



REPUBLIC OF THE PHILIPPINES
 DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
 OFFICE OF THE SECRETARY
 MANILA

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DEPARTMENT ORDER >

NO. **119** >
 SERIES OF 1994 >
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SUBJECT: CONTROL MEASURES TO
 SAFEGUARD DPWH BANK ACCOUNTS
 (MDS, TRUST, REGULAR)

During the past several months, some DPWH field offices have been the object of syndicated fraud involving the encashment /clearing of checks. Two instances of these fraudulent encashment occurred in the office of the District Engineer, 2nd Camarines Sur Engineering District, Baao, Camarines Sur. Two weeks ago, an attempted encashment of stolen checks was discovered in the Office of the Program Director, Mt. Pinatubo Rehabilitation Project, San Fernando, Pampanga.

Upon request of this Office, these cases are now under investigation by the National Bureau of Investigation and the Office of the Ombudsman.

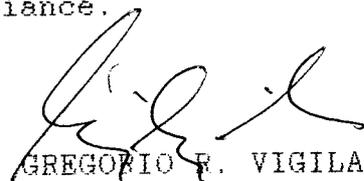
To further safeguard our bank accounts from fraud, the following control measures are directed to be strictly observed:

- 1) All checks issued (MDS, Trust, Regular) should be covered by an Advice of Check Issued and Cancelled (ACIC) in accordance with the provisions of DBM-DOF Joint Circular No. 1-90. The ACIC shall be personally submitted to the servicing bank by the duly designated representative of DPWH. Arrangement have already been made with the servicing banks to dishonor checks without the ACIC and to return to DPWH field offices any ACIC received from unauthorized persons.
- 2) The Chief Accountant of the field office is primary responsible for the reconciliation of the bank statements. The monthly reconciliation shall be prepared and completed by the Chief Accountant within five (5) working days after receipt of the monthly bank statement. The Fiscal Controllers of the Regional Offices shall monitor the compliance of all Chief Accountants to this Memorandum and report the violators to the Regional Directors.

The Internal Audit Service shall include as part of their audit procedures and reports the verification and reconciliation of bank statements of field offices.

- 3) All checks issued (MDS, Trust, Regular) shall be crossed and marked for "Deposit/Payee Account Only" in accordance with COA Circular No. 90-326, series of 1990. Signing officials should not initial the crossed check for purposes of encashment.
- 4) All checks issued (MDS, Trust, Regular) shall invariably contain the name of the payee as indicated in the Contract, Purchase Order, Letter Order, Disbursement Voucher, etc., in accordance with Section 93 of PD 1445. In no case shall the payee's name be modified or abbreviated in the check.
- 5) Blank checks (MDS, Trust, Regular) requisitioned from the government servicing banks shall immediately be counted by the Chief Cashier to ensure that there is no missing checks. They should thereafter be kept in the Cashier's vault and issuance thereof shall be made by the accountable officer on a voucher to voucher basis. Before the close of office hour, an inventory of the unused blank checks shall be made by the Chief Cashier as basis for the preparation of the Monthly Report of Accountability, Gen. Form No. 16(A).
- 6) No erasures of any kind shall be allowed on checks. The same should be cancelled and a new one be issued.

For strict and immediate compliance.


GREGORIO F. VIGILAR
Secretary