POLICY ON SETTLEMENT OF AUDIT DISALLOWANCES BY PERSONS LIABLE

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Adopted: 20 August 2015
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WHEREAS, Section 2, Article IX-D of the Constitution vests upon the Commission on Audit the "power, authority, and duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government, or any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations with original charters."

WHEREAS, the same Section provides that the Commission "shall have exclusive authority, subject to the limitations in this Article, to xxx promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds and properties."

WHEREAS, pursuant to and in compliance with the above-mentioned constitutional mandate, the Commission issued the Rules and Regulations on the Settlement of Account (RRSA), which provides, among others, for the guidelines on the settlement of audit disallowances;

WHEREAS, Section 23.1, Chapter V of the RRSA directs the issuance of a COA Order of Execution (COE) to enforce the settlement of an audit disallowance if the persons liable therefor refuse or fail to settle the same after the decision has become final and executory;

WHEREAS, Section 13.1.2 provides that a disallowance or charge shall be settled by payment of the amount disallowed or by such other applicable modes of extinguishment of obligation as provided by law;

WHEREAS, this Commission has been receiving requests to allow the persons liable under COEs to settle their disallowances by installment payments;

WHEREAS, there is a need to set uniform guidelines in the action on such requests for settlement of audit disallowances on installment basis;

NOW, THEREFORE, the Commission Proper RESOLVES, as it does hereby RESOLVE, to adopt the following policy guidelines on all requests to pay audit disallowances on installment basis;

- Only disallowed salaries and personal benefits, allowances or emoluments may be allowed to be settled by installments.

- The maximum number of monthly installment payments shall be in accordance with the following schedule:

Amount of Disallowance Maximum Number of Monthly Installment Payments

Not exceeding P1,000.00 Three(3)

Above P1,000.00 up to P10,000.00 Six (6)

Above P10,000.00 up to P20,000.00 Twelve (12)

Above P20,000.00 up to P40,000.00 Eighteen (18)

Above P40,000.00 Twenty-four (24)

- The monthly payment shall be deducted from the salary of the person liable, subject to the minimum take home pay requirement under the General Appropriations Act. Any deficiency in the installment payment for a given month after effecting the salary deduction shall be paid directly by the person liable to the agency cashier within five (5) days after the due date of the installment payment.

- In case the person liable retires, resigns or is otherwise separated from the service before the disallowance is settled in full, the person liable may execute an undertaking authorizing the application of his remaining salary, accrued leave credits and other separation benefits to satisfy the deficiency. Any unsettled balance after all such salaries and benefits have been applied shall be paid by the person liable directly to the agency cashier within fifteen (15) days from the date of receipt of notice/demand from the accountant or concerned officer.

- All requests for installment payments shall b acted upon by the Director of the Prosecution and Litigation Office, and subject to review by the Assistant Commissioner of the Legal Services Sector (LSS), in accordance with the above schedule.

- The Assistant Commissioner, LSS, shall submit to the Commission Proper a monthly report of all requests received and the corresponding action thereon, pursuant to this Resolution.

This Resolution shall take effect immediately.

Approved unanimously this 20th day of August 2015 at Quezon City.

(SGD) MICHAEL G. AGUINALDO
Chairperson

(SGD) HEIDI L. MENDOZA
Commissioner

(SGD) JOSE A. FABIA
Commissioner

Attested:

(SGD) NILDA B. PLARAS
Commission Secretary

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