



UPDATES ON AUDITING RULES

Assistant Commissioner Roy L. Ursal
Commission on Audit
Government Accountancy Sector



October 9, 2024
Cebu City

COVERAGE

- A. COA CIRCULAR No. 2024-002 dated February 22, 2024 on “Rules on Pleadings, mode of filing, docketing of cases, and payment of filing fees at the levels of the Auditors, the Regional/Cluster Directors, and the Assistant Commissioners of the COA Audit Sectors in the exercise of their adjudication functions”

- B. COA CIRCULAR No. 2024-003 dated March 4, 2024 on “Amendment to Section 3, Rule XIII of the 2009 Revised Rules of Procedure of the Commission on Audit, as amended by COA Resolution No. 2023-010 dated August 7, 2023”



COVERAGE

- C. COA CIRCULAR No. 2024-005 dated March 14, 2024 on “Expansion of the Coverage of Advertising Expenses and Recognition of Accounts to Include those Relative to the Dissemination of Information Connected with the Official Functions and Programs OF Government Agencies, through Social Media Platforms”



COVERAGE

- D. COA CIRCULAR No. 2024-008 dated May 29, 2024 “Guidelines on the Audit of Financial Transactions Caused and Effected by Suspended or Dismissed Public Officials or Employees, and Officials and Employees Whose Appointments were Terminated by the Appointing Authority or Whose Term of Office has Already Lapsed, and the Corresponding Duties of the Officials of the Agency Concerned”

- E. COA’s Settlement of Accounts: Reliefs and Remedies of Parties



A. COA CIRCULAR No. 2024-002 dated February 22, 2024 on “Rules on Pleadings, mode of filing, docketing of cases, and payment of filing fees at the levels of the Auditors, the Regional/Cluster Directors, and the Assistant Commissioners of the COA Audit Sectors in the exercise of their adjudication functions”



Why was this Circular issued?

As an amendment to Rule IX of the 2009 RRPC (Pleadings, Mode of Filing, Docketing of Cases and Filing Fee), the Circular provides a unified, efficient, and systematic guidelines on the rules on pleadings, mode of filing of pleadings, docketing of cases, and payment of filing fee at the different levels of adjudication such as at the levels of the Auditors (Audit Teams), Regional/ Cluster Directors, and the Assistant Commissioners to ensure prompt and speedy disposition of cases before them.



What is the coverage of this Circular?

The Circular specifically covers filing of pleadings, mode of filing, docketing of cases and payment of filing fees at the levels of the Auditors (Audit Teams), the Regional/Cluster Directors, and the Assistant Commissioners of the COA Audit Sectors (e.g. NGS, LGS, CGS) in the exercise of their adjudication functions.



What adjudication functions are being contemplated for in this Circular?

1. The adjudication by the Auditors (Audit Teams) on the following:
 - a. Requests for Relief from Accountability for losses due to fortuitous events or natural calamities, or due to acts of man involving amounts not exceeding P100,000.00 (Section 5, Rule IV of the 2009 RRPC); and
 - b. Requests for write-off of dormant accounts for amounts not exceeding P100,000.00 (COA Circular No. 2016-005 dated December 19, 2016 and COA Resolution No. 2016-022 dated December 19, 2016).



What adjudication functions are being contemplated for in this Circular?

2. The adjudication by the Regional/Cluster Directors on the following:
 - a. Appeals from the decision of the auditor (Sec. 1, Rule V of the 2009 RRPC and COA Resolution No. 2016-022 dated December 19, 2016);
 - b. Requests for Relief from Accountability for losses due to fortuitous events or natural calamities involving amounts in excess of P100,000 and for losses due to acts of man involving amounts exceeding P100,000.00 but not more than P500,000 (Sec 8, Rule V of the 2009 RRPC);



What adjudication functions are being contemplated for in this Circular?

- c. Requests for write-off of dormant accounts receivable, unliquidated cash advances, and fund transfers for amounts involving more than P100,000 but not exceeding P1,000,000.00 per accountable officer/debtor/government entity and by account (COA Resolution No. 2016-022 dated December 19, 2016); and
- d. Money claims involving amounts not exceeding P100,000.00 (COA Resolution No. 2021-038 dated December 20, 2021).



What adjudication functions are being contemplated for in this Circular?

3. The adjudication by the Assistant Commissioners of the National, Local and Corporate Sectors on the following:
 - a. Requests for write-off of dormant accounts receivable, unliquidated cash advances, and fund transfers for amounts exceeding P1,000,000.00 per accountable officer/debtor/government entity and by account; and
 - b. Appeals from decisions of the Cluster/Regional Directors denying the requests for write-off (COA Resolution No. 2016-022 dated December 19, 2016).



What is the form of pleadings to be filed before the Auditor (audit team), the Regional/Cluster Director and before the Assistant Commissioner of the audit sectors?

Appeals, motions and other pleadings shall contain a caption setting forth the name and address of the head of the auditing unit, the Regional/Cluster Director or the Assistant Commissioner, as the case maybe, the title of the case, the docket number and the description of the pleading. They shall be printed or typewritten double-spaced on legal size bond paper. Proof of service of such papers on the adverse party or auditor, Regional/Cluster Director, Assistant Commissioner or other parties having a direct interest in the case is necessary and must be shown therein.



How many copies of pleadings must be filed?

Every initiatory pleading, appeal, answer, reply, motion, notice and other papers required by these rules (RRPC) to be filed in a case before the Auditor, Regional/Cluster Director or the Assistant Commissioner shall be made in three (3) legible copies.



How are pleadings filed?

The filing of pleadings and other papers may be done either by personal delivery or by registered mail. If the mailing is made by personal delivery, the receiving clerk shall promptly and legibly stamp on the face of the first page of the pleading the exact date and time that it was received and filed and thereafter affix his initials. If the filing is by registered mail, the date of mailing stamped by the post-office of origin, shall be considered as the date of filing. The envelope or a portion thereof showing the date of mailing and registry stamp containing the pleading, motion and other papers shall be attached thereto. The date of actual receipt shall also be legibly stamped or indicated on the first page of the pleading.



Aside from personal delivery or by registered mail, pleadings can also be filed thru ordinary mail or by private messengerial services (e.g. LBC, JRS) which shall be deemed filed only on the date and time they are actually received.

The basic annexes or supporting documents required by relevant COA issuances (COA Circular, COA Resolution) should be filed together with the pleading otherwise the case is not considered filed.



Is payment of filing fee required upon filing of the pleading and how much, if there is any? Is there any effect on the pleading if the filing fee is not paid upon its filing?

A filing fee equivalent to $\frac{1}{10}$ of 1% of the amount involved but not exceeding P20,000.00 shall be imposed on the following:

- a. appeals from audit disallowance/charge and disapproval of request for relief from accountability filed before the Regional/ Cluster Director; and
- b. money claims, except if the claimant is a government agency.



In addition, an LRF shall be collected equivalent to 1% of the filing fee but in no case lower than Ten Pesos (P10.00).

Any appeal without the required filing fee shall be returned to the party concerned for compliance with such requirement and the same shall not toll the running of the prescriptive period. This means that the payment of appeal fee is a requirement in perfecting an appeal.



B. COA CIRCULAR No. 2024-003 dated March 4, 2024 on “Amendment to Section 3, Rule XIII of the 2009 Revised Rules of Procedure of the Commission on Audit, as amended by COA Resolution No. 2023-010 dated August 7, 2023”

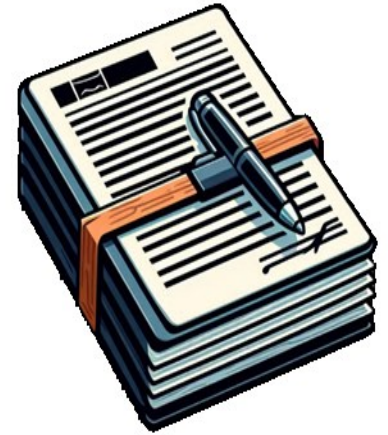


What is the amendment being contemplated for in this Circular on Section 3, Rule XIII of the 2009 Revised Rules of Procedure (RRPC) of the COA?

The amendment is a clarification as to who is the appropriate COA official and Director, whether the Cluster Director of the Audit Cluster or the Regional Director, who will issue the COA Order of Execution (COE).



- a. For Notice of Finality of Decision (NFD) issued by the Cluster Director and the SA/RSA/ATL to the Government Corporations, National Government Agencies and their regional/field offices and to Local Government Units in the National Capital Region, the Cluster Director of the concerned audit sector (National, Local, Corporate) shall issue the COE on final and executory audit disallowances and charges.



- b. For NFDs issued by the Regional Director and the SA/RSA/ATL to the Local Government Units, Water Districts, State Universities and Colleges, and Stand-Alone Agencies, the Regional Director shall issue the COE on final and executory audit disallowances and charges.

- c. For NFDs issued by the Office of the Commission Secretariat and for judgments rendered by the Supreme Court pertinent to cases elevated thereto via petitions for certiorari, the General Counsel shall issue the COE on final and executory audit disallowances and charges.



When will the COE be issued by the CD, RD or by the General Counsel?

The COE shall be issued for a period of not less than five (5) days from receipt by the Head of Agency of a copy of the duly served NFD from the SA/RSA/ATL, CD/RD, Commission Secretary, or of the Entry of Judgment from the Supreme Court, whichever is applicable, meaning, at least five (5) days after receipt by the Head of Agency of the NFD.



Will COE be issued also on decisions by COA on petitions for money claim?

No COE shall be issued on NFD involving money claims, the directive in the NFD being sufficient to initiate the process of payment, meaning, the paying government agency has to wait for the NFD which is issued after a COA Decision before processing the payment for the money claim.



C. COA CIRCULAR No. 2024-005 dated March 14, 2024 on “Expansion of the Coverage of Advertising Expenses and Recognition of Accounts to Include those Relative to the Dissemination of Information Connected with the Official Functions and Programs of Government Agencies, through Social Media Platforms”



What is the purpose of this Circular?



The Circular was issued primarily to amend the coverage of “Advertising Expenses” posted on social media applications, the limitations or conditions on such expenses and what are those that can be allowed to be charged against public funds.



What are these advertising expenses that are allowed and what are the conditions on their incurrence?

Advertisements or contents posted on social media applications like Facebook, Instagram, Twitter, and the likes, by the verified official account of the agency, shall be allowed following the guidelines under Section V(D)(6)(a)(i)(3), Annex H of the 2016 Revised IRR of R.A. 9184.

To promote transparency and accountability, all government-funded social media campaigns should be publicly disclosed. The details of the campaigns, including the purpose, scope, target audience, and cost, should be made available to the public through government websites or the agency's official social media platforms.



What advertisements or social media campaigns that are prohibited?

The use of government-funded social media campaigns for political objectives or to promote partisan interests by government officials and agencies is strictly prohibited and may result in administrative and/or criminal charges.



**D. COA CIRCULAR No. 2024-008 dated May 29, 2024
“Guidelines on the Audit of Financial Transactions
Caused and Effected by Suspended or Dismissed
Public Officials or Employees, and Officials and
Employees Whose Appointments were Terminated by
the Appointing Authority or Whose Term of Office has
Already Lapsed, and the Corresponding Duties of the
Officials of the Agency Concerned”**



Why was this Circular issued?

The Circular provides for guidance in audit of financial transactions caused and effected by suspended or dismissed public officials and employees, or those whose appointments were terminated by the appointing authority or whose term of office had already lapsed, during the effectivity of those circumstances, and the corresponding duties and responsibilities of the concerned audited agency.



What shall the audit team do with these financial transactions caused and effected by suspended, dismissed, terminated officials or whose term of office had already lapsed?

The auditor or audit team shall prioritize the post-audit of such financial transactions and after verification and examination finding that they were indeed caused or effected by suspended, dismissed, terminated officials or whose term of office had already lapsed, disallow the irregular transaction as may be warranted.



Who will be held as persons liable for financial transactions caused and effected by suspended or dismissed public officials and employees, or those whose appointments were terminated by the appointing authority or whose term of office had already lapsed?

The persons who shall be held as jointly and severally liable for the disallowance are as follows:

- a. The suspended or dismissed public officials and employees, or those whose appointments were terminated by the appointing authority or whose term of office had already lapsed who caused or effected those financial transactions;



b. Other officials and employees who participated in the approval and/or implementation of such financial transactions with the knowledge that they were caused or effected by suspended or dismissed public officials and employees, or those whose appointments were terminated hose term of office had already laps



Who are usually these other officials who have participation in such financial transactions?

They include, among others:

- a. Signatories in the Contracts;
- b. Other Signatories in the DV;
- c. Head of Budget Office/ Treasury or his/her authorized representative for the certification on the availability of allotment, or funds for the purpose;
- d. Head of Accounting Unit or his/her authorized representative for the certification on the cash availability, the completeness of supporting documents, and the amount claimed is proper;
- e. Claimant or his or authorized representative for the receipt of check or cash payments;
- f. Signatories in the check;
- g. Signatories in the other supporting documents.



What financial transactions are exempted from such audit action by the audit team, meaning transactions that may not be disallowed, if there are any?

Exempted from those financial transactions that would be disallowed are valid and recurring transactions such as, but not limited to, payments for payroll and utilities expenses.



Are there instances where suspended or dismissed public officials and employees, or those whose appointments were terminated by the appointing authority or whose term of office had already lapsed can still act, cause or effect those financial transactions and the transactions not disallowed in post-audit?



Yes, when an appropriate order from the courts shall have been obtained restraining the implementation of the suspension, dismissal or termination or suspending the expiration of term of office.





**“Accountability
breeds
response -
ability.”**

**– Stephen
Covey**



Thank you!

