



Republic of the Philippines  
Province of Davao Oriental  
**OFFICE OF THE PROVINCIAL GOVERNOR**  
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**EXECUTIVE ORDER NO. 3**  
**Series of 2022**

**CREATING AND/OR CONSTITUTING A SPECIAL AUDIT TEAM ON THE DBP AND LBP LOANS, DEFINING ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES**

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**WHEREAS**, Section 2 of Presidential Decree No. 1445, also known as the Government Auditing Code of the Philippines, declares as State policy that *“all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.”*;

**WHEREAS**, this policy is amplified in Section 1 of Administrative Order No. 119, dated March 29, 1989, which states that *“[t]he responsibility for the fiscal operations of offices and agencies of government is hereby declared to reside primarily with the respective Heads of each office, agency, government-owned or controlled corporation and local government unit”*;

**WHEREAS**, in accordance with Section 297 of Republic Act No. 7160 (Local Government Code of 1991) and as authorized by Sangguniang Panlalawigan (SP) Provincial Ordinance No. 16-64-06-2021, the previous leadership of the Provincial Government of Davao Oriental entered into loan agreements with the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP) intended to fund priority development projects of the province and for other purposes, in the respective amounts of P1,009,390,000.00 and P1,394,000,000.00, or a total of P2,403,390,000.00;

**WHEREAS**, passing through the government procurement process for the acquisition of goods and services and the contracting of infrastructure projects is necessary to facilitate the implementation of projects/ programs/ activities (PPAs) funded by these borrowings;

**WHEREAS**, in the proper and effective discharge of fiscal responsibility over government resources, this Administration deems it an indispensable requirement to inspect, examine and audit the transactions, obligations, accounts and procurement-related activities, including documents or records and other pertinent supporting papers;

**WHEREAS**, it is imperative to create/constitute an appropriate *ad hoc* special body.

**NOW THEREFORE, I, CORAZON N. MALANYAON**, Governor of the Province of Davao Oriental, by virtue of the powers vested in me by law, do hereby **ORDER** the following:

**SECTION 1. Creation and Constitution.** — A Special Audit Team (SAT) is hereby created to conduct an audit on procurement activities undertaken involving PPAs funded by the DBP and LBP Loans, which shall be constituted as follows:

- a. Ms. Princess Gayle B. Butlig, CPA, Provincial Budget Office (PBO)
- b. Ms. Maria Patricia Theresa H. Templa, CPA, Provincial Accountant' Office (PACCO)
- c. Ms. Michelle A. Jaramillo, CPA, Provincial Accountant' Office (PACCO)
- d. Ms. Mary Gie E. Pontevedra, CPA, Provincial Treasurer's Office (PTO)

Mr. Edmundo Acaylar, CPA      Team Consultant/Adviser

**SECTION 2. Powers and Functions.** — The SAT is hereby authorized and shall exercise the following powers:

- a. **Authority to examine** pertinent DBP/LBP loans-funded PPAs procurement documents, papers and records (contracts, agreements, purchase requests/orders and other supporting documents) under the custody of the BAC Secretariat, including the Class "A and "B" documents submitted by the winning contractors and/or suppliers, as the case maybe.
- b. **Authority to visit** the BAC Office, other Provincial Government departments/offices concerned, and company office/business establishment of the winning contractors/suppliers, if necessary, provided that such authority is exercised only in relation to the conduct of the procurement audit.
- c. **Authority to require/demand**, for purposes of the procurement audit, the submission of the original of any order, deed, contract, or other document under which any collection of, or payment from, the DBP/LBP loan-related accounts may be made, together with any certificate, receipt, or other evidence in connection therewith. If an authenticated copy is needed for record purposes, the copy shall, upon demand, be furnished.

In the case of deeds to property purchased by the Provincial Government, the SAT shall require a certificate of title entered in its favor, or other satisfactory evidence that the title is in its name.

It shall be the duty of the BAC Secretariat and other provincial employees concerned, including the winning contractors or suppliers affected by this procurement audit, to comply immediately with these requirements. Failure or refusal to do so without justifiable reason/s shall be construed or interpreted as causing unnecessary obstruction to the performance of the SAT's duties and functions, and shall constitute as an actionable ground.

The SAT shall likewise perform the following duties and functions:

1. Review the bidding procedures, the necessity and validity of resorting to other alternative modes of procurement (when applicable), the manner of award to the winning contractor and/or bidder, and other relevant requirements provided in Republic Act No. 9184 (Government Procurement Reform Act) and its implementing rules and regulations (IRR).
2. Verify the procurement activities undertaken as to their adherence to the conditions/requirements, procedures and timelines provided in the GPPA and its IRR.
3. Evaluate the procurement activities undertaken as to their compliance with the requirements of other applicable laws, rules and regulations, including relevant policy guidelines and procedural issuances of the Government Procurement Policy Board (GPPB).

4. Submit audit report containing the procurement information/status of each DBP/LBP loan-funded PPA, information, findings, recommendations, and conclusions, including tables, charts, graphs and other data to detail the conditions and facts, when or where proper.
5. Perform such other tasks as assigned or directed by the Provincial Governor.

It is highly recommended that the Team utilize as its reference and guidance material in conducting and reporting the results of the procurement audit, the *Guide in the Audit of Procurement (First Update-December 2009)* adopted by the Commission on Audit (COA) via Memorandum No. 2010-003, dated January 14, 2010.

**SECTION 3. Operational Expenses.** -- Operational expenses and other related expenditures that may be incurred by the SAT in the performance of their duties and functions shall be chargeable against General Fund Budget CY 2022.

SAT members shall be entitled to collect honorarium for their work therein. They may likewise claim and receive travel expenses, including per diems, and overtime pay, subject to the usual government accounting and auditing rules and regulations.

**SECTION 3. Sunset Clause.** -- Unless otherwise ordered, the Special Audit Team shall conclude its work within thirty (30) calendar days, after which it shall become *functus officio*.

**SECTION 4. Effectivity.** -- This Executive Order shall take effect immediately upon its approval.

DONE in the City of Mati, Davao Oriental, Philippines, this 18<sup>th</sup> day of July in the year of our Lord, Twenty Hundred and Twenty-Two.

  
CORAZON N. MALANYAON  
Governor

Copy furnished

- All Departments/Offices
- PAAD
- COA Provincial Office
- BAC Office

All of this Province