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COA calls out DDB over P50-million unliquidated fund transfers

MANILA, Philippines — The Commission on Audit (COA) has called out the Dangerous Drugs Board (DDB) over its hefty fund transfers to various government agencies and private organizations, P50.427 million of which remains unliquidated after more than five years.

Based on the COA’s annual audit report posted on its website, the DDB, as of Dec. 31, 2018, has a total of P163,885,762.02 receivables due from national government agencies (NGAs), local government units (LGUs), government-owned and controlled corporations (GOCCs) and non-government organizations/private organizations (NGOs/POs).

State auditors said the amount represents the unused funds transferred “as financial assistance for drug treatment and rehabilitation centers, establishment and maintenance of new drug treatment, as well as the operations and maintenance of existing ones and purchase of supplies from the Procurement Service.”

The COA said of the total amount, P50,427,527.21 remains unliquidated and dormant for five to 10 years.

The audit body said this was due to the DDB’s failure to strictly enforce the provisions of its Memorandum of Agreement (MOA) with the implementing agencies as well as COA Circular Nos. 94-013 and 2007-001 dated Dec. 13, 1994 and Oct. 25, 2007, respectively.

The COA said its review of the MOA between the DDB and the implementing agencies showed that the receiving agency must complete the project within two years from the award of the contract and Notice to Proceed to the bidder.

The COA took DDB to task for “insufficient demand to project implementors for the submission of the liquidation reports” and for its failure to impose sanctions on the erring fund recipients.

A breakdown provided in the report showed that the NGAs account for P46.886 million of the unliquidated funds. The LGUs and NGOs/POs account for P3.331 million and P210,670, respectively.

The GOCCs have unliquidated funds amounting P1.205 million received from the DDB two years ago.

The COA said one of the reasons for the dormancy of the transferred funds was the vague terms of agreement of the DDB with the implementing agencies, particularly when it comes to the time frame of the projects.

The audit body cited as example a MOA that the DDB entered into with the Department of Health-Treatment and Rehabilitation Center (DOH-TRC) in Cagayan de Oro in 2018 regarding a P6.5-million fund transfer as financial assistance for the maintenance of the Bukidnon Drug Abuse and Rehabilitation Center.

“The MOA of the above IA (implementing agency) did not indicate/specify the time frame of the project implementation, but only stated that liquidation reports shall be submitted to the source agency within 60 days from utilization of the release amount,” the COA pointed out.

The COA recommended the DDB send demand letters for IAs to liquidate their accountabilities and create a monitoring team that will regularly check on the status of the projects.