

[COA CIRCULAR 2012-005, December 07, 2012]

**REVOCATION OF COA CIRCULAR NO. 2009-008 DATED
NOVEMBER 9, 2009, AND PRESCRIBING THE USE OF PUNONG
BARANGAY'S CERTIFICATION (PBC) AND COA AUDITOR'S
ADVICE (CAA)**

1.0 Rationale

1.1. It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly and primarily with the chief or head of the government agency concerned (Section 2, Presidential Decree (P.D.) No. 1445).

1.2. It is also a fundamental principle that fiscal responsibility shall to the greatest extent, be shared by all those exercising authority over the financial affairs, transactions, and operations of the government agency (Section 4.4, P.D. No. 1445).

1.3. This Commission is granted the statutory authority to promulgate accounting and auditing rules and regulations in order to prevent irregular, unnecessary, excessive, or extravagant expenditures or uses of government funds or property (Section 33, P.D. No. 1445).

1.4. In pursuance thereof, the Commission promulgated the New Government Accounting System (NGAS) for barangays prescribing the processing of all the barangay financial transactions at their level.

1.5 As a control measure, COA Circular No. 2009-008 dated November 9, 2009 was issued by this Commission for government (barangay) depository banks to honor/encash checks issued by the barangays only if the corresponding City/Municipal Accountant's Advice (AA) is issued, to assure that all barangay disbursements are covered by proper and duly executed Disbursement Voucher (DV) certified by the Barangay Treasurer (BT), approved by the Punong Barangay (PB), and completely support by the required documents.

1.6 The foregoing control mechanism has been found, however, to cause delay in the implementation of barangay programs and projects, especially those of urgent nature.

1.7 In light thereof, this Commission revokes COA Circular No. 2009-008 dated November 9, 2009 and new guidelines is hereby prescribed in consonance with the rule making function of this Commission and as provided in Section 334 of the Local Government Code of 1991.

2.0 General Guidelines

2.1. The responsibility to initiate, process, approve financial transactions and issue a Punong Barangay's Certification (PBC) under oath to government (barangay) depository banks to honor/encash checks issued shall be the responsibility of the