporations with original charters.

The main objective of the District is to operate, maintain and expand economically viable and sound water supply and wastewater disposal systems for the constituents of Maluso. For CY 2011 the personnel complement of MAWAD is presented below:

Item Number	Position Title	Status	Salary Grade	Step
1	General Manager	Permanent	SG 22	3
2	Administrative Service Assistant C	Permanent	SG 8	1
3	Accounting Processor A	Temporary	SG 8	3
4	Cashiering Assistant	Temporary	SG 8	1
5	Engineering Assistant		SG 8	1
6	Utilities/Customer Service Assistant D	Temporary	SG 8	3
7	Accounting Processor B	Temporary	SG 6	3
8	Driver	Permanent	SG 4	1
9	Water Resources Facilities Tender B	Temporary	SG 4	2
10	Water Resources Facilities Tender B	Temporary	SG 4	3
11	Water Maintenance Man C	Temporary	SG 4	1
12	Water Maintenance Man C		SG 4	1
13	Storekeeper D		SG 4	1
14	Utility Worker A	Temporary	SG 3	1
15	Utility Worker A	Temporary	SG 3	1
16	Utility Worker A		SG 3	1

As a corporate entity, the Maluso Water District's powers are vested and exercised by the Board of Directors which is composed of the following:

NAME	POSITION/DESIGNATION
1. HADJI ABDUA J. ABUBAKAR	CHAIRMAN
2. CLARITA M. CASINILLO	VICE CHAIRMAN
3. MAGDALENA G. BELOCURA	SECRETARY
4. HABIB HAJIRI J. SAHI	MEMBER
5. HADJA SAIDA A. FRANCISCO	MEMBER

Maluso Water District (MAWAD) is one of the water districts endowed with nature. Unlike other districts that draw their water supply from deep wells or from springs at lower elevation and have to spend huge amount of money for electric power to pump the water from its sources to the water tanks at higher elevation before it can be distributed end users. MAWAD relies merely on gravity, Its water sources are situated at higher ground from which the water supply flows naturally to the consumers' households. For this reason, MAWAD has save a lot on electric power.

Scope of Audit

The audit covered the operations and activities of the Maluso Water District, Basilan Province, for calendar year 2011, ending December 31, 2011. The objectives of the audit were to ascertain the fairness and the reliability of the municipality's financial position and results of operations, and to determine whether the plans, programs projects and activities for the period were attained.

Statement in the Audit Certificate on the Financial Statements

In our opinion, except for the effect on the financial statements of the matters mentioned in the preceding paragraph, the financial statements referred to above present fairly, in all material respect, the financial position of the Maluso Water District Province of Basilan, as of December 31, 2011 and the results of its operation and its cash flows for the year ended in conformity with applicable generally accepted accounting principles.

Summary of Significant Findings and Recommendations

FINANCIAL AND COMPLIANCE AUDIT

A. Favorable Observation

As of December 31, 2011, the Water District of Maluso generated a total operating revenues of P 6,777,472.91 compared of last year operating revenues of P 6,491,881.74 there was an increased of P 285,591.17. All of the collections come from the operating revenues were Deposited intact with the authorized government depository bank.

B. Financial and Compliance Audit

1. Procurement of goods and infrastructure were made despite the absence of Annual Investment Plan, contrary to provisions of Section 7 of RA 9184.

The General Manager shall lead the Water District officials and concerned employees in the immediate compliance on the preparation of APP, and direct the official concerned to comply the above-mentioned provision of Section 7, RA 9184.

2. **The district failed to exert all possible remedies to enforce the collection of accounts receivable from its costumers on the total amount of Php6,387,435.35 as of December 31, 2010 consisting mostly of long outstanding receivables from water consumers and dated back to ten years or longer.**

We recommend that concerted effort be made by management to enforce collection of long outstanding accounts receivables from consumers through dialogues and by executing legal demands for settlement of accounts.

Status of Post Audit

Status of Implementation of Prior Year's Audit Recommendation

There were three (3) prior year's audit recommendations, two (2) of which is implemented, and. We reiterated one (1) recommendation in Part II of this report.