NATIONAL ADMINISTRATIVE REGISTER · DECEMBER 7, 2012

REVOCATION OF COA CIRCULAR NO. 2009-008 DATED NOVEMBER 9, 2009, AND PRESCRIBING THE USE OF PUNONG BARANGAY’S CERTIFICATION (PBC) AND COA AUDITOR’S ADVICE (CAA)

COA CIRCULAR 2012-005, December 07, 2012

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1.0 Rationale

1.1. It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly and primarily with the chief or head of the government agency concerned (Section 2, Presidential Decree (P.D.) No. 1445).
1.2. lt is also a fundamental principle that fiscal responsibility shall to the greatest extent, be shared by all those exercising authority over the financial affairs, transactions, and operations of the government agency (Section 4.4, P.D. No. 1445).
1.3. This Commission is granted the statutory authority to promulgate accounting and auditing rules and regulations in order to prevent irregular, unnecessary, excessive, or extravagant expenditures or uses of government funds or property (Section 33, P.D. No. 1445).
1.4. In pursuance thereof, the Commission promulgated the New Government Accounting System (NGAS) for barangays prescribing the processing of all the barangay financial transactions at their level.
1.5 As a control measure, COA Circular No. 2009-008 dated November 9, 2009 was issued by this Commission for government (barangay) depository banks to honor/encash checks issued by the barangays only if the corresponding City/Municipal Accountant’s Advice (AA) is issued, to assure that all barangay disbursements are covered by proper and duly executed Disbursement Voucher (DV) certified by the Barangay Treasurer (BT), approved by the Punong Barangay (PB), and completely support by the required documents.
1.6 The foregoing control mechanism has been found, however, to cause delay in the implementation of barangay programs and projects, especially those of urgent nature.
1.7 In light thereof, this Commission revokes COA Circular No. 2009-008 dated November 9, 2009 and new guidelines is hereby prescribed in consonance with the rule making function of this Commission and as provided in Section 334 of the Local Government Code of 1991.

2.0 General Guidelines

2.1. The responsibility to initiate, process, approve financial transactions and issue a Punong Barangay's Certification (PBC) under oath to government (barangay) depository banks to honor/encash checks issued shall be the responsibility of the barangay officials.
2.2. It shall be the responsibility of the barangay officials to process their disbursements, which means that (a) the DV shall originate from the concerned barangay ofiicials; (b) the DVs shall be processed and certified by the barangay designated personnel as to the availability of funds and completeness and propriety of supporting documents (SDs); and (c) the PB shall be responsible for the legality, propriety and validity of the transaction.

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2.3. The PB shall issue the PBC under oath to the depository bank for checks issued by the barangay only after he has duly examined and been satisfied that the (a) the DVs are duly certified by the proper barangay officials and approved by the PB; (b) the expenditure or disbursement is proper and valid; and (c) the SDs are complete. With the submission of the PBC to the authorized government depository bank (AGDB), the PB shall be primarily accountable for all losses arising from its issuance.
2.4. The government (barangay) depository banks shall honor/encash checks issued by the barangay only if the corresponding PBC is issued. Checks encashed without the corresponding PBC or with falsified PBC shall be the responsibility of the AGDB.
2.5 The PBC shall be numbered sequentially by year and by Barangay, e.g. the first PBC for Calendar Year 2013 for Barangay A shall be PBC No. 2013-A-001.
2.6 The PBC shall be prepared in four copies, to be distributed as follows:

- Original Copy - to the depository bank to be released directly by the BT
- Duplicate Copy- to be attached to the Transmittal Letter (TL) referred in Item 3.1 To be submitted to the City/Municipal Accountant together with the original copies of the approved DVs and SDs
- Triplicate Copy – to the BT for his file together with the duplicate copies of the DVs and SDs
- Quadruplicate Copy - to be attached to the copy of the TL to be submitted to the Office of the COA Supervising Auditor (SA)/Audit Team Leader (ATL) who has direct audit jurisdiction over the barangay

3.0 Submission to the Accountant and the Auditor

3.1. Within ten (10) days after the end of the month, the BT shall prepare a TL and submit to the City/Municipal Accountant the original copies of the DVs signed by the payee together with its corresponding SDs, and duplicate copies of the checks and PBC issued for recording in the books of accounts and the preparation of barangay financial statements. Copy of such TL, with all attachments, shall be submitted simultaneously to the COA SA/ATL who has direct audit jurisdiction over the barangay. Representatives of the Commission on Audit shall audit such accounts annually or as often as may be necessary and make a report of the audit to the Sangguniang Panlungsod or Sangguniang Bayan, as the case may be.
3.2 The formats of the PBC, TL and COA Auditor's Advice (CAA) are attached as. Annexes "A-1," "A-2" and "A-3," respectively.
3.3 Upon finding that no copy/ies of the PBC is/are submitted to the COA SA/ATL, demand shall then be made by the SA/ATL for the production of the said documents. Non-submission of copies of the PBC to the Office of the SA/ATL within fifteen (15) days after due demand shall be a ground for the preparation of the CAA to the AGDB holding further payments of checks issued by the said Barangay pending submission of copies of original of the DVs signed by the payee together with its corresponding SDs, and duplicate copies of the checks and PBC, copy furnished the PB. The SA/ATL shall advice the AGDB of the subsequent submission of copies of the PBC, together with the corresponding DVs, SDs, and duplicates copies of the checks, which has the effect of lifting the deferment of payments of barangay checks.

4.0 Penalty Clause

Any unjustified failure of the officials and employees concerned to comply with the requirements herein imposed shall be subject to the administrative disciplinary action provided in Section 127 of P.D. No. 1445.

5.0 Saving Clause

All issuances inconsistent herewith are hereby repealed or amended accordingly.

6.0 Effectivity

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This Circular shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

(SGD.) MA. GRACIA M. PULIDO TAN
Chairperson

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

(SGD.) HEIDI L. MENDOZA
Commissioner

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