



DILG - REGION

**QUALITY
PROCEDURE (QP)**Document Code
QP-R05-FAD-28

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PROCEDURE TITLE	PREPARATION OF FINANCIAL ACCOUNTABILITY REPORTS (FAR1 AND FAR1-A)		
SCOPE	This process starts from the receipt of the General Appropriations Act (GAA)/SARO up to the generation of Financial Accountability Reports (FAR 1, and FAR 1-A)		
PURPOSE	To harmonize budget and financial accountability reports prescribed by the oversight agencies and to effectively report, monitor and /or evaluate the agency performance versus plans and targets which shall serve as basis for sound policy decisions.		
PROCESS DESCRIPTION			
INPUT		PROCESS	OUTPUT
DBM, CO	Appropriation, Obligation and Disbursement →	PREPARATION OF FINANCIAL ACCOUNTABILITY REPORTS (FAR1 AND FAR1-A)	→ FAR 1 and FAR 1-A CO, DBM
DESCRIPTIVE STATEMENT: Upon the receipt of the approved General Appropriations Act/SARO, the agency is then authorized to obligate and disburse in accordance with its provisions. The Budget Officer prepares a summary report of allotment received and corresponding obligations incurred and balances. The Accountant prepares the total disbursement. Allotment received, obligations and disbursement incurred are posted in the DBM Unified Reporting System.			

Step No.	Responsible Personnel	PROCESS/ ACTIVITY	Details	References
1	Budget Officer	Receive, record and prepare the Status of Funds and Statement of Allotments, Obligations and Balances (SAOB)	Receive and record the Appropriations/Allotments and Obligation Request and Status in the Status of Funds template. Countercheck the balances against the summary of other releases. ■ If there are any discrepancies verify data in the respective Registry of Allotments and Obligations for any adjustment. Summarize the entries made and prepare the Statement of Allotments, Obligations and Balances.	Approved GAA Sub-Allotment Release Order Obligation Request and Status (ORS) Summary of Other Releases Registry of Allotments and Obligations Status of Funds Statement of Allotments, Obligations and Balances

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Step No.	Responsible Personnel	PROCESS/ ACTIVITY	Details	References
2	Budget Officer	Prepare the Financial Accountability Reports (FAR 1 and FAR 1-A)	Consolidate the Allotments received and Obligations incurred quarterly. Sort Data per Project, Program, and Activity and Account Code. Access to DBM website and post data in the Unified Reporting System (URS) of FAR 1 and FAR 1-A templates.	Status of Funds and Statement of Allotments, Obligations and Balances
3	Accountant	Sort and Post Data of Disbursement	Access to DBM website in the URS and post necessary data to FAR 1 and FAR 1-A templates.	Disbursement Monitoring File
4	Budget Officer / Accountant	Notify Central Office and Generate Reports	Inform Central Office counterpart that data have been posted in the URS for their review and approval. Generate Approved FAR 1 and FAR 1-A	DBM Unified Reporting System FAR 1 and FAR 1-A
5	Budget Officer	Retain records	Update the Process Summary Logsheet Retain records in accordance with the Control of Retained Documented Information Procedure and Masterlist of Retained Documented Information.	Process Summary Logsheet(PSL) Control of Retained Documented Information Procedure Masterlist of Retained Documented Information

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Definition of Terms:

1. **General Appropriations Act (GAA)** - is the legislative authorization that identifies new appropriations in terms of specific amounts for salaries, wages and other personnel benefits; Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FEX) and Capital Outlays (CO) for the implementation of programs, projects and activities of all departments, bureaus and offices of government for a given year.
2. **Unified Accounts Code Structure (UACS)** - a government-wide coding framework, to provide a harmonized budgetary and accounting code classification that will facilitate the efficient and accurate financial reporting of actual revenue collections and expenditures compared with programmed revenues and expenditures.
3. **Registries of Allotments and Obligations** - is a record that show the allotment received for the year and the obligations incurred against the corresponding allotment.
4. **Appropriation** - is the authorization made by a legislative body to allocate funds for the purposes specified by the legislative or similar authority.
5. **Allotment** - is an authorization issued by the DBM to NGAs to incur obligations for specified amounts contained in a legislative appropriation in the form of budget release documents. It is also referred to as Obligational Authority.
6. **Obligation** - is an act of a duly authorized official which binds the government to the immediate or eventual payment of a sum of money. Obligation maybe referred to as a commitment that encompasses possible future liabilities based on current contractual agreement.
7. **Sub-Allotment**- a specific authority in the form of Sub-Allotment Release Order (SARO) issued by the Central Office(CO)/Regional Office(RO) of a department to its lower operating units which allow them to incur obligations within a specified amount during a specefied period.

Legal Reference:



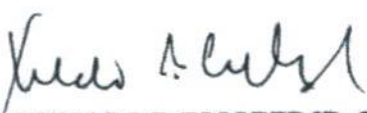
1. **Government Accounting Manual (GAM)** - The GAM contains the accounting policies in accordance with the PPSAS as well as the guidelines and procedures to be adopted by the accountants, budget officers, cashiers, property officers, accountable officers and other finance personnel in recording and reporting government financial transactions.
2. **Unified Accounts Code Structure Manual** - The UACS Manual contains the accounts and codes to be adopted in identifying, aggregating, budgeting, accounting, auditing and reporting the financial transactions of the government.

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Process Owner	Deputy QMR	Regional QMR



DILG - REGION V
**QUALITY
OBJECTIVE (QO)**

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OFFICE	Finance and Administrative Division - Budget Section/Accounting Section
QUALITY PROCEDURE TITLE	PREPARATION OF FINANCIAL ACCOUNTABILITY REPORTS (FAR 1 AND FAR 1-A)

Function	Key Performance Indicators (KPI)			Frequency of Monitoring Results	Responsible for Monitoring	Applicable Documents (e.g. Tracker, Monitoring Log Sheet, Summary Log Sheet, Report, Memo, etc.)
	Objective	Target	Indicator/Formula (if applicable)			
Preparation of FAR 1 and FAR 1-A	Timely posting of FAR 1 and FAR 1-A in the Unified Reporting System (URS) 30 days after the end of each quarter.	30 days after the end of each quarter.	Actual date of submission (A) Expected date of submission (B) No. of days elapsed	Quarterly	Budget Officer Accountant	FAR 1 and 1-A Summary Logsheet

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DILG – REGION V

**PROCESS QUALITY MONITORING AND
EVALUATION (QME)**

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OFFICE	Finance and Administrative Division – Budget Section/Accounting Section				
PROCEDURE TITLE	PREPARATION OF FINANCIAL ACCOUNTABILITY REPORTS (FAR 1 and FAR 1-A)				
OBJECTIVE STATEMENT	Timely posting of FAR 1 and FAR 1-A in the Unified Reporting System (URS) 30 days after the end of each quarter.				
CURRENT PERIOD	For the ____ Quarter Ending _____				
	INDICATORS	1st	2nd	3rd	4th
A	Actual date of submission				
B	Expected date of submission				
C	Formula: A-B = days elapsed	Target Result: ≤ 30 days			
D	Gap Analysis: In case the objective is not met, put your analysis why it is not met				

INDICATORS
Y-00 J-00 J-00 J-00 J-00

Note: For unmet targets, QMS Secretariat will initiate correction and corrective action using the Corrective Action Report (CAR) duly signed by the Regional Quality Management Representative.

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Preparation of Financial Accountability Reports (FAR 1 and FAR 1-A)
Summary Logsheet (PSL)

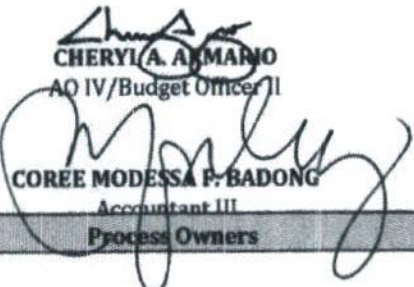
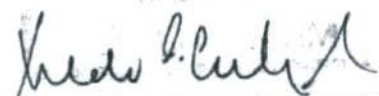
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QUALITY OBJECTIVE: TIMELY POSTING OF FARs IN THE URS 30 DAYS AFTER THE END OF EACH QUARTER

FREQUENCY OF MONITORING: QUARTERLY

COVERED PERIOD: FOR THE _____ QUARTER ENDING _____

No.	Name of FAR	Actual Date of Submission (A)	Expected Date of Submission (B)	No. of Days Elapsed	Objective Results		
					Met ≤ 30 days	Unmet < 30 days	Remarks (Indicate reason if target is unmet)

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OFFICE: Finance and Administrative Division - Budget Section/Accounting Section
PROCEDURE TITLE: Preparation of Financial Accountability Reports (FAR 1 and FAR 1-A)

MASTERLIST OF MAINTAINED INTERNAL DOCUMENTED INFORMATION

DOCUMENT CODE	DOCUMENT TITLE	REVISION					
		00	01	02	03	04	05
QP-R05-FAD-28	Preparation of FARs 1 and 1-A Quality Procedure	07.01.19					
QO-QP-R05-FAD-28	Preparation of FARs 1 and 1-A Quality Objective	07.01.19					
QME-QP-R05-FAD-28	Preparation of FARs 1 and 1-A Process Quality Monitoring Evaluation	07.01.19					
FM-QP-R05-FAD-28	Preparation of FARs 1 and 1-A Summary Logsheet	07.01.19					
RRO-QP-R05-FAD-28	Preparation of FARs1 and 1-A Objective Risk Assessment	07.01.19					
RRP-QP-R05-FAD-28	Preparation of FARs1 and 1-A Process Risk Assessment	07.01.19					

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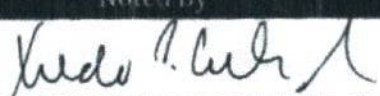
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OFFICE: Finance and Administrative Division - Budget Section/Accounting Section
PROCEDURE TITLE: Preparation of Financial Accountability Reports (FAR 1 and FAR 1-A)

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Name of Bureau/Service/Division: Finance and Administrative Division - Budget Section/Accounting Section
Procedure Title: Preparation of Financial Accountability Reports (FAR 1 and FAR 1-A)

MASTERLIST OF RETAINED DOCUMENTED INFORMATION

DOCUMENT CODE	DOCUMENT TITLE	CUSTODIAN	LOCATION	FILING SYSTEM		RETENTION PERIOD			DISPOSAL
				FOLDER	SCHEME	ACTIVE	STORAGE	TOTAL	
QME-QP-R05-FAD-28	Preparation of Financial Accountability Reports Quality Monitoring Evaluation								
FM-QP-R05-FAD-28-01	Preparation of Financial Accountability Reports Summary Logsheet								

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DILG REGION V
RISK REGISTER (PROCESS RISK ASSESSMENT)

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DIVISION **FINANCE AND ADMINISTRATIVE DIVISION**
PROCEDURE TITLE **PREPARATION OF FINANCIAL ACCPUNTABILITY REPORTS (FAR 1 AND FAR 1-A)**

PROCESS STEP (Based on the procedure's key process steps)	POTENTIAL RISK	RISK TRIGGER	CONSEQUENCE (Positive or Negative)	EXISTING RISK CONTROL MEASURE	RISK ASSESSMENT					
					IMPACT	LIKELIHOOD	RATING	RISK / OPPORTUNITY LEVEL (S, NS)	TYPE OF ACTION	RISK CONTROL PLAN / OPPORTUNITY MANAGEMENT PLAN NO. (For Significant Risk/Opportunity)
Prepare the FAR 1 and FAR 1-A	Late preparation and submission of report	Difficulty in accessing the DBM system	Memo from Central Office	Post report before due date	3	2	6	NS	Maintain and sustain the existing control	

RISK ASSESSMENT:	RISK RATING	RISK LEVEL	RISK DESCRIPTION	ACTION REQUIRED
IMPACT: 1-Insignificant; 2-Minor; 3-Moderate; 4-Major; 5-Extreme	1 - 7	LOW	Not Significant	No further action required (Maintain and sustain)
LIKELIHOOD: 1-Rare; 2-Unlikely; 3-Moderate; 4-Likely; 5-Almost Certain	8 - 9	MODERATE	Not Significant	Alert level (Maintain and sustain the existing control)
Risk Rating = Impact X Likelihood X Detection	10 - 25	HIGH	Significant	Control (e.g. Avoid or Treat/Mitigate, Transfer,

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RISK REGISTER (OBJECTIVE RISK ASSESSMENT)

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DIVISION **FINANCE AND ADMINISTRATIVE DIVISION**PROCEDURE **TI PREPARATION OF FINANCIAL ACCPUNTABILITY REPORTS (FAR 1 AND FAR 1-A)**

OBJECTIVE	RELEVANT ISSUE(S)	RELEVANT INTERESTED PARTIES (refer to IP Matrix for Requirements)	POTENTIAL RISK or OPPORTUNITY	RISK TRIGGER (N/A FOR OPPORTUNITY)	CONSEQUENCE (RISK) / BENEFIT (OPPORTUNITY)	EXISTING RISK CONTROL MEASURE (N/A FOR OPPORTUNITY)	RISK ASSESSMENT					RISK CONTROL PLAN / OPPORTUNITY MANAGEMENT PLAN NO. (For Significant Risk/Opportunity)
							IMPACT	LIKELIHOOD	RATING	RISK / OPPORTUNITY LEVEL (S, NS)	TYPE OF ACTION	
Timely posting of FAR 1 and FAR 1-A in the URS 30 days after the end of each quarter.	Late submission of report	Central Office and DBM	Delayed posting of data in the URS	Slow internet connection	Memo from Central Office	Upgraded MBPS bandwidth	3	2	6	NS	Maintain and sustain existing control	

RISK ASSESSMENT:	RISK RATING	RISK LEVEL	RISK DESCRIPTION	ACTION REQUIRED
IMPACT: 1-Insignificant; 2-Minor; 3-Moderate; 4-Major; 5-Extreme	1 - 7	LOW	Not Significant (NS)	No further action required (Maintain and sustain the existing control)
LIKELIHOOD: 1-Rare; 2-Unlikely; 3-Moderate; 4-Likely; 5-Almost Certain	8 - 9	MODERATE	Not Significant (NS)	Alert level (Maintain and sustain the existing control)
Risk/Opportunity Rating = Impact X Likelihood	10 - 25	HIGH	Significant (S)	Control (e.g. Avoid or Treat/ Mitigate, Transfer, Terminate)

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