



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area
1018 Manila

NHQ-PCG/CGIA

13 September 2019

STANDING OPERATING PROCEDURE
NUMBER 16-19)

GUIDELINES ON THE CONDUCT OF CGIA MONTHLY DISBURSEMENT
PROGRAM EXAMINATION TO ALL PHILIPPINE COAST GUARD UNITS

I. REFERENCES

- A. Government Accounting Manual Volume 1, Chapter 6
- B. Monthly Disbursement Program BED No.3

II. PURPOSE

This SOP prescribes the revised guidelines on the Office of Coast Guard Internal Audit (CGIA) to conduct Monthly Disbursing Program Examination to all Philippine Coast Guard Units as part of its compliance audit only.

III. SCOPE

This SOP shall apply to Philippine Coast Guard Units with designated personnel accountable to Monthly Disbursing Program.

IV. DEFINITION OF TERMS

- A. Accountable Officer (AO) – refers to an officer of any government agency whose duties permits or requires the possession or custody of government inventories that shall be accountable therefor and for the safekeeping thereof in conformity with law[Sec101 (1) PD 1445].
- B. Disbursement – constitute all cash paid out during a given period of time in currency (cash) or by check/ADA. It may also mean the settlement of government payables/obligations by cash, check or ADA. It shall be covered by DV/Petty Cash Voucher (PCV)/Payroll.
- C. Monthly Disbursement Program (MDP) – shall reflect the monthly disbursement requirements of agencies/operating units (OUs), by fund category.

V. POLICY

The conducting of Monthly Disbursement Program Examination to all Philippine Coast Guard Units shall be governed by the following existing rules and regulations under Chapter 6, Volume I, Government Accounting Manual (GAM) and other pertinent issuances.

VI. GUIDELINES

A. Authority

1. The authority to conduct Monthly Disbursement Program Examination shall be inherent to the audit team having jurisdiction over the audited agencies. The audit team supervisor shall appoint an audit team leader that shall be responsible in identifying the audit team member/s who will conduct or assist the team leader in conducting the Monthly Disbursement Program Examination.
2. Whenever the circumstances warrant, the Commandant Philippine Coast Guard may constitute special audit teams to conduct the Monthly Disbursement Program Examination.

B. Planning

1. Develop an over-all audit plan, taking into consideration the objectives to be accomplished, the scope, manpower requirement, time frame of audit.
2. Schedule the examination properly to avoid inconvenience to the AOs and disruption of operation.
3. Brief the audit team of the work to be done, how it will be done, distribution of tasks and timetable for the examination, proper conduct and behavior among others.

C. Preparation

1. Understand the procedures and techniques on conducting Monthly Disbursement Program Examination.
2. Know the unit's functions, organizational units, funds, official depositories, volume of business and names of all Inventory Accountable Officer/s, including the location of their offices, warehouse and storage room for supplies and inventories.
3. Refer to the latest Monthly Disbursement Program Examination and other audit reports including those of the internal audit to be acquainted with significant findings, if any, and to follow up the unit's compliance with the corresponding recommendations.
4. Bring copies of the authority to conduct the examination, whenever applicable.

D. Auditor's Conduct and Behavior

1. The auditor shall conduct himself in such manner as to earn the respect of the AO and other unit official.
2. Although a friendly relationship shall be maintained, a relationship bordering on too much familiarity and intimacy shall be avoided.
3. Limit to the minimum his presence in the AO's office.
4. As much as possible, avoid any gratuitous gifts from the unit to be audited that can defy the purpose of the audit.

E. Timing the examination

1. Maintain the element of surprise in every examination.
2. Schedule the Monthly Disbursement Program Examination to enable the audit team to properly assess if the particular unit is underspending or overspending.

F. Frequency of Monthly Disbursement Program Examination

1. Conduct the examination of the Monthly Disbursement Program of all units at least twice a year.
2. Perform mandatory Monthly Disbursement Program Examination under the following circumstances:
 - a. Before the AO is transferred to another office or unit; and
 - b. When the AO goes on extended leave of absence and another AO is designated in his place.

G. Presence of an Accountable Officer during the examination

Ensure the presence of AO at all times during the Monthly Disbursement Program Examination. This will help the audit team to ask question and clarification with regards.

H. Monthly Disbursement Program Examination Report

1. Issue a Monthly Disbursement Program Examination report and recommendations to communicate the deficiencies during the inventory inspection.
2. Conduct an exit conference to discuss within the unit the results of the inspection.
3. Submit the report to the team supervisor and team leader to be forwarded to Coast Guard Internal Auditor within fifteen (15) days from the completion of field work.

4. Distribute copies of the report as follows:
 - a. Commandant, Philippine Coast Guard
 - b. Commanding Officer of the Unit that has been Audited
(Commanding officer will be the one to distribute a copy to the Accountable Officer/s of his/her unit)
 - c. Team Supervisor and Team Leader
 - d. Coast Guard Internal Auditor's file

VII. PROCEDURES AND TECHNIQUES

1. Introduce yourself properly to the Accountable Office to be examined.
2. Request for a copy of the NHQ-PCG orders, Office orders or authority officially designating him/her as an Accountable Officer for Monthly Disbursement Program.
3. Furnish a copy of the Annual Procurement Plan (APP) or Project Procurement Management Plan (PPMP) of the unit.
4. From APP or PPMP of the unit assess if the unit is under/overspending.
5. Verify if the unit is observing the Program Review Analysis.
6. Accomplish the Monthly Disbursement Program Examination Form and have it signed by the auditee and auditor together with the signatures of the witnesses from the unit and the audit team.


VIII. EFFECTIVITY

This procedure shall take effect upon publication.

BY COMMAND OF ADMIRAL HERMOGINO PCG:

OFFICIAL:

EDUARDO D FABRICANTE
COMMO **PCG**
Chief of Coast Guard Staff


AIZEL A POLIDARIO
ENS **PCG**
Acting Coast Guard Adjutant