



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

097.130 PWH
04-10-2013

APR 10 2013

DEPARTMENT ORDER)
No. **40**)
Series of 2013 *04-10-13*)
X-X-X-X-X-X-X-X-X-X

SUBJECT: Composite Team in the Elimination of the existing unreconciled balances between the General and Subsidiary Ledgers in the Books of Accounts of DPWH.

Consistent with the existing accounting and auditing laws, rules and regulations, and in line with basic principles of good management and the thrust of this Department for improved governance, transparency, and sound financial management, a Team is hereby organized to be primarily responsible to resolve the existing discrepancies between the general ledger and subsidiary ledger balances in the books of accounts of their respective offices, to wit:

Central Office:

Teresita S. De Vera – Department Chief Accountant (Team Leader)
Primarily responsible for the unreconciled balance for all accounts under Funds 107, 158, and 171.

Norma A. Villarmino – Accountant IV (Assistant Team Leader)
Primarily responsible for the unreconciled balance for all Construction-in-Progress (CIP) accounts under Fund 101.

Clarita M. Mosquito – Accountant III (Member)
Primarily responsible for the unreconciled balance for Cash on Hand Accounts, Prepayments, Other Current Assets, and Due to Officers and Employees accounts for Funds 101.

Ma. Antoinette Z. Puno – Accountant III (Member)
Primarily responsible for the unreconciled balance for all Inventory and Property, Plant and Equipment (PPE), and Other Asset accounts for Fund 101, except Construction-in-Progress accounts.

Chona M. Vargas – Accountant III (Member)
Primarily responsible for the unreconciled balance for all accounts under Fund 102 except Cash in Bank and NRIMP-related accounts.

Gina M. Cayco – Accountant II (Member)
Primarily responsible for the unreconciled balance for all accounts under Fund 102 NRIMP – Project related accounts.

Ma. Sheila M. Zarsuelo - Accountant II (Member)
Primarily responsible for the unreconciled balance for receivable and prepayment accounts for Fund 101.

Farha K. Karim – Accountant II (Member)
Primarily responsible for the unreconciled balance for Cash in Bank Accounts for all Funds except NRIMP-related accounts.

Alvin Carl C. Fortes – Accountant II (Member)

Primarily responsible for the unreconciled balance for all Liability Accounts under Fund 101 except Due to Officers and Employees account.

Regional Offices:

Regional Fiscal Controller (Team Leader)

Accountant IV (Assistant Team Leader)

All Other Accounting Staff (Members)

The team shall be responsible for all the unreconciled balances of all accounts for all funds in the books of accounts of the Regional Office.

Districts and Sub-District Engineering Offices:

Accountant III or the Head of Accounting and Finance Section (Team Leader)

Accountant II or the next-in-rank Accountant (Assistant Team Leader)

All Other Accounting Staff (Members)

The team shall be responsible for all the unreconciled balances of all accounts for all funds in the books of accounts of the District/Sub-District Office.

Project Management Offices (PMO) with separate set of books:

PMO Accountant or the Head of Accounting Unit (Team Leader)

All Other Accounting Staff (Members)

The team shall be responsible for all the unreconciled balances of all accounts for all funds in the books of accounts of the PMO.

The Commission on Audit temporarily allowed the Department to record as “unreconciled balances” the difference between the general ledger and the subsidiary ledger balances to facilitate the conversion of the accounting system of the DPWH from manual NGAS to electronic NGAS (eNGAS), with the condition that the balance will be eliminated once the accounting division/section/unit had identified the details of these unreconciled accounts and adjusted to its appropriate subsidiary ledger. Though there was substantial decrease on these “unreconciled balances” from the time the e-NGAS was implemented, these have not yet been totally eliminated.

Sec. 12, Book II of the NGAS Manual states that, “The Subsidiary Ledger (SL) is a book of final entry containing details or breakdown of the balance of the controlling account appearing in the General Ledger (GL). Posting to the SL generally come from the source documents. The totals of the SL balances shall be reconciled with their respective control account regularly or at the end of each month. Schedules shall be prepared periodically to support the corresponding controlling GL accounts.”

The accuracy and reliability of the Financial Statements in each Office of the DPWH are the responsibility of the Head of Office and the Chief Accountant. The annual financial statements require that a “Statement of Management’s Responsibility for the Financial Statements” be included with your financial statement with the certification that includes the following:

“Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.”

Any unreconciled balance is a weakness in the internal control system and indicates that the transaction was not recorded properly in the accounting system. All concerned should be continually monitoring progress on resolving these unreconciled balances and make it a priority in their Office to eliminate such discrepancies.

For this purpose, you are hereby required to submit, not later than April 15, 2013, to the Office of the Director for CFMS in Central Office, a Catch-up Plan providing a time-bound schedule to address said deficiencies, to eliminate all unreconciled balances by at least fifty percent (50%) on or before the end of June, 2013, seventy five percent (75%) on or before the end of September, 2013, and one hundred percent (100%) on or before December 31, 2013.

A monthly progress report on these activities is hereby required to be submitted to the Office of the Director for CFMS on or before the 15th day of each month.

Non-compliance of this order shall subject the erring employee or official to immediate sanctions that shall include relief, suspension and/or dismissal in accordance with the Civil Service rules and regulations and other pertinent laws.

This order shall take effect immediately and supersedes previous Department Orders and other issuances or any provision thereof that are inconsistent herewith.

For strict compliance.


ROGELIO L. SINGSON
Secretary

Department of Public Works and Highways
Office of the Secretary


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