



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**

*A modernized and credible customs administration that upholds good governance and is among the world's best*

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OCOM Memo No. 14-2024  
**MEMORANDUM**

TO : ALL DISTRICT COLLECTORS  
ALL OTHERS CONCERNED

FROM : BIENVENIDO Y. RUBIO MAR 21 2024  
Commissioner

SUBJECT : POSTING OF AUCTIONED SHIPMENTS AT BOC'S  
OFFICIAL WEBSITE

DATE : 11 March 2024

This refers to COA AOM No. 2024-003 (03) relative to the transparency and accountability requirements of the General Appropriations Act (GAA) for Fiscal Year 2023, stating therein the observations and recommendations on deficiencies found during audit.

In view thereof, you are hereby directed to submit reports on the **list of all abandoned and forfeited goods successfully sold through public auction** stating the details of the auctioned shipments, winning bidders and winning bids **within five (5) days from the date of auction**. The reports shall be submitted to the Public Information and Assistance Division (PIAD), copy furnished ACDMD-AOCG, for posting at the BOC's website.

For strict compliance.



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | [www.customs.gov.ph](http://www.customs.gov.ph) | [boc.cares@customs.gov.ph](mailto:boc.cares@customs.gov.ph)

Page 1 of 1



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
NATIONAL GOVERNMENT SECTOR  
Cluster 2- Oversight and Public Debt Management Agencies  
**BUREAU OF CUSTOMS**  
Port Area, Manila

Office of the Auditor- Audit Team No. 01-BOC-CO

**AUDIT OBSERVATION MEMORANDUM**

AOM No. : 2024-003(23)  
Date : February 29, 2024

**For : BIENVENIDO Y. RUBIO**  
Commissioner  
Bureau of Customs

**Attention: MICHAEL C. FERMIN**  
Acting Deputy Commissioner  
Internal Administration Group

**KARREN APRIL N. GABION**  
Officer in Charge  
Public Information and Assistance Division

We have examined the transparency and accountability requirements of the General Appropriations Act (GAA) for FY 2023 as of December 31, 2023, and noted some deficiencies:

**Non-compliance with transparency requirements under the General Appropriations Act for FY 2023, due to lack of awareness of the posting requirements and lack of coordination among the concerned offices, undermines the participatory governance and public access to information.**

Section 104 of the General Provisions for FY 2023 GAA states that to enhance transparency and enforce accountability, all agencies of the government shall maintain a Transparency Seal to be posted on their websites. The Transparency Seal (TS) shall contain the following:

- (i) the agency's mandates and functions, names of its officials with their position and designation, and contact information;
- (ii) approved budgets and corresponding targets, immediately upon approval of this Act;
- (iii) modifications made pursuant to the general and special provisions in this Act;



- (iv) annual procurement plan/s and contracts awarded with the winning supplier, contractor or consultant;
- (v) major activities or projects and their target beneficiaries;
- (vi) status of implementation, evaluation or assessment reports of said programs or projects;
- (vii) Budget and Financial Accountability Reports;
- (viii) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual and Agency FOI Reports; and
- (ix) annual reports on the status of income authorized by law to be retained or used and be deposited outside of the National Treasury, which shall include the legal basis for its retention or use, the beginning balance, income collected and its sources, expenditures, and ending balance for the preceding fiscal year.

The heads of the agencies and their web administrators or their equivalent shall be responsible for ensuring compliance with this Section.

A review of the compliance with the Transparency Seal requirements for CY 2023 of BOC's official website disclosed the noted deficiencies, as summarized hereunder: (see Annex A for the complete list of transparency requirements)

**Table 1 – Non-compliance to TS requirements**

TRANSPARENCY SEAL REQUIREMENT	RESPONSIBLE UNIT	COMPLIANCE
<b>i. Annual procurement plan/s and contracts awarded with the winning supplier, contractor, or consultant</b>		
APP for non-CSE	GSD	Not complied
Contracts awarded	GSD	Only 19 contracts were posted in TS out of 97 awarded contracts posted on the Philippine Government Electronic Procurement (Philgeps) Website
<b>ii. Major activities or projects and their target beneficiaries</b>		
Major Projects, Programs, & Activities Beneficiaries	GSD	Reports of the Publicized Government Projects/ Activities (GPPAs) for the 3rd and 4th quarters of





		CY2023 were not posted.  PMR for 2nd semester was not posted
<b>iii. Status of implementation, evaluation, or assessment reports of said programs or projects</b>		
Status of Implementation evaluation or assessment reports	GSD	Not complied
<b>iv. Budget and Financial Accountability Reports</b>		
<b>1. Annual Budget Execution Documents (BEDs):</b>		
BED 1 Financial Plan	Budget Division	Not complied
BED 2 Physical Plan	PPRD	Not complied
BED 3 Monthly Disbursement Program	Cashier	Not complied
<b>2. Financial Accountability Reports (FARs)</b>	Accounting Division	
FAR 3 - Aging of Due and Demandable Obligations (ADDO)		
All Funds		Not complied (posted reports are not approved)

Moreover, compliance on specific special and general provisions of the GAA for FY 2023 that require posting on the agency's website are also summarized below: (see Annex B for the complete list of GP of GAA requirements)

**Table 2 – Non-compliance to other Special/General Provisions of GAA FY 2023**

Special/General Provisions of GAA FY 2023	Responsible Unit	Compliance
<b>Sec. 5. Disposition of Forfeited Motor Transport Equipment and other Articles.</b>		
List of forfeited or abandoned motor equipment and other articles that have been sold in the auction	AOCG-ACDMD	Not complied
<b>Sec. 98. Submission of Annual Reports and Audited Financial Statements on Accounts Deposited Outside of the National Treasury.</b>		
Audited financial statements	Accounting Division	Not complied
Annual report	PIAD	Not complied (latest report posted on Feb 06, 2023, was for CY2022)
A narrative report stating a detailed description of the utilization of funds therein.	PIAD	Not complied
<b>Section 100. Financial Reports.</b>		
Monthly report on appropriations, allotments, obligations, and disbursements of current appropriations  on or before the tenth (10th) day of the month immediately following the covered period	Accounting and Budget Divisions	Substantially complied with minor non-compliance as noted in the BFAR requirements in



Table 1		
<b>Sec. 101. Quarterly Financial and Physical Reports</b>		
Quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of each quarter	Accounting and Budget Divisions	Financial Report of Operations – not complied (latest report posted is for CY2012)
<b>Sec. 102. Submission of Post FY 2023 Budget Status.</b>		
The post-2023 budget status report will not be later than May 31, 2024, indicating a brief accomplishment on all government agencies' programs, activities, and projects as reflected in this Act and including specific activities or projects funded from lump-sum appropriations and special purpose funds.  The heads of the agencies and the agencies' web administrators or their equivalent shall be responsible for ensuring that the portion of the pertinent status report are likewise posted on their respective websites.	Budget Division	For compliance
<b>Sec. 103. Transparency in Infrastructure Projects</b>		
All agencies of the government shall post the following on their respective websites within the period indicated:  (a) The project title, location, and detailed description; detailed estimates in arriving at the Approved Budget for the Contract; and winning contractor and the detailed estimates of the bid as awarded within thirty (30) calendar days from entering into the contract;	GSD	Not complied
(b) The detailed actual cost of the project and variation orders issued, if any, within thirty (30) calendar days from the issuance of a certificate of completion and	GSD	Not complied
(c) Quarterly status update, including geotagged photos of the project, and in case of delay, state the reason/s.	GSD	Not complied

An inquiry with the Officer in Charge of the Public Information and Assistance Division disclosed that their office maintains and updates the website's contents, including the Transparency Seal. However, she added that there was no official designation for a Web Administrator in compliance with the transparency requirements of the General Provisions of GAA CY 2023. The Office uploads reports/information whenever they receive the said reports from various units/offices with the accompanying requests for posting on the BOC's website. She admitted they are unaware of the required reports/information to be posted on the website.

The Audit Team also observed that the above process lacks overall monitoring and coordination among the concerned units or divisions; hence, deficiencies were noted in compliance with the transparency requirements of GAA FY 2023.

Non-posting and non-updating on the website of some of the transparency requirements may be considered as a violation of Section 57 of Chapter 6 (Budget Accountability) of Book VI of the Administrative Code of 1987, without prejudice to such other liabilities, penalties, and/or measures as may be undertaken to curb non-compliance.




Section 104 of the General Provision of the GAA FY 2023 and Section 5.4 of the NBC No. 542 charge the heads of the agencies and web administrators or their equivalents with the responsibility of ensuring compliance with the transparency requirements.


As a result, the inadequate posting of information/reports and lack of proper maintenance/monitoring of the Transparency Seal and the website denied the general public access to some reports/information in monitoring and assessing the agency's programs/activities and performance.

In view of the above, we recommend that the Management:

- a) designate a Web Administrator to be directly responsible for compliance with the transparency requirements of the General Provisions of GAA for FY 2023;
- b) require the concerned units or divisions to submit the necessary reports to the Web Administrator/PIAD for the latter to post the said reports on the website and specifically on the TS;
- c) create awareness among concerned offices, impose deadlines, and implement appropriate sanctions, if necessary, on the units or divisions that are not compliant with submitting the required information/reports to the Web Administrator/PIAD.

May we have your comments on the above observation within 15 days from receipt hereof.

  
COA Signed  
2024-02-29  
14:51:55  
**MARINEL L. ASUNCION**  
State Auditor IV  
Audit Team Leader, OCOM

  
COA Signed  
2024-02-29  
14:55:33  
**Atty. ARNEL P. BACARRA**  
State Auditor V  
Supervising Auditor, BOC

**Proof of Receipt of the AOM No. 2024-003 (23)**

Proof of Receipt of the AOM:	Position	Received	
		Signature	Date
BIENVENIDO Y. RUBIO	Commissioner, BOC		
MICHAEL C. FERMIN	Acting Deputy Commissioner - IAG		
KARREN APRIL N. GABION	Officer-in-Charge - PIAD		





**Table 1 – Compliance to Transparency Seal Requirements**

TRANSPARENCY SEAL REQUIREMENT	RESPONSIBLE UNIT	COMPLIANCE
<b>v. Agency's mandates and functions, names of the offices</b>	PIAD	
Constitutional Mandate		Complied
Principal Duties		Complied
Vision and Mission		Complied
Key Officials		Complied
Directory of Agency Officials		Complied
<b>vi. Approved budgets and corresponding targets, immediately upon approval of this Act</b>		
DBM Approved Budget	Budget Division	Complied
<b>vii. Modifications made pursuant to the general and special provisions in this Act</b>		
<b>viii. Annual procurement plan/s and contracts awarded with the winning supplier, contractor or consultant</b>	GSD	
APP for CSE		Complied
APP for non-CSE		Not complied
Contracts awarded		Only 19 were posted in TS out of 97 awarded contracts posted in Philgeps website
<b>ix. Major activities or projects and their target beneficiaries</b>		
Major Projects, Program. & Activities Beneficiaries	GSD	No Report of the Publicized Government Project/ Activities (GPPAs) for 3rd and 4th quarters CY2023  No PMR for 2nd semester
<b>x. Status of implementation, evaluation or assessment reports of said programs or projects</b>		
Status of Implementation evaluation or assessment reports	GSD	Not complied
<b>xi. Budget and Financial Accountability Reports</b>		
<b>1. Annual Budget Execution Documents (BEDs):</b>		
BED 1 Financial Plan	Budget Division	Not complied
BED 2 Physical Plan	PPRD	Not complied
BED 3 Monthly Disbursement Program	Cashier	Not complied
<b>2. Financial Accountability Reports (FARs)</b>	Accounting Division	
FAR 1 - Statement of Appropriations, Allotments, Obligations, Disbursements and Balances		
Fund 01		Complied
Fund 02		Complied
Fund 03		Complied
Fund 07		n/a



FAR 1-A - Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures		
Fund 01		Complied
Fund 02		Complied
Fund 03		Complied
Fund 07		n/a
FAR 1-B - List of Allotments and Sub-Allotments		
Fund 01		Complied
Fund 02		3rd quarter 2023 was posted <sup>1</sup> after the discussion with the concerned office
Fund 03		Same
Fund 07		n/a
FAR 1C - Statement of Obligations, Disbursements, Liquidations and Balances for Inter-Agency Fund Transfers (for source agency use only)		n/a
FAR 2 - Statement of Approved Budget, Utilizations, Disbursements and Balances (off-budgetary funds)		n/a
Fund 01		
Fund 02		
Fund 03		
Fund 07		
FAR 2-A - Summary of Approved Budget, Utilizations, Disbursements and Balances		n/a
Fund 01		
Fund 02		
Fund 03		
Fund 07		
FAR 3 - Aging of Due and Demandable Obligations (ADDO)		
Fund 01		Not complied; posted reports are not approved
Fund 02		Not complied
Fund 03		Not complied
Fund 07		n/a
FAR 4 - Monthly Report of Disbursements		
Fund 01		Complied
Fund 02		n/a
Fund 03		Complied
Fund 07		Complied
FAR 5 - Quarterly Report of Revenue and Other Receipts		Complied
FAR 6 - Statement of Approved Budget Utilizations, Disbursements, and Balances (SABUDB) for Trust Receipts		n/a
<b>xii. Freedom to Information (FOI)</b>	PIAD	
Amended FOI Manual		Complied
1-page FOI Manual		Complied
<b>xiii. Annual reports on the status of income authorized by law to be retained or used and be deposited outside of the National Treasury</b>		n/a





ANNEX B

**Table 2 – Compliance to other General Provisions of GAA FY 2023**

Special/General Provisions of GAA FY 2023	Responsible Unit	Compliance
<b>Sec. 5. Disposition of Forfeited Motor Transport Equipment and other Articles.</b>		
List of forfeited or abandoned motor equipment and other articles that have been sold in auction	AOCG-ACDMD	Not complied
<b>Sec. 98. Submission of Annual Reports and Audited Financial Statements on Accounts Deposited Outside of the National Treasury.</b>		
Audited financial statements	Accounting Division	Not complied
Annual report	PIAD	Not complied (latest report posted is for CY 2022 )
Narrative report stating therein a detailed description of the utilization of funds.	PIAD	Not complied
<b>Sec. 99. Report on Commission on Audit Findings and Recommendation.</b>		
Status report on the actions taken on said audit findings and recommendations using the prescribed form under COA Memorandum No. 2014-002 dated March 18, 2014. (AAPSI)	Accounting Division	Complied
<b>Section 100. Financial Reports.</b>		
Monthly report on appropriations, allotments, obligations and disbursements of current appropriations  on or before the tenth (10th) day of the month immediately following the covered period	Accounting and Budget Divisions	Substantially complied with minor non-compliance as noted in the BFAR requirements
<b>Sec. 101. Quarterly Financial and Physical Reports</b>		
Quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of each quarter	PPRD  Accounting and Budget Divisions	Physical Report of Operations – complied;  Financial Report of Operations – not complied (latest report is for CY2012)
<b>Sec. 102. Submission of Post FY 2023 Budget Status.</b>		
The DBM shall submit to the Speaker of the House of Representatives, President of the Senate of the Philippines, House Committee on Appropriations and Senate Committee on Finance a post 2023 budget status report not later than May 31, 2024. The report shall indicate a brief accomplishment on all programs, activities, and projects of agencies of the government as reflected in this Act and including specific activities or projects funded from lump-sum appropriations and special purpose funds.		
The DBM shall post the said report on its website.	Budget Division	For compliance



The heads of the agencies and the agencies' web administrators or their equivalent shall be responsible for ensuring that the portion of the status report pertinent to them are likewise posted on their respective websites.		
<b>Sec. 103. Transparency in Infrastructure Projects</b>		
All agencies of the government shall post the following on their respective websites, within the period indicated:  (a) The project title, location and detailed description; detailed estimates in arriving at the Approved Budget for the Contract; and winning contractor and the detailed estimates of the bid as awarded, within thirty (30) calendar days from entering into contract;	GSD	Not complied
(b) The detailed actual cost of the project; and variation orders issued, if any, within thirty (30) calendar days from the issuance of a certificate of completion; and	GSD	Not complied
(c) Quarterly status update, including geotagged photos, of the project, and in case of delay, state the reason/s.	GSD	Not complied

