

# MEDIA RELEASE

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### MEDIA RELEASE

31 August 2021

#### NEA clarifies COA observation on unrecorded bank accounts

The National Electrification Administration (NEA) issued a clarification on an audit observation memorandum (AOM) issued by the Commission on Audit (COA) regarding the bank accounts that were not reflected in the agency's books of accounts.

The agency's Financial Services and Accounting Division explained that **the two bank accounts with a total amount of P290 million were appropriately recorded in NEA's books of accounts on February 1 and April 1, 2021.**

These two NEA bank accounts were with the Development Bank of the Philippines (DBP) in the amount of P200 million, and P90 million with the United Coconut Planters Bank (UCPB).

Financial Services and Accounting Division Manager Ma. Chona Dela Cruz assured that no government funds were lost, citing the "unmodified opinion" rendered by COA on the NEA's financial statements for 2020.

"All funds are well accounted for. A total of P290 million was transferred into two newly-opened accounts of NEA in 2020, sourced from two existing bank accounts. Book entries were all that were needed for NEA's books to reflect the said accounts, which were already done", Dela Cruz said.

"NEA assures the public of its full compliance with the law and that it works closely with COA to ensure that government's funds are protected," she added.

In the Annual Audit Report on NEA, the state auditors rendered the NEA an "unmodified opinion" on the fairness of presentation of the agency's financial statements for the years ended December 31, 2020 and 2019.

The NEA received an "unqualified/unmodified opinion" on the fairness of presentation of its financial statements since 2007 until 2020.

An "unmodified opinion" is considered the highest audit opinion that COA can render to a government agency or corporation. It is given when auditors conclude that the financial statements as a whole are free from material misstatements.

"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NEA as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the International Public Sector Accounting Standards," the COA report signed by OIC-Supervising Auditor Emma de Guzman on June 7, 2021.

The audit covered the financial statements of the NEA, which comprise the financial position as of December 31, 2020 and 2019, financial performance, statements of changes in net assets/equity, cash flows, and comparison of budget and actual amounts for the year ended December 31, 2020. ###

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