



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CIRCULAR

No. 2001-005
Date October 30, 2001

TO : All Heads of Local Government Units and All Others Concerned.

SUBJECT : **New Government Accounting System**

1.0 Introduction

The 1986 Constitution of the Philippines vests the Commission on Audit with the exclusive authority to promulgate accounting and auditing rules and regulations.

Pursuant to this mandate, COA hereby promulgates the accounting rules contained in this circular for adoption by all local government units except barangays.

2.0 Objectives

The new government accounting system is intended to:

- 2.1 Simplify government accounting;
- 2.2 Conform to international accounting standards; and
- 2.3 Generate periodic and relevant financial statements for better monitoring of performance.

3.0 Components of the New Government Accounting System (NGAS)

The new accounting system is composed of the following:

	Particulars	Annexes
3.1	Basic Features	A
3.2	Coding Structure	B
3.3	Chart of Accounts	C
3.4	Books of Accounts	D
	• Journals	D 1-4
	• Ledgers	D 5-6
3.5	Accounting Records	E
	• Registers	E 1-6
	• Accountable Officer's Records	E 7-9
3.6	Accounting Reports	F 1-4

- 3.7 Accounting Forms
- 3.8 Illustrative Journal Entries

[G 1-13](#)
[H](#)

Additional information/instructions on the new accounting system are contained in a manual to be issued by this Commission.

4.0 Repealing Clause

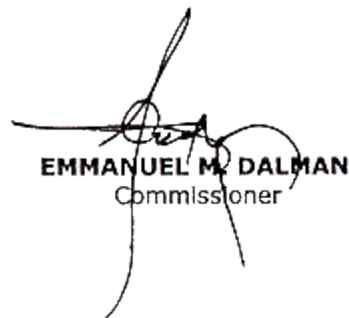
All provisions of existing circulars and memoranda that are inconsistent with the new accounting system are hereby modified/revoked.

5.0 Effectivity

The new accounting system prescribed by the Commission shall take effect on January 1, 2002.


GUILLERMO N. CARAGUE
Chairman


RAUL C. FLORES
Commissioner


EMMANUEL M. DALMAN
Commissioner