



Republic of the Philippines
COMMISSION ON AUDIT
 Regional Office No. XI
OFFICE OF THE REGIONAL DIRECTOR
 C.P. Garcia Highway, Buhangin Davao City
 Tel. No. (082) 241-2948

**I. Audit Program on Fund Sourcing for COVID-19
 Plans, Programs and Activities**

Audit Objectives	Audit Procedures	Criteria
<p>A. To determine whether there is an effective finance planning, such as a well-crafted Investment Program, for DRRM and COVID-19-related PPAs that helps provide adequate funding for DRR and COVID-19-related activities and ensures availability of funds for efficient disaster response and management taking into account the following:</p>		
<p>a. Inclusion of all COVID-19-related PPAs in the approved Annual Investment Program/ Supplemental Investment Program and are funded in the Annual Budget/ Supplemental Budget</p>	<ol style="list-style-type: none"> 1. Gather the following plans/ programs/ documents: <ul style="list-style-type: none"> ➤ Annual Investment Program ➤ Supplemental Investment Program ➤ Appropriation Ordinances ➤ Annual Budget ➤ Supplemental Budget ➤ Minutes of the Local Development Council (LDC) Meetings ➤ LDC Resolutions 2. From the approved Annual Investment Program (AIP) and Supplemental Investment Program, identify and extract all COVID-19-related PPAs and its corresponding resource requirements. 3. Check if all identified COVID-19-related PPAs in the AIP were funded in the approved Annual/Supplemental Budget of the LGU concerned. Take note of any deficiency. 4. Compare the list of all COVID-19 related PPAs with those PPAs funded under the annual/ supplemental 	<p>a. NDRRMC DBM and DILG Joint Memorandum Circular No. 2013-1</p> <p>Section 3 of Proclamation No. 929 s. 2020</p> <p>DBM Local Budget Circular No. 124 dated March 26, 2020</p> <p>DILG-DBM Joint Memorandum Circular No. 2 dated March 30, 2020</p>



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	<p>budgets. Take note of any deficiency.</p> <p>5. Also, assess whether the COVID-19-related PPAs address the disaster response requirement for COVID-19 emergency.</p> <p>6. Verify if the proposed projects were supported with LDC Resolutions and Minutes of Meetings of the LDC. Take note of any deficiency.</p> <p>7. For those PPAs funded from LDRRMF:</p> <ul style="list-style-type: none"> • Extract all COVID-19-related PPAs from the approved Annual Investment Plan (AIP) and Supplemental Investment Plan those funded from LDRRMF. • Compare the above data to the approved LDRRMF Investment Plan (LDRRMFIP) and its revision, if any. Take note of any deficiency. • Identify the specific LDRRM fund source of these PPAs, whether funded by the current appropriation (including the 30% QRF), continuing appropriation and previous years' unexpended QRF and DRRMF-MOOE. (Note: PYs unexpended QRF and DRRMF-MOOE should be included in the LDRRMFIP) • For the PPAs funded out of the current appropriation, identify whether these PPAs were included in the approved Annual/Supplemental 	



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	<p>Budgets. Check if these budgets are supported with Appropriation Ordinances. Take note of any deficiency.</p> <ul style="list-style-type: none"> • For PPAs funded out of PYs unexpended LDRRM fund, identify whether these are included in the approved supplemental budget and is supported with appropriation ordinance. Take note of any deficiency. <p>8. Conduct inquiry/ interview with the appropriate management personnel for the deficiencies observed and validate the same.</p> <p>9. Document results in the audit working paper/s and take note of deficiencies.</p> <p>10. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted.</p>	
<p>b. Revised LDRRMFP, as incorporated in AIP, allocated and presented for the year the: (1) lump-sum allocation for Quick Response Fund (2) allocation for disaster prevention and mitigation, preparedness, response, rehabilitation and recovery and (3) The list of projects and activities charged to the unexpended LDRRMF of previous years be included under a separate caption.</p>	<ol style="list-style-type: none"> 1. Gather the following plans/ programs/ documents: <ul style="list-style-type: none"> ➤ Local Disaster Risk Reduction and Management Plan (LDRRMP) ➤ Minutes of the LDRRMC Meetings ➤ LDRRMC Resolutions 2. With the inclusion of all COVID-19-related PPAs in the recently issued Circulars, determine whether the LDRRMP was revised to consider current vulnerabilities. 3. From the LDRRMP, identify and prepare a list of all the the COVID-19 related PPAs and check whether these were incorporated in the approved 	<p>b. COA Circular No. 2012-002 dated September 12, 2012</p> <p>COA Memorandum No. 2014-009 dated August 28, 2014</p> <p>DBM Local Budget Circular No. 124 dated March 26, 2020</p> <p>DILG DBM Joint Memorandum Circular No. 02 dated March 30, 2020</p>



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	<p>AIP and Supplemental AIP. Take note of any deficiency.</p> <ol style="list-style-type: none"> 4. Review and evaluate the updated or revised LDRRMFP, as incorporated in the approved supplemental AIP and its covering Resolutions, considering that LGUs are authorized to utilize LDRRMF beyond the 30% QRF during the existence of the state of national emergency due to COVID-19. 5. From the List of PPAs prepared as identified from the LDRRMF prepared by the agency, verify those PPAs that are funded by the current appropriation, continuing appropriation and previous years' unexpended QRF and DRRMF-MOOE 6. Compare the programs outlined in the LDRRMF with the National DRRM Plan if they are aligned. Take note of updates in NDRRM Plan, if any. 7. Assess the PPAs charged against the LDRRMF if it addresses the disaster response requirements of COVID-19 emergency. Take note of any deficiency. 8. Check whether the LDRRMO furnished the Office of the Civil Defense and DILG-LGOO with copies of the LDRRMFP. 9. Conduct inquiry/ interview with the appropriate management personnel for the deficiencies observed and validate the same. 11. Document results in the audit working paper and take note of deficiencies. 	



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	12. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted.	



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 Plans, Programs and Activities**

Audit Objectives	Audit Procedures	Criteria
B. To determine whether appropriate and adequate financial support was provided to implement the COVID-19 Plans, Programs and Activities considering the following guidelines:		
a. Use of 20% Development Fund for COVID-19-related expenses including the continuing appropriations from previous years'	<ol style="list-style-type: none"> 1. Obtain the following plans/ programs/ documents: <ul style="list-style-type: none"> ➤ PDP and PIP for CY 2017 – 2022 (<i>downloadable from NEDA website</i>) ➤ Local Development Plan (LDP) ➤ Annual Investment Program (AIP) ➤ Supplemental AIP for COVID 19 PPAs ➤ Minutes of the Local Development Council's (LDCs) Meetings ➤ LDC Resolutions 2. Determine the amount of the mandatory 20% Development Fund from the estimated/ budgeted share from the Internal Revenue Allotment (IRA), as reflected in the Statement of Receipts as presented in the Annual/Supplemental Budgets. Then, compare the computed amount with the total amount of 20% development projects funded under the Annual/ Supplemental Budgets. Take note of any deficiency. 3. From the approved Annual Investment Program (AIP), identify and extract all COVID-19-related PPAs and its corresponding resource requirements. In case the COVID-19-related expenses are not among those included in the approved AIP, the local development council shall prepare a supplemental investment program for the purpose, approved by the local sanggunian. 4. Check if all identified COVID-19-related PPAs in the AIP were funded in the approved Annual/Supplemental Budget of the LGU concerned. Take note of any deficiency. 5. In the event that the LGUs opt to realign their 	a. Budget Operations Manual for Local Government Units- 2016 Edition DBM Local Budget Circular No. 124 dated March 26, 2020 DILG DBM Joint Memorandum Circular No. 01 dated March 27, 2020 Section 321 of the Local Government Code Section 323 of the Local Government Code.



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	<p>existing PPAs under the 20% DF, including the continuing appropriations from previous years' 20% DF for COVID-19-related expenses, determine whether changes in their respective annual budgets were through the following:</p> <p>a. Changes in annual budgets through supplemental budgets in accordance with Section 321 of the Code and Article 417 of its IRR, as amended by AO No. 47, s. 1993:</p> <p>a.1 Determine the funding source/s of the agency by gathering and analyzing the following documents under each circumstances:</p> <p>(a) Funds actually available:</p> <ul style="list-style-type: none"> ✓ Certified Statement of Additional Realized Income by the Local Treasurer and Local Accountant ✓ Certification of Savings certified by the Local Treasurer and Local Accountant <p>(b) New revenue measure/s:</p> <ul style="list-style-type: none"> ✓ Certified Statement of Income from New Revenue Measure/s ✓ Copy of duly enacted ordinance which impose new local taxes, charges, fees, fines, or penalties or which raises existing local taxes, charges, fees, fines and penalties signed by the Local Treasurer and Local Accountant. ✓ Copy of official communication stating that the LGU is a recipient of new or higher remittances, contributions, subsidies or grants in aid from the National Government or from government corporations and private entities signed by the Local Treasurer and Local Accountant <p>(c) In times of Natural Calamity</p>	<p>Article 417 of its IRR of the Local Government Code.</p> <p>Section 336 of the Local Government Code and</p> <p>Article 454 (b) of its IRR of the Local Government Code.</p>



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	<ul style="list-style-type: none"> ✓ Certificate of Source of Funds Available for Appropriations as certified under oath jointly by the Local Treasurer and Local Accountant and attested to by the LCE. ✓ The Appropriation Ordinance shall clearly indicate the sources of funds available, the items of appropriations affected; and the reasons for the change. <p>a.2 In addition, check if the following documents with the required signatories were submitted together with the Appropriation Ordinance:</p> <ul style="list-style-type: none"> ✓ Supplemental AIP, if any, signed by the Local Planning and Development Officer, Local Budget Officer and Local Chief Executive ✓ Sanggunian Resolution approving the Supplemental AIP signed by the Secretary to the Local Sanggunian and Presiding Officer ✓ Veto message, if any, signed by the Local Chief Executive and ✓ Sanggunian's action on veto, if any, signed by the Secretary to the Local Sanggunian and Presiding Officer <p>a.3 Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed.</p> <p>b. Use of savings and augmentation in accordance with Section 336 of the Local Government Code and Article 454 (b) of its IRR:</p> <ul style="list-style-type: none"> b.1 Check if the LCE or the Presiding Officer of the Sanggunian concerned is authorized by ordinance (enacted by Sanggunian) to use savings and augment items in the approved Annual Budget. b.2 Assess whether the authority granted covers the augmentation of any item in the approved Annual Budget, which 	



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	<p>upon implementation or subsequent evaluation of needed resources is determined to be deficient.</p> <p>b.3 Check whether the amount to augment the deficient item of appropriation is sourced from savings. In Article 454(b)(1) of the IRR of the Local Government Code defines savings as referring to portions or balances of any programmed appropriation free from any obligation or encumbrance, still available after the satisfactory completion or the unavoidable discontinuance or abandonment of the work, activity or purpose for which the appropriation is authorized, or arising from unpaid compensation and related costs pertaining to vacant positions and leaves of absences without pay.</p> <p>b.4 Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed.</p> <p>6. Evaluate whether COVID-19-related PPAs and expenses are among the allowable expenses to be charged against the 20% DF as provided under DILG-DBM JMC No. 1 dated March 27, 2020.</p> <p>7. Document results in the audit working paper and take note of deficiencies.</p> <p>8. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted.</p>	
<p>b. Realignment and augmentation of SK budgets to provide funds for PPAs related to COVID-19</p>	<p>1. Secure a copy of the Annual Budget/ Supplemental Budget of the barangay and determine the budget allocated for SK Fund in accordance with the adopted Annual Barangay Youth Investment Program (ABYIP) together with the covering SK Resolution.</p> <p>2. If there are changes in the SK fund done through Supplemental Budget/s, assess the following conditions and requirements:</p> <p>i. When supported by funds actually available as certified by the SK treasurer; and</p>	<p>Section 8(b) and 20(c) of the IRR of RA No. 10742</p> <p>Sec 336 of RA 7160</p> <p>Article 454 (b) of IRR of Local Government Code</p>



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	<p>ii. If covered by new resources.</p> <p>3. Anent the use of savings to augment any item in the approved AB, determine if the following conditions and requirements were observed by the SKs:</p> <ul style="list-style-type: none"> ➤ The SK chairperson is authorized to use savings and augment items in the approved AB through a resolution passed by the SK (Note: the authority is in a form of resolution since the SK does not have the legislative power to enact an ordinance) ➤ The authority granted to the SK chairperson covers the augmentation of any item in the approved AB, which upon implementation or subsequent evaluation of needed resources is determined to be deficient pursuant to Article 454 (b)(2) of the IRR of RA 7160 ➤ The amount to augment the deficient item of the budget must be sourced from savings ➤ The item/s of budget to be augmented and that from which the savings will be derived are within the same expense class in the approved AB of the SK <p>4. If the SKs opt to realign and augment their respective budgets to provide necessary funds for COVID-19, assess whether the PPAs were related and aligned to COVID-19 measures and in accordance with the adopted ABYIP.</p> <p>5. Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed.</p> <p>6. Document results in the audit working paper and take note of deficiencies.</p> <p>7. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted.</p>	<p>COA Circular No. 2020-003 dated January 28, 2020</p> <p>DILG Memorandum Circular 2020-074 dated April 14, 2020</p>
<p>c. Use of Peace and Order Council funds for COVID-19-related PPSAs</p>	<ol style="list-style-type: none"> 1. Secure a copy of the resolution creating the POC of the province/city/municipality. 2. Verify if there is a Local Task Force Against COVID-19 created by the agency for the purpose of addressing the COVID-19 issues and concerns. Secure a copy of the POC Resolution constituting the Task Force. 3. Secure copies of the proposals made by the Task Force for inclusion in the Peace and 	<p>b. DILG Memorandum Circular No. 2020-079 dated May 01, 2020</p> <p>DILG Memorandum Circular No.</p>



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	<p>Order and Public Safety (POPS) plan of the agency. Prepare a list of the programs, projects, services, and activities (PPSAs) proposed.</p> <ol style="list-style-type: none"> 4. Check whether there is a POC Resolution passed which contained guidelines on the realignment of funds for COVID-19 related PPSAs. 5. From the prepared List of PPSAs proposed by the Task Force, verify if these were incorporated in the POPS plan and appropriately funded in the annual/supplemental budget. 6. Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed. 7. Document results in the audit working paper and take note of deficiencies. 8. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted. 	<p>2019-143 dated August 27, 2019 (Re: Omnibus Guidelines for Peace and Order Councils)</p>
<p>d. Creation of a Special Account in the General Fund for Bayanihan Grant equivalent to the one half (1/2) of the one-month FY 2020 IRA share for Provinces</p>	<ol style="list-style-type: none"> 1. Confirm the released allocations for the beneficiary Provinces through the Notice of Advices to Debit Account issued by the BTr. 2. Determine if the special account in the General Fund (SAGF) for the BGP was created through the following: <ol style="list-style-type: none"> a. An ordinance by the provincial sanggunian b. Done by the provincial sanggunian through inclusion in the pertinent appropriation ordinance authorizing a supplemental budget covering the BGP. 3. Determine whether the LDC prepared a supplemental investment program for the purpose, approved by the local sanggunian. 4. Based on the Supplemental Investment Program, identify and prepare a list of the COVID-19 related PPAs. Check if the proposed PPAs were supported with LDC Resolutions and Minutes of Meetings of the LDC. Take note of any deficiency. 5. Assess whether the said PPAs in the Supplemental Investment Program are in relation/connection to the operation of 	<p>c. DBM Local Budget Circular No. 126 dated April 13, 2020</p> <p>DILG-DBM JMC No. 2 dated March 30, 2020</p> <p>Section 313 of RA 7160</p>



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	<p>provincial, district and other local hospitals operated by the provincial government and maintenance of duly established provincial checkpoints related to COVID-19. Evaluate whether these COVID-19-related PPAs and expenses are among the allowable expenses to be charged against the Bayanihan Grant in accordance with LBC No. 126 dated April 13, 2020. Take note of any deficiency.</p> <p>6. Also, check if the proposed projects were supported with LDC Resolutions and Minutes of Meetings of the LDC. Take note of any deficiency.</p> <p>7. Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed.</p> <p>8. Document results in the audit working paper and take note of deficiencies.</p> <p>9. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted.</p>	
<p>e. Creation of a Special Account in the General Fund for Bayanihan Grant equivalent to the one-month FY 2020 IRA share for Cities and Municipalities.</p>	<p>1. Confirm the released allocations for the beneficiary Provinces through the Notice of Advices to Debit Account issued by the BTr.</p> <p>2. Determine if the special account in the General Fund (SAGF) for the BGCM was created through the following:</p> <ul style="list-style-type: none"> a. An ordinance by the local sanggunian b. Done by the local sanggunian through inclusion in the pertinent appropriation ordinance authorizing a supplemental budget covering the BGP. <p>3. Determine whether the LDC prepared a supplemental investment program for the purpose, approved by the local sanggunian.</p> <p>4. Based on the Supplemental Investment Program, identify and prepare a list of the COVID-19 related PPAs. Check if the proposed PPAs were supported with LDC Resolutions and Minutes of Meetings of the LDC. Take note of any deficiency.</p>	<p>e. DBM Local Budget Circular No. 125 dated April 07, 2020</p> <p>DILG-DBM JMC No. 2 dated March 30, 2020</p> <p>Section 313 of RA 7160</p>



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	<ol style="list-style-type: none"> 5. Assess whether the said PPAs in the Supplemental Investment Program are in relation/connection to enhancing the capacities of the cities/municipalities in immediately responding to the COVID-19 emergency. Evaluate whether these COVID-19-related PPAs and expenses are among the allowable expenses to be charged against the Bayanihan Grant in accordance with LBC No. 125 dated April 13, 2020. Take note of any deficiency. 6. Also, check if the proposed projects were supported with LDC Resolutions and Minutes of Meetings of the LDC. Take note of any deficiency. 7. Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed. 8. Document results in the audit working paper and take note of deficiencies. 9. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted. 	
<p>f. Funds received from other LGUs and other sources</p>	<ol style="list-style-type: none"> 1. Determine if said funds were treated as a special trust liability account in the Trust Fund books. 2. Secure a copy of MOA, if any. 3. Conduct inquiry/ interview with the appropriate management personnel regarding the reasons for the deficiencies observed. 4. Document results in the audit working paper and take note of deficiencies. 5. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted. 	<p>f. COA Circular No. 2012-002 dated September 12, 2012</p>



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**I. Audit Program on Fund Sourcing for COVID-19
 Plans, Programs and Activities**

Audit Objectives	Audit Procedures	Criteria
<p>C. To determine whether cash and in-kind aids/donations from local or foreign sources, if any, were properly received, recorded and accounted in accordance with the guidelines prescribed under COA Circular No. 2012-002 dated September 12, 2012, COA Circular No. 2014-002 dated April 15, 2014, COA Memorandum No. 2014-009 dated August 28, 2014 and COA Circular No. 2020-009 dated April 21, 2020</p>	<p>1. In case of cash donations received from foreign or local sources, check/ verify/ confirm whether:</p> <p>a. The LCE is duly authorized by the sanggunian in a resolution to accept cash donations from local or foreign sources.</p> <p>b. Receipt of the funds is acknowledged through the issuance of Official Receipt and deposited with the AGDB. For NGAs, a separate bank account is maintained for disaster funds while for LGUs, the receipts are deposited to their Trust Fund bank account.</p> <p>➤ For cash donations:</p> <ul style="list-style-type: none"> • Donations through electronic receipts or records as proof of receipt, in lieu of traditional official receipts, is compliant with the requirements provided that the electronic tracking platform can provide a minimum data content to reflect the transaction such as but not limited to the following: (i) date of receipt of the donation; (ii) name of the donor; (iii) nature of donation; (iv) amount or volume of the donation; (v) the reference number, if applicable, and (vi) specific purpose of donation. • If made directly to recipient agency's bank account, the credit memo or bank statement shall serve as proof of receipt. • Transferred electronically to an electronic wallet (e.g. Landbank IAccess, Gcash, Peso Net, Insta Pay), the transaction reference will be the basis of proof and recording. <p>➤ For foreign currency cash donations, the amount is converted to local currency using the current exchange rate at the date of receipt</p> <p>➤ The amount directly deposited by the</p>	<ul style="list-style-type: none"> • COA Circular No. 2012-002 dated September 12, 2012 • COA Circular No. 2014-002 date April 15, 2014 • COA Memorandum No. 2014-009 dated August 28, 2014 • COA Circular No. 2020-009 dated April 21, 2020



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	<p style="text-align: center;">donor to the agency bank account shall be taken up in the books by the Accounting Unit based on the bank credit memo.</p> <p>c. There are copies of MOA or other agreement with the donors, if any. Review the MOA and check whether the agreements were properly carried out. Take note of any deficiencies.</p> <p>d. Entered in Cash Receipts Record or Cashbook by the designated Collecting Officer.</p> <p>e. Separate Report of Collections and Deposits (RCD) for shall be prepared daily by the designated Collecting Officer and submitted to the Accounting Unit for recording in the Cash Receipts Journal (CRJ) as Trust Liabilities.</p> <p>f. The Budget Unit shall be furnished copies of the RCD, JEV and credit memo as bases in the preparation of the Registry of Cash Donations and Utilization (RCDU). The RCDU shall be maintained per donor per purpose and updated regularly by the Budget Unit.</p> <p>g. Subsidiary Ledger for Trust Liabilities-DRRMF for cash donations received amounting to P100,000 and above per donor per purpose while those below P100,000 shall be booked as “Various Donors” per purpose.</p> <p>h. For cash donations without specific purpose, funds shall be used for purposes provided in the RA No. 11469 also known as “Bayanihan to Heal As One Act”, Proclamation No. 929, executive orders and other pertinent issuances treated on COVID-19 PPAs.</p> <p>i. Conduct inquiry/ interview with the appropriate management personnel for the deficiencies observed and validate the same.</p> <p>j. Document results of the audit working paper and take note of deficiencies.</p> <p>k. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted.</p>	



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	<p>2. In case of in-kind donations received from foreign or local sources, the LCE for LGUs must be duly authorized in a sanggunian resolution to accept in-kind donations. The donee/ agencies must prepare the following:</p> <ul style="list-style-type: none"> • The recording of donations in kind before repacking and distribution is put on hold during the quarantine. Acknowledgement of the donations-in-kind and accounting of distribution and balances by the recipient agencies will suffice during this period. • Verify if the recipient agencies prepared the Summary/ List of Donations Received, Distributed and Balance and submitted within ten (10) working days after the end of the quarantine, or if the quarantine exceeds three (3) months, within ten (10) working days after the end of each quarter supported with: <ul style="list-style-type: none"> • Acknowledgement receipts of the donations in-kind • Proof of receipt by and distribution to the beneficiaries, not necessarily in the required form; and • Inventory of remaining undistributed items, if any. • Analyze the Summary/ List of Donations Received, Distributed and Balance if there are deficiencies noted. • Check whether the remaining donations were properly costed and recorded in the books or in the registries. • For donations in-kind, an electronically produced acknowledgement receipt or similar document automatically generated by the system shall also be accepted. • Conduct inquiry/ interview with the appropriate management personnel for the deficiencies observed and validate the same. • Document results in the audit working paper and take note of deficiencies. • Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies 	



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<p>D. To determine whether funding source for the Special Risk Allowance (for NGAs) is charged against the available released allotments after all authorized mandatory expenses have been paid first.</p>	<ol style="list-style-type: none"> 1. Check if the funding source is available for the grant of COVID-19 Special Risk Allowance: <ul style="list-style-type: none"> ➤ For personnel occupying regular, contractual, casual or part-time positions in NGAs, the amount required for the grant is charged against the available released PS allotments provided that all authorized mandatory expenses shall have been paid first. ➤ For COS/ JO workers, the amount required for the grant is charged against the available released MOOE allotments provided that all authorized mandatory expenses shall have been paid first. 2. In case of insufficient PS or MOOE allotments, check whether the agency submitted to the DBM a Special Budget Request duly supported by a list of entitled personnel with the corresponding amounts required. The DBM shall release funds chargeable against the available appropriations that may be indentified pursuant to the pertinent provision of RA No. 11469, without need of further approval from the Office of the President. 3. Secure a copy of the funds 	<ul style="list-style-type: none"> • Administrative Order No. 28 dated April 6, 2020 • Item No. 6 of DBM BC No. 2020-2 dated April 7, 2020



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	<p>released by DBM which may be in the form of SARO.</p> <ol style="list-style-type: none"><li data-bbox="603 510 1007 674">4. Conduct inquiry/ interview with the appropriate management personnel for the deficiencies and validate the same.<li data-bbox="603 712 1007 808">5. Document results in the audit working paper and take note of deficiencies<li data-bbox="603 846 1007 943">6. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies	



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COMMISSION ON AUDIT
Regional Office No. XI
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**I. Audit Program on Fund Sourcing for COVID-19
Plans, Programs and Activities**

Audit Objectives	Audit Procedures	Criteria
<p>E. To determine whether funding source for the Special Risk Allowance (for GOCCs) is charged against their approved corporate operating budgets for FY 2020.</p>	<ol style="list-style-type: none">1. Check if the funding source is available for the grant of COVID-19 Special Risk Allowance:<ul style="list-style-type: none">➤ The amount required is charged against the respective approved corporate operating budgets for FY 2020. If insufficient, the amount authorized may grant the same at a lower but uniform rate for all qualified personnel.2. Conduct inquiry/ interview with the appropriate management personnel for the deficiencies observed and validate the same.3. Document results in the audit working paper and take note of deficiencies.4. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies	<ul style="list-style-type: none">• Administrative Order No. 28 dated April 6, 2020• DBM BC No. 2020-2 dated April 7, 2020



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**I. Audit Program on Fund Sourcing for COVID-19
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<p>F. To determine whether there is available budget for the grant of Special Risk Allowance (for LGUs) subject to (1) PS limitation of LGU budgets, (b) available allotments and conditions set on DBM BC No. 2020-2 dated April 7, 2020, chargeable against the FY 2020 local government funds.</p>	<p>1. Determine whether there is available budget for the grant of COVID-19 Special Risk Allowance (SRA) subject to the following conditions:</p> <p>a. In the case of regular/ contractual/ casual personnel, determine the PS limitation:</p> <ul style="list-style-type: none"> ➤ Compare the PS limitation and total Annual PS Budget, net of waived items. PS limitation is the amount equivalent to 45% of the total income from regular sources earned in the next preceding fiscal year for 1st to 3rd class provinces/ cities/ municipalities, or 55% for lower class LGUs, including barangays. Total PS costs refers to: (i) salaries of existing regular personnel; (ii) statutory and contractual obligations (ECIP, HIC, Pag-Ibig, RLIP, RG and TL Benefits); and (iii) Authorized allowances/ benefits. ➤ Secure a copy of the review action by the DBM RO in the form of a letter, while that of the Sangguniang Panlalawigan in the form of a Resolution. This is to validate compliance of the agency to the budgetary requirement and general limitations. ➤ Secure a copy of the LGUs computation on the allowable PS level. ➤ Analyze the results: <ul style="list-style-type: none"> • If the Total Annual PS Budget, net of waived items, is less than the PS Limitation, then the LGU may still provide for additional PS costs to the extent of the difference between the said amounts. 	<ul style="list-style-type: none"> • Administrative Order No. 28 dated April 6, 2020 • DBM BC No. 2020-2 dated April 7, 2020 • Budget Operations Manual for Local Government Units- 2016 Edition



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	<ul style="list-style-type: none"> • If the Total Annual PS Budget is equal to or greater than the PS Limitation, then the LGU can no longer provide for additional or new PS costs. b. In the case of COS/JO workers and BHWs, determine available MOOE allotments. c. Should there be insufficient funds to fully cover the COVID-19 SRA, a lower but uniform rate is granted for all qualified personnel. <ul style="list-style-type: none"> • If a lower rate is granted, secure a copy of the computation or payroll to determine uniformity of rate granted. d. Ensure that the conditions set in Item 4.0 of DBM BC No. 202-2 are met in the grant of COVID-19 SRA (equivalent to a maximum of 25% of monthly basic salary/pay/honorarium), to wit: <ul style="list-style-type: none"> • The PHWs provide critical and urgent services to respond to the public health emergency during the implementation of the Enhanced Community Quarantine (ECQ). • The PHWs are either (a) civilian employees occupying regular, contractual or casual positions, on full-time or part-time basis; or (b) Workers engaged thru contract of service (COS) or job order (JO), including Barangay Health Workers (BHWs) regardless of nature of engagement, provided that the COS/JO workers and BHWs concerned are <u>assigned to hospitals and other healthcare facilities</u>. • The PHWs physically report for work at their respective offices/work stations on the prescribed official working hours, as authorized by the head of agency/office during the period of the implementation of the ECQ 	



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	<p>measures.</p> <ul style="list-style-type: none"> • The grant of COVID-19 SRA shall be pro-rated based on the no. of days that PHWs concerned physically report for work during the period of ECQ in their respective places of assignment, reckoned not earlier than March 17, 2020, as follows; <table border="1" data-bbox="662 741 1070 1019" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">No. of Days Physically Reporting for Work</th> <th style="text-align: center;">Percentage of the Incentive</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3 to 7</td> <td style="text-align: center;">25%</td> </tr> <tr> <td style="text-align: center;">8 to 12</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">13 to 17</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">18 or more</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The COVID-19 SRA of personnel hired on part-time basis in one or more agencies shall be in direct proportion to the services rendered, provided that the total COVID-19 SRA received from all sources shall not exceed 25% of the monthly salary//pay. • The COVID-19 SRA of an employee on detail to another government agency shall be granted by the parent agency. • A compulsory retiree, on service extension, may be granted the COVID-19 SRA, subject to the pertinent conditions and guidelines under the Circular. <ol style="list-style-type: none"> 2. Conduct inquiry/ interview with the appropriate management personnel for the deficiencies observed and validate the same. 3. Document results in the audit working paper and take note of deficiencies. 4. Prepare and issue Audit Observation Memorandum (AOM) for any deficiencies noted. 	No. of Days Physically Reporting for Work	Percentage of the Incentive	3 to 7	25%	8 to 12	50%	13 to 17	75%	18 or more	100%	
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