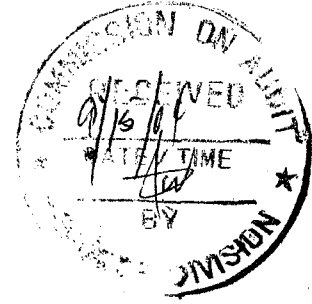


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Republic of the Philippines  
**COMMISSION ON AUDIT**  
*Commonwealth Avenue, Quezon City*



**CIRCULAR**

No. : 2004 - 007

Date: SEP 14 2004

**TO** : All Heads of National Government Agencies, Local Government Units, and Government Owned and/or Controlled Corporations; COA Assistant Commissioners, Directors and Auditors; and All Others Concerned

**SUBJECT: Availability of the Electronic New Government Accounting System (e-NGAS)**

**1.0 BACKGROUND**

The Commission on Audit, having the exclusive authority mandated by the Constitution to promulgate accounting rules and regulations, has designed and prescribed the New Government Accounting System (NGAS) to all National Government Agencies and Local Government Units effective January 1, 2002 under COA Circular Nos. 2002-002 and 2002-003 dated June 18 and 20, 2002, respectively, and to Government-Owned and/or Controlled Corporations (GOCCs) except government banks, the GSIS and SSS effective January 1, 2005 under COA Circular No. 2004-002 dated April 29, 2004.

The Commission likewise, developed a computerized version of NGAS, hereinafter referred to as "e-NGAS". The e-NGAS software has been developed by the Commission on Audit for installation in all national, local and corporate government agencies to enhance uniformity in the application of government accounting rules and facilitate the consolidation of financial reports. In this connection, the Commission issued COA Circular No. 2001-003 dated October 2, 2001 advising all government agencies and instrumentalities to put on hold their individual projects on computerization related to accounting and/or financial management information systems. This is to forestall duplication of efforts and wastage of resources as well as to avoid proliferation of disparate systems.

The e-NGAS addresses not only the accounting system but also related financial information useful to government executives, managers and decision makers.

**2.0 PURPOSE**

This Circular is therefore issued to inform all government agencies on the availability of the e-NGAS. Agencies are hereby encouraged to implement the e-NGAS in line with the thrust on good governance.


**3.0 COMPONENTS/BASIC FEATURES**

The components of the e-NGAS being rolled-out in various government agencies include the Accounting System and the Budget System. The related components/operating systems may likewise be provided.

The basic features of the e-NGAS are as follows:

- 3.1 Display of user friendly screens;
- 3.2 Provision of accounting journal entry templates for common transactions to facilitate recording in the books of accounts;
- 3.3 Inclusion of the standard NGAS Chart of Accounts;
- 3.4 Automatic checking of balances between debits and credits;
- 3.5 Data validation to avoid duplication and redundancy;
- 3.6 Electronic processing and approval of Journal Entry Voucher (JEV), recording of transactions in the General Journal and posting to respective General Ledger and Subsidiary Ledgers;
- 3.7 Automatic generation of required financial statements and reports;
- 3.8 Implementation of Responsibility Accounting and facility to measure actual results against targets;
- 3.9 Automatic computation of cost of inventory based on the moving average method;
- 3.10 Provision of the re-order level and information on number of days to consume per inventory item;
- 3.11 Online tracking of Property, Plant and Equipment (PPE) items, as to acquisition costs, accumulated depreciation, and repairs and maintenance;
- 3.12 Automatic computation of depreciation based on the straight line method; and
- 3.13 Monitoring of balance of appropriations, allotments, obligations, and cash allocations.

The checklist on minimum requirements for e-NGAS installation, found at COA Website: <http://www.e-ngas.com> may be accomplished and submitted to the NGAS Secretariat or may be e-mailed to [ngas@coa.gov.ph](mailto:ngas@coa.gov.ph). Other inquiries maybe forwarded to NGAS Secretariat, Government Accounting and FMIS (GAFMIS), COA at Telephone No. 952-2289 or Telefax No. 951-0458.

  
GUILLERMO N. CARAGUE  
Chairman