



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



CIRCULAR

No. : 2003-004
Date : JUL 30 2003

TO : Heads of Departments; Chiefs of Bureaus, Agencies, and Offices; Managing Heads of Government-Owned and/or Controlled Corporations; Local Chief Executives; Assistant Commissioners, Directors, Officers-in-Charge, and Auditors of the Commission on Audit; and All Others Concerned.

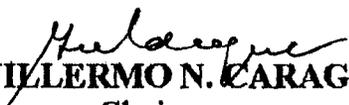
SUBJECT : Prohibition for the Chief Accountant and personnel of accounting units to be regular members of the Bids and Award Committees

Under Republic Act No. 9184, the Government Procurement Reform Act which amended Executive Order No. 40 on the same subject, the establishment of Bids and Award Committee (BAC) in all agencies of the government including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units is mandated. Specifically, the BAC shall be responsible for ensuring compliance with the standards in the law in the procurement of goods and services and prosecuting infrastructure projects of the agency.

On the other hand, the Chief Accountant and the personnel under him are tasked to approve the voucher in payment of such goods and services procured and of the infrastructure prosecuted and to certify to the availability of funds for the project subject of the bidding. Thus, it becomes necessary to ensure that the procurement and payment functions are segregated in keeping with the rules and principles of good internal control and to avert the possibility of conflict of interest that may arise under the circumstances.

Pursuant to the authority vested in this Commission to promulgate accounting and auditing rules and regulations including those for the strengthening of internal control in the operations of the government, it is hereby directed that the Chief Accountant and the personnel of the Accounting Unit of any agency of government are prohibited from being regular members of the agency's Bids & Awards Committee as contemplated under the Implementing Rules & Regulations of R.A. 9184. However, they may serve as provisional members when the Unit is the end-user of the items, subject of the bidding.

This Circular shall take effect immediately after its publication in a newspaper of general circulation.


GUILLERMO N. CARAGUE
Chairman

LegO