



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



RESOLUTION

No. 2009-023
Date: December 18, 2009

SUBJECT : Exemption from Pre-Audit under COA Circular No. 2009-002 dated May 18, 2009 of the Claims for Terminal Leave Benefits (TLB) of Separated Employees of the National Power Corporation (NPC) and the National Transmission Corporation (TransCo)

WHEREAS, pursuant to the provisions of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA Law), the NPC and the TransCo privatized their generation and transmission businesses, respectively;

WHEREAS, the privatization of these businesses necessitates the separation of some 796 employees of NPC and 3,600 employees of TransCo;

WHEREAS, there is an urgent necessity for the expeditious processing of the TLB claims of the affected employees of NPC and TransCo which committed to process said claims in two to three days from receipt of the disbursement vouchers;

WHEREAS, given the number of employees expected to retire or be separated from the service and the inadequacy of manpower in the audit teams concerned, it is reasonably foreseen that the required pre-audit of the TLB claims may adversely affect the timely processing and payment of the same;

WHEREAS, the situation under which the claims arise was not previously contemplated in the formulation of the pre-audit guidelines;

WHEREAS, Item 10.2 of COA Circular No. 2009-002 permits the exclusion of certain kinds of transactions in the coverage of pre-audit as maybe validated by the Cluster or Regional Director and recommended by the Oversight Committee;

WHEREAS, the Cluster Director concerned and the Oversight Committee favorably recommend the exemption from pre-audit of the claims for TLB of NPC and TransCo;

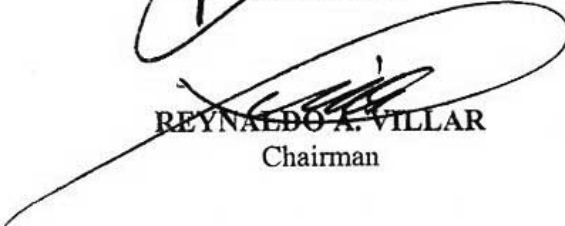
WHEREFORE, foregoing premises considered, this Commission has **RESOLVED**, as it does **HEREBY RESOLVE**, to exempt from pre-audit the claims for TLB of employees who are separated or retired by reason of the privatization of NPC's generation assets and TransCo's transmission business, subject to the condition and limitation that the exemption shall apply only to claims for TLB arising from the sale of NPC's generation assets and privatization of TransCo's transmission business. All terminal leave claims associated with ordinary retirement or termination of employment in these corporations shall continue to be covered by pre-audit.

This resolution shall take effect immediately.

Quezon City, Philippines.



JUANITO G. ESPINO, JR.
Commissioner



REYNALDO A. VILLAR
Chairman