

XXXI. COMMISSION ON AUDIT

STRATEGIC OBJECTIVES

MANDATE

1. Examine, audit and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property owned or held in trust by, or pertaining to, the government;
2. Promulgate accounting and auditing rules and regulations including those for the prevention and disallowances of irregular, unnecessary, excessive, extravagant or unconscionable expenditures, or uses of government funds and properties;
3. Submit annual reports to the President and the Congress on the financial condition and operation of the government;
4. Recommend measures to improve the efficiency and effectiveness of government operations;
5. Keep the general accounts of government and preserve the vouchers and supporting papers pertaining thereto;
6. Decide any case brought before it within 60 days; and
7. Perform such other duties and functions as may be provided by law.

VISION

A credible, trustworthy and independent Supreme Audit Institution; a vibrant partner in nation-building; a bulwark of integrity and competence; an organization of professionals with a culture of excellence; a respected member of international organizations of supreme audit institutions

MISSION

To carry out the Commission's constitutional mandate with the highest degree of professionalism, competence, integrity, teamwork and organizational efficiency, and promote the people's trust in government by upholding public accountability

KEY RESULT AREAS

Good Governance and Anti-corruption

SECTOR OUTCOME

Good Governance

ORGANIZATIONAL OUTCOME

Promotion of Public Accountability, Improved Efficiency and Economy of Government Operations and Effectiveness of Government Programs

New Appropriations, by Program/Project

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Current Operating Expenditures

PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
100000000 General Administration and Support	P 2,385,780,000	P 256,362,000	P 31,503,000	P 2,673,645,000
200000000 Support to Operations	255,803,000	3,020,000	25,650,000	284,473,000

GENERAL APPROPRIATIONS ACT, FY 2014

300000000 Operations	4,738,042,000	73,337,000	200,000,000	5,011,379,000
MFO 1: Government Auditing Services	4,620,629,000	67,572,000		4,688,201,000
MFO 2: Government Accountancy Services	52,614,000	626,000		53,240,000
MFO 3: Government Accounting Records Custodial Services	1,258,000		200,000,000	201,258,000
MFO 4: Government Accounting and Auditing Regulations and Adjudication Services	63,541,000	5,139,000		68,680,000
Total, Programs	7,379,625,000	332,719,000	257,153,000	7,969,497,000
TOTAL NEW APPROPRIATIONS	P 7,379,625,000	P 332,719,000	P 257,153,000	P 7,969,497,000

New Appropriations, by Central/Regional Allocation

REGION	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
Central Office	P 4,351,083,000	P 210,172,000	P 225,650,000	P 4,786,905,000
Regional Allocation	3,028,542,000	122,547,000	31,503,000	3,182,592,000
Region I - Ilocos	240,699,000	6,679,000	15,372,000	262,750,000
Region II - Cagayan Valley	177,354,000	6,970,000		184,324,000
Cordillera Administrative Region (CAR)	204,665,000	7,824,000	6,295,000	218,784,000
Region III - Central Luzon	264,400,000	7,862,000		272,262,000
Region IVA - CALABARZON	359,708,000	4,641,000		364,349,000
Region IVB - MIMAROPA		3,155,000		3,155,000
Region V - Bicol	209,195,000	7,182,000		216,377,000
Region VI - Western Visayas	253,311,000	9,932,000		263,243,000
Region VII - Central Visayas	226,551,000	11,879,000		238,430,000
Region VIII - Eastern Visayas	205,318,000	8,110,000		213,428,000
Region IX - Zamboanga Peninsula	187,778,000	6,174,000	1,486,000	195,438,000
Region X - Northern Mindanao	201,233,000	8,555,000		209,788,000
Region XI - Davao	210,947,000	9,690,000	8,350,000	228,987,000

Region XII - SOCCSKSARGEN	152,122,000	8,637,000	160,759,000
Region XIII - CARAGA	69,076,000	7,524,000	76,600,000
Autonomous Region in Muslim Mindanao (ARMM)	66,185,000	7,733,000	73,918,000
TOTAL NEW APPROPRIATIONS	P 7,379,625,000	P 332,719,000	P 257,153,000
			P 7,969,497,000

Special Provision(s)

1. **Organizational Structure.** Notwithstanding any provision of law to the contrary, and within the limits of its appropriations in this Act, the COA, through its Chairperson, is hereby authorized: (i) to formulate and implement its organizational structure; (ii) to fix and determine the salaries, allowances and other benefits of its personnel in accordance with the rates and levels authorized under R.A. No. 6758, as amended and R.A. No. 6686, as amended; and (iii) to make adjustments in its Personnel Services itemization including, but not limited to, the transfer of item or creation of new positions, whenever public interest so requires: PROVIDED, That any modification of existing organizational structure and staffing pattern shall comply with existing organization, staffing and position classification and compensation standards, and shall in no case increase its total funding requirements for Personnel Services: PROVIDED, FURTHER, That the retirement and separation benefits of employees whose positions are affected by such organizational modification shall be paid in accordance with applicable laws, and shall be sourced from any unexpended balance of, or savings in, the appropriations of COA: PROVIDED, FINALLY, That a request on the foregoing changes and modifications shall be submitted to the DBM for proper documentation and to ensure compliance with applicable laws, rules and regulations.

2. **Use of Savings.** The COA, through its Chairperson, is hereby authorized to use savings from its appropriations to cover actual deficiencies incurred for the current year and for the following purposes: (i) printing and/or publication of decisions, resolutions, and training information materials; (ii) repair, maintenance and improvement of central and regional offices, facilities and equipment; (iii) purchase of equipment, books, journals and periodicals; (iv) necessary expenses for the employment of temporary, contractual and casual employees; and (v) payment of extraordinary and miscellaneous expenses, representation and transportation allowances, and other authorized benefits of its officials and employees, subject to pertinent budgeting, accounting and auditing rules and regulations.

3. **Assessments Levied by the Corporate Government Sector.** The COA through its Corporate Government Sector shall assess GOCCs for the cost of audit services rendered in accordance with the provisions of E.O. No. 271, s. 1987. Proceeds from such assessments, including receipts derived from other sources authorized by P.D. No. 1445 shall be deposited with the National Treasury as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292.

4. **Appropriations for Auditing Services to LGUs.** The cost of auditing services rendered to LGUs deducted from the national internal revenue tax collections shall be deposited with the National Treasury as income of the General Fund pursuant to Section 24(3) of P.D. No. 1445.

5. **Implementation of Infrastructure Projects.** The amount of Two Hundred Thirty Three Million Three Hundred Fifty Thousand Pesos (P233,350,000) appropriated herein for Buildings and Structures shall be used for the construction and renovation of offices and training center of COA: PROVIDED, That the Chairperson of COA shall ensure that: (i) implementation of the projects shall conform with the design, specifications and detailed cost estimate of the DPMW; and (ii) the construction of new buildings shall be implemented in the locations, areas or sites that are not included in the critical geo-hazard areas or no build zones identified by the Mines and Geo-Sciences Bureau.

6. **Submission of Annual Commission on Audit Report.** The COA shall submit, either in printed form or by way of electronic document, to the Congress and the President of the Philippines within one hundred twenty (120) days after the end of every fiscal year annual COA reports containing cumulative allotments, obligations incurred/liquidated, total disbursements, and the results of expended appropriations, including recommended measures necessary to improve their effectiveness and efficiency, for each agency and instrumentality of the National Government, by province and highly urbanized city, as well as GOCCs and non-government entities subject to its audit. The Chairperson of the COA and the Commission's web administrator or his/her equivalent shall be responsible for ensuring that said reports are likewise posted on the official website of the COA.

7. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Integrity and Independence
2. Organizational Efficiency
3. Professional and Technical Competence
4. Strategic Partnership and Linkages

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

Targets

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MFO 1: GOVERNMENT AUDITING SERVICES	
Financial, Compliance/Value for Money and Other Audits	
Number of agencies subjected to financial, compliance and other audits	19,081
% of audit recommendations accepted/not challenged by the auditees	90%
% of government agency's audit reports submitted to auditees, Congress and other oversight agencies on or before the deadline set by the Commission	90%
Special Audit	
Number of agencies subjected to special audit	25
% of audit recommendations accepted/not challenged by the auditees	90%
% of audit reports submitted within the deadline	90%
Fraud Audit	
Number of agencies subjected to fraud audit	25
% of change in the number of detected frauds in government resources	51%
% of government agencies subjected to fraud audit over the last three years	5%
Monitoring	
Number of compliance audits undertaken	19,081
% of the number of non-compliance findings to total findings	90%
% of reports with adverse findings that are referred for enforcement action within the prescribed period	90%
MFO 2: GOVERNMENT ACCOUNTANCY SERVICES	
Number of Reports transmitted to the President and Congress	4
% of AFRs/Annual Reports on Allotments, Obligations and Disbursements submitted to the President and Congress	100%
% of reports transmitted to the President and Congress on or before April 30/September 30	100%
MFO 3: GOVERNMENT ACCOUNTING RECORDS CUSTODIAL SERVICES	
Annual average number of received stored vouchers stored in custody for ten (10) years before disposal	39,140,451
% of stored vouchers secured from flooding and other elements	98%
% of stored vouchers subjected to maintenance inspection at least twice in the last two years	90%

MFO 4: GOVERNMENT ACCOUNTING AND AUDITING REGULATIONS AND ADJUDICATORY SERVICES**Rules and Regulations Standards Development**

Number of audit policies, standards, rules and regulations and guidelines issued and developed or updated and disseminated	52
% of rules and regulations subjected to clarificatory issuances	100%
% of rules and regulations subjected to review in the last three years	100%

Monitoring

Number of compliance audits undertaken	19,100
% of the number of non-compliance findings to total findings	90%
% of reports submitted to auditees and other oversight agencies on or before the deadline set by the Commission	90%

Enforcement of Decisions

Number of final and executory decisions of the Director/Commission Proper	65
% of appeals to the Supreme Court that overturn a COA decision	1%
% of monitoring reports with adverse findings that are acted upon within the prescribed period	90%

Adjudication

Number of decisions rendered	794
% of decisions affirmed by the Director and Commission Proper	90%
% of decisions rendered within 60 days after submission for resolution by the Commission Proper	90%

**GENERAL SUMMARY
COMMISSION ON AUDIT**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. Commission on Audit	P 7,379,625,000	P 332,719,000	P 257,153,000	P 7,969,497,000
Total New Appropriations, Commission on Audit	P 7,379,625,000	P 332,719,000	P 257,153,000	P 7,969,497,000