

CITIZEN PARTICIPATORY AUDIT IN THE PHILIPPINES— Pilot Phase I (2012–2014)

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Foreword



On November 26, 2012, the Commission on Audit (COA), together with the Affiliated Network for Social Accountability in East-Asia and the Pacific (ANSA-EAP), formally launched the Citizen Participatory Audit (CPA) in the Bangkulasi Pumping Station and Floodgate in Navotas City. This key reform initiative took on the challenge of transparency and accountability in the public audit process and was made possible with a grant from the Australian government under the Philippine-Australia Public Financial Management Program.

The CPA Project was a major undertaking of the Philippines' Supreme Audit Institution under the leadership of Chairperson Maria Gracia M. Pulido-Tan and Commissioners Juanito G. Espino Jr. and Heidi L. Mendoza, and was also one of the commitments of the Aquino administration to the Open Government Partnership (OGP).

A participatory audit is not an entirely new idea in the COA. In 2000, the Commission partnered with the Concerned Citizens of Abra for Good Governance (CCAGG) to pilot a participatory audit in the Cordillera Administrative Region. In 2012, however, COA had taken steps to institutionalize the CPA, elevating it beyond its "project" status.

From 2012 to 2017, phases I and II were implemented. These covered the different processes and stages to install the CPA as a permanent strategy and technique in the Commission. The CPA was institutionalized in February 2018.

This learning note describes the concept, development, and implementation of the CPA during the term of Chairperson Tan (2012–2014), and it refers to whatever documentation was available during that period. This reflects her initial concept and the steps and directions the COA took during her term. The general direction and objectives continue, with some changes, during my term as chairperson of the Commission, and I hope that the CPA will continue to embody the true principles of participatory good governance.

Michael G. Aguinaldo
Chairperson



“The CPA is founded on the premise that public accountability can prosper only with a vigilant and informed citizenry. It provides a way for citizens to be directly involved in the public audit and to find for themselves ways that they can contribute to prudent use of public money.”

Introduction

Citizen Participatory Audit in the Philippines: Learning Note

The Citizen Participatory Audit (CPA) is a broad program by the Commission on Audit (COA), the Supreme Audit Institution (SAI) of the Philippines, that provides:

- a** a strategy for reform to uphold the people's primordial right to a clean government and the prudent utilization of public resources, founded on the premise that public accountability can prosper only with a vigilant and involved citizenry, for the promotion of transparency and effectiveness;
- b** a technique in conducting audits with citizens as members of COA audit teams to make the government more effective, transparent, and accountable;
- c** a mechanism for strategic partnership and sharing of aspirations, goals, and objectives between the COA and civil society; and
- d** a technique for citizen and civil society involvement in other areas of the COA's work as partners.

The COA first launched this priority program in November 2012.

The CPA is founded on the premise that public accountability can prosper only with a vigilant and informed citizenry. The CPA is a recognition of the people's fundamental right to make government accountable for its actions. It provides a way for citizens to be directly involved in the public audit and to find for themselves ways that they can contribute to prudent use of public money. Therefore, the CPA forms a strategic partnership with citizens and their shared goals and objectives.¹

¹ "Operational Guidelines for the Citizen Participatory Audit Project," November 16, 2012, which supported the implementation of pilot phase 1 of the CPA. The COA is in the process of releasing new guidelines in the Citizen Participatory Audit as part of the institutionalization of the program.

In November 2013, the CPA won the Bright Spot award in the Open Government Partnership Annual Summit in London. The CPA was one of seven short-listed nominees for the award.

This learning note documents

- a** the structure of the CPA,
- b** the process of engaging citizens,
- c** the pilot audits undertaken in 2012–2014 (phase I),
- d** the lessons learned, and
- e** the measures that have been taken to institutionalize the CPA to mainstream the mechanism in the regular audit work of the COA.

This study also recommends alternative ways for citizens to engage in public audits.

Phase I of the CPA was funded by the Australian government through the Australian Agency for International Development (AUSAID) project titled “Enhancing Transparency, Accountability, and Citizen Participation in the Public Audit Process.” That project was implemented by the Affiliated Network for Social Accountability in East Asia and the Pacific Foundation (ANSA-EAP) as COA’s Civil Society Organizations (CSO) partner. COA was and is extremely grateful to ANSA-EAP for the collaboration forged for the successful implementation of the CPA.



Mandate and Authority

Constitutional and Legal Mandate

The Commission on Audit (COA) is an independent constitutional commission. Hence, it is a government agency that was created by the Philippine Constitution independent of the executive, legislative, and judicial branches of government.²

The COA is vested with the power, authority, and duty to examine, audit, and settle all revenues and receipts of the government, as well its expenditures, funds, and properties.³ Significantly, it has exclusive authority “to define the scope of its audit and examination, establish the techniques and methods required therefor[e], and promulgate accounting and auditing rules and regulations.”⁴

The constitution also declares that the state shall encourage nongovernmental, community-based, or sectoral organizations that promote the welfare of the nation,⁵ and it recognizes the right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decisions.⁶ The constitution likewise recognizes the vital role of communication and information in nation building.⁷

The CPA is anchored on and animated by those constitutional provisions. It fuses the exclusive authorities vested in the COA with the state’s policies on citizen empowerment and nongovernmental organizations and the vital role of communication and information.

² Philippine Constitution of 1987, article IX-D, section 1(1).

³ Ibid., article IX-D, section 2(1).

⁴ Ibid., article IX-D, section 2(2).

⁵ Ibid., article II, section 23.

⁶ Ibid., article XII, section 16.

⁷ Ibid., article II, section 24.

Government Policy and Programs

On June 30, 2010, Benigno S. Aquino III was sworn in as the 15th president of the Philippines. At the top of Aquino's platform of government was "transparent, accountable, and participatory governance."⁸ Accordingly, citizens' access to information and participation in governance became an integral part of the Philippine Development Plan, 2011–2016.

In response, the COA's new leadership immediately established a technical working group (TWG) to explore ways for citizens to be constructively engaged in public audit. TWG produced a structure and process framework for the CPA and for initial discussions with the Philippine Department of Budget and Management for funding support and the Philippine Department of Public Works and Highways (DPWH) for a possible pilot audit.

The Open Government Partnership (OGP) was established in September 2011, with the Philippines as a founding member. The government adopted a national action plan in 2012 titled "Institutionalizing People Power in Governance

to Ensure Direct, Immediate, and Substantial Benefits for the Poor" under an OGP framework⁹ and listed a participatory social audit for public infrastructure projects among its commitments. Then the CPA was included among the priority activities under the Philippines–Australia Public Financial Management Program.¹⁰

Consequently, the TWG was constituted into the participatory audit project management team. The project team was composed of eight director-level members from the different operating and administration sectors of the COA and four engineers from the technical services unit.¹¹ Its major task was to implement the project work plan and to manage the project resources.

The project team was the COA's main contact with ANSA-EAP, and it coordinated all joint activities under the project. Those activities included capacity building and training programs for COA personnel and selected officers and members of CSO partners as participants before the launch of the first pilot audit.

⁸ Executive Order No. 43 of May 13, 2011, section 2(a).

⁹ See *2012 Philippine Government Action Plan: Institutionalizing People Power in Governance to Ensure Direct, Immediate, and Substantial Benefits for the Poor* (Washington, DC: Open Government Partnership, March 2013), <https://www.opengovpartnership.org/sites/default/files/Phil%20OGP%20Country%20Assessment%20Report%20%281%29.pdf>

¹⁰ See the organization's website at <https://dfat.gov.au/about-us/publications/Pages/philippines-australia-public-financial-management-program-pfmp-independent-evaluation-2014.aspx>

¹¹ COA Office Order No. 2012-841.



CPA Objectives

The CPA's goals can be summarized under three main outcomes:

- a** a citizenry that is educated about government auditing through hands-on and practical experience;
- b** a citizenry that appreciates, asserts, and exercises its unique and sovereign role in public accountability;
- c** a government that is more accountable and transparent at all levels.

On the other hand, generally the objectives of a particular CPA engagement are to determine the efficiency, economy, and effectiveness of the project selected.¹² If red flags appear during the course of the audit suggesting fraud, the audit team must refer such findings to the COA Fraud Audit Office for evaluation and appropriate action.

¹² All pilots undertaken during pilot phase 1 that are documented in the learning note were essentially performance audits. The CPA program has evolved over the years, and it is now used for financial audits (that is, in validating the existence of project accomplishment in aid of financial audits).



The Structure and Process

“The CPA is an official audit conducted by the COA.”

The CPA is a value-for-money or performance audit conducted by the COA itself according to its mandate; members of the audit team are selected from CSOs. It is not a joint audit with citizens, nor is it a parallel audit by CSOs and the COA. It is an official government audit conducted by the COA.

The CSOs that agree to participate in the program are referred to as CSO partners, and their members who are selected as CPA team members are referred to as citizen auditors. Their participation is voluntary and unpaid, except for their board and lodging, transportation, and other appropriate support expenses.

During the pilot phase of the CPA, the duties and responsibilities of CSO partners and citizen auditors in the CPA are primarily governed by the “Operational Guidelines for the Citizen Participatory Audit Project,” which was issued by the COA, and by memoranda of agreements executed between the COA, the CSOs, and citizen auditors.¹³ These documents provided for management and implementation arrangements, for the respective duties and responsibilities of the parties, and for dispute resolution.

¹³ “Pro Forma Memorandum of Agreement with CSO Partners;” “Pro Forma Memorandum of Agreement with Citizen Auditors.”

Essential CPA Processes

Every CPA has 11 essential processes as follows:¹⁴

- 1 Identifying the subject of audit
- 2 Determining the nature and scope of citizen participation
- 3 Identifying CSO partners
- 4 Building a shared agenda
- 5 Building capacity of citizen auditors
- 6 Preparing the audit plan
- 7 Conducting an initial conference with agency to be audited
- 8 Gathering data and conducting fieldwork
- 9 Reporting audits
- 10 Conducting post-audit assessments
- 11 Monitoring recommendations

For the first pilot audit, the COA handled the first three processes. The fourth process of building a shared agenda was undertaken with the identified CSOs and their nominee citizen auditors. Processes 5 through 10 were undertaken with the citizen auditors. The final process was handled by both the citizen auditors and CSO partners.

Subject of CPA

As a rule, the COA selects government projects of high value and high impact that the CPA can properly audit within four months or less.

“The COA selects government projects of high value and high impact that can be properly audited in a period of four months or shorter for the CPA.”

High-value and high-impact projects are determined by the following:

- The degree of closeness, importance, or urgency of the project to people's everyday life
- The project cost and vulnerability to corruption
- The extent of affected geographic or demographic area
- The risk to life, to property, and to conflict
- The expected improvement in the lives of the intended beneficiaries

The pilot audits were selected primarily from field data from regular audits conducted by the COA, intake from its citizen's desk, and inputs from the citizen auditors and CSO partners.

Composition of Audit Teams

For every CPA, a special team is constituted that is headed by the director of the cluster or region that has jurisdiction over the agency that implements the project or program to be audited. The director exercises overall supervision of the audit, including the review of the audit report.

A team supervisor exercises direct supervision and control of the team. The team supervisor ensures that the team complies with all applicable rules and regulations, professional standards, and COA audit policies and procedures. The supervisor also sees that the audit objectives are met.

The team members are composed of COA auditors from the same cluster or region that has jurisdiction over the implementing agency and the citizen auditors.

¹⁴ As mentioned in another section of the learning note, CPA essential processes have been modified over time. Now, CPA engagement involves the following activities: (a) audit team general planning, (b) exploratory meeting and citizen buy-in, (c) capacity building, (d) signing of the memorandum of agreement (moa), (e) nominating the citizen partners, (f) authorizing the citizen partners and signifying conformity, (g) CPA team planning, (h) conducting audit field work, (i) analyzing data gathered, (j) reporting on the audit conducted, and (k) monitoring implementation of audit recommendations.

The CPA teams are called special audit teams because they are constituted precisely for the purpose; their operating procedures and protocols, however, are practically the same as regular audit teams of the COA. An office order is issued setting forth the members of the audit team, the audit objectives, and the duration of the audit. In every case, the head of the implementing agency is informed for proper coordination.

A particular CPA may have more than one team, depending on the nature, complexity, and geographic extent of the project that is the subject of the audit. In any case, a team leader heads each team, although there is only one director in charge and one supervisor. Each of the pilot audits undertaken in 2012–2014 (phase I) had at least two teams and at least two citizen auditors on each team.

Nature and Scope of Citizen Participation

Generally, citizen auditors are assigned less technical work such as conducting surveys, taking inventories, conducting physical inspection, taking simple measurements, and the like. However, if the citizen auditor has a demonstrable and proven expertise such as engineering, law, or accounting, more complex and technical assignments can be given, such as document review, technical inspection, and account analysis and reconciliations.

Selection of CSO Partners

A citizen auditor is nominated by a CSO. The individual must be a bona fide member of the CSO in good standing. For every CPA engagement, the COA selects CSO partners whose advocacies and objectives—in the COA's evaluation—are aligned with the nature and purposes of the project to be audited. CSOs with a significant presence in the project's area are preferred.

To be selected, the CSO partners and members must

- a** not have any conflict of interest with the project and the implementing agency,
- b** have complied with the tax laws,
- c** be willing to engage without remuneration,
- d** be able to mobilize for the project in a timely manner,

- e** have a strong presence in their area of operations, and
- f** have an established track record and credibility.

The COA also considers CSOs that have current or existing partnerships with government agencies and show satisfactory implementation or completion of projects and undertakings.

On the whole, the CSO partners in phase I have all been established and are highly reputable organizations whose advocacies mostly focus on

- a** good governance through infrastructure watch,
- b** procurement and budget processes oversight,
- c** grassroots empowerment, and
- d** integrity initiatives.

They come from practically all major interest groups of civil society: professionals, students, the church, and the urban poor; parents and teachers; health workers; and the like. Their nominees to the audit teams have likewise been long involved in CSO work, consultancies, project monitoring and evaluation, community organization, social reform, and rural and urban development. Many of the nominees are professionals—engineers, social scientists, communication specialists, accountants, or academicians. They constitute a multidisciplinary group that has enriched the perspective and methodologies of the CPA teams.

As of the end of phase I, 22 CSOs were qualified and rostered as potential CSO partners. Of those organizations, 16 were selected and participated in the pilot audits.

Role of ANSA-EAP

The successful engagement of the COA with CSOs and citizen auditors was enabled in large measure by the Affiliated Network for Social Accountability in East-Asia and the Pacific (ANSA-EAP) through the project “Enhancing Transparency, Accountability, and Citizen Participation in

the Public Audit Process.” The project was funded by the government of Australia.

Through a memorandum of agreement, ANSA-EAP agreed to provide technical expertise to guide the COA to tap into the CSO community for the CPA and to work with the community. This assistance was most valuable because ANSA-EAP—an established and highly credible CSO—has a wide network of CSOs and an intimate knowledge of and rich experience with Philippine CSOs. In effect, ANSA-EAP walked the COA through the world of CSOs and greatly helped it to understand the peculiar nature and working protocols of its CSO partners.

ANSA-EAP provided the COA with assistance in the following areas:

- Identifying partnership parameters with CSOs and the terms of engagement with them
- Identifying a pool of CSOs for consideration as CPA partners
- Developing and implementing a capacity program for both the COA and the CSO partners to build a shared agenda
- Establishing a public information system for the CPA
- Generating tools and knowledge-sharing platforms

Building a Shared Agenda

The COA and ANSA-EAP conducted an information drive among ANSA-EAP’s affiliated CSOs in three strategic locations in the country. The twin objectives were to introduce COA and potential CSO partners to one another and to introduce the CPA to the CSOs. This joint activity proved valuable in refining and enhancing the terms of engagement and the training session for COA personnel on working with CSOs. The information drive built trust among the organizations and established a shared agenda. Within a month, the COA launched the first CPA pilot.

For each CPA during phase I, it conducted an information drive for each of the audits in a specific manner suitable to the audit. As soon as the potential CSO partners for a particular CPA engagement were identified and approved by the COA, they were invited to a series of town hall meetings about the specific CPA. The series discussed the audit objectives, the audit subject, the role of citizens in



the audit, and so forth. This step was necessary for the interested CSOs to determine if the specific audit was in their area of expertise and if they had members who qualified for the audit’s requirements. Thus, the information drive was likened to soliciting expressions of interest, and the town hall meetings were likened to a prequalification process. In the first pilot, for example, five CSOs expressed interest, but only three eventually decided to participate.

Selection, Roles, and Responsibilities of Citizen Auditors

The CSOs that decided to participate in the particular CPA engagement enter into a memorandum of agreement with COA and thereby become CSO partners. They then nominate their members who have been capacitated and who are eligible to be members of the audit team for the particular audit engagement.

The CSO members nominated to the audit teams must likewise meet the same qualifying requirements for the CSO of which they are members. They must also be of good moral character. Once qualified, and if they accept the appointment, they are issued a mandate letter by the COA chair (or his or her authorized official) to enter into their roles and responsibilities as audit team members.¹⁵

¹⁵ “Operational Guidelines for the Citizen Participatory Audit Project,” part IV.D.2, November 16, 2012. <https://cpa.coa.gov.ph/policies/>

The essential roles and responsibilities of the citizen auditors are as follows:

- They must perform their assigned tasks in the audit competently and diligently. To ensure transparency, transfer of knowledge, and adherence to professional standards, they will be paired with counterpart team members who are COA auditors.
- They have the right to participate in all phases of the audit—from planning to execution and from reporting to follow-through of recommendations.
- They will at all times be under the direct supervision of the team leader (director-in-charge of the CPA team). Any disagreement or differences of opinion between the citizen auditors and COA are to be resolved at the team level.
- They must serve without remuneration; however, lodging, transportation, and incidental expenses will be provided where proper and warranted.
- They must strictly observe all requirements of confidentiality and turn over all audit papers and documents to the team leader.

Therefore, the citizen auditor stands on the same footing as any COA member of the team, with practically the same roles and responsibilities. Once deputized through the mandate letter, the citizen auditor does the following:

- Receives the same level of access to information and documents related to the audit as all members of the audit team
- Is bound by the same protocols and principles that safeguard against the obstruction of an efficient, effective, and independent audit, such as premature disclosure of audit findings
- Has the right and is expected to participate in the entire audit, with his or her input on methodologies and approach bearing equal weight as that of any other audit team member

Joint Capacity Building

The members nominated by the CSO partners, who may qualify as citizens-auditors, first go through workshops along with audit team(s) constituted by COA to gain a deeper understanding of the CPA, the selected subject of audit, and their undertakings as participants. The workshop

also allows members (a) to get to know one another and build rapport and (b) to learn and appreciate accountability principles, the rudiments of performance audit, and audit procedures and techniques.

Nominees who then agree to participate as citizen auditors enter into a memorandum of agreement with the COA and are issued corresponding mandate letters to perform their assigned tasks.

Joint Audit Planning, Execution, and Reporting

The citizen auditors help prepare the audit plan and the audit work steps. From this point, the citizen auditors either work on their assigned tasks with the COA auditors or work on their own, depending on the nature and scope of such tasks and the degree of manageable autonomy.



For the pilot audits, however, the citizen auditors always worked in tandem with their COA counterparts or with the audit team as a whole. To better integrate the audit findings of the different teams and to educate the citizen auditors with the rudiments of report writing, workshops were also conducted. The audit reports for the first three CPA engagements are posted on the COA website (www.coa.gov.ph) and on the now-discontinued CPA website



i-kwenta.¹⁶ The reports have also been consolidated into the annual audit reports of the respective implementing agencies: the DPWH, the government of Quezon City, and the government of Marikina City. The fourth audit, which is about certain relief activities following Typhoon Haiyan, is a stand-alone report.

Joint Post-Audit Assessment

In the course of the audit, team members must communicate openly. Team members meet regularly to monitor progress and address areas of concern. After the report is completed, the citizen auditors and the CSO partners assess the overall experience, results, and lessons learned in a debriefing and reflection session.¹⁷

¹⁶ Recently, COA has discontinued the i-kwenta website; instead, it has revamped the COA website and created a dedicated page for the CPA, <https://cpa.coa.gov.ph/>

¹⁷ This is one of the activities identified in the CPA framework that is adopted by the COA resolution institutionalizing the CPA.

4

Professional Responsibility

Standards and Accountability

The Operational Guidelines¹⁸ call for the involvement and participation of the CSO partners in the CPA and of the citizen auditors in the audit teams. They further require that the teams “shall at all times be under the direct supervision and control of the COA.” This stipulation is reiterated in the agreements and incorporated by reference in the nomination and mandate letters. Accordingly, any disagreements or differences of opinion between the citizen auditors and COA are to be resolved at the team level. If the members do not resolve their disagreements, the chair will, and the chair’s decision is final and cannot be appealed.¹⁹

The director or the team supervisor and team leaders interact with the agency being audited and discuss the audit team’s observations and issues. Such interactions are generally independent audit actions under their authority.

This procedure is followed because the CPA is an official audit of the COA as an SAI, not a joint or parallel audit with citizens. It requires that professional standards be applied to the particular competence of the COA and its auditors, which they are duty bound to strictly observe. The COA alone is accountable for the audit.

Ownership and Governance

The agreements also require that the parties “shall respect each other’s internal structure, rules, and procedures but shall ensure strict compliance with government standards and policies.”²⁰ The auditing rules of the COA therefore govern the management and conduct of the CPA.

¹⁸ Operational Guidelines refers to the guidelines used for the pilot phase 1 of the CPA, <https://cpa.coa.gov.ph/learning-materials/>. file:///C:/Users/wb305571/Downloads/COA-Resolution-2018-006-dated-1-feb-2018-adopting-institutionalizing-the-CPA-1.pdf

¹⁹ <https://cpa.coa.gov.ph/learning-materials/>

²⁰ Ibid.

As stated above, a CPA team is always headed by a director, a team supervisor, and a team leader, all of whom are COA personnel. The director exercises overall supervision of the audit and reviews the audit report. The team supervisor directly supervises and approves the audit plan. The team leader heads the team that executes the audit in accordance with the audit plan and compiles the permanent working papers file. The citizen auditors execute their assigned tasks in accordance with the audit work steps.

The director, team supervisor, or team leader issue all audit reports and all communication to the implementing agencies and third parties in the name of the COA using protocols of the COA. The COA owns all working papers, audit evidence, and other papers and documents.

Confidentiality

According to the agreements, the CSO partners and citizen auditors may not divulge information they acquired through their audit work to unauthorized persons. Nor may they release such information before the audit report is officially received by the implementing agency. Breach of this provision is grounds for terminating the agreements and filing charges against the defaulting party.



The Pilot Audits

Flood Control (KAMANAVA)

The Philippines is prone to flooding, especially low-lying areas in Metro Manila. The KAMANAVA area—a cluster of four highly urban cities (Kalookan, Malabon, Navotas, and Valenzuela) that is located in the estuary of a river flowing into Manila Bay—is particularly affected. Most of KAMANAVA used to be devoted primarily to fishponds.

For decades, the residents of KAMANAVA have had to endure the damage of floods on their lives, property, and economic life. In 1998, the Philippine government approved a large flood control and drainage system improvement project for the DPWH to implement with funding support from the Japan Bank for International Cooperation.

Construction of the project began in 2003 and was completed in 2012, a considerable delay from the original five-year schedule envisioned at the onset in 1999.

This project fit the “high-value, high-impact” criteria of the CPA and became the first pilot case.

Audit Objective

The objective of the audit was to determine whether the flood control and drainage project had mitigated flooding in the KAMANAVA area and thereby improved the living conditions and promoted economic activities of the said area. Audit planning and execution took four months, and analysis and reporting took another three months.

Citizen Partners

The CSO partners were the Concerned Citizens of Abra for Good Governance, Diaspora for Good Governance, and International Alert–Philippines, all of which advocate good governance and citizen action as catalysts for local development.

Five citizen auditors helped (a) develop questionnaires, (b) conduct surveys and focus groups among the project-site residents, (c) gather data, (d) conduct physical inspections, (e) analyze data, and (f) write reports.

Significant Audit Findings

The project has not completely mitigated flooding because of

- a** deficiencies in the design and construction of structures such as the polder dike in Malabon and link rods of the navigation gate;
- b** the DPWH's improper control and monitoring of the retention and installation of concrete pipe gates or tosangs for fishponds;
- c** the existence of informal settlers and the large volume of garbage in the site;
- d** poor operating and maintenance work, such as the absence of desilting work;²¹ and
- e** inadequate staffing and facilities for communication.

Two strong typhoons (namely, Gener, which occurred in 2012 and Pedring, which occurred in 2011) severely tested the structures and exposed their deficiencies.

Solid Waste Management (Quezon City)

Garbage collection and disposal has also been a pernicious problem in Metro Manila that affects the daily life of citizens. In 2001, the Ecological Solid Waste Management Act became law, thus giving local government units (LGUs) the primary responsibility for implementing solid waste management in their localities. For this purpose, each LGU must establish a Solid Waste Management Board to prepare and implement a comprehensive plan to manage solid waste. The plan must be reviewed and updated every two years.

This pilot audit covered three barangays of Quezon City, which is the largest city of Metro Manila and constitutes about 25 percent of Metro Manila's land area. A barangay

is the smallest political unit of any local government and therefore is a microcosm of LGU governance and administration.

Audit Objectives

The audit sought to determine if Quezon City had complied with the law and implemented its solid waste management plan. It also sought to determine the extent to which citizens of Quezon City had come to perceive it as a clean city.²² The audit was conducted for two months, and the analysis and the report writing were done in four months.

Citizen Partners

The CSO partners were Pinag-isang Samahan ng mga Magulang (PINASAMA), an organization of day care workers and parents operating in urban poor communities; Kapitbisig Homeowners' Association Buklod Kalinga, an association of health workers and advocates operating in one of the covered barangays; university summer interns majoring in development communications; and ANSA-EAP.

Twenty-two citizen auditors helped design the survey questionnaire and conducted house-to-house surveys. The questions largely focused on community awareness of solid waste management and of the LGU's implementation of the plan, and the survey questioned community members' satisfaction with their surroundings. The citizen auditors also helped prepare the audit report.

Significant Audit Findings

Quezon City established a solid waste management board, but some members did not have the technical expertise required by law. Moreover, the implementation of the solid waste management plan was shifted to another department of the LGU and not undertaken by the board itself. Furthermore, the plan was not updated regularly.

Information campaigns on waste management were found to be satisfactory.²³ Of the respondents, 75 percent said that they practiced waste segregation, and a majority rated the city "clean."

²¹ The city governments of Caloocan, Malabon, and Navotas failed to perform their responsibilities embodied in the memorandum of agreements with the DPWH after this item.

²² It also sought to determine what they know about the activities of Quezon City and the contractors on the information and education campaign, promotion of solid waste segregation, timely collection and proper handling of solid waste, and cleaning of thoroughfares and litter-prone areas.

²³ A majority of the respondents were aware of information and education campaigns on solid waste management.

Primary Health Care (Marikina City)

The barangay is also at the forefront of the Philippines' basic public health care through health centers established and maintained by LGUs. The centers mostly cater to the poorest sectors of the community. For this pilot, residents of Marikina City²⁴ who were beneficiaries of the government's Conditional Cash Transfer (CCT) program—those living below the poverty threshold—were selected for coverage.

Audit Objectives

The audit sought to determine the compliance of the barangay health centers with the requirements of the Philippine Department of Health and Department of Social Welfare and Development their effectiveness in serving the CCT beneficiaries. The audit was conducted for three months; analysis and audit report writing were conducted over another three months.

Citizen Partners

ANSA-EAP and the Ateneo School of Government were the COA's CSO partners in this engagement. The community scorecard and focus groups were the main audit tools. There were 31 citizen auditors who administered the scorecard to barangay health workers, other health professionals, the covered CCT beneficiaries, and parent groups. As in the other CPA engagements, the citizen auditors helped analyze data and prepare the audit report.

Significant Audit Findings

Because demand for primary health care was so high, the effectiveness of the health centers was severely hampered. The ratio of doctors and nurses to patients was extremely low, staff members were overworked, and a severe shortage of medicines resulted in incomplete dosages.

The health centers had only basic medical equipment, which in many cases was old and overused. The center facilities were also inadequate; there were not even birthing

facilities. Potable water was also lacking in one health center.²⁵

Disaster Aid and Relief (Haiyan)

Aside from being prone to floods, the Philippines also suffers from devastating typhoons regularly. In November 2013, Typhoon Haiyan brought catastrophic damage to life and property. Rebuilding continues with much help from the international community.

Considering the magnitude of the relief operations that immediately followed the event and the number of government agencies that were involved in the typhoon aftermath, the COA decided to immediately conduct a government-wide audit on disaster aid and relief, closely following on the heels of the relief operations. The COA did so instead of conducting a post audit of the entire operations after completion of the relief intervention, a practice that is the norm in regular audits.

In the course of the audit, the COA itself was overwhelmed with the extent of the work to be done and needed to augment its complement of auditors. The CPA model came in handy; thus, whereas disaster aid and relief were not among the approved CPA pilots under phase I, the COA decided to engage citizen participation in the audit of the procurement and distribution of relief goods.

A separate CPA was undertaken for the cash-for-work (CFW) program and for bunkhouse construction that the government had adopted as short-term solutions. This CPA was funded by the World Bank.

²⁴ Specifically, Marikina City's health centers located in Barangays Tumana, Malanday, and Nangka, and the Pugad Lawin Health Center in Barangay Fortune were selected for coverage because they had the largest number of enrolled 4Ps beneficiaries from all 17 barangay health centers of the city.

²⁵ Assessed against the Quality Standards List, the barangay health centers (a) were accessible to public transportation, except for the Malanday BHC; (b) were well lighted but ventilation was inadequate; (c) had inadequate waiting areas; (d) had potable water, except for the Nangka BHC; (e) had inadequate comfort rooms or toilets which did not have handrails; (f) practiced good solid waste management, except for Fortune BHC; (g) had an inadequate number of health professionals (ratio to patients was extremely low such that they could hardly cope with the demands of the services); (h) had health service providers rated as generally courteous; (i) had basic medical equipment but functionality could not be guaranteed as most of the equipment had seen years of continuous service; (j) had inadequate essential medicines, but nonessential medicines were available partly because medical service providers lacked a method to give inputs to procurement; and (k) had the full complement of health center programs and services (except birthing and lying-in facilities).

Audit Objectives

The objectives of these audits were (a) to determine the efficiency of the relief operations and to assess the government's level of adherence to accountability requirements in emergency and urgent responses; (b) to establish whether the purposes, timelines, and mechanics of the CFW and bunkhouse projects were being met; (c) to find out whether the projects were beneficial; and (d) to ensure that the beneficiaries were eligible. The audit on relief operations was conducted in 2013, and the CPA on the bunkhouses and CFW program was conducted in 2014.

Citizen Partners

In view of the urgency and the nature of the projects, CSO partners that had sufficient technical knowledge and strong presence in the affected areas were selected—namely, the Leyte Family Development Organization Multi-Purpose Cooperative, International Holistic Engagement for Life and Progress, Philippine Relief and Development Services, Philippine Institute of Certified Public Accountants, Philippine Institute of Civil Engineers, and Junior Philippine Institute of Accountants. The latter is composed of students who are majoring in accounting and who are expected to be ready without special training for the engagement.

Hundreds of citizen auditors participated in the relief operations audit, and 22 took part in the CPA of bunkhouse and CFW projects. They helped plan the audit and identified the tasks for which they were particularly competent. They helped

- a** validate procured and donated goods, logistics flow and processes, construction accomplishments, and compliance of beneficiaries with eligibility requirements;
- b** conduct interviews, surveys, and technical inspections; and
- c** review various documents.

For the first time, geo-tagging as an audit tool was used to validate the existence and location of the bunkhouses. World Bank experts trained COA personnel and citizen auditors on geo-tagging.

The audit of the relief operations took at least six months, whereas the CPA of the bunkhouse and CFW projects took five months.

Significant Audit Findings

Recently, the audit report on the relief operations has been issued and uploaded on the COA website.²⁶ Significant audit findings included

- a** low use of donor and budgeted funds;
- b** procedural lapses and deficiencies in accounting and in documentation and recording of receipts and disbursements;
- c** problems with procurement and contracting; and
- d** poor management of inventory, supplies, warehousing, and goods delivery.

As for the CPA on the bunkhouse and CFW programs, the audit report is yet to be released. When released, the audit report will be available on the COA's website (www.coa.gov.ph)

²⁶ See https://www.coa.gov.ph/disaster_audit/doc/Yolanda.pdf



Issues and Lessons Learned

Addressing Resource and Capacity Gaps

Funding support was given by AUSAID, and it was implemented by ANSA-EAP. Funding gaps had to be addressed in the COA's internal budget²⁷ because the government did not give financial support to the CPA until 2015.

The CPA also required more human resources from the COA. A series of command conferences and workshops brought about middle management buy-in. Furthermore, key middle managers had to double up from their regular audit work to act as resource persons and trainers in the CPA processes and in ways to relate to CSO partners and citizen auditors. Temporary measures bridged the gap.

The limited resources of many CSOs are also a striking issue, especially because CSO participation is unpaid.

Audit work is highly technical, and auditors require cumulative experience to reach the desired level of proficiency. Therefore, building capacity of the citizen auditors—most of whom had no previous training or experience—posed a great challenge. This challenge was addressed by previous capacity building exercises for each CPA and by matching each citizen auditor with a COA auditor on the team. The COA counterpart served as both a buddy and a coach. Coupled with regular team meetings, this arrangement not only fostered learning but also teamwork, better rapport, and knowledge sharing.

Identifying Institutional Differences

The COA is a government institution and a constitutional commission, and CSOs are essentially private sector groups. Therefore, institutional differences abound in orientation, approaches, and levels of commitment.

²⁷ The COA included a budget of 5 million Philippine pesos in its proposal submitted to the Department of Budget Management in 2014, which was approved and become part of the General Appropriations Act.

As a cadre of professionals and public servants, the COA is duty bound to observe professional standards; all relevant laws, rules, and regulations; and established protocols. The COA cannot be rushed into taking action when judiciousness and circumspection must prevail. It puts great value on due care, skepticism, and proper documentation as key elements of public sector audit.

Conversely, given that CSOs are rarely specialized in public auditing, they may rush into quick conclusions and form immediate opinions on the basis of preliminary evidence. Through the CPA, however, the CSOs and citizen auditors were able to access behind-the-scenes information and underlying conditions. As one citizen auditor said, “Now we know why state auditors do not give opinions immediately; they have to follow processes and protocols.”

These institutional differences were anticipated. Hence, the nonnegotiable terms of reference ensure that (a) the CPA must at all times be under the direct supervision and control of the COA, (b) both parties must strictly comply with government audit standards and policies, and (c) disputes and differences in opinion must be settled by the COA with finality.

Building Trust and a Shared Agenda

Open lines of communication, reflection sessions, workshops, consultation, and dialogue were the main tools for bridging these differences. Candor was emphasized and encouraged. Such an approach also served well to build trust and a shared agenda among the COA, its CSO partners, and citizen auditors.

Given the novelty of the program, it was important to take a hand-holding approach and to closely mentor and coach the citizen auditors on the intricacies of public audit. The approach fostered greater trust among the state and citizen auditors, who benefited from learning from one another, from understanding one another's perspectives, and from sharing a common agenda. Thus, in the phases of analysis and report writing, there were hardly any disagreements on the audit results and recommendations. For the few disagreements that arose, the CSO partners and citizen auditors readily yielded to the COA's decisions and prerogatives.

The commitment and direct, personal involvement of the head of SAI were also considered crucial to the CPA's success. The COA chair attended sessions with the CSO partners and citizen auditors to underscore (a) the high priority of the CPA in the COA's reform agenda and (b) the value and confidence that the COA held in its CSO partners and citizen auditors. The chair personally addressed questions and concerns, and she exhorted all participants to persevere and give the CPA their best efforts at oversight and governance.

Identifying CSOs for a particular CPA engagement and inviting them to an information and promotion workshop was cumbersome and limiting. Only CSOs with a substantial presence in or access to Metro Manila participated. The process worked more like a headhunting exercise. Hence, with suggestions from the CSO partners, this process was reconfigured into a roadshow for all CPA engagements. In effect, the information drive conducted before the launch of the first pilot was revived, expanded, and made into a continuing and regular activity. The COA went to the CSOs instead of having the CSOs come to the COA.

Thus, four regional roadshows were conducted between 2012 and 2014: one in each of the three main island groups of the Philippines—Luzon (Baguio City), Visayas (Iloilo City), and Mindanao (Davao City)—and one in Metro Manila.

The main objectives of these roadshows were to inform the CSO community of (a) the CPA and its progress, (b) the important role of the CSOs in the program, (c) the pursuit of good governance through a collaborative approach, and (d) the shared agenda of the COA and the citizens. The roadshows proved to be powerful listening sessions and provided not only a database of CSOs but also, and more important, rich sources for improving the CPA and developing alternative modes of citizen engagement in public audit.

The demonstrated success and outcomes of the pilots further strengthened the trust of the CSOs in the program and in the sincerity and commitment of the COA to citizen engagement. Moreover, the implementing agencies and survey respondents openly welcomed the citizen auditors as audit team members, thereby boosting their confidence and morale.

Creating a Sustainable and Institutionalized Process

At the very outset, it was planned that if phase I should prove successful, the CPA would become a regular audit program of the COA and would survive changes in leadership. With the very encouraging results of the first three pilots, the COA took steps to sustain and institutionalize the process starting in 2014.

Among others, the CPA was placed under the special audits office of the COA, which, until then, handled only government-wide multi-sectoral performance audits, fraud audits, and technical services. With this organizational reform, the CPA received recognition and attention as a regular audit function. The project team, however, was still retained under the chair's office to handle coordination, administrative support, and secretariat functions, and to manage the transition.

The program also expanded to bring the CPA to the regions and to pilot it nationwide. A set of farm-to-market roads was selected for participation in the audit according to the “high-value, high-impact” criteria. These roads were constructed by different government agencies, both national and local—a factor that also had to be considered. The COA's regional directors would take charge of the CPA in their jurisdictions, and the special audits office would consolidate the results in a single report. This effort, which evolved into phase II of the program, was launched

in January 2015 with funding support from Australia's Department of Foreign Assistance and Trade, and the World Bank.

In light of the nationwide expansion of the CPA, the COA's professional and institutional development sector led a targeted effort to build the capacity of more COA personnel in the ways and requirements of the CPA. The COA's development sector would also share the tools generated, the methodologies and structures developed, and the lessons learned from training with the regional offices, in particular.

Discussions with the Philippine Department of Budget and Management for a regular budget also began. The budget request was approved, and the Philippine Congress appropriated a modest sum for 2015. The budget hearings also gave the COA a platform to present the program and its initial successes to the Congress of the Philippines, a crucial step to gain key support to institutionalize CPA.

Likewise, sustainability is a major issue for the CSO partners. Although they pursue their respective advocacies for the long term, none of them are focused solely on public audits. Making CSOs commit to participate in the CPA for a considerable length of time is challenging. Concomitantly, funding support is a concern, especially as CSOs are not paid to participate in the CPA.



Outcomes

An Enlightened and Accountable Citizenry

The ringside view and hands-on experience of CSOs and citizen auditors in public audits have given both groups a better understanding and appreciation of public accountability and their peculiar role in making it a reality.

CSOs and citizen auditors have experienced for themselves

- a** what it takes to do a public audit;
- b** the painstaking process an audit entails;
- c** the proficiency and professionalism that process requires;
- d** the meticulous details to consider and analyze;
- e** the dictates of fairness, due process, and standards that must be observed; and
- f** the perseverance and commitment auditors must possess to produce high-quality and credible audits.

Consequently, CSOs and citizen auditors have learned to appreciate the tremendous responsibility of civil servants in general and state audits, in particular in promoting public accountability.

CSOs and citizen auditors not only learned how public audits are undertaken, but also received an eye-opener on the constraints and challenges the government faces in delivering basic services to people.

CSOs and citizen auditors also witnessed firsthand the inefficiencies and even outright incompetence and neglect of some government functionaries. As taxpayers, they were

outraged by such wasteful government spending. But they also learned that they could impede government efficiency and effectiveness by their own commission or omission.

In KAMANAVA, for example, citizen auditors realized that one of the reasons for the delay was the presence of informal settlements in the area. Reckless garbage disposal by the residents of these settlements clogged the project site and impeded the work.

In Quezon City, citizen auditors saw the importance of segregating garbage and vowed to do so henceforth. One citizen auditor coined the following exhortation: “Limit your waste, learn to segregate, be aware, and do your share.”

In Marikina City, citizen auditors realized the value of feedback and expressions of appreciation from residents. They committed to take the time and effort to attend town hall meetings and the Mayor’s Day with citizens. They realized that they have the right to speak to their local government about their primary health care facility and to be consulted on medicine procurement so that their barangay health centers will have enough of the most needed supplies.

A Better-Informed Citizenry

The previous experiences and reflections in this report are shared with the public through the Project Management Office.²⁸ That unit has been established as the primary link between the COA, the CSO community, and citizens at large with respect to the CPA program, and it conveys information about the public audit.

The Citizen Participation Unit communicates two ways. The first is the dedicated CPA website, where all information and materials on the CPA that can be disclosed are uploaded, including the audit reports and photographs of citizen auditors in action. The website is linked to the COA website.

The second way is a public information system to allow citizens to (a) follow up on and track the progress of any CPA engagement, (b) make inquiries, and (c) report cases of misuse of public money and properties. The system is envisioned as a central receiver, processor, and repository

of knowledge and information on the CPA, and also as a channel of communication with the public and civil society.

The citizen’s desk established at the chair’s office further provides direct communication with citizens on any concern. Citizens can even report misconduct of the COA’s personnel. The primary modes of feedback are SMS messaging and e-mail. Anonymous reports are encouraged, provided the reports contain sufficient leads and can be verified. This reporting is another mode of citizen engagement, and efforts continue to fold it into the public information system for wider conversation with the public on common concerns.

A More Involved and Vigilant Citizenry

The CPA effectively opened greater areas of citizen involvement in governance. With their training and experience from public audits, citizen participants can now more meaningfully engage with government on public finance and spending. They have learned to better appreciate audit reports and, consequently, are better prepared and show more confidence when implementing audit recommendations. They have seen where government money is most needed and therefore are better equipped to get involved in the budgetary process.

Citizen participants also grasp what it truly means to be a “government of the people, by the people, and for the people.”²⁹ A government is not an esoteric cluster of institutions detached from its citizens; it is theirs to own, shape, and care for. It is their collective voice, and they must therefore speak up.

More significantly, citizen participants have learned the elusive lesson that government problems are their problems because they—the citizens—are a part of the government. They are therefore also a crucial part of the solution, and they must not wait or rely on government institutions alone to solve problems. They must start with themselves and strive for collective and concerted action to get the kind of government they desire.

²⁸ Formerly the Citizen Participation Unit at the time of the pilot phase I.

²⁹ Speech by Abraham Lincoln, November 19, 1863, Gettysburg, Pennsylvania. The quote belongs to Lincoln’s Gettysburg Address, which in the Philippines has become an integral way of defining a democratic government.

A More Accountable and Responsive Government

The act of citizens themselves conducting a state audit has started a paradigm shift among government leaders and the bureaucracy as a whole.

In the Philippines, state auditors are an intimidating presence in any government agency. Audit teams generally have to contend with the perception that the COA is a ferocious watchdog whose objective is to slap government agencies with disallowances of expenditures. This perception is due largely to the status of the COA as an independent constitutional commission vested with almost plenary powers of inspection. Those powers include the authority to disallow any disbursement of public money that, in its sole determination, is illegal, irregular, excessive, unreasonable, or unconscionable.

With citizen auditors on the audit teams, however, government agencies are constrained to be more welcoming because their client and ultimate master—the citizen—is conducting the audit as well. And the agencies learn that citizen auditors are professional and competent, working with exacting accountability. They are not merely asking questions to acquire information. Hence, the agency personnel are required to fully open the books for citizen inspection and to justify their stewardship of tax money. No longer is just another bureaucrat looking at the books; it is the master of the house.

In Marikina City, for example, health centers made an effort to explain to the citizen auditors why their inventories lacked enough medicines that were needed but had more than enough of medicines that were not in great demand. Health centers pointed to procurement, where frontline service providers were not being consulted on the actual needs of patients. The procurement office had been this way for years, but it was not until health center providers met face to face with citizen auditors that they realized they needed to be more proactive in expressing their views to their superiors if problems were to come to the attention of decision makers. Before their interaction with citizen auditors, health center providers were content to simply list medicines received and medicines dispensed without analytics or recommendations.

In Quezon City, the mayor commended the CPA team and the audit results. The results were eye-openers, he said, especially the assessment by the city's own citizens of the solid waste management system. The mayor said, "We thought we were doing well enough; now we know that we need to intensify our efforts." He advised that the survey be duplicated in the rest of the barangays not covered in the CPA to get a full understanding of his constituency's sentiments on the matter.

In KAMANAVA, the DPWH conceded that its obligation to the people did not end with the completion of the project. It needed to use qualified personnel to properly operate the structures and continuously maintain them in top working condition. As such, it would immediately take steps to get the required resources.

The implementing agencies have not only been quick in appreciating the deficiencies noted in the audits. They have also been swift in taking corrective action when the deficiencies were reported to them. In KAMANAVA, the DPWH immediately ordered the procurement of radio equipment as soon as the department found that no equipment linked the different structures and operating personnel. The local government also immediately unclogged the canals of garbage instead of waiting for the DPWH—the implementing agency—to act.

This response from government to audit findings is uncommon. Usually, agencies take a bureaucratic approach and go through layers of authority that not only delay the response but also use more resources than is actually necessary.

A More Efficient and Effective SAI

For its part, the COA has gained a better appreciation of the value and practical benefits of partnering with CSOs and citizens. They are not only an additional source of labor for the grueling work but also a listening post. The CSOs and citizen auditors have shown what truly matters in getting their needs met and receiving desired responses from government. Their inputs will result in more focused and responsive audits.

The state auditors also learned from the CSOs on their methods of research and data gathering. A significant audit tool generated and developed in the CPAs is the community scorecard. This tool brought a new dimension to performance audit; it measures or otherwise assesses the level of satisfaction of citizens with the effectiveness of a particular project. Usually, state auditors would assess effectiveness through objective and hard data. What the intended beneficiaries of the project—the citizens—have to say on the project would have hardly been taken into account.

This particular experience may highlight the value (a) of collaborating with stakeholders (that is, affected communities, beneficiaries, and local public officials) and (b) of ensuring their understanding of the audit process and its objectives. Gathering nonfinancial data such as public service users' perceptions or level of satisfaction with a project becomes much easier. The beneficiaries provide more qualitative information about program implementation that otherwise would be quite challenging to access and to gather using existing or traditional audit tools.

The citizen auditors also taught the state auditors relationship skills. The effect of these improved skills on fellow citizens as the auditors carried out the surveys was also a practical learning experience for the COA. State auditors are used to being treated with reservation by ordinary citizens, whom they often interview and interact

with in the course of their work. They are used to receiving little, if any, information from these citizens.

State auditors therefore took note of the bond of kinship and common aspirations that developed between citizen auditors and the people they surveyed. They saw that this bond predisposed ordinary people to express their opinions with candor and honesty. They appreciated the rapport and trust that developed between the interviewers and interviewees.

If the pilot audits had not been participatory, the subjects of the audit (that is, flood control, primary health care, waste collection, and disaster aid management) would most likely not have received sufficient focus and scrutiny during the audits. Moreover, the audit findings would not have generated the immediate remedial attention of the responsible government functionaries. Most likely, the findings would have been just an item treated in passing in the audit report. Yet the findings discovered were undeniably core concerns of the people and therefore needed to be the priority focus areas of any SAI.

Working with citizen auditors brings a refreshing vigor to the usual drudgery of audit work. More important, it stokes the fire so needed from public servants to give their best in their work. The enthusiasm and commitment of the citizen auditors truly inspired the COA auditors to be more accountable and competent public servants.



The Way Forward

Institutionalization and Nationwide Rollout

The adoption of phase II of the CPA in January 2015 sought to hasten the institutionalization of the CPA by expanding the coverage, the pool of trained COA personnel, and the participating CSOs and citizen auditors. However, without a corresponding change in the organization's structure and funding, it may lose steam and simply dwindle. Moreover, other forms and entry points for citizen participation in public audit must be explored and developed.

Organizational Restructuring and Retooling

Were it not for the CPA program, the COA special audits office would have had to audit flood control projects, waste management programs, health center services, and disaster relief operations. The audits would have taken much longer to complete. Whereas the coverage and scope might have been greater in such an audit (that is, several projects or project sites could constitute a nationwide sample size), more COA staff members would have been required. The COA could not afford to provide such resources. The objective, indeed, was to roll out the pilots nationwide using the CPA model, which would have been managed and supervised by the special audits office through the regional or provincial COA offices. This method was thought to address the gap in human resources and allow the special audits office to concentrate on more complex and highly technical subjects of audit.

The COA must be prepared to handle the additional work without impinging on the human resources required for its mainstream and other ancillary services. Whereas the special audits office is specially equipped for the demands of the CPA, it is responsible for two other types of audit that are even more demanding and specialized: fraud audit and government-wide performance audit. When overlapping schedules, limited human resources, and sheer volumes of work reach critical points, stressed managers may find it easiest to eliminate one type of audit in favor of another.

A more prudent approach would be to spread CPA work among all audit sectors. At present, the COA has three regular audit sectors: national audit, which handles national agencies; corporate audit, which handles government corporations and other stand-alone special purpose entities; and local government audit, which handles local government units such as provinces, cities, municipalities, and barangays. Those sectors should plan, organize, administer, and manage CPAs that involve agencies in their respective sectors. The special audits office should provide oversight and continue conducting capacity-building exercises.

For that purpose, each of the three sectors could either (a) establish a separate unit for CPA work or (b) integrate in their respective annual audit plans at least two CPAs, one for each six-month period. As a unifying exercise, the three audit sectors should plan one cross-sector CPA each year or otherwise involve at least one agency in their respective sectors.

Integrating the CPA in the three sectors' annual audit plans will hasten including it in mainstream audit work, thereby promoting its institutionalization. Integrating the CPA will also wean it from direct management by the chair's office through the current project team. Such a move will allow the CPA to better withstand the shock and other uncertainties that attend changes in top leadership.

To be sure, this organizational restructuring will require capacity building and change management. But with the experience gained, the training and implementation modules established, and the tools that were developed in phase I, the required capacity building should not pose an organizational problem.

Retooling should also be pursued to make CPA work more efficient and effective. The COA and its citizen partners should build on geo-tagging and explore other crowdsourcing technologies and applications. The CPA processes should also be included in the COA's information and communication technology infrastructure, without diluting the ability for citizen partners to gain personal experience.

Budget Support

To be sustainable, the CPA should not depend on funding from development partners. Innovative projects will always appear that development partners are better suited to support.

Therefore, regular budget support from government should be secured. The appropriation made by the Philippine Congress for 2015 is a good start, and the significant progress and results of the CPA should justify a regular appropriation.

Regular budget support will also build confidence among the CSO partners and thereby strengthen their commitment and participation in the program. It is the partners' participation that is at the heart of the program; without it, the CPA could fade away.

Expanded Citizen Participation and Feedback

To sustain citizen participation, the present pool of CSO participants must be expanded, as must the areas where they can get meaningfully involved.

The CPA has proven to be a harbinger of other forms of citizen participation in governance. It has multiplier effects: the knowledge and experiences gained by the citizens from and through the program dispose them to increased dialogue with the government on other issues, such as public finance, budgets, and social development.

Opening and Encouraging Other Forms of Participation

Public audit offers a wide range of areas for engagement with citizens, which citizens themselves can initiate. A concrete example is a project proposed by a group of investigative journalists to document and make case studies of COA findings on the special education fund. The journalists' work primarily would inform the public, stoke vigilance, and spur public action to follow through with the audit recommendations. In the case of the CPAs, the CSO partners and citizen auditors can be mandated by the COA to continue to monitor and to follow up on the audit

recommendations and to report to the COA on the status and progress of those recommendations.

Partnering with the media to open other venues and forms of citizen participation should therefore be vigorously pursued. For example, a platform can be established where citizens can post and report cases. The platform should display photographs and other evidentiary material of misuse of public money, government neglect, or abuse of authority in local governments. Citizen participation in this form has been successfully implemented for elections and child welfare. The rapid advancements in information and communication technology and citizens' easy access to electronics should make this initiative easy to implement nationwide.

The COA could establish a summer internship or on-the-job (OTJ) training for graduating accounting students in collaboration with academic institutions. State universities and colleges, which are funded by public money, should be preferred. The interns or trainees could be used in CPA engagements as well as in other audits.

The internship and OTJ training could be taken a step further into a form of pre-licensure requirement, similar to an earlier Philippine government program that required medical school graduates to serve for six months in rural areas before they could be licensed to practice. This idea has been preliminarily discussed with the professional regulations commission.

Engaging accounting majors and new graduates in this way would not only serve to expand citizen participation in public audits but also promote love of country and genuine public service, which are fundamental underlying values of public accountability.

A similar collaboration with professional organizations, such as the Philippine Institute of Certified Public Accountants and the Philippine Institute of Civil Engineers, should also be explored.

At present, the COA is authorized to deputize and retain licensed professionals who are not in the public service as it deems necessary to assist government auditors in specialized audit engagements.³⁰

Whereas the COA is authorized to pay a fee for this kind of engagement, those professional groups have agreed to volunteer their services in Haiyan, and it is expected that the CPA and other professional groups will also volunteer their service. The important task is for the COA to forge an agreement with them as permanent and institutional citizen partners.

Cross-Training and Knowledge Sharing

Toward this end, the COA and CSOs should forge collaborations with other government agencies, especially frontline and basic service providers such as the Department of Social Work and Development (DSWD), the Department of Health (DOH), and the Department of Education to develop citizen participation models appropriate to their mandates. The DSWD and the DOH currently engage extensively with CSOs for various projects, but the relationships have essentially been one of principal and implementer, each with its own standards and methods.

A similar initiative with the two other independent constitutional commissions—the Commission on Elections (Comelec) and the Civil Service Commission (CSC)—may also be considered, given their special mandates in (a) the matters of elections and the right of suffrage and (b) the integrity and efficiency of public service. These citizen rights and prerogatives serve as a foundation for an effective, efficient, accountable, and responsive government.

At present, both commissions have some form of citizen engagement. The Comelec accredits a citizen arm (for example, the National Movement for Free Elections) for nationwide elections; however, this type of citizen participation is focused on the conduct and results of elections. A continuing information drive on responsible voting could be developed using the CPA model. Similarly, the CSC could use the CPA model to better implement the Anti-Red Tape Act of 2007. Such an initiative would allow CSOs to officially monitor how civil servants comply with their duty to serve the public.

Conducting Performance Evaluation of the CPA

Before any of these proposed initiatives are carried out, however, the COA, jointly with its CSO and citizen partners, must conduct a formal performance evaluation of the

³⁰ State Audit Code of the Philippines, Presidential Decree No. 1445, section 31, <https://www.coa.gov.ph/phocadownload/userupload/Issuances/rules-and-regulations/PD1445.pdf>

CPA. Although the CPA is now in its fourth year, no such performance evaluation has been made.

This report of the CPA outcomes largely draws from project documents on file and anecdotal accounts of the participants of various workshops, debriefing and reflection sessions, and field outings. The experience has been rich, and a substantial body of knowledge has accumulated. Now performance indicators need to be developed, management and implementation methodologies need to be properly and coherently documented, and an overall rating system needs to be established. The lessons learned in phase I should likewise be appropriately incorporated nationwide in the CPAs under phase II.

Building of Communities of Practice

Clearly, the CPA has proven to be an effective tool in engaging citizens in participating in governance, and it opens up other forms and avenues of engagement and involvement. If its current momentum is sustained and

institutionalized in the many ways suggested in this report, the participants, advocates, and supporters can only grow and branch out in many other areas of citizen involvement.

In addition, communities of practice will consequently take root and flourish. Such communities are the big vision of the CPA—dynamic communities of citizens who are properly informed, are equipped with sufficient knowledge and skills, and are able to independently engage with government on issues affecting their everyday life. The communities will use these skills to effect positive change. At the very least, the CPA can result in citizen brigades in every barangay that—without waiting for or depending on the COA's initiative and intervention—can competently and confidently undertake audits and inspections of government projects and actions in their respective localities. And these brigades could hold their government to account. When that happens, citizen power will truly prove to be the cornerstone and driver of an open, transparent, and accountable government.



Citizen Participatory Audits

Phase I

Subject	Objectives	No. of CSO Partners	No. of Citizen Auditors	Duration	Significant Findings
KAMANAVA flood and drainage system control project	To determine if the project has attained its purpose of mitigating flooding	3	5	7 months	<p>The project has not completely mitigated flooding, because of the following:</p> <ul style="list-style-type: none"> • Deficiencies in design and construction • Existence of informal settlers and the large volume of garbage in the site • Poor operating and maintenance work • Inadequate personnel and communication facilities • Improper control and monitoring of the retention and installation of concrete pipe gates/tosangs
Barangay health services	To assess the performance of health services on the basis of the Quality Standard List for Rural Health Units and Health Centers of the Department of Health and from the perspective of beneficiaries	3	7	5 months	<p>An overwhelming demand exists for quality primary health care that is not effectively met because of the following:</p> <ul style="list-style-type: none"> • Extremely low ratio of doctors and nurses to patients • Inadequate and overworked staff • Severe shortage of medicines • Lack of basic equipment in good working condition • No birthing facilities • Lack of potable water supply in one center

Subject	Objectives	No. of CSO Partners	No. of Citizen Auditors	Duration	Significant Findings
Solid waste management program of Quezon City	To assess the compliance of the city government with certain provisions of Republic Act No. 9003 ^a and to determine the extent to which a clean city has been achieved	5	22	6 months	<ul style="list-style-type: none"> • Solid Waste Management Board was constituted, but some board members do not possess the requisite technical expertise. • Solid Waste Management Board was not implementing the program but another unit of the city government was doing so. • Citizens find the information campaign satisfactory; 75 percent practice waste segregation. • A majority of respondents rated the city as clean.
Super Typhoon Haiyan aftermath					
<ul style="list-style-type: none"> • Relief operations 	To determine the efficiency and effectiveness of the relief and urgent response operations, and the level of adherence to accountability requirements in the aftermath of Typhoon Haiyan	8	100s	5 months	<ul style="list-style-type: none"> • Low use of donor and budgeted funds • Deficiencies in accounting, documentation, and recording receipts and disbursements • Impeded procurement of relief goods and supplies • Poor management of inventory and supplies and the warehousing and delivery systems
<ul style="list-style-type: none"> • Construction of bunkhouses and cash for work program 	To assess if the purposes, time lines, mechanics, and eligibility requirements of the program were being met		21	5 months	Audit report has yet to be released.

Note: CSO = civil society organizations; KAMANAVA = a cluster of 4 urban areas in low-lying areas of Metro Manila.

a. See https://www.lawphil.net/statutes/repacts/ra2001/ra_9003_2001.html

