



MEMORANDUM CIRCULAR No. **54**  
Series of 2026

**TO :** THE SENIOR DEPUTY ADMINISTRATOR, DEPUTY ADMINISTRATORS, DEPARTMENT / REGIONAL / PROJECT MANAGERS, DIVISION MANAGERS, AND ALL OTHERS CONCERNED

**SUBJECT :** GUIDELINES ON THE RECONCILIATION, VALUATION, AND TRANSFER OF CENTRAL OFFICE LAND RECORDS TO THE REGIONAL/ DEPARTMENT, IISO/ PROJECT OFFICES

## I. BACKGROUND AND RATIONALE

The existence of substantial discrepancies in the National Irrigation Administration (NIA) Property, Plant, and Equipment (PPE) account balances—particularly the Land account—has long posed a challenge to the accuracy and reliability of the financial statements. Despite previous efforts, these inconsistencies continue to result in audit findings, casting doubt on the accuracy and validity of the NIA's recorded land assets.

In its continued commitment to resolve recurring audit concerns, the NIA has issued a series of directives to concerned sectors, such as the Procurement and Property Division-Administrative Department (PPD-AD), Accounting Division-Financial Management Department (AD-FMD), and various ad hoc committees specifically created for this purpose. Among these is NIA Memorandum Circular (MC) No. 62, series of 2017, entitled "Inventory of NIA-owned Real Properties," which supersedes MC No. 43, series of 2015, and mandates the monitoring and maintenance of a dynamic record of all real properties, including—but not limited to—parcels of land acquired by the NIA over the years throughout the country.

To further strengthen asset preservation, MC No. 101, s. 2023, established an Interim Asset Recovery and Management Office (ARMO), tasked with policy formulation, recovery, titling, and registration of real and personal properties of the NIA.

Additionally, MC No. 119, s. 2023, implemented a one-time PPE cleansing initiative in accordance with COA Circular No. 2020-006, which aims to clear unsubstantiated balances and streamline PPE records.

To fully achieve the objectives of these directives, avoid duplication of efforts, and accelerate implementation, a concerted effort among key offices is necessary—specifically: (1) PPD-AD, (2) AD-FMD, (3) Interim ARMO, and (4) PPE Cleansing Inventory Committee—both at the Central Office (CO) and Field Offices (FOs), particularly in the reconciliation, validation, transfer, and valuation of land and records. Hence, the issuance of this circular.

This circular is likewise issued pursuant to the powers and functions of the NIA under Presidential Decree No. 552, as amended, including its authority to acquire, manage, administer, and account for real properties necessary for irrigation development.

To ensure a coordinated, efficient, and audit-compliant implementation of these directives, this Circular is hereby issued.



## II. OBJECTIVES

The primary objective of this circular is to reconcile the land entries recorded in the NIA's books, particularly to validate the current status of each land title, determine their respective valuations, and facilitate their proper transfer to the appropriate Regional/ Department/ Project Offices. Upon completion of the reconciliation process, the offices concerned shall update the Asset Management Information System (AMIS) accordingly, in compliance with the provisions of MC Nos. 002 and 110, s. 2022.

## III. SCOPE AND LIMITATION

This Circular covers the reconciliation of the NIA's land records and the subsequent transfer of the reconciled entries to the appropriate regional, department or project offices. The procedures outlined herein are intended exclusively for the purpose of cleansing and updating the Land account balances maintained by the NIA, pursuant to the provisions of COA Circular No. 2020-006.

The transfer of land records contemplated herein refers solely to the administrative custody and accounting recognition of land assets. Ownership of all land properties shall remain vested in the NIA.

## IV. CREATION OF STEERING COMMITTEES, TECHNICAL WORKING GROUPS, AND SECRETARIATS

To ensure the efficient implementation of the reconciliation, validation, valuation, and transfer of land records, a Steering Committee (SC), Technical Working Group (TWG), and Secretariat are hereby created at both the Central and Regional/Project Office levels.

### A. CENTRAL OFFICE

#### **Steering Committee**

Chairperson : Senior Deputy Administrator  
Vice-Chairperson : Deputy Administrator for Administrative and Finance Sector  
Members : Manager, Engineering Department  
Manager, Financial Management Department  
Manager, Administrative Department  
Manager, Legal Services

#### **Technical Working Group**

Members : Manager, Accounting Division – FMD  
Manager, Procurement and Property Division – AD  
Manager, Cash Division – FMD  
Manager, Budget and Revenue Division – FMD  
Manager, Interim Asset Recovery and Management Office  
Manager, Project Planning Division-ED  
Attorney V, Legal Services

#### **Secretariat**

Member : Property Section Chief  
Interim ARMO Personnel  
Asset Management Unit Personnel  
Representative/s from Accounting Division-FMD  
Representative/s from Cash Division-FMD

## **B. REGIONAL/DEPARTMENT, IISO/PROJECT OFFICES**

### **Steering Committee**

Chairperson : Manager, Administrative and Finance Division  
Vice-Chairperson : Manager, Engineering and Operations Division  
Members : Chief, Finance Section  
Chief, Administrative Section  
Attorney IV, Legal Services

### **Technical Working Group**

Members : Chief, Planning & Design Section  
Chief, Operations Section  
Head, Procurement and Property Unit-Administrative Section (PU-AS)  
Finance Section Representative  
Legal Researcher III/Senior Research Analyst A

### **Secretariat**

Members : Geodetic Engineer  
Property Unit -Administrative Section Representative  
Asset Recovery Management Right of Way Officer  
Asset Recovery Management Records Custodian

Regional/Project Offices may likewise establish their respective SCs and TWGs at the Irrigation Management Office (IMO) level, if deemed necessary, to facilitate on-site coordination, document verification, and the timely completion of activities for the approval of its SC in accordance with the provisions of this Circular.

## **V. DUTIES AND RESPONSIBILITIES**

### **A. Steering Committee**

1. Provide overall policy direction and oversight in the reconciliation, validation, and valuation of NIA's land records, ensuring that all activities are implemented in accordance with the procedural framework outlined under Section VI of this Circular;
2. Approve the validation and implementation plan, timetable, and methodology to be observed by the TWG in executing the procedures and validation activities;
3. Review and deliberate on issues, findings, and recommendations submitted by the TWG, particularly those arising from the implementation of the step-by-step procedures enumerated in Section VI;
4. Resolve conflicts and discrepancies encountered during reconciliation, validation, and valuation processes that cannot be settled at the working level;
5. Ensure compliance with applicable accounting and auditing standards, and guidelines and procedures related to property;
6. Endorse validated land records and documentation packages for turnover to the respective Regional/ Department, IISO/ Project Offices or for recording in the NIA's books of accounts, as provided under the Procedures section;
7. Recommend corrective measures and policy enhancements based on procedural gaps or recurring issues identified during the validation and reconciliation process; and
8. Monitor and evaluate overall progress of the TWG and Secretariat in carrying out the activities detailed under Section VI (Procedures) and Section VII (Valuation), ensuring timely completion and accurate reporting.

All matters involving ownership disputes, titling issues, encumbrances, or legal defects shall be referred to the Legal Services for review and appropriate action prior to validation, valuation, or transfer.

## **B. Technical Working Group (TWG)**

1. Implement the approved validation and implementation plan for the reconciliation, validation, and valuation of land records, in accordance with the procedural framework set forth under Section VI of this Circular;
2. Coordinate with offices concerned and external agencies (e.g., LRA, Registry of Deeds, Assessor's Office, BIR, and LGUs) assisted by the office concerned to secure required documents and for verifications necessary for each procedural step;
3. Conduct field and documentary validation to confirm title ownership, status, authenticity, and annotations, and identify properties for reconstitution or titling under NIA's name in coordination with the regional/project office concerned;
4. Ensure consistency between Central and Regional/ Department, IISO/ Project Office records by updating and maintaining a centralized database of validated land titles and corresponding documentary evidence;
5. Undertake land valuation activities following the procedures and computation standards prescribed under Section VII (Valuation);
6. Compile and endorse complete documentation packages for each validated title, ensuring that all requirements enumerated under Section VI (Procedures) are accomplished and an electronic/scanned copy duly secured before endorsement to the AD-FMD;
7. Prepare consolidated progress monitoring reports, summarizing validation outcomes, discrepancies resolved, and titles endorsed for accounting and record transfer, for review and approval by the SC;
8. Coordinate with Legal Services (LS) to address ownership disputes, encumbrances, or other legal impediments encountered during validation; and
9. Recommend procedural or technical improvements to enhance efficiency and accuracy based on issues or gaps identified while carrying out the procedural steps.

## **C. Secretariat**

1. Provide administrative and logistical support to the SC and TWG, including scheduling of meetings and documentation;
2. Maintain an organized filing system for all records, communications, and reports related to land validation;
3. Consolidate periodic progress reports and ensure timely submission to the SC;
4. Track and monitor the implementation of validation activities, deadlines, and deliverables; and
5. Act as the central communication channel for official correspondence, reports, and updates among offices concerned.

## **VI. PROCEDURES, RESPONSIBLE OFFICES, AND DOCUMENTARY EVIDENCE TO BE PREPARED OR ACQUIRED**

To ensure the effective execution of this initiative, the following procedures shall be systematically carried out by the offices responsible, both at the Central Office and the Regional/Project Offices. These steps are designed to ensure the orderly reconciliation, validation, valuation, and transfer of land records. Each action must be supported by the appropriate documentary evidence to ensure audit compliance, accountability, and accurate reporting.

**A. Procedures for Land Titles with LRA-Validated Titles**

No.	Procedures	Responsible Office		Documentary Evidence to be prepared/ secured
		Central Office	Regional/ Project Office	
1.	<i>Inventory and preparation of initial listing of land titles</i>	<i>Accounting Division/ Cash Division - FMD</i>	<i>N/A</i>	<i>1. List of Lands 2. Scanned copy of Original Certificate of Titles (OCTs)/ Transfer Certificate of Titles (TCTs)</i>
2.	<i>Review the initial listing of land titles and soft copy of the land titles and release to the Regional/Project Management Offices.  Cross-checking of data inputted in the List of Lands against the scanned &amp; original copies of the Land Title</i>	<i>PPD-AD</i>	<i>Property Unit-Administrative Section (PU-AS)</i>	<i>1. Scanned copy of OCTs/ TCTs, 2. List of Lands</i>
3.	<i>Verification of the location of Land with Tax Map at the Assessor's Office.  In case of discrepancy between the records of NIA and the LGU, the offices concerned shall coordinate with the LGU for a new tax mapping or reassessment to correct or update inaccurate data. This additional procedure shall be undertaken in parallel with the subsequent procedures.</i>	<i>PPD -ED to be assisted by PPD-AD</i>	<i>Planning and Design Unit (PDU) to be assisted by PU-AS</i>	<i>Tax Map Validation</i>
4.	<i>Obtain the Latest Photograph of Land.</i>	<i>PPD-AD to be assisted by PPD-ED</i>	<i>PU-AS to be assisted by PDU</i>	<i>Photograph of the Land</i>
5.	<i>Secure updated tax declaration and identify land or zoning classification with LGU Assessor.</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>Updated Tax Declaration</i>
6.	<i>Secure Real Property Tax (RPT) status.</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>RPT Receipts or Tax Clearance Certificate (if applicable)</i>
7.	<i>Gather, collate, and compile all validated documents for each land title. Ensure that the records and the List of Lands are accurately updated.</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>Updated List of Lands, scanned and filed documents</i>
8.	<i>Determine the Market Value for each land title, and update the List of Lands accordingly.</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>Updated List of Lands</i>

No.	Procedures	Responsible Office		Documentary Evidence to be prepared/ secured									
		Central Office	Regional/ Project Office										
9.	Once the validation of each land title is completed and supported with complete documentary evidence, forward the same to the Finance Section/Accounting Unit for verification as to whether it is already recorded in the books of accounts of the RO.	N/A	PU-AS	1. Updated List of Lands 2. Scanned copy of documentary evidence									
10.	Verify in the books of accounts whether the land title is already recorded in the books of the RO, and update the List of Lands accordingly.  If already recorded, submit a copy of the corresponding Journal Entry Voucher (JEV) to the AD-FMD, and furnish the PU-AS with a copy for record updating. In the absence of a JEV, any document evidencing that the said land title is already recorded in the books of the Region/Project Office, such as PPELC and others.	N/A	Accounting Unit-Finance Section(AU-FS)	1. Updated List of Lands 2. If already recorded in the books, copy of the JEV									
11	Verify in the books of accounts if there are balances under the Land Account that have no breakdown and no corresponding land titles held by the PU-AS.  If there is a balance in the Land Account that has no breakdown, and the RO can no longer determine its breakdown. The Accounting Unit shall prepare a JEV transferring the said Land account balance to the CO.  The entry shall be as follows: <table border="1" data-bbox="343 1632 807 1824"> <tr> <td>Due to the Central Office</td> <td>xx</td> <td></td> </tr> <tr> <td>Land</td> <td></td> <td>xx</td> </tr> <tr> <td colspan="3">To record the transfer of Land to the Central Office.</td> </tr> </table>	Due to the Central Office	xx		Land		xx	To record the transfer of Land to the Central Office.				AU-FS	SL/PPELC showing balance without breakdown
Due to the Central Office	xx												
Land		xx											
To record the transfer of Land to the Central Office.													
12.	Prepare the corresponding JEV for the receipt of transferred records from the Regional Office.  The entry shall be as follows: <table border="1" data-bbox="343 1993 812 2187"> <tr> <td>Land</td> <td>xx</td> <td></td> </tr> <tr> <td>Due from the Regional Office</td> <td></td> <td>xx</td> </tr> <tr> <td colspan="3">To record the transfer of Land from the Regional Office.</td> </tr> </table>	Land	xx		Due from the Regional Office		xx	To record the transfer of Land from the Regional Office.			AD-FMD		JEV with attached JEV from RO, SL/PPELC
Land	xx												
Due from the Regional Office		xx											
To record the transfer of Land from the Regional Office.													

No.	Procedures	Responsible Office		Documentary Evidence to be prepared/ secured									
		Central Office	Regional/ Project Office										
13.	After verification by the Accounting Unit, submit the updated List of Lands, together with all validated land titles and supporting documentary evidence, to the PPD-AD.	N/A	PU-AS	Updated List of Lands and copies of all documents (soft and hard copy)									
14.	Verify, Validate, and Endorse Documents – Review and cross-check submitted documents from Regional/ Department, IISO/ Project Offices against List of Lands to ensure completeness, accuracy, and proper authorization. Identify and resolve discrepancies, confirm all figures and details match, and forward the validated records to the AD-FMD for JEV preparation.	PPD-AD	N/A	Updated Final List of Lands and copies of all validated documents (soft and hard copy)									
15.	Valuation/Apportionment Please refer to Section VII of this circular for the steps in assigning value for each land title.	PPD-AD to be assisted by AD-FMD		Land Valuation Report									
16.	Prepare JEV for all validated land titles not yet recorded in the books of the Regional/Project Offices to facilitate the transfer of records from the CO to the respective Regional/Project Offices.  The entry shall be as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Due from Regional/ Branch Offices</td> <td style="width: 20%; text-align: center;">xx</td> <td style="width: 20%;"></td> </tr> <tr> <td>Land</td> <td></td> <td style="text-align: center;">xx</td> </tr> <tr> <td colspan="3">To record the transfer of Land to RO/PO</td> </tr> </table>	Due from Regional/ Branch Offices	xx		Land		xx	To record the transfer of Land to RO/PO			AD-FMD	N/A	1. JEV 2. Copy of all supporting documents
Due from Regional/ Branch Offices	xx												
Land		xx											
To record the transfer of Land to RO/PO													
17.	Prepare the corresponding JEV for the receipt of transferred records from the CO. The entry shall be as follows:  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Land</td> <td style="width: 20%; text-align: center;">xx</td> <td style="width: 20%;"></td> </tr> <tr> <td>Due to the Central/ Home/ Head Office</td> <td></td> <td style="text-align: center;">xx</td> </tr> <tr> <td colspan="3">To record the transfer of Land from CO</td> </tr> </table>	Land	xx		Due to the Central/ Home/ Head Office		xx	To record the transfer of Land from CO			N/A	AU-FS	1. JEV 2. Copy of all supporting documents
Land	xx												
Due to the Central/ Home/ Head Office		xx											
To record the transfer of Land from CO													

**B. Procedures for Land Titles without LRA-Validated Titles**

No.	Procedures	Responsible Office		Documentary Evidence to be prepared/ secured
		Central Office	Regional/ Project Office	
1.	<i>Inventory and preparation of initial listing of land titles</i>	<i>AD-FMD/ CD-FMD</i>	<i>N/A</i>	<i>1. List of Lands 2. Scanned copy of OCTs/TCTs</i>
2.	<i>Cross-checking of data inputted in the List of Lands against the scanned copy of the Land Title</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>1. Scanned OCTs/TCTs, 2. List of Lands</i>
3.	<i>Request for Certified True Copies (CTCs) from Registry of Deeds (RD)</i>	<i>ARMO to be assisted by PPD-AD and LS</i>	<i>ARMO to be assisted by PU-AS and LS</i>	<i>Certified True Copies of OCTs/TCTs</i>
4.	<i>Verification of title status, ownership, and annotations</i>	<i>ARMO to be assisted by PPD-AD/LS</i>	<i>ARMO to be assisted by PU-AS and LS</i>	<i>TCTs with annotations (e.g., encumbrances, adverse claims)</i>
5.	<i>Determine if any land is undergoing reconstitution of title from the registry of deeds.</i>	<i>ARMO to be assisted by PPD-AD and LS</i>	<i>ARMO to be assisted by PU-AS and LS</i>	<i>Endorsement or supporting documents on reconstitution</i>
6.	<i>Undertake the titling of Land not yet registered in the name of NIA</i>	<i>ARMO assisted by PPD-AD</i>	<i>ARMO to be assisted by PU-AS and LS</i>	<i>Unregistered property documents, proof of ownership, LGU endorsements</i>
7.	<i>Verification of the location of Land with Tax Map at the Assessor's Office</i>	<i>ARMO / PPD-ED to be assisted by PPD-AD</i>	<i>ARMO and PDU to be assisted by PU-AS</i>	<i>Tax Map Validation</i>
8.	<i>Obtain Latest Photograph of Land</i>	<i>ARMO / PPD-ED to be assisted by PPD-AD</i>	<i>ARMO and PDU to be assisted by PU-AS</i>	<i>Photograph of the Land</i>
9.	<i>Secure updated tax declaration and identify zoning classification with LGU Assessor</i>	<i>PPD-AD to be assisted by ARMO</i>	<i>PU-AS to be assisted ARMO</i>	<i>Updated Tax Declaration, Zoning Certification</i>
10.	<i>Secure Real Property Tax (RPT) status</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>RPT Receipts or Tax Clearance Certificate (if applicable)</i>
11.	<i>Validation with LRA (e-Titling/ digitization)</i>	<i>PPD-AD</i>	<i>PU-AS</i>	<i>LRA validation slip, e-Title</i>
12.	<i>Gather, collate, and compile all validated documents for each land title. Ensure that the records and the List of Lands are accurately updated.</i>	<i>PPD-AD/ ARMO</i>	<i>PU-AS and ARMO</i>	<i>Updated List of Lands, scanned and filed documents</i>
13.	<i>Determine the Market Value for each land title, and update the List of Lands accordingly.</i>	<i>PPD-AD</i>	<i>ARMO to be assisted by PU-AS/ Asset Management Unit Personnel</i>	<i>Land Valuation Report</i>

No.	Procedures	Responsible Office		Documentary Evidence to be prepared/ secured									
		Central Office	Regional/ Project Office										
14.	Once the validation of each land title is completed and supported with complete documentary evidence, forward the same to the AU-FS for verification as to whether it is already recorded in the books of accounts of the RO	N/A	PU-AS	1. Updated List of Lands 2. Scanned copy of documentary evidence									
15.	Verify in the books of accounts whether the land title is already recorded in the books of the RO, and update the List of Lands accordingly.  If already recorded, submit a copy of the corresponding JEV to the AD-FMD, and furnish the PU-AS with a copy for record updating. In the absence of a JEV, any document evidencing that the said land title is already recorded in the books of the Region/Project Office, such as PPELC and others.	N/A	AU-FS	1. Updated List of Lands 2. If already recorded in the books, copy of the JEV									
16	Verify in the books of accounts if there are balances under the Land account that have no breakdown and no corresponding land titles held by the PU-AS.  If there is a balance in the Land account that has no breakdown, and the RO can no longer determine its breakdown. The Accounting Unit shall prepare a JEV transferring the said Land account balance to the CO.  The entry shall be as follows: <table border="1" data-bbox="329 1564 786 1753"> <tr> <td>Due to the Central Office</td> <td>xx</td> <td></td> </tr> <tr> <td>Land</td> <td></td> <td>xx</td> </tr> <tr> <td colspan="3">To record the transfer of Land to the Central Office.</td> </tr> </table>	Due to the Central Office	xx		Land		xx	To record the transfer of Land to the Central Office.				AU-FS	SL/PPELC showing balance without breakdown
Due to the Central Office	xx												
Land		xx											
To record the transfer of Land to the Central Office.													
17	Prepare the corresponding JEV for the receipt of transferred records from the RO.  The entry shall be as follows: <table border="1" data-bbox="329 1930 786 2152"> <tr> <td>Land</td> <td>xx</td> <td></td> </tr> <tr> <td>Due from Regional Office</td> <td></td> <td>xx</td> </tr> <tr> <td colspan="3">To record transfer of Land from Regional Office.</td> </tr> </table>	Land	xx		Due from Regional Office		xx	To record transfer of Land from Regional Office.			AD-FMD		JEV with attached JEV from RO, SL/PPELC
Land	xx												
Due from Regional Office		xx											
To record transfer of Land from Regional Office.													

No.	Procedures	Responsible Office		Documentary Evidence to be prepared/ secured									
		Central Office	Regional/ Project Office										
18	After verification by the Accounting Unit, submit the updated List of Lands, together with all validated land titles and supporting documentary evidence, to the PPD-AD.	N/A	PU-AS	Updated List of Lands and copies of all documents									
19	Verify, Validate, and Endorse Documents – Review and cross-check submitted documents from Regional/Project Offices against CO listings to ensure completeness, accuracy, and proper authorization. Identify and resolve discrepancies, confirm all figures and details match, and forward the validated records to the AD-FMD for JEV preparation.	PPD-AD	N/A	Updated List of Lands and copies of all validated documents									
20	Valuation/Appportionment  Please refer to Section VII of this circular for the steps in assigning value for each land title.	PPD-AD to be assisted by AD-FMD		Land Valuation Report									
21	Prepare JEV for all validated land titles to facilitate the transfer of records from the CO to the respective Regional/Project Offices.  The entry shall be as follows: <table border="1" style="margin-left: 20px;"> <tr> <td>Due from Regional/ Branch Offices</td> <td>xx</td> <td></td> </tr> <tr> <td>Land</td> <td></td> <td>xx</td> </tr> <tr> <td colspan="3">To record transfer of Land to RO/PO</td> </tr> </table>	Due from Regional/ Branch Offices	xx		Land		xx	To record transfer of Land to RO/PO			AD-FMD	N/A	1. JEV 2. Copy of all supporting documents
Due from Regional/ Branch Offices	xx												
Land		xx											
To record transfer of Land to RO/PO													
22.	Prepare the corresponding JEV for the receipt of transferred records from the CO  The entry as follows: <table border="1" style="margin-left: 20px;"> <tr> <td>Land</td> <td>xx</td> <td></td> </tr> <tr> <td>Due to Central/ Home/ Head Office</td> <td></td> <td>xx</td> </tr> <tr> <td colspan="3">To record transfer of Land from CO</td> </tr> </table>	Land	xx		Due to Central/ Home/ Head Office		xx	To record transfer of Land from CO			N/A	AU-FS	1. JEV 2. Copy of all supporting documents
Land	xx												
Due to Central/ Home/ Head Office		xx											
To record transfer of Land from CO													

No JEV shall be recorded unless supported by complete and duly verified documentary evidence, certified by the responsible offices in accordance with this Circular.

## VII. VALUATION

The balances of the Land account recorded in both the Central Office and the Regional/Project Offices represent the cost of land and land properties acquired over the years. However, these balances have remained unsubstantiated for a considerable period due to the absence of a detailed breakdown and the lack of adequate documentation of individual acquisition costs. Despite continuous and diligent efforts over the years to reconstruct the necessary records, many of the original documents and reports can no longer be located, rendering the attempt to fully reconstruct the records futile.

To address these issues and facilitate the completion of the one-time cleansing of the Land account, the AD-FMD sought the guidance of the Government Accountancy Sector (GAS) of the Commission on Audit (COA). The COA-GAS, in its response dated 19 December 2025, attached as **Annex A**, the latter opine, among others:

*“For this allocation process, the market value indicated in the tax declaration shall be used as the reference, being the only reference, being the only value provided and governed in the International Public Sector Accounting Standards (IPSASs). This approach is premised on the assumption that NIA has exhausted all reasonable efforts and utilized all available means to ascertain the individual acquisition costs of the subject land properties ” (underline supplied for emphasis)*

In this regard, the following steps shall be undertaken by the PPD-AD, assisted by the AD-FMD, to determine the value of each land title by using the market value as the basis for proportionately allocating the aggregate cost recorded in the books to all land titles without recorded costs:

1. Determine the total balance of the Land account without breakdown in the NIA books;
2. Compute the Total Market Value (TMV) of all the land titles qualified for the apportionment based on the Final Listing of Land Titles provided by the PPD-AD;
3. Compute the allocation rate for each land title by dividing the MV of each land title by the TMV;
4. Get the apportioned amount for each title by multiplying the allocation rate by the total value of the Land account;
5. Prepare the Land Valuation Report (LVR), attached as **Annex D**. Use the template to maintain uniformity in all submissions. The said report shall be prepared and signed by PPD-AD, to be assisted by the AD-FMD, and to be approved by the Deputy Administrator for Administrative and Finance Sector upon recommendation of the SC; and
6. Submit the duly signed report with all supporting documents to the AD-FMD for recording and inclusion in the List of Lands.

It should be noted, however, that the procedures set forth in this Valuation Section shall only be carried out once the Tax Declarations have been obtained and the individual market values of all land titles—whether LRA-validated or not—covered by this circular have been determined.

The use of market value as reflected in the tax declarations is adopted solely for purposes of allocation and accounting recognition in accordance with COA guidance, and shall not be construed as definitive fair market value for purposes of disposition, compensation, or other legal transactions.

Land titles subject to pending litigation, adverse claims, or encumbrances shall be separately identified and shall not be valued or recorded without proper disclosure pending resolution of the legal issues involved.

## VIII. MONITORING

All offices responsible are expected to diligently monitor their progress, promptly identify any issues or bottlenecks encountered, and ensure the completeness and accuracy of all required documentation.

To facilitate systematic tracking, a centralized monitoring system shall be maintained under the supervision of the AD-FMD. This system will be implemented through the List of Lands, with individual Google Sheets assigned to each ROs or POs. Designated personnel shall be granted access to their respective sheets to enable real-time updates, status tracking, and centralized consolidation of progress data by the AD-FMD.

ROs and POs are required to utilize the standard Progress Monitoring Report (PMR) prescribed by the CO to record progress on a per-title basis. The tool captures essential milestones, including validation status, transfer documentation, valuation results, and submission timelines.

The following reports shall be submitted to the AD-FMD:

1. Updated List of Lands, attached as **Annex B** – reflecting the current status of each land title's reconciliation, validation, and transfer; and
2. Progress Monitoring Report, attached as **Annex C**.

These reports shall be submitted on or before **the 25th day** of the succeeding month. The AD-FMD shall be responsible for consolidating and evaluating all submissions, preparing summary progress reports, and escalating critical issues to management for appropriate action.

The centralized monitoring system shall form part of the official records of NIA. Appropriate data governance, access control, and back up mechanisms shall be instituted to ensure data integrity, confidentiality and reliability.

## IX. REPORTING

The AD-FMD or Accounting Unit shall maintain a Property, Plant and Equipment Ledger Card (PPELC), attached as **Annex E**, for these parcels of land. The PPELC shall be used to promptly record the description, relevant details, and other pertinent information regarding each land title.

For purposes of check and balance, the PPD-AD or AS-PU shall likewise maintain a Property Card (PC) attached as **Annex F**, to record the receipt and disposition of the same. The balance reflected in the PC should always reconcile with the balance in the PPELC maintained by the AD-FMD or Accounting Unit.

Moreover, the said parcels of land shall be included in the regular conduct of physical inventory as part of NIA's Property, Plant, and Equipment (PPE). The results of the physical inventory shall be reported in the Report on the Physical Count of Property, Plant and Equipment (RPCPPE), attached as **Annex G**.

Finally, the concerned AD-FMD or Accounting Unit shall properly disclose in the Notes to the Financial Statements the information relating to the allocation process, as well as other significant details pertaining to the implementation of this Circular.

## X. SAFEKEEPING OF LAND TITLES

After the value of each land title has been determined and the AD-FMD has prepared the corresponding JEVs to transfer the land balances, the CD-FMD shall transfer all land titles covering properties at the CO to the PPD-AD, which shall assume responsibility and accountability for their safekeeping and custody.

Similarly, the CD-FMD shall transfer all land titles for properties located in the field offices to the respective Regional and Project Management Offices, where the AS-PU shall be responsible for the safekeeping and custody of all land titles within their respective jurisdictions.

Furthermore, the AS-PU shall furnish two (2) Certified True Copy duly issued by the appropriate Registry of Deeds (RD) of all land titles in its custody to the NIA CO. One copy shall be submitted to the PPD-AD, and another copy shall be provided to the AD-FMD for reference and record-keeping purposes.

For land registered with electronic copy of title only, the PPD-AD and/or AS-PU shall secure a Certified True Copy of the land title from the appropriate Registry of Deeds or the Land Registration Authority (LRA) main office.

All transfers of custody of land titles shall be for safekeeping and administrative purposes only and shall not be construed as a transfer of ownership. Any memorandum circulars issued before regarding safekeeping of titles are hereby revoked.

## XI. BUDGETARY REQUIREMENTS

All expenses necessary for the implementation of this Circular shall be charged against the NIA's Corporate Operating Budget Fund under the ***Litigation/Acquired Assets Expenses (Account Code: 5-02-99-090)***, subject to the availability of funds and the usual government budgeting, accounting, and auditing rules and regulations.

## XII. TIMELINE FOR IMPLEMENTATION

All offices concerned are expected to complete the implementation of this Memorandum Circular on or before **November 30, 2026**.

Failure to comply with the provisions of this Circular without justifiable cause shall subject the responsible personnel to appropriate administrative sanctions in accordance with applicable civil service laws, rules, and regulations.

## XIII. EFFECTIVITY

This Memorandum Circular shall take effect immediately and all previously issued issuances inconsistent hereof are deemed superseded.

For your guidance and strict compliance.

**ENGR. EDUARDO EDDIE G. GUILLEN**  
Administrator

Date 26 MAY 2026




**Government Accountancy Sector**  
**Accounting Systems Development and Other Services Office**

December 19, 2025

**ROBERT VICTOR G. SEARES, JR.**

Deputy Administrator for Administrative and Finance  
National Irrigation Administration (NIA) – Central Office  
National Government Center, EDSA  
Diliman, Quezon City 1100

THRU:   
**ROY L. URSAL**  
Assistant Commissioner  
This Sector

Dear Mr. Seares:

This is in response to your letter dated November 25, 2025, seeking advice on whether the zonal value or the market value as reflected in the updated tax declaration should be used in recognizing the land properties of NIA.

As stated in your letter, the consolidated financial statements of NIA reflect a balance for land amounting to ₱4,320,845,657.00, pertaining to 3,666 land titles, and other land properties acquired by NIA over the years, for which the issuance of titles is being taken care of by NIA's Asset Recovery Management Office. However, no supporting documents are available to show the cost of each land title and other land properties. Furthermore, as confirmed by Ms. Sharilyn Bluza, Manager of NIA's Accounting Division, during a phone discussion on December 4, 2025, these lands had been recorded at cost in NIA's books, but without documentation of individual acquisition costs.

If the NIA has availed, or intends to avail, of the provisions for the one-time cleansing of property, plant, and equipment (PPE) account balances under COA Circular No. 2020-006<sup>1</sup> dated January 31, 2020, Section 6.2.12 thereof states that in case no information could be found in both accounting and property records, the unit cost/value of an item of PPE shall be established, as follows:

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<sup>1</sup> COA Circular No. 2020-006 dated January 31, 2020, Guidelines and Procedures in the Conduct of Physical Count of Property, Plant and Equipment (PPE), Recognition of PPE Items Found at Station, and Disposition for Non-existing/Missing PPE Items, for the One-Time Cleansing of PPE Account Balances of Government Agencies

- a. Cost/value may be assigned by the Inventory Committee based on the market/fair value of the item. The cost/value of a similar item in the Report on Physical Count of PPE may also be used by the Inventory Committee.

The market/fair value is the estimated amount for which an asset could be exchanged on the date of valuation, between knowledgeable, willing parties in an arm's length transaction; and

- b. If there are items for which the market/fair value could not be easily determined by the Inventory Committee, their fair value shall be determined by appraisal.

The foregoing provision applies only to items of PPE discovered during inventory that physically exist but are not recorded in either the accounting or property records. In contrast, as discussed in the second paragraph of this letter, the land titles and other land properties in question have already been recognized in NIA's books, but without documentation of individual acquisition costs. Therefore, the above provision does not apply to the subject assets. Consequently, this Sector has determined that the issue at hand is not recognition, but the proper assignment of costs of each land title and other land properties of NIA.

As a government-owned or -controlled corporation (GOCCS) classified as a non-commercial public sector entity (Non-CPSE), NIA adopts the International Public Sector Accounting Standards (IPSASs) with corresponding Philippine Application Guidance (PAG) as its accounting framework, in accordance with COA Circular No. 2022-003<sup>2</sup> dated January 24, 2022.

Under paragraph 26 of IPSAS 17–PPE, an item of PPE qualifying for recognition as an asset shall be measured at cost. Furthermore, paragraph 42 of IPSAS 17 states that an entity shall choose either the cost model or the revaluation model as its accounting policy and apply that policy consistently to an entire class of PPE. However, for a GOCC classified as a Non-CPSE, Section 7.3.d.5 of COA Circular No. 2017-004<sup>3</sup> dated December 13, 2017, PAG2 of IPSAS 17 mandates the use of the cost model in the subsequent measurement of all classes of PPE, including land. Under this model, an item of PPE shall be carried at its cost, less any accumulated depreciation and any accumulated impairment losses. For land assets, which have an indefinite useful life and are not subject to depreciation, the cost shall remain unchanged. Accordingly, revaluation is not permitted for land, and the total recorded cost must be maintained.

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<sup>2</sup> COA Circular No. 2022-003 dated January 24, 2022, Amendments to COA Circular No. 2015-003 dated April 16, 2015 prescribing the classification of all Government Corporations (GCs) and other entities/instrumentalities with corporate powers as Government Business Enterprises (GBEs) or Non-GBEs for the purpose of determining the applicable Financial Reporting Framework in the preparation of their Financial Statements and prescribing guidelines therefor, and provision of additional guidelines thereto.

<sup>3</sup> COA Circular No. 2017-004 dated December 13, 2017, Guidelines on the preparation of financial statements and other financial reports and implementation of the Philippine Financial Reporting Standards by Government Corporations Classified as Government Business Enterprises and Philippine Public Sector Accounting Standards by Non-Government Business Enterprises.

Although taxation falls outside this Sector's jurisdiction, a review was conducted to better understand the relationship between zonal value and market value in real property. The study revealed that, for national taxes such as capital gains tax<sup>4</sup> and documentary stamp tax,<sup>5</sup> the higher of the zonal value or market value<sup>6</sup> is applied. In contrast, real property tax administered by local government units, as reflected in the tax declaration, is based on the assessed value, which is derived as a percentage of the property's market value. Notably, the zonal value does not appear in the tax declaration.

In view of the foregoing, this Sector is of the position that the zonal value, market value or even the assessed value of a property, should not be used as a basis for recognition. These figures may, however, serve as reference points solely for allocating the aggregate recorded cost of land among individual parcels or titles for purposes of maintaining subsidiary records, ensuring that the total allocated amounts reconcile with the original aggregate cost. For this allocation process, the market value indicated in the tax declaration shall be used as the reference, being the only value provided and governed in the IPSASs.<sup>7</sup> This approach is premised on the assumption that NIA has exhausted all reasonable efforts and utilized all available means to ascertain the individual acquisition costs of the subject land properties. Such allocation process, together with its underlying basis, must be properly documented and adequately disclosed in NIA's Notes to Financial Statements.

For illustration purposes, the example below demonstrates how the allocation can be computed by using the market value as the basis for proportionately distributing the aggregate recorded cost in the books of accounts:

#### **Illustrative Example: Allocation Based on Tax Declaration**

A government agency owned three (3) parcels of land located in San Pablo, Laguna, with an aggregate recognized cost of ₱9,000,000, but without documentation of individual acquisition costs, despite the fact that the entity has exhausted all reasonable efforts and utilized all available means to ascertain the individual acquisition costs of the subject parcels of land.

The market values of each parcel of land, as they appear in the related tax declarations, are as follows:

<b>Parcel</b>	<b>Market Value</b>
A	₱2,000,000
B	4,000,000
C	4,000,000

<sup>4</sup> Section 24 (D), Chapter III, Republic Act (RA) No. 8424, *National Internal Revenue Code (NIRC) of 1997*, otherwise known as "*Tax Reform Act of 1997*".

<sup>5</sup> Section 196, Title VII, RA 8424.

<sup>6</sup> Section 6(E), Title I, RA 8424.

<sup>7</sup> Paragraph 45, IPSAS 17-PPE.

Computation of Proportionate Allocation


Parcel	Market Value	Proportion	Allocated Cost
A	₱2,000,000	20%	₱1,800,000
B	4,000,000	40%	3,600,000
C	4,000,000	40%	3,600,000
<b>Total</b>	<b>₱10,000,000</b>	<b>100%</b>	<b>₱9,000,000</b>

*Note: Market values in the tax declarations are used solely as a bases for allocation and do not represent the recognized book value or fair value of the asset.*

We hope this response provides the clarity and guidance you were seeking.

Thank you.

Very truly yours,

  
**ANNABELLA P. GABIRAN**  
Director III  
Officer-in-Charge

cc: **MAY LINDA M. VEGAFRIA**  
Director IV

**JOHN GILBERT P. PIO**  
State Auditor IV/OIC-Supervising Auditor, NIA

**FRANIROSE U. MALONG**  
State Auditor III/OIC-Audit Team Leader, NIA

All of the Cluster 5 – Agricultural and Natural Resources  
Corporate Government Audit Sector  
This Commission



## PROGRESS MONITORING REPORT

Date of Completion: November 30, 2026

No.	Procedures to be performed	Responsible Office		No. of Titles w/o LRA Titles	No. of Titles with LRA Titles	Total No. of Land Titles	Target No. of Titles to Complete	Target Date of Completion	No. of Titles Completed	Percentage of Completion (Based on No. of Titles to Complete)
		Central Office	Regional/Project Office							
1	Inventory and preparation of initial listing of land titles									
2	Cross-checking of data inputted in the List of Lands against the scanned copy of the Land Title									
3	Request for Certified True Copies (CTCs) from Registry of Deeds (RD)									
4	Verification of title status, ownership, and annotations									
5	Determine if any land is undergoing reconstitution of title from the registry of deeds.									
6	Undertake the titling of Land not yet registered in the name of NIA									
7	Verification of the location of Land with Tax Map at the Assessor's Office									
8	Obtain Latest Photograph of Land									
9	Secure updated tax declaration and identify zoning classification with LGU Assessor									
10	Secure Real Property Tax (RPT) status									
11	Validation with LRA (e-Titling / digitization)									
12	Gather, collate, and compile all validated documents for each land title. Ensure that the records and the List of Lands are accurately updated.									
13	Determine the Market Value for each land title, and update the List of Lands accordingly.									
14	Once the validation of each land title is completed and supported with complete documentary evidence, forward the same to the AU-FS for verification as to whether it is already recorded in the books of accounts of the RO									
15	Verify in the books of accounts whether the land title is already recorded in the books of the RO, and update the List of Lands accordingly.									
16	Verify in the books of accounts if there are balances under the Land account that have no breakdown and no corresponding land titles held by the PU-AS.									
17	Prepare the corresponding JEV for the receipt of transferred records from the RO.									
18	After verification by the Accounting Unit, submit the updated List of Lands, together with all validated land titles and supporting documentary evidence, to the PPD-AD.									
19	Verify, Validate, and Endorse Documents – Review and cross-check submitted documents from Regional/Project Offices against CO listings to ensure completeness, accuracy, and proper authorization.									
20	Valuation/Apportionment									
21	Prepare JEV for all validated land titles to facilitate the transfer of records from the CO to the respective Regional/Project Offices.									
22	Prepare the corresponding JEV for the receipt of transferred records from the CO									
AVERAGE RATING										0.00%



## Land Valuation Report

No.	Original Certificate of Title No.	Transfer Certificate of Title No.	LRA Transfer Certificate of Title No.	Location				Owned by NIA? Yes or No?	Mode of Acquisition/Conveyance (Purchase, Transfer, Donation)	Owner (See OCT/TCT)	Regional/Project Office with Jurisdiction	LAND CLASSIFICATION (Office site, Irrigation ROW, Residential, Commercial Land, etc.)	Lot Area (in sq. m.)	Date of Assessment (MM-DD-YYYY)	Market Value	Allocation Rate	Aggregate Value Per Book	Allocated Amount	Remarks
				Barangay	City/Municipality	Province	Region												
1																			
2																			
3																			
4																			
5																			
6																			
7																			
8																			
9																			
10																			
Prepared By:				Recommending Approval (Steering Committee)								Approved by:							
Signature: Name: _____				Signature: Name: _____								Signature: Name: _____							
Position/ Designation: _____				Position/ Designation: _____								Position/ Designation: Deputy Administrator for Administrative and Finance Sector							
Signature: Name: _____				Signature: Name: _____															
Position/ Designation: _____				Position/ Designation: _____															





**REPORT ON THE PHYSICAL COUNT OF PROPERTY, PLANT AND EQUIPMENT**

(Type of Property, Plant and Equipment)  
As at \_\_\_\_\_

Fund Cluster : \_\_\_\_\_  
For which (Name of Accountable Officer) , (Official Designation) , (Entity Name) is accountable, having assumed such accountability on (Date of Assumption).

TCT/OCT NO.	PROPERTY NUMBER	DESCRIPTION/LOCATION	LAND/ZONING CLASSIFICATION (Office site, Irrigation ROW, Residential, Commercial Land, etc.) per Tax Dec	ACTUAL USE (Lease, irrigation facilities, occupied by Informal settlers)	VALUE PER LAND TITLE	LOT AREA/SQM	LOT AREA/SQM	LOT LINE ADJUSTMENT		REMARKS (i.e. encumbrance, easement, or details regarding unregistered land)
						per PROPERTY CARD	per PHYSICAL COUNT	Lot Area(sq.m)	Value	

Certified Correct by:

\_\_\_\_\_  
Signature over Printed Name  
of Inventory Committee  
Chair and Members

Verified by:

\_\_\_\_\_  
Signature over Printed Name of Head of  
Agency/Entity or Authorized Representative

\_\_\_\_\_  
Signature over Printed Name  
of COA Representative

Sample Notes to Financial Statements relative to Land account on the Implementation of the Memorandum Circular:

**A. In the Consolidated Financial Statements**

The careful implementation of Memorandum Circular No. 2026 - xxxx titled, "Guidelines on the Reconciliation, Valuation, and Transfer of Central Office Land Records to the Regional/Project Offices", resulted in the following:

1. Verification of the Transfer Certificates of Title as to ownership, location, and other necessary descriptions;
2. Identification of the Regional/Project Offices responsible for recording/accounting and management, including the payment of the required Real Property Taxes of the land properties;
3. Securing of Tax Declarations for each Transfer Certificate of Title purposely to get information about the land, such as the Market Value, classification, Property Index Number, and other necessary information;
4. Allocation of the total Land balance in the books of accounts among the Transfer Certificates of Title, NIA ownership of which have been verified/ established.

As recommended by the Government Accountancy Sector of the Commission on Audit, the Market Value as declared in the latest Tax Declaration (TD) was used as reference point in the allocation of the Land balance.

With each Transfer Certificate of Title having the allocated value, Property, Plant and Equipment Ledger Cards (PPELCs) were prepared to validate/support the General Ledger balances of Land accounts in the Central Office and Regional/Project Offices;

5. Transfer of Transfer Certificates of Title and the corresponding records from the Central Office to the Regional/ Project Offices concerned.

The primary objective of this transfer is to align the recording and management of land properties with the Regional/Project Offices responsible for their use, monitoring, maintenance, payment of Real Property Taxes, and to ensure accurate presentation of properties in the financial statements of the offices concerned.

After the implementation of the MC, the summary of land properties presented in the CO and Regional/Project Offices books is shown the Property Valuation Report attached as Annex to the NFS.

*Note: Attach the Property Valuation Report*

Though the transfers of land properties are recognized in the books of the Central Office and in the Regional/ Project Offices, the net impact on the overall NIA financial statements is zero, as these are intra-agency transactions.

## **B. In the Central Office Books**

With the implementation of Memorandum Circular No. 2026-\_\_\_\_, which provides the guidelines on the reconciliation, valuation, and transfer of Central Office land records to the Regional/Project Offices, the existing land titles owned by NIA which are located across the country were subjected to valuation and proper allocation in the books of accounts.

In support of this process, the total Land balance recorded in the books was allocated among the Transfer Certificates of Title (TCTs) for which NIA ownership has been verified or established. As recommended by the Government Accountancy Sector of the Commission on Audit, the Market Value indicated in the latest Tax Declaration (TD) was used as the reference basis for allocating the Land balance among the identified titles. Correspondingly, Property, Plant and Equipment Ledger Cards (PPELCs) were prepared for each title to validate and support the General Ledger balances of the Land accounts in both the Central Office and the Regional/Project Offices.

The primary objective of the transfer is to align the management and accountability of land properties with the respective Regional/Project Offices responsible for their utilization, monitoring, maintenance, and payment of Real Property Taxes, and to ensure the accurate presentation of these properties in the financial statements. The Property Valuation Report covering the land properties transferred from the Central Office books to the Regional/Project Offices is attached as an Annex to the NFS.

*Note: Attach the Property Valuation Report*

## **C. In the Regional/Project Office Books**

With the implementation of Memorandum Circular No. 2026 - \_\_\_\_ providing the guidelines on the reconciliation, valuation, and transfer of Central Office Land records to the Regional/Project Offices, the balance of the Land account increased by Php\_\_\_\_\_ representing the apportioned value of the parcels of land located in Region \_\_\_\_, which was previously recorded at the Central Office's Books. Details of the transfers are summarized in the attached Property Valuation Report.

*Note: Attach as Annex the Property Valuation Report.*