

**[DSWD DEPARTMENT ORDER NO. 07, s. 2000,
June 22, 2000]**

**IMPLEMENTING RULES AND REGULATIONS ON COA CIRCULAR
NO. 95-006, SERIES OF 1995 (TOTAL LIFTING OF PRE-AUDIT)**

RATIONALE

In view of the total lifting of pre-audit on all financial transactions of the National Government Agencies, Government Owned and/or Controlled Corporations and Local Government Units provided in Department Circular No. 95-006, dated May 18, 1995 (as amended) [Annex A*], pre-audit activities shall henceforth be considered as part of the accounting and control process of every government agency. Thus the following internal control measures are hereby instituted and/or adopted for the Department of Social Welfare and Development.

1.0
Contracts

Contracts shall be prepared by the Legal Service. The same may be reviewed by the Internal Audit Office.

2.0
Supplies/Materials/Equipments/ and the Like

2.1 Inspection of deliveries of supplies, materials, equipments and the like shall be made by the Inspection Committee (IC) created per Department Order No. 05, s. 2000 on the creation of the Inspection Committee (Annex B*). The result of the inspection should be included as among the supporting documents to vouchers/claims of payment. (Sections 465 and 467 and Appendix 11 of Government Accounting and Auditing Manual GAAM, Vol. I)

2.2. The Property Division shall take charge of recording, safekeeping, issuance and distribution of such supplies, materials, equipments, etc. delivered. The Requisitioning Officer (in cases of direct purchases) or the Property Office (in cases of procurements to replenish stock) shall take charge of receiving and accepting the deliveries.

2.3 Requisition of supplies and materials shall invariably be accompanied/supported by Stock Position Sheet. Available stock at all time of requisition should not exceed office requirements for three (3) months.

2.4 Annual physical inventory taking of supplies, equipment and other properties shall be undertaken by the National Office and the Field Offices. In case of supplies and materials carried in stock, if any, a semi-annual inventory shall be made.

2.5 The physical inventory taking in the National Office shall be conducted by the National Inventory Team composed of the following:

Administrative Officer	-	Team Leader
Property Officer	-	Team Member
Representative (Gen. Service Div.)	-	Team Member
Representative (Accounting Div.)	-	Team Member
Internal Auditor	-	Witness

The COA Auditor of the Department may be requested to witness the inventory taking. The Inventory of Supplies and Inventory of Equipment (Appendix 39 of Gamm, Vol. II) shall be signed by the Inventory Team Leader and members, and approved by the head of the Administrative Service Department.

2.6 The physical inventory taking at the Field Offices shall be conducted by respective Field Inventory Teams, each composed of the following:

F.O. Administrative Officer	Team Leader
F.O. Property Officer	Team Member
F.O. Accountant	Team Member
Field Office Internal	Auditor Witness

The COA Auditor concerned may be requested to witness the inventory taking in case the Internal Audit Office representative is unable to act as witness thereof. The Inventory of Supplies and Inventory of Equipment (Appendix 39 of GAAM, Vol. II) shall be signed by the Team Leader and Members and approved by the Field Director concerned. The Inventory Reports shall be submitted on or before January 10 after the end of the year, copy furnished the COA Auditor concerned and the National Inventory Team.

2.7 The Inventory Reports from the Field Offices shall be reviewed and consolidated by the National Inventory Team. All discrepancies between physical and book inventories must be investigated and cleared immediately. If necessary, written explanation shall be required from the Inventory Teams and/or person/s responsible.

2.8 The final consolidated Inventory Reports (National and Field Offices) shall be submitted through the head of the Administrative Service to the Chairman within twenty (20) days after the end of the year. The annual consolidated Inventory Reports (Inventory Equipment and Inventory of Supplies) shall be submitted to the COA Auditor not later than January 31 of each year.

3.0 Audits of Accounts

3.1 On a test basis, analysis of certain transactions may be made by the Internal Audit Office.

3.2 As an aid to decision-making and policy formulations by the Department, the Internal Audit Office shall prepare an analysis or review of accounting reports and year-end financial statement. All CO internal audit and field internal Audit reports containing results of review and evaluation shall be taken up in individual