



**GOVERNMENT PROCUREMENT POLICY BOARD**

**TECHNICAL SUPPORT OFFICE**

**NPM No. 111-2012**

5 September 2012

**DR. SUZETTE H. LAZO, M.D., FPSECP**

*Acting Director IV*

**DEPARTMENT OF HEALTH**

**FOOD AND DRUG ADMINISTRATION (FDA)**

Civic Drive, Filinvest Corporate City

Alabang, Muntinlupa City

**Re: Chief Administrative Officer as Regular Member  
of the Bids and Awards Committee (BAC)**

Dear Director Lazo:

We respond to your letter dated 6 June 2012, requesting for opinion whether the Chief Administrative Officer of the Administrative Division of the FDA is prohibited from being a regular member of the BAC.

As represented, the existing organizational set-up of the Administrative Division of the FDA includes the Personnel Section, Budget Section, Supply Section, Accounting Section, Records Section, Cashier Section and Motorpool. Accordingly, all of these sections operate under the direct supervision and control of the Chief Administrative Officer, who is a third-ranking official of the FDA.

Per the above factual backdrop, it is now inquired whether the position of a Chief Administrative Officer who supervises the accounting, budget and finance sections is covered by the prohibition in Commission on Audit (COA) Circular No. 2003-004<sup>1</sup>, prohibiting the Chief Accountant and personnel of accounting units under her to be regular members of the BAC.

At the outset, please note that COA Circular 2003-004 prohibits the Chief Accountant and the personnel under her to be regular members of the BAC as it is 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 as

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<sup>1</sup> Issued on July 30, 2003.


prohibited under the rules. In said COA Circular, the subject personnel may only serve as provisional member if the Accounting Unit is the end-user of the item.<sup>2</sup>

While it is true that *the prohibition contained in COA Circular No. 2003-004 is not limited to the Chief Accountant and any personnel under her, but extends to such other officers and employees who certify as to the availability of funds and approve vouchers in payment of the infrastructure projects, goods and services procured by the agency*<sup>3</sup>, it is clear that the Chief Administrative Officer is not a personnel under the Chief Accountant and her duties and responsibilities<sup>4</sup> do not cover payment functions, *i.e.*, she does not certify as to the availability of funds and approve vouchers in payment of procurements made by the agency<sup>5</sup>.

All told, the Chief Administrative Officer of FDA directly supervises the operations of the budget, finance and accounting Sections of the Finance Department and evaluates the performance of the personnel thereof. Clearly, her position is different from the Chief Accountant or Accounting Unit personnel under her, and is not engaged in any payment function prohibited under the rules. Accordingly, we opine that the Chief Administrative Officer of FDA may be designated as a regular member of the BAC.

We hope that our advice provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of the facts and particular circumstances presented, and may not be applicable to a different set of facts and circumstances. Should you have further questions, please do not hesitate to contact us.

Very truly yours,



**DENNIS S. SANTIAGO**  
*Executive Director III*

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<sup>2</sup> NPM 60-2012, 18 May 2012.

<sup>3</sup> NPM 77-2004, 26 May 2004, citing the opinion of the COA, through its former Assistant Commissioner and General Counsel Raquel R. Ramirez-Habitan.

<sup>4</sup> Job Description attached to FDA's request letter dated 6 June 2012.

<sup>5</sup> NPM 59-2012, 14 May 2012.