



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

CORPORATE OPERATING BUDGET

Fiscal Year 2019

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

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution Nos. 2018-170-RO and 2019-004-RO dated November 8, 2018 and January 10, 2019 respectively, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total of **TWO HUNDRED NINETY-SIX MILLION FIVE HUNDRED SIXTY-SIX THOUSAND PESOS ONLY (P296,566,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 299,111,000	P 299,111,000	P -
Corporate Funds	299,111,000	299,111,000	-
TOTAL USES:	P 299,111,000	P 296,566,000	P (2,545,000)
Personnel Services (PS)	75,285,000	75,285,000	-
Maintenance and Other Operating Expenses (MOOE)	90,224,000	87,679,000	(2,545,000) a/
Capital Outlays (CO)	133,602,000	133,602,000	b/ -
Excess/(Shortfall)	P -	P 2,545,000	P 2,545,000

Footnotes:

a/ MOOE level is computed considering actual expenses for the previous years and the effects of inflation. The MOOE variance of P2,545,000.00 refers to the overprovision for the following:

Particulars	Amount
• Communication Expenses	P 115,000
• Supplies and Materials	491,000
• Water, Illumination, and Power Services	315,000
• Repair and Maintenance of Government Vehicles	18,000
• Gasoline, Oil, and Lubricants	140,000
• Advertising/Publications	1,056,000
• Extraordinary and Miscellaneous Expenses (EME)	50,000
• Training and Seminar	360,000
TOTAL	P 2,545,000 ✓

b/ Total CO is composed of the following:

Particulars	Amount
• Buildings and Structures Outlay	P 105,000,000 *
• Office Equipment, Furniture and Fixtures	1,149,000
• Machineries and Equipment Outlay	27,453,000
TOTAL	P 133,602,000 ✓

* Pertains to the construction of the three-storey MWSS-RO building.

Notwithstanding the above-indicated variances in MOOE, the MWSS-RO still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.

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

1. All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG budgetary support either in the form of subsidy, equity or loans outlay.

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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. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including 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 Government-Owned and Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the Agencies concerned (e.g., Department of Information and Communications Technology - Information and Communications Technology Office for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan)
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
9. 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, Book VI of EO No. 292.

Recommending Approval:


CARMENCITA P. MAHINAY
Director, BMBvC

Date: 11-15-19

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA

Undersecretary
NOV 19 2019
COB No. C1-19-0010

cf: **The Chairman**
Board of Directors, MWSS-RO

Assistant Commissioner Winnie Rose H. Encallado
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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