



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines



MEMORANDUM

NO. : 2009-049

DATE: July 7, 2009

TO : Assistant Commissioner, Cluster Directors, Supervising Auditors and Audit Team Leaders (ATL) of National Government Sector (NGS), Regional Directors and All Others Concerned

SUBJECT: Submission of Yearend Audited Financial Statements and Reports (FSs/Rs) for the Preparation of Annual Financial Report (AFR) of the National Government

As stated in COA Resolution No. 2008-012 dated October 10, 2008 implementing COA Organization Restructuring, the Government Accountancy Sector (GAS) shall prepare the AFR of the National Government based on audited financial statements of national government agencies (NGAs). For the GAS to submit the AFR to the President and the Congress on or before the legal deadline of September 30 of each year, pursuant to Section 4, Article IX-D of the 1987 Philippine Constitution, hereunder are the guidelines to be followed:

1. The combined audited financial statements, all funds, namely detailed Statements of Income and Expenses and detailed Balance Sheet for CY 2008 of the departments, agencies and staff bureaus including the accounts of the Regional Offices and Field/Operating Units, shall be submitted by the Department/Agency Central Office Supervising Auditors through the concerned Cluster Directors, NGS, together with the following:
 - a. Pre-closing Trial Balance
 - b. Post Closing Trial Balance
 - c. Statement of Changes in Government Equity
 - d. Statement of Cash Flows (Direct Method)
 - e. Notes to Financial Statements
 - f. Report of Income – National Government Books
 - g. Report of Income – Regular Agency Books
 - h. Regional Breakdown of Income
 - i. Regional Breakdown of Expenses
 - j. Schedule/Aging of Accounts Receivable
 - k. Schedule/Aging of Accounts Payable
 - l. Schedule of Public Infrastructure/Reforestation Projects
 - m. Statement of Allotments, Obligations and Balances (SAOB)
 - n. Detailed Breakdown of Obligations
 - o. Detailed Breakdown of Disbursements
 - p. List of Not Yet Due and Demandable Obligations

The format of the SAOB (Annex A) has been revised to facilitate the reconciliation of allotments by Agency Budget Matrix/Special Allotment Release Order No.

It is understood that the combined audited FSs/Rs together with the attachments enumerated in Item 1 of the Regional Offices and their Field/Operating Units shall be submitted by the Regional Office Supervising Auditors to the Regional Directors who shall transmit the same to the concerned Cluster Director, NGS for further combination by department/office.

2. Likewise, the COA Regional Directors shall submit the requirements in Item No. 1 for stand-alone agencies as well as the main campuses of State Universities and Colleges (SUCs) located in the regions. The audited FSs/Rs of the main campuses shall include the accounts of their branches and satellite offices.
3. For stand-alone agencies as well as SUCs in the National Capital Region, the concerned Supervising Auditors shall submit through the concerned Cluster Directors the requirements in Item No. 1 to GAS.
4. The Department/Agency Central Office Supervising Auditors shall submit through the concerned Cluster Directors a list of consolidated significant audit observations and recommendations (Annex B), namely:
 - a. Common Audit Areas, by major account/transaction
 - b. By Department/Agency under each Cluster

For stand-alone agencies as well as SUCs located in the regions, the Regional Directors concerned shall submit the said audit observations and recommendations to GAS.

5. The transmittal memorandum of the Cluster Directors/Regional Directors concerned shall indicate that such FSs/Rs have been audited.
6. The audited financial statements and attachments shall be submitted to GAS both in digital and printed copies not later than July 7, 2009 while the consolidated audit observations and recommendations not later than July 31, 2009. However, the departments with highly decentralized accounting system, namely the Departments of Public Works and Highways, Communications and Transportation, and Education, shall submit their combined audited financial statements and attachments not later than July 15, 2009.

For compliance.


REYBALDO A. VILLAR
Chairman

ANNEX A

Statement of Allotments, Obligations and Balances
 Department/Agency XYZ
 Period Covered: January - December, 2008

Particulars/ SARO No.	ALLOTMENTS			OBLIGATIONS ^{1/}			BALANCES			
	PS	MOOE	CO	FE	TOTAL	FS	MOOE	CO	FE	TOTAL
A. Current Year's Allotment										
1. Regular Appropriation										
ABM No. BMB-C-08-000001	3,516,857,000.00		405,039,000.00		7,374,774,000.00	3,165,171,300.00		324,031,200.00		6,078,861,000.00
SARO No. BMB-C-08-0002703	877,899,000.00	615,723,000.00			1,493,622,000.00	790,109,100.00		2,493,294,000.00		1,282,687,500.00
SARO No. BMB-C-08-0002704			2,624,520,000.00		2,624,520,000.00					131,226,000.00
Total Regular Appropriation	4,394,756,000.00	4,068,601,000.00	3,029,559,000.00		11,492,916,000.00	3,955,280,400.00		2,817,325,200.00		9,854,842,500.00
2. Special Purpose Funds										
a. Priority Assistance Development Fund										
SARO No. C-08-0002705		10,000,000.00			10,000,000.00					
SARO No. C-08-0002706		5,000,000.00			5,000,000.00					
Sub-Totals		15,000,000.00			15,000,000.00					
b. Miscellaneous Personnel Benefits Fund										
SARO No. C-08-0002707	16,324,000.00				16,324,000.00	16,307,676.00				16,324.00
SARO No. C-08-0002708	8,229,640.00				8,229,640.00	8,221,410.36				8,229.64
Sub-Totals	24,553,640.00				24,553,640.00	24,529,086.36				24,553.64
c. Pension Gratuity Fund										
SARO No. C-08-0002709	23,560,490.00				23,560,490.00	23,558,133.95				2,356.05
SARO No. C-08-0002710	3,222,582.00				3,222,582.00	3,222,259.74				322.26
Sub-Totals	26,783,072.00				26,783,072.00	26,780,393.69				2,678.31
Total Special Purpose Fund	51,336,712.00	15,000,000.00			66,336,712.00	51,309,480.05		15,000,000.00		27,231.95
3. Other Releases										
a. Automatic Appropriations										
1. Retirement Life Insurance Premiums										
ABM No. BMB-C-08-00002	15,279,000.00				15,279,000.00	15,277,472.10				1,527.90
SARO No. BMB-C-08-0002711	9,281,000.00				9,281,000.00	9,280,071.90				928.10
SARO No. BMB-C-08-0002712	4,246,000.00				4,246,000.00	4,245,575.40				424.60
Sub-Totals	13,527,000.00				13,527,000.00	13,525,647.30				1,352.70
2. Proceeds from Sale of Non-serviceable, Obsolete or Unnecessary Equipment (Sec. 12 of the General Provisions)										
SARO No. BMB-C-08-0002713		5,000,000.00			5,000,000.00			3,000,000.00		3,000,000.00
Sub-Totals		5,000,000.00			5,000,000.00			3,000,000.00		3,000,000.00
3. Customs, Duties & Taxes										
SARO No. BMB-C-08-0002714		2,000,000.00			2,000,000.00			2,000,000.00		2,000,000.00
Sub-Totals		2,000,000.00			2,000,000.00			2,000,000.00		2,000,000.00
b. Prior Year's Continuing Appropriations ^{2/}										
1. Regular Appropriation										
SARO No. BMB-C-08-0002715		10,000,000.00			10,000,000.00			18,000,000.00		27,500,000.00
Sub-Totals		10,000,000.00			10,000,000.00			18,000,000.00		27,500,000.00
2. Special Purpose Funds										
a. Calamity Fund										
SARO No. C-08-0002716			327,500,000.00		327,500,000.00	327,498,250.00		1,750.00		1,750.00
SARO No. C-08-0002717			137,254,000.00		137,254,000.00	137,253,750.00		250.00		250.00
Sub-Totals			464,754,000.00		464,754,000.00	464,752,000.00		2,000.00		2,000.00
Total Other Releases	13,527,000.00	12,000,000.00	488,754,000.00		515,281,000.00	13,525,647.30		485,752,000.00		510,777,647.30
Total Current Year's Allotments	4,459,619,712.00	4,095,601,000.00	3,519,313,000.00		12,074,533,712.00	4,020,115,527.35		3,303,077,200.00		10,431,929,627.35
								986,864,100.00		212,233,800.00
										1,638,073,500.00

Statement of Allotments, Obligations and Balances

Department/Agency XYZ

Period Covered: January - December, 2008

Particulars/ SARO No.	ALLOTMENTS			OBLIGATIONS ^{1/}			BALANCES			
	PS	MOOE	CO	FE	TOTAL	PS	MOOE	CO	FE	TOTAL
B. Prior Year's Allotment ^{2/} (Alloted Continuing Appropriations)										
1.Regular Appropriation										
ABM No. BMB-C-07-000001		1,250,000.00	5,000,000.00		6,250,000.00	-	1,212,500.00	4,000,000.00		5,212,500.00
SARO No. BMB-C-07-0001700		1,000,000.00	1,000,000.00		2,000,000.00		850,000.00			850,000.00
Total Regular Appropriation		2,250,000.00	6,000,000.00		8,250,000.00		2,062,500.00	4,000,000.00		6,062,500.00
2.Special Purpose Funds										
a. Contingent Fund										
SARO No. C-07-0001701		25,000,000.00			25,000,000.00		24,500,000.00			24,500,000.00
Total Special Purpose Funds		25,000,000.00			25,000,000.00		24,500,000.00			24,500,000.00
Total Prior Year's Allotments		27,250,000.00	6,000,000.00		33,250,000.00		26,562,500.00	4,000,000.00		30,562,500.00
Grand Total		4,459,619,712.00	3,524,313,000.00		7,983,932,712.00	4,020,115,527.35	3,135,299,400.00	3,307,077,200.00		10,462,492,127.35
						439,504,184.65	987,551,600.00	217,235,800.00		1,644,291,584.65

Notes: 1/ In case details for obligations by allotment per ABM/SARO are not available, total/sub-totals for each group may be shown

2/ Allotments chargeable to 2007 GAA released in CY 2008

3/ Unobligated balance of allotments in CY 2007 extended in CY 2008

Significant Audit Observations and Key Recommendations

AUDIT OBSERVATIONS

RECOMMENDATIONS

I. Common Audit Areas

- A. Cash**
- B. Cash Advances**
- C. Advances to Procurement Service**
- D. Receivables**
- E. Inventories**
- F. Prepayments**
- G. Investments**
- H. Property, Plant and Equipment**
- I. Income**
- J. Expenses**

Notes:1. Please add additional accounts, where necessary.

- 2. Classify observations and recommendations as to financial, compliance and value for money audits.

II. By Department

Cluster A - General Public Services I

- 1. Office of the President**
- 2. Office of the Vice President**
- 3. Department of Finance**
 - A. Office of the Secretary**
 - B. Bureau of Customs**
 - C. Bureau of Internal Revenue**

Note: Please add other departments/agencies as necessary and similar format for Clusters B, C and D and Regional Offices