

Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
(TANGGAPAN NG TAGAPANGASIWA)  
Lungsod ng Quezon

MC # 31, s. 1980

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS; HEADS  
OF DEPARTMENTS AND STAFFS; REGIONAL  
IRRIGATION DIRECTORS; PROJECT MANAGERS  
AND PROVINCIAL IRRIGATION ENGINEERS;  
IRRIGATION SUPERINTENDENTS AND OFFICERS-  
IN-CHARGE OF SYSTEMS; CHIEF CORPORATE  
ACCOUNTANT AND REGIONAL/PROJECT ACCOUNTANTS;  
CORPORATE AUDITOR AND REGIONAL/PROJECT  
AUDITORS AND ALL OTHERS CONCERNED  
National Irrigation Administration

SUBJECT : COA Circular No. 80-26(F) Re: Amendment  
of COA Circular No. 76-26, dated April 6,  
1976 as Amended, Regarding Partial With-  
drawal of Pre-Audit

For the information, guidance and compliance of all concerned, attached is a copy of COA Circular No. 80-26(F), dated February 25, 1980 as an amendment to COA Circular No. 76-26, as amended, and which further eliminates the pre-audit functions of the auditors in the examination of agency transactions, except as herein provided.

Since the fiscal responsibility rests directly with the Chief or Head of the Office, it is incumbent upon all the concerned officials in the NIA to institute the proper internal safeguards or procedures particularly those in connection with disbursements of all types, adoption of systematic processing techniques, installation of sound procedures for receiving and accepting deliveries of supplies, materials and equipment and the introduction of measures as may be necessary to prevent irregularities by strengthening our existing internal control.

Heads of regional, project, systems and provincial irrigation offices should set up a strong and reliable processing unit in their respective accounting offices.

The Chief Accountant, Regional/Project Accountant and the accounting representative in the field office should initiate and avail of the compilation of accounting and auditing manuals, various government circulars, executive orders, Presidential Decrees, Letters of Instructions, etc. together with the memorandum circulars issued by the NIA Central Office for reference purposes in the processing of vouchers for all types of disbursements. Attention is invited to the following comments of the then Deputy Commissioner of the Budget in his 2nd Indorsement, dated September 11, 1972 as to the responsibility of the Chief Accountant or his representative, quoted hereunder:

"A Chief Accountant however should exercise extreme care and sound judgement at all times to ascertain that claims conform to existing prescribed accounting and auditing rules and regulations. . . . ."

Compliance by all concerned is enjoined including the corresponding requirements as specifically mentioned in paragraphs B and C of this Circular.

(SGD.) FIORELLO R. ESTUAR  
Acting Administrator

Enclosure: COA Circular No. 80-26(F)

3-27-80

Republic of the Philippines  
COMMISSION ON AUDIT  
Quezon City

February 25, 1980

COMMISSION ON AUDIT CIRCULAR NO. 80-26(F)

TO : All Heads of Ministries and Managing Heads of Government-owned and/or Controlled Corporations; Chiefs of Bureaus and Offices of the National Government; Chief Accountants; CCA Regional Directors; Bureau and Corporation Auditors; Governors, City/Municipal Mayors; Barangay Captains; Provincial/City Auditors; Provincial/City/Municipal/Barangay Treasurers; and all Others Concerned.

SUBJECT : Amendment of COA Circular No. 76-26, dated April 6, 1976, as amended, regarding partial withdrawal of pre-audit.

In order to further facilitate and avoid delay in the processing of claims for payment of supplies, materials, equipment and services delivered or rendered and of various government projects and activities, effective immediately, COA Circular No. 76-26, dated April 6, 1976, is further amended, to wit:

A. Sub-paragraph k is added to paragraph No. 3, captioned "Transactions subject to pre-audit," to read as follows:

"k. Pre-audit the first and last payments of all claims pertaining to developmental projects, such as constructions and improvements of government buildings, roads and bridges, mass housing projects, dockyards, power generating projects, warehouses, hospitals, irrigation canals, flood control projects, railways, water system projects and the like, provided that in no case shall the amount of the claims for the last payments be less than 20% of the original/adjusted contract cost."

"The term first payment as used in this circular shall include: (1) mobilization fees, downpayments and other forms of advance payments if provided for in the contract, and (2) first collection on the work accomplishment for the particular project."

In effect, this amendment connotes that partial payments for these developmental projects, other than the first and last payments mentioned above, shall no longer be pre-audited and the corresponding warrants and/or checks shall no longer be countersigned by the representatives of the Commission on Audit.

COA C-80-26(F)

B. A third paragraph under paragraph No. 4, captioned "Transactions not subject to pre-audit," is likewise added to read as follows:

"All payments irrespective of amount to government agencies, government-owned and/or controlled corporations and local government units shall not be subject to pre-audit. In cases where deposits/prepayments/advance payments are required by these government agencies/corporations/local units before the supplies, materials, equipment and services are to be delivered or rendered, the corresponding special journal vouchers drawn to close the deposit/prepayment/advance payment account and to charge the proper expense account shall be submitted to the Unit Auditor concerned for audit, together with the original copy of the invoice and the report of inspection within five (5) days from the date of the complete delivery/rendition of the goods/services."

C. For all transactions not subject to pre-audit, the Unit Auditor concerned shall immediately conduct the post-audit upon receipt of the paid vouchers. The auditors shall see to it that the reports together with the paid vouchers are submitted to their office by the Accounting Division within one week after the end of the quincena period covered by the Reports of Disbursements and Reports of Checks Issued.

The provisions of COA Circular No. 79-94, dated January 5, 1979, otherwise known as the Manual on Countersigning Authority, all other COA circulars, memoranda and regulations inconsistent herewith are hereby amended or superseded accordingly.

Strict compliance herewith is hereby enjoined.

(SGD.) FRANCISCO S. TANTUICO, JR.  
Acting Chairman

(SGD.) SILVESTRE D. SARMIENTO  
Commissioner