

The Editor
Philippine Star

Dear Editor:

We refer to the article entitled "COA: Gov't Lost 101.8 B To Corruption Last Year" by-lined by Mr. Michael Punongbayan which appeared in your publication on 5 October 2012. Interestingly, it read pretty much like the article by-lined by Mr. Rolly T. Carandang that appeared on the same day in www.MB.com.ph.

Mr. Punongbayan referred to our Audit Performance Summary Report which was submitted to the President and to Congress on 27 September 2012. Given the "101.8B" claimed by Mr. Punongbayan to have been "lost to graft", he must have referred, in particular, to Table II.7-A of our Report, in which we itemized "Common Audit Findings." In no part of this Report, however, did we state that the amounts reported in the Table were "lost to graft," much more, "last year."

A careful reading of our Report would have readily disclosed to Mr. Punongbayan that the subject matter thereof were audits completed in 2011, but not necessarily covering the same year. In fact, many of the audits covered prior years. For example, the audits of the ARMM, the Province of Maguindanao, Selected Municipalities of Maguindanao, and DPWH-ARMM, which revealed billions of pesos in pecuniary loss, covered the years 2007 to 2009 - and we so stated in the Report.

Similarly, we stated in our Report that our findings on the Bureau of Customs (involving about PHP 35B in the aggregate relating to drawbacks, tax credit certificates, warehousing charges and outstanding accounts of surety companies) have been recurring in previous years. The same goes true for our finding of uncollected receivables of the DOTC and the NLRC cash bonds, which were accumulated from prior years. The cases referred to the Ombudsman involving about PHP 4.674B also relate to transactions prior to 2010, e.g., the Fertilizer Fund Scam, the Palawan Malampaya Fund Share, Purchase of Helicopters and Pump Boats, Quedancor Swine Program.

As for unliquidated cash advances, the amount reported in Table II.7-A of our Report is "as of" 31 December 2011 - again, indicating that this is an accumulation from prior years.

Indeed, the pecuniary loss that we have found from our audits amount to great sums, and should be appropriately addressed. Towards this end, proper attribution to those accountable should be made and generalizations avoided. Pecuniary loss does not necessarily result from graft, and it is only the courts that can make a judgment of graft. Our duty is to refer to the Ombudsman our audit findings, and this we have also stated in our Report.

It is regrettable that a conclusion such as that made by Mr. Punongbayan in his Article has apparently been so made on the basis of Table II.7-A alone. It is certainly not fair, specially to most of the agencies that have been found to have improved on their financial discipline and accountability to the people. This is shown in Tables II.4-A to C of our Report, where we noted an increase in unqualified and qualified opinions across agencies in 2011 as compared to 2010 and 2009. As we explained in our Report, unqualified and qualified opinions indicate that the financial statements are generally in order and compliant with applicable accounting rules and regulations. These refer to audits of 2011 transactions, NOT prior years - ergo, under the Aquino Administration.

In the interest of fairness, we ask that this letter be published immediately in your paper. The people have the right not only to fair and balanced reporting but more importantly, the truth. We thus encourage all your readers to read our Report in full at www.coa.gov.ph.

Thank you.

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Chairperson

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