NATIONAL ADMINISTRATIVE REGISTER · JUNE 22, 2000

IMPLEMENTING RULES AND REGULATIONS ON COA CIRCULAR NO. 95-006, SERIES OF 1995 (TOTAL LIFTING OF PRE-AUDIT)

DSWD DEPARTMENT ORDER NO. 07, s. 2000, June 22, 2000

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RATIONALE

In view of the total lifting of pre-audit on all financial transactions of the National Government Agencies, Government Owned and/or Controlled Corporations and Local Government Units provided in Department Circular No. 95-006, dated May 18, 1995 (as amended) [Annex A*], pre-audit activities shall henceforth be considered as part of the accounting and control process of every government agency. Thus the following internal control measures are hereby instituted and/or adopted for the Department of Social Welfare and Development.

1.0
Contracts
Contracts shall be prepared by the Legal Service. The same may be reviewed by the Internal Audit Office.

2.0
Supplies/Materials/Equipments/ and the Like
2.1 Inspection of deliveries of supplies, materials, equipments and the like shall be made by the Inspection Committee (IC) created per Department Order No. 05, s. 2000 on the creation of the Inspection Committee (Annex B*). The result of the inspection should be included as among the supporting documents to vouchers/claims of payment. (Sections 465 and 467 and Appendix 11 of Government Accounting and Auditing Manual GAAM, Vol. I)

2.2. The Property Division shall take charge of recording, safekeeping, issuance and distribution of such supplies, materials, equipments, etc. delivered. The Requisitioning Officer (in cases of direct purchases) or the Property Office (in cases of procurements to replenish stock) shall take charge of receiving and accepting the deliveries.

2.3 Requisition of supplies and materials shall invariably be accompanied/supported by Stock Position Sheet. Available stock at all time of requisition should not exceed office requirements for three (3) months.

2.4 Annual physical inventory taking of supplies, equipment and other properties shall be undertaken by the National Office and the Field Offices. In case of supplies and materials carried in stock, if any, a semi-annual inventory shall be made.

2.5 The physical inventory taking in the National Office shall be conducted by the National Inventory Team composed of the following:

Administrative Officer

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Team Leader

Property Officer

-

Team Member

Representative (Gen. Service Div.)

-

Team Member

Representative (Accounting Div.)

-

Team Member

Internal Auditor

-

Witness

The COA Auditor of the Department may be requested to witness the inventory taking. The Inventory of Supplies and Inventory of Equipment (Appendix 39 of GAMM, Vol. II) shall be signed by the Inventory Team Leader and members, and approved by the head of the Administrative Service Department.

2.6 The physical inventory taking at the Field Offices shall be conducted by respective Field Inventory Teams, each composed of the following:

F.O. Administrative Officer Team Leader

F.O. Property Officer Team Member

F.O. Accountant Team Member

Field Office Internal Auditor Witness

The COA Auditor concerned may be requested to witness the inventory taking in case the Internal Audit Office representative is unable to act as witness thereof. The Inventory of Supplies and Inventory of Equipment (Appendix 39 of GAAM, Vol. II) shall be signed by the Team Leader and Members and approved by the Field Director concerned. The Inventory Reports shall be submitted on or before January 10 after the end of the year, copy furnished the COA Auditor concerned and the National Inventory Team.

2.7 The Inventory Reports from the Field Offices shall be reviewed and consolidated by the National Inventory Team. All discrepancies between physical and book inventories must be investigated and cleared immediately. If necessary, written explanation shall be required from the Inventory Teams and/or person/s responsible.

2.8 The final consolidated Inventory Reports (National and Field Offices) shall be submitted through the head of the Administrative Service to the Chairman within twenty (20) days after the end of the year. The annual consolidated Inventory Reports (Inventory Equipment and Inventory of Supplies) shall be submitted to the COA Auditor not later than January 31 of each year.

3.0
Audits of Accounts

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3.1 On a test basis, analysis of certain transactions may be made by the Internal Audit Office.

3.2 As an aid to decision-making and policy formulations by the Department, the Internal Audit Office shall prepare an analysis or review of accounting reports and year-end financial statement. All CO internal audit and field internal Audit reports containing results of review and evaluation shall be taken up in individual audit conferences with the particular Services/Divisions/heads concerned, to ensure proper and effective reporting, before such are submitted directly to the Secretary.

4.0
Delineation of Duties or Personnel Involved in Financial Transactions

4.1 Review of systems/procedures (administrative, financial operations), should be undertaken periodically, or as indicated, by the Internal Audit Office with a view to ensuring economy, efficiency and effectiveness of DSWD operations.

4.2 Review of signing authorities of DSW officials shall also be made in order to avoid delay or any bureaucratic red tape in any of its transactions.

5.0
Accounting Reports and Other Reports
The time limitations prescribed by law/regulations for certain transactions should be strictly enforced.

5.1 The Cash Division/Cashier shall render the following reports which shall be properly received and acknowledged by the Accounting Division:

a. REPORTS OF CHECKS ISSUED — to report checks issued for payment of expenditures and/or prior years accounts payables. Said reports shall be prepared by fund to be submitted to the Accounting Division on the 7th, 15th, 22nd, and end of the month (Section 426 and Appendix 10 of GAAM, Vol. II)

b. REPORTS OF DISBURSEMENTS — to report liquidation of each cash advance (Section 427 and Appendix 11 of GAAM, Vol. II). Said report shall be submitted semi-monthly or monthly depending upon the volume of transactions. (Section 427 and Appendix II of GAAM, Volume II).

Within ten (10) days after receipt thereof, the Accounting Division shall verify these reports, record in the proper books of accounts and submit the original copy and supporting documents to the COA Auditor concerned for post-audit and final custody.

c. REPORTS OF COLLECTIONS — to report collections and official receipt including cancelled and voided ones (Section 428 and Appendix 12 of GAAM, Vol. II). Said report shall be prepared and submitted monthly to the Accounting Division.

d. MONTHLY REPORT OF ACCOUNTABILITY FOR ACCOUNTABLE FORMS — to report each class of accountable forms (checks, official receipts, etc.) received, issued, and on hand (Section 445 and Appendix 28 of GAAM, Vol. II).

e. MONTHLY REPORT OF DISHONORED CHECKS — to report the unsettled dishonored checks at the beginning of the month, dishonored checks received during the month, those settled during the month, the unsettled dishonored checks at the end of the month, and the action taken in each case. (Section 88 C and Appendix 2 of GAAM Vol. I)

f. MONTHLY ALLOCATION AND UTILIZATION CONTROL SHEET — to monitor receipt of notices of Cash Allocation and Disbursements made from such allocations. (Section 436 and Appendix 19, GAAM Vol. II).

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5.2 Special Disbursing Officers — in the National Office and Field Offices who are granted special cash advances for specific activities/resolving funds shall submit their Reports of Disbursements/Liquidation vouchers to the Accounting Division. Within five (5) days after the receipt thereof, the Accounting Division shall verify the report, record in the books of accounts, and submit the original copy and supporting documents to the COA Auditor concerned.

5.3 The Supply Officer shall submit not later that the fifth day of the following month, to the Accounting Division, a monthly Report of Supplies and Materials issued as evidenced by Requisition and Issue Vouchers (RIV). Within ten (10) days, the Accounting Division shall verify the reports, record in the books of accounts, and submit the original copy and supporting RIV to the COA Auditor concerned.

(Section 447 and Appendix 30 of GAAM Vol. II).

5.4 The Supply Officer who is responsible for, or in charge of accepting deliveries of procured items shall notify the COA Auditor of the time and date of the scheduled deliveries, within twenty-four (24) hours from acceptance.

5.5 Pre-repair inspection/evaluation reports at the National Office should be furnished the COA Auditor within five (5) days from the date of inspection/evaluation by the Inspection Committee as the case may be.

5.6 In the case of inspection of consummable/perishable items, a copy of the Report of Inspection shall be submitted to the COA Auditor concerned within twenty-four (24) hours upon acceptance of items delivered, or immediately after its inspection by the Inspection Committee as the case may be.

5.7 In the case of inspection of unserviceable/disposable government supplies, property and equipment, a copy of the "Report of Inspection" shall be submitted to the COA Auditor concerned within twenty-four (24) hours after its inspection by the Inspection Committee (See Dept. Order No. 05).

5.8 A copy of schedule of condemnation/destruction of government properties at the National or Field Office shall be furnished the COA Auditor concerned at least five (5) days before the scheduled time by the Disposal Committee.

5.9 A copy of schedule of notice of opening of bids at the National or Regional Office shall be furnished the Department Auditor concerned at least five (5) days before the scheduled time by the Pre-Qualification Bids and Awards Committee.

5.10 The Accounting Division shall prepare "Monthly Bank Reconciliation Statement" for the bank accounts for which the accountable officer is responsible. The Government Servicing Bank should be furnished copy of the Statement.

At the National Office, the statement shall be prepared and certified by the Chief Accountant, noted by the Director of the Finance Service, and submitted to the Department Auditor not later than the 20th day after the end of the month. The IAO shall also be furnished with a copy of the Bank Reconciliation Statement.

5.11 The Chief Accountant at the National Office shall prepare the monthly/quarterly Trial Balance and submit such reports to Department Auditor, on the 20th day after the end of the month/quarter. The Annual Trial Balance (Preliminary and Finals) for the National Office, as well as the consolidated Final Trial Balance and Financial Statements (Balance Sheet and Statement of Operations) together with related Statements /Documents, shall be prepared and submitted to the Department Auditor not later than February 14 following the end of the calendar year.

6.0
Sanctions

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Pursuant to COA Circular 95-006: "Unjustified failure of the official concerned to submit the required documents/reports shall be a ground for automatic suspension of payment of salary without prejudice to any disciplinary action that may be instituted against him": (Section 122, P.D. 1445)

7.0
Repealing Clause

Any or all provisions of existing DSWD Circulars, Memoranda or other issuances inconsistent herewith are deemed amended and/or modified accordingly.

8.0
Effectivity
This Department Order takes effect immediately.

Adopted: 22 June 2000

(SGD.) GLORIA MACAPAGAL-ARROYO
Vice President and DSWD Secretary

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* Not filed with ONAR.

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