



NATIONAL ELECTRIFICATION ADMINISTRATION

"The 1st Performance Governance System-Institutionalized National Government Agency"
57 NIA Road, Government Center, Diliman, Quezon City 1100



Management
System
ISO 9001:2015

www.tuv.com
ID 9105082030



December 8, 2017

MEMORANDUM No. 2017-037

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : Compliance to Memorandum of Agreement,
Revised IRR – RA 9184, and NEA Guidelines/Policies
Re: Subsidy Funds for Sitio Electrification Projects

In connection with the audit of subsidy funds released to the ECs for Sitio Electrification Projects (SEP) projects, the following were the common audit observations/findings among others, on the non-compliance to provisions of the Memorandum of Agreement (MOA), Revised IRR - RA 9184, and the NEA guidelines/policies:

1. Use of funds for purposes unrelated to the project/s
2. Deposits in General Fund - Current Account, Loan & Subsidy Fund Savings Account, Time Deposit Account instead of a Combo/Savings Account
3. Procurement process

By reason thereof, the concerned ECs are enjoined to strictly comply with the applicable provisions, otherwise appropriate actions/sanctions shall be imposed against the General Manager/s and Board of Director/s.

For your guidance.

EDGARDO R. MASONGSONG
Administrator

