



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City



## MEMORANDUM

No. 2009-074

Date: July 23, 2009

**TO:** COA Assistant Commissioners, COA Directors, COA Auditors,  
COA Technical Audit Personnel, and All Others Concerned

**SUBJECT:** Guidelines on Assignments and Technical / Administrative Supervision  
and Control of Technical Audit Personnel Deployed to the Audit Clusters

### I. RATIONALE

To effectively operationalize the 2008 COA Organization Restructuring, this set of Guidelines on the assignments and technical/administrative supervision and control of technical audit personnel of the Commission deployed to the Audit Clusters is hereby issued.

### II. COVERAGE

This set of Guidelines shall apply to technical audit personnel of the Technical Services Office who are deployed to the Audit Clusters.

### III. DEPLOYMENT OF TECHNICAL AUDIT PERSONNEL

1. Technical audit personnel deployed to the Audit Clusters are personnel of the Technical Services Office, Special Services Sector (TSO, SSS). Their deployment to the Audit Clusters shall be based on an evaluation of the technical audit support service requirements conducted by the Technical Services Office (TSO) in coordination with the concerned Audit Clusters.
2. Selection of the Technical Service Chief (TSC) to be designated shall be among those senior in rank who have the educational qualifications and expertise/ experience required to effectively perform technical supervision and quality control over the technical audit functions of the Cluster.
3. Such personnel movements, including the designation of the Technical Service Chief (TSC), shall be subject to the approval of the Chairman of this Commission.

#### IV. ASSIGNMENTS OF TECHNICAL AUDIT PERSONNEL DEPLOYED TO THE AUDIT CLUSTERS

1. The technical audit personnel deployed to each Audit Cluster shall man the Technical Services Unit of said Cluster, headed by a Technical Service Chief (TSC).
2. Assignments of Technical Audit Personnel of the Cluster's Technical Services
  - a. The Technical Service Chief (TSC), in coordination with the Supervising Auditors/Audit Team Leaders (SAs/ATLs), shall evaluate and recommend to the Cluster Director the technical audit support staff requirements of each Audit Team.
  - b. The type, volume/number, and complexity (amount, description of work) of the contracts/projects/transactions requiring technical audit services shall be matched with the technical competencies (educational qualifications, expertise, experience, eligibility) and the number of technical audit personnel required, considering the estimated number of days to perform specific technical audit tasks based on existing regulations/TSO policies. If the said matching is not possible and the actual number of technical personnel available is insufficient, the Cluster shall have to resort to risk based prioritizing of the work to be done.
  - c. Technical audit personnel may have multiple assignments (i.e., more than one Audit Team).
  - d. Assignments of technical audit personnel to specific audit teams to undertake technical evaluation work shall be made through a *Cluster Assignment Order* signed by the Cluster Director.
  - e. Technical audit personnel shall report to their official stations based on the *Cluster Assignment Order*.
  - f. Technical audit personnel assigned to specific Audit Teams shall perform, among others, the following technical evaluation tasks:
    - f.1 Review of contracts to determine cost reasonableness
      - f.1.1 infrastructure contracts involving an amount of at least P10 million;
      - f.1.2. contracts for procurement of goods and services involving an amount of at least P1 million;
      - f.1.3. contracts for procurement of construction materials, services, equipment (purchase or rental), and other goods

for infrastructure projects undertaken by administration with a total approved budget for the project of at least P1 million;

f.1.4 contract variations for infrastructure contracts involving an amount exceeding ten percent (10%) of the original contract cost; and

f.1.5. price escalations for infrastructure contracts.

f.2 Review of Appraisal Reports

f.2.1. acquisition of right-of-way;

f.2.2. acquisition of land and building;

f.2.3. disposal of real property;

f.2.4. disposal of acquired assets of government financial institutions involving an amount of at least P50 million, except those disposed to previous owners in the exercise of their right of redemption; and

f.2.5. disposal of unserviceable property or those no longer needed involving an amount of at least P500,000.

f.3. Ocular Inspection

f.3.1 Inspection of infrastructure project accomplishment under a first payment and final payment on a contract with a total contract price of at least P10 million;

f.3.2. Post-repair inspection of property involving an amount of more than ₱100,000.00 per job order;

f.3.3. Inspection of deliveries of items as listed below, among others, with a total value of more than ₱500,000.00 per purchase order:

f.3.3.1 medicines, drugs, medical supplies/equipment, chemicals, laboratory supplies/equipment;

f.3.3.2 construction materials;

f.3.3.3 motor vehicles and heavy equipment and their spare parts and accessories;

f.3.3.4 electronic and communication supplies/equipment;

f.3.3.5 vessels and marine equipment;

f.3.3.6 refrigeration and air-conditioning equipment/systems;

- f.3.3.7 aircrafts and their accessories and components;
- f.3.3.8 weapons, ammunitions;
- f.3.3.9 generating machines, engines and accessories; and
- f.3.3.10 fabricated furniture, equipment, etc.

f.4. technical evaluation in connection with Management's Comments on technical audit findings (e.g. Audit Observation Memoranda, Notices of Suspensions, Notices of Disallowance, Motions for Reconsideration);

f.5. technical evaluation in connection with compliance and value for money audits; and

f.6. attendance in Audit Exit Conferences, when necessary.

3. As the need arises, the Cluster Director may direct the TSC to conduct an evaluation as described in IV.3.a. and IV.2.b. above for a new round of assignments.

4. The Cluster Director may give to specific technical audit personnel adjudication-related assignments that would involve tasks requiring technical expertise in support of the Adjudication function of the Office of the Cluster Director.

## V. TECHNICAL SUPERVISION AND QUALITY CONTROL

To systematize the work of technical audit personnel and ensure alignment of the: (a) technical audit scope with the Audit Scope during the audit period, (b) specific projects/contracts/transactions to be evaluated with those currently being audited, (c) technical audit objectives with specific Audit Objectives, and (d) technical audit timeline with the Audit Program's timeline, the work of the technical audit personnel shall be in accordance with the following process:

### A. Work Assignments

1. Assignments shall be through a *Technical Evaluation Assignment* (form in Annex 1) emanating from the SA/ATL, duly received by the technical audit personnel concerned, and copy furnished the TSC.

### B. Action on Work Assignments

2. The technical audit personnel shall perform the required technical evaluation work within the timeline indicated in the *Technical Evaluation Assignment*, and shall prepare and submit a technical evaluation report in accordance with existing regulations.

3. Submission of the reports by the technical audit personnel shall be made through an official transmittal (form attached as Annex 2) addressed to the SA/ATL and duly received by him/her, copy furnished the TSC.
4. Weekly, copies of contract review reports and the supporting working papers prepared by technical audit personnel shall be submitted to the TSC for accumulation and transmittal to the Technical Services Office, through the Cluster Director.

C. Technical Supervision and Quality Control

5. The Technical Service Chief shall maintain records of the technical work assignments of each technical audit person, with information on the:
  - a. Name and Address of Auditee;
  - b. Subject of the technical evaluation (contract, purchase order, specific accomplishment report, appraisal report, management's comments on Audit Observation Memorandum/Notice of Suspension/Notice of Disallowance/Motion for Reconsideration, etc.);
  - c. Amount involved;
  - d. Expected technical evaluation outputs;
  - e. Timeline for technical evaluation (estimated number of days for evaluation, start date and due date);
  - f. Dates of actual submission of output;
  - g. Results of quality control review;
  - h. Results of follow-through quality control review, if any; and
  - i. Date of release of technical evaluation report.
6. The Technical Service Chief shall perform quality control activities to ensure that:
  - a. all the actions taken by the technical audit person are in accordance with existing regulations relevant to specific technical evaluations (through sampling);
  - b. the evaluation conducted attained the technical evaluation objective; and
  - c. the data used, analysis conducted, computations made, results arrived at, conclusions reached, grammar, etc. are complete, correct/accurate.
7. The quality control activities performed on specific technical evaluation assignments shall be evidenced by the name, signature, and date of the TSC in the "Reviewed by" portion of technical evaluation reports.
8. Since it is physically impossible for the Technical Service Chief to perform one hundred percent (100%) quality control review of the work of all technical audit personnel of the Cluster's Technical Services, the Technical

Service Chief shall perform quality control review on a sampling basis, as follows:

- a. The first technical evaluation assignment for each kind of action by each technical audit person;
  - b. At least 10% of the rest of the assignments of each technical audit person with priority given to the tasks involving bigger amounts; and
  - c. More quality control efforts for technical audit personnel whose performance fall below the expectations.
9. In the event that the technical audit activities and outputs fail in the quality control review, the action to be taken by the technical audit person concerned and the timeline for such action shall be identified by the Technical Service Chief.
  10. A follow-through quality control review shall be conducted by the Technical Service Chief, on the date agreed-upon with the technical audit person concerned.
  11. The Technical Service Chief shall prepare appropriate reports to provide evidence of his/her performance of quality control review activities, which reports shall form part of the *Monthly Accomplishment Reports* of the Technical Services Unit.
  12. Issues that cannot be resolved at the level of the Technical Service Chief shall be officially elevated to the Cluster Director. Technical assistance from the Technical Services Office (TSO) may likewise be sought by the Technical Service Chief, through the Cluster Director.

#### D. Monitoring of Technical Evaluation Assignments

13. The Technical Service Chief shall monitor assignments and the proper implementation of the solutions to identified problems, if any. Instances of non-compliance shall be reported to the Cluster Director for decision on the action to be taken.
14. For monitoring purposes, the Technical Service Chief shall include the following information in the records of the assignments of each technical audit person, which he/she is maintaining:
  - a. Extent of delay;
  - b. Agreed-upon solution, timeline, and implementation; and
  - c. Cluster Director's decision on the action to be taken due to non-compliance, if any.

## E. Records Management

15. To facilitate referrals to project documents during succeeding technical evaluation activities, the Audit Team shall maintain files on a per project and per contract basis, to include technical evaluation reports and supporting working papers (with electronic copies), chronologically arranged, and with a list of these documents.

## VI. ADMINISTRATIVE SUPERVISION AND CONTROL

### A. Locator Slips

1. The Supervising Auditor/Audit Team Leader shall approve Locator Slips of technical audit personnel for specific work assignments based on *Technical Evaluation Assignments* (Annex 1).
2. Locator Slips for other purposes (e.g. attendance in conferences outside of the assignments in the *Cluster Assignment Order*) shall be approved by TSC.
3. Locator Slips of the TSC shall be approved by the Cluster Director, as provided by existing COA regulations.

### B. Travel

4. Travel Orders shall be processed and approved based on existing regulations on the matter.

### C. Applications for Leave of Absence

5. Applications for leave of absence not exceeding six (6) months of technical audit personnel, with recommendations from the SA/ATL where the technical audit personnel hold official station, and the TSC, shall be submitted to the Cluster Director for approval.
6. Applications for leave of absence with requests for authority for personal travel abroad not exceeding three (3) months, with recommendations from the SA/ATL where the technical audit personnel hold official station, and the TSC, shall be submitted to the Cluster Director for approval.
7. Applications for leave of absence of all technical audit personnel exceeding six (6) months and those with requests for authority for personal travel abroad exceeding three (3) months, with recommendations from the SA/ATL where the technical audit personnel hold official station, and the TSC, shall be submitted to the Cluster Director and the Director, TSO for recommendation to the COA Chairman.

8. The requirements of existing regulations in regard to the time of filing and the supporting documents to the applications for leave of absence shall be complied with.

#### D. Daily Time Records and Reports on Attendance/Undertimes/Absences

9. Matters pertaining to attendance and reports of attendance of technical audit personnel shall follow existing regulations.

#### E. Accomplishment Reports

10. For purposes of reporting accomplishments in regard to their audit engagements, SAs/ATLs shall include the related accomplishments of technical audit personnel in the *Accomplishment Reports* to be submitted by the Audit Teams to which these technical audit personnel are assigned.
11. For purposes of providing complete information on the accomplishments of the Technical Services Unit (TSU), all accomplishments of the TSC and of all technical audit personnel comprising the TSU, shall be included in the *Accomplishment Reports* of the TSU.
12. These *Reports* shall be transmitted to the Technical Services Office (TSO), through the Cluster Director, within the third working day of each succeeding month, for further consolidation with the *Accomplishment Reports* of the TSO.

#### F. Performance Evaluation

13. Evaluation of the performance of technical audit personnel in regard to their assignments with the Audit Cluster shall be conducted by the Technical Service Chief concerned following existing regulations on the matter. He/She may obtain relevant information from the Adjudication Service Chief, when applicable.
14. The bases of the performance evaluation shall be:
  - a. Expectations/Performance Parameters:
    - a.1. *Number/Volume* of work assignments; and, the computed expected number/volume of work from all the Audit Teams being serviced;
    - a.2. *Timeline* for each work assignment based on existing regulations/policies, where applicable; and
    - a.3. *Quality Control* parameters per existing regulations and/or policies of the Technical Services Office (TSO)
  - b. Actual Performance
    - b.1. Number/Volume of completed work by the technical audit person;
    - b.2. Actual time spent for each work assignment; and

b.3. Results of Quality Control activities performed by the TSC with inputs from the SAs/ATLs concerned

15. Performance evaluation shall be conducted following existing regulations, with copies of the required reports furnished to the Technical Services Office.

#### G. Evaluation and Recommendations for Promotion

16. As soon as a vacancy occurs, the TSO shall conduct a National Capital Region (NCR)-wide ranking of technical audit personnel, based on the performance evaluation conducted by the Audit Clusters; and, shall make the appropriate recommendations for promotion.

#### H. Support Facilities

17. The SAs/ATLs shall ensure that the technical audit personnel assigned to their audit teams are provided with enough working space, furniture, equipment, and office supplies/materials to enable them to efficiently perform their functions.

### VII. ASSESSMENT OF COMPLIANCE WITH REGULATIONS/POLICIES ON THE PERFORMANCE OF TECHNICAL AUDIT FUNCTIONS

The Technical Services Office shall conduct regular assessments of compliance by technical audit personnel and others concerned with existing regulations/policies on the performance of technical audit functions, including this Memorandum, with reports submitted to the Chairman of the Commission.

### VIII. REPEALING CLAUSE

All issuances of the Commission which are inconsistent herewith are hereby repealed, amended, or modified accordingly.

### IX. EFFECTIVITY

These Guidelines shall become effective immediately.

  
**REYNALDO A. VILLAR**  
Chairman

**COMMISSION ON AUDIT**

Auditee: \_\_\_\_\_ Address: \_\_\_\_\_

**TECHNICAL EVALUATION ASSIGNMENT**

TO		Date:
SUBJECT		
FOR	<input type="checkbox"/> Review <input type="checkbox"/> Inspection <input type="checkbox"/> Appraisal <input type="checkbox"/> Evaluate	DUE DATE: _____  Special Instructions, if any:
FROM		
RECEIVED BY TECHNICAL AUDIT PERSON:		
Signature:		
Name:		
Position/Designation:		
Date:		

<b>COMMISSION ON AUDIT</b>			
Auditee: _____		Address: _____	
<b>TRANSMITTAL OF TECHNICAL EVALUATION REPORT</b>			
FOR		Date:	
SUBJECT			
ACTION TAKEN		PERIOD OF ACTION	
FINDINGS & OBSERVATIONS			
FROM			
RECEIVED BY SUPERVISING AUDITOR/AUDIT TEAM LEADER:			
Signature:			
Name:			
Position/Designation:			
Date:			