



VICTORIAS CITY WATER DISTRICT

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February 11, 2020

Management Representation Letter

Atty. Chito C. Janaban
Director-in-Charge
Commission on Audit
Regional Satellite Audit Office – Negros Island and Siquijor
Bacolod City

Subject: Victorias City Water district (VCWD)

This representation letter is provided in connection with your audit of the financial statements of Victorias City Water District for the biennial years ended December 2018 and 2019 for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material aspects in accordance with Philippine Financial Reporting Standards (PFRS) and as to other terms required, if any.

Statement of Management's Responsibility for the Financial Statements

We affirm that the financial statements for the Victorias City Water District are management's responsibility; that these were prepared in accordance with the PFRS, that all relevant information was provided the Commission on Audit Team, that access to relevant information and records were made available and that transactions were recorded and reflected in the financial statements; and that all instances of non-compliance of which we are aware of are disclosed to the COA audit team.

Specific Affirmation Pertaining to the Financial Statements Provided

We affirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 18, 2019, for the preparation of the financial statements in accordance with the PFRS:

1. In particular, the financial statements are free from material misstatements including omissions and errors, and are fairly presented.
2. Significant assumptions used in making accounting estimates, including those measured at fair value are reasonable.
3. Related party relationships and transactions, if any, have been appropriately accounted for and disclosed in accordance with the requirements of the PFRS.
4. All events subsequent to the date of the financial statements and for which PFRS require adjustment or disclosure have been adjusted or disclosed.
5. All matters related to claims, litigations, assessments and dispute have been disclosed to COA by our Legal Office and external legal counsel.
6. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
7. The selection and application of accounting policies are appropriate.
8. The following have been recognized, measured, presented or disclosed in accordance with PFRS:
 - a. Plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - b. Liabilities, both actual and contingent;
 - c. Title to or control over assets, the liens or encumbrances on assets, and assets pledged as collateral; and
 - d. Aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance.

In preparing the financial statements, management is also responsible for assessing the Victorias City Water District'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 to VCWD or to cease operations, or has no realistic alternative but to do so.

B. Internal control

1. We have assessed the effectiveness of the VCWD internal control in achieving the following objectives:
 - a. Reliability of financial reporting;
 - b. Compliance with applicable laws and regulations;
 - c. Safeguarding of assets; and
 - d. Achievement of VCWD objectives.
2. We have disclosed to you all significant deficiencies in the design or operation of internal control that could adversely affect the entity's ability to meet the internal control objectives and identified those we believe to be material weaknesses.
3. There have been no changes to internal control subsequent to (*date of latest audited financial statements*), or other factors that might significantly affect it. (*If there were changes, describe them, including any corrective actions taken with regard to any significant deficiencies or material weaknesses*)

C. Compliance

1. The activities and financial transactions are in compliance with the relevant government rules and regulations
2. We have provided you with interpretation of compliance requirements that may have varying interpretations.
3. All contracts, agreements and other correspondence have been made available.
4. We have disclosed all contracts and agreements with service organizations, including any communications with those organizations related to instances of non-compliance.
5. The District has been operated effectively, throughout the period covered by the audit.

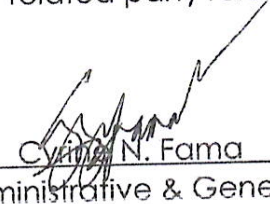
D. Information Required

1. We have provided you with:
 - a. Access to all information deemed relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. Additional information requested for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity determined necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the specific results of our assessment of the risk indicating that the financial statements may be materially misstated as a result of fraud.

involves: management; employees who have a material effect on the financial statements.

5. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
6. We have disclosed to you the identity of related parties and all the related party relationships of which we are aware.

Signed:


Cynthia N. Fama
OIC-Administrative & General Services Division

Date: 02/11/2020


Abraham J. de Dios Jr.
General Manager C

Date: 02/11/2020