

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON, KULTURA AT ISPORTS
(MINISTRY OF EDUCATION, CULTURE AND SPORTS)
Maynila

August 11, 1982

MECS M E M O R A N D U M
No. 190, s. 1982

WITHDRAWAL OF COUNTERSIGNATURE ON WARRANTS AND CHECKS
BY REPRESENTATIVES OF THE COMMISSION ON AUDIT

To: Bureau Directors
Regional Directors
Schools Superintendents
Presidents, State Colleges and Universities
Vocational School Superintendents/Administrators

1. To enable heads of government agencies to assume further responsibility in the management of government funds and property and in preparation for the eventual total lifting of pre-audit, inclosed is a copy of Commission on Audit Circular No. 82-185, dated May 18, 1982, transferring to agency officials, effective June 17, 1982, the responsibility of countersigning warrants and checks heretofore placed on representatives of the Commission on Audit.

2. Please be guided accordingly.

(SGD.) ONOFRE D. CORPUZ
Minister

Incl.:
As stated

Reference:
None

Allotment: 1-2-3---(D.O. 1-76)

To be indicated in the Perpetual Index
under the following subjects:

BUREAUS & OFFICES
FUNDS
OFFICIALS

RULES & REGULATIONS
TRANSFER

(Inclosure to MECS Memorandum No. 190, s. 1982)

REPUBLIC OF THE PHILIPPINES

COMMISSION ON AUDIT
CENTRAL OFFICE

Don Mariano Marcos Avenue, Quezon City, Philippines

May 18, 1982

COMMISSION ON AUDIT CIRCULAR NO. 82-185

TO : Heads of Ministries, Bureaus, and Offices; Managing Heads of Government-Owned or Controlled Corporations, and Other Self-Governing Boards and Commissions; Provincial Governors and City and Municipal Mayors; Provincial, City and Municipal Treasurers; COA Managers, Regional Directors and Heads and Assistant Heads of Auditing Units; and Others Concerned.

SUBJECT : Withdrawal of the Countersignature of Warrants and Checks by Representatives of the Commission on Audit.

I. PURPOSE:

This Circular transfers to agency officials the responsibility for countersigning warrants and checks heretofore placed on representatives of the Commission on Audit, and provides rules and regulations governing the countersigning function.

II. LEGAL BASIS:

Section 94 of P.D. No. 1445, otherwise known as the Government Auditing Code of the Philippines, provides that "No warrant or check shall be paid by the Treasurer of the Philippines, local treasurer, or any government depository unless it is countersigned by a duly authorized official of the Commission. When, in the opinion of the Commission, the interest of the service so requires, the warrant or check may be paid without the countersignature under such rules and regulations as it may prescribe from time to time." The withdrawal of the countersignature by the representatives of the Commission on Audit, as provided in this Circular, is intended to:

1. Facilitate the payment of claims against government funds by eliminating some of the pre-audit steps involved in the disbursement process;
2. Enable the heads of government agencies to assume further responsibility in the management of government funds and property pertaining to their agencies pursuant to the provisions of Sec. 2 and 25(1) of Presidential Decree No. 1445; and
3. Prepare government agencies for the eventual lifting of pre-audit.

III. GENERAL GUIDELINES:

A. Warrants and checks issued by government agencies shall be countersigned by authorized representatives of the agency, including warrants and checks issued to cover claims subject to pre-audit under existing auditing regulations, except when the countersignature thereof by representatives of the Commission on Audit is required by specific provisions of law, such as in the withdrawal from authorized government depository banks of trust receipts from non-tax sources (Section 4, of Batas Pambansa Blg. 131).

B. In the exceptional instances where the countersignature of the representatives of the Commission on Audit on warrants and checks is required by specific provisions of law, such warrants and checks, irrespective of amount, shall be countersigned by the Auditor authorized to perform pre-audit function under existing auditing regulations.

C. To ensure the authenticity of documents supporting a disbursement, whether by warrant or check or by cash, such documents (voucher or payroll, and the related supporting papers) shall as much as possible contain no alterations and erasures. Corrections that are absolutely necessary should be made by drawing a line across the words and/or figures to be corrected or cancelled. Any corrective data should be placed directly above the words and figures crossed out. All corrections should be initialled by the person authorized to make them, indicating the dates such corrections were made.

IV. RESPONSIBILITIES OF THE AGENCY:

A The agency head shall designate the agency officials authorized to countersign warrants and checks formerly countersigned by the representatives of the Commission on Audit. In the case of warrants or checks drawn against the funds in the National Treasury, the Bureau of the Treasury shall deputize the countersigning officials so designated by the agency head.

In designating the countersigning officials, the agency head shall consider the principles of internal control, such as the following:

1. No member of the accounting or internal control units should be authorized to sign or countersign checks.
2. As much as possible, no one should have complete control of a transaction.
3. As far as practicable, the countersigning official shall be the approving official on Certificate No. 5 of the Disbursement Voucher (General Form No. 5A) and shall be higher in rank than the official designated to sign the warrant or check.

B. For local governments however, the following rules and regulations on the signing and countersigning of checks shall govern:

1. Checks in payment of obligations of provinces and cities shall be drawn by the Provincial and City Treasurer concerned pursuant to the provisions of Section 52 of P.D. No. 477, the Decree on Local Fiscal Administration, as amended.

2. Checks issued against the General, Infrastructure and Trust Funds of provinces and cities shall be countersigned by the Provincial Governor or City Mayor concerned or their authorized representatives.

3. Checks issued against the Special Education Fund of provinces and cities shall be countersigned by the Division or City Superintendent of Schools concerned or their authorized representatives.

C. The proper agency officials shall continue to exercise their responsibilities for implementing the reporting and other control procedures prescribed in COA Circulars No. 80-26(G) dated April 8, 1980, and No. 80-26(H) dated May 12, 1980, covering treasury warrants and TCAA checks signed and countersigned by agency officials.

D. In case warrants or checks in payment of pre-audited claims shall be countersigned by an agency official other than the approving official on Certificate No. 5 of the Disbursement Voucher (General Form No. 5A), such countersigning official may request the Auditor concerned for the release of the documents supporting the pre-audited voucher, under a proper invoice duly acknowledged as provided in the Circular. Such supporting documents shall be returned to the Auditor concerned under proper acknowledgment, immediately after reference has been made thereto by the countersigning agency official.

E. The Treasurer/Chief Accountant shall turn over to the Auditor the journal/report of disbursements and journal/report of checks issued, together with the paid vouchers and other supporting documents, within ten (10) days after the same had been submitted by the accountable officer to the Treasurer/Chief Accountant for recording in the books of accounts in accordance with existing regulations (COA Circular No. 81-156, dated January 9, 1981).

V. RESPONSIBILITIES OF THE AUDITOR:

A. Disbursement vouchers covering claims against the government which are subject to pre-audit under existing auditing regulations shall continue to be submitted to the Auditor concerned (assistant head of auditing unit under existing regulations) of the government agency involved for appropriate action. Should the Auditor concerned allow in audit the disbursement involved, he shall affix his signature on the portion of the voucher intended for the purpose and return to the proper agency official the original of the voucher for payment in cash or by warrant or check. The duplicate of the voucher and all supporting papers shall be retained in the office of the Auditor.

B. In the event that the warrant or check shall be countersigned by an agency official other than the approving official on Certificate No. 5 of the Disbursement Voucher (General Form No. 5A), and the countersigning official of the agency shall

request to be shown the supporting papers to a pre-audited voucher, the Auditor concerned shall release the document under an invoice listing in detail the papers thus released, duly acknowledged by the proper agency official. The Auditor shall require the immediate return of the supporting papers after they shall have served the purpose.

C. Auditors shall see to it that journals/reports of disbursements and of checks issued together with paid vouchers and other required accounts are submitted to their offices within the time prescribed under IV-E above. Post-audit work on these accounts shall be made within thirty days from receipt thereof as provided in Section 100 of P.D. No. 1445, the Government Auditing Code of the Philippines.

D. Other audit operations, such as periodic and surprise examinations of the cash and accounts of accountable officers, shall be performed with the end in view of immediately detecting any violation of auditing regulations that may arise as a result of the withdrawal of the countersignature of warrants and checks by representatives of the Commission on Audit.

VI. REPEALING CLAUSE:

Any provisions of existing rules and regulations inconsistent or in conflict herewith shall be deemed repealed or modified accordingly.

VII. EFFECTIVITY:

This Circular shall take effect on June 17, 1982 in Metropolitan Manila, and on July 1, 1982, in all other places. To ensure the smooth implementation of this Circular, agency heads should, if they have not done so, immediately designate the countersigning officials of their respective agencies in accordance with the provisions of IV-A above.

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

(SGD.) SILVESTRE D. SARMIENTO
Commissioner

A true copy