



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Calendar Year 2018

TO: METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM - REGULATORY OFFICE (MWSS-RO)

Your Corporate Operating Budget (COB) for Calendar Year 2018 per Board Resolution No. 2017-165-RO dated 14 December 2017 submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total of **TWO HUNDRED NINETY SIX MILLION THREE HUNDRED SEVENTY NINE THOUSAND PESOS ONLY (P296,379,000)**, details of which are shown below:

	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 304,841,000	P 304,841,000	-
Corporate Funds	304,841,000	304,841,000	-
TOTAL USES:	P 304,841,000	P 296,379,000	P (8,462,000)
Personnel Services (PS)	69,424,000	69,314,000	(110,000) ^{a/}
Maintenance & Other Operating Exp. (MOOE)	102,137,000	93,785,000	(8,352,000) ^{b/}
Regular including Professional Services	77,137,000	68,785,000	(8,352,000)
Reserved Fund for Arbitration	25,000,000	25,000,000	-
Capital Outlays (CO)	133,280,000	133,280,000	- ^{c/}
EXCESS/SHORTFALL	P -	P 8,462,000	P 8,462,000

Footnotes:

a/ The variance of P110,000 refers to over provision for the following:

		Remarks
Personnel Economic Relief Allowance	P 72,000	Excess provision for 71 authorized plantilla positions
Cash Gift	15,000	
Performance Enhancement Incentive	15,000	
Employee Compensation Insurance Premium	4,000	
HDMF contributions	4,000	
Total	P 110,000	

b/ MOOE level computed considering the previous year's actual amounts and effects of inflation. Extraordinary and Miscellaneous Expenses pegged at P 602,400 computed based on authorized rates and positions under Section 42, General Provisions of R.A. No. 10964, FY 2018 GAA. The Professional and Consultancy Services are subject to compliance with RA No. 9184.

c/ The breakdown of capital outlays is as follows:

Buildings and Structures Outlay	P 105,000,000
Office Equipment, Furniture and Fixtures	20,780,000
Transportation Equipment	7,500,000
Total	P 133,280,000

The purchase of transportation vehicles needs prior approval of the Department of Budget and Management/Supervising which shall be acted upon separately by this Department upon LWUA's submission of the documentary requirements pursuant to the provisions of Administrative Order No. 15 dated May 25, 2011 and other pertinent issuances.

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This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, the following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, Providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the GCG, as the case maybe.
4. Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to relevant provision of the annual GAA.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (ex. Information and Communications Technology Office (DOST-ICT Office) for information technology equipment and Office of the President/Department of Budget and Management/ Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2017-1 dated April 26, 2017, amending Budget Circular No. 2016-5 dated August 22, 2016, Administrative Order (A.O.) No. 15 dated May 25, 2011, amending AO No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
7. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.


Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7,

Recommending Approval:


CARMENITA P. MAHINAY
Director, BMB-C

Approved:

By Authority of the Secretary:


LUZ M. CANTOR
Undersecretary

Date: MAY 09 2018

COB No. C1-18-0010

cc: The Chairman
Board of Directors, MWSS-RO

Assistant Commissioner Winnie Rose H. Encollado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - MWSS-RO

Department of Budget and Management
BTS



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