

EXEMPTION OF CERTAIN MUNICIPALITIES FROM THE IMPLEMENTATION OF THE SELECTIVE PRE-AUDIT ON GOVERNMENT TRANSACTIONS UNDER COA CIRCULAR NO. 2009-002 DATED 18 MAY 2009

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WHEREAS, the reinstitution of the selective pre-audit on government transactions has been implemented in national government agencies, government-owned and controlled corporations, and local government units under COA Circular No. 2009-002 dated 18 May 2009;

WHEREAS, the implementation of selective pre-audit is subject to periodic review and assessment of its effectiveness and coverage in accordance with the risk-calibrated agency audit-framework;

WHEREAS, Section 10.2 of COA Circular No. 2009-002 authorizes the Oversight Committee, this Commission, to recommend the inclusion of certain kinds of transactions, or the exclusion of those previously included in the coverage of pre-audit upon the initiative of the Supervising Auditor (SA) or Audit Team Leader (ATL), and duly validated by the Cluster Director (CD) or Regional Director (RD) concerned;

WHEREAS, the concerned ATLs requested exemption of the Municipalities of Lubang and Looc of Occidental Mindoro Province, the Municipalities of San Pascual and Claveria of Masbate Province, and the Municipality of Kabayan of Benguet Province from selective pre-audit under COA Circular No. 2009-002 for valid and justifiable reasons;

WHEREAS, the concerned SAs and RDs of COA Cordillera Administrative Region (CAR), Regions IV and V, and the Assistant Commissioner's Group as the Oversight Committee recommended the exemption of these five municipalities from selective pre-audit, pursuant to Section 10.2 of COA Circular No. 2009-002;

WHEREFORE, premises considered, this Commission has RESOLVED, as it does HEREBY RESOLVE to grant the request for exemption of these five municipalities from selective pre-audit in view of their peculiar conditions and geographical locations that could put the Auditors at risk, as cited hereunder;

a. Municipality of Kabayan, Benguet Province

1. It is a fourth class municipality located 85 kilometers, from the Provincial Capitol. The travel time to the municipality takes about five hours, half the distance of which is very rough terrain, and public transport is limited.
2. The tectonic disturbances of Daclan Volcano cause landslides even without actual rains.
3. However, payments for terminal leave benefits, road right-of-way, and procurement of capital assets, and disposal of real property are not included in the exemption.

b. Municipalities of Lubang and Looc, Occidental Mindoro Province

1. These island municipalities are located along the southeast shore of the China Sea which is 100 nautical miles away from the mainland of Occidental Mindoro. There is no available transportation traversing directly to the

mainland. The available trip from Lubang Island to the Municipality of Mamburao, the provincial capital, is by sea vessel via Manila to Batangas on weekly basis while the alternate route in Abra de Ilog/Paluan passing through the Calavite Point by small seacraft is dangerous especially during rainy season.

2. For the past ten years, the Municipalities of Lubang and Looc have rendered all the required year-end reports regularly, including those of their respective barangays. For the last five consecutive years, these Municipalities were given recognition by COA Region IV for being among the top five in the timely submission of the year-end financial reports for local government units in the Province of Occidental Mindoro.

c. Municipalities of San Pascual and Claveria, Masbate Province

1. The Municipality of San Pascual is an island municipality with regular weekly trips on Tuesdays and Saturdays only. The travel time is 12 hours by means of a small seacraft which is dangerous and very risky especially during rainy season. The alternative route by fast craft is a much longer way via Pilar, Sorsogon to Legazpi City and an overnight stay in Naga City to Pasacao, Camarines Sur before reaching the Municipality of San Pascual.

2. The Municipality of Claveria is also an island municipality where audit activities are scheduled during favorable weather conditions only to ensure a safer trip for the auditors.

RESOLVED FURTHER, that the disposal of real property of the Municipalities of Lubang and Looc, Occidental Mindoro Province, and the Municipalities of San Pascual and Claveria, Masbate Province is not included in the herein exemption since this activity is subject to the approval of this Commission, regardless of the value or cost involved, pursuant to Section 380, Local Government Code of 1991.

This Resolution shall take effect after fifteen (15) days from publication in a newspaper of general circulation.

(SGD.) REYNALDO A. VILLAR
Chairman

(SGD.) JUANITO G. ESPINO, JR.
Commissioner

(SGD.) EVELYN R. SAN BUENAVENTURA
Commissioner

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