

TOTAL LIFTING OF COMMISSION ON AUDIT'S (COA) PRE-AUDIT
POLICY: A RECEPTIVITY ASSESSMENT

A Thesis

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APPROVAL SHEET


In partial fulfillment of the requirement for the degree, Masters in Public Management, this thesis entitled, "TOTAL LIFTING OF COMMISSION ON AUDIT'S (COA) PRE-AUDIT POLICY: A RECEPTIVITY ASSESSMENT", has been prepared and submitted by BARTOLOME C. TAN, JR., who having passed the comprehensive examination is hereby recommended for oral examination.

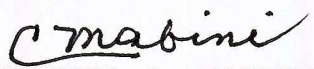

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DEDICATION

This humble piece of work is lovingly
and sincerely dedicated to my

everdearest wife

OFELIA ABASOLO-TAN

and to my children

CHABELLE ANNE

CHARESSE ANNE

CHARLES BARTOLOMEW

BOY

ABSTRACT

This study assessed the receptivity level of management personnel among government agencies in Catbalogan, Samar and COA personnel themselves to the total lifting of pre-audit policy. Data revealed that in relation to auditing practices followed after the lifting of the pre-audit system, the COA personnel were “undecided” whether to agree or disagree posting a grand mean of 3.47. However, the management personnel manifested agreement as evidenced by the grand mean resulting in 4.00. The COA personnel showed reluctance to agree with the practices in audit followed after the pre-audit system was lifted. However, the management personnel showed receptivity to these practices. Evidently, there existed a differing opinion between these two groups of respondents, thus, the third hypothesis was rejected. While the COA personnel wanted to avoid risk of mismanaging funds of the government with the lifting of pre-audit, management personnel of government agencies gave a cue of accepting the lifting of pre-audit to exercise more freedom in disbursing funds. Some of the problems identified by the COA personnel as well as those by the management personnel as well as those by the management personnel need to be considered very carefully inasmuch as they tend to be grave as evidenced by the fact that they were assessed as “highly felt” by them. Considering these problems as a whole, provided some clues that they are manageable to some extent as evidenced by the fact that they were just “moderately felt” by the two categories of respondents.

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Chapter 1

THE PROBLEM: ITS BACKGROUND

Introduction

The lifting of pre-audit and the full implementation of the post-audit system and letting management assume such function is creating varied reactions among management and Commission on Audit (COA) personnel. To some extent, it is a good riddance of operational bottlenecks, while to others, it is a deprivation of that indispensable guide in the discharge of their duties. Whatever it comes to, the move will surely revolutionize fiscal management concept. Consequently, the responsibility of managing government resources rests directly on the chief or head of the agency. With this, management people will wake up to the realities that fiscal responsibilities really rest on them, and that nobody but themselves will have to shoulder the blame if things go sour in their transactions.

There seems to be a claim that the lifting of pre-audit had led to an increase in illegal disbursements. Management, with the go signal to approve disbursement without the auditor looking over its shoulder, seems to have gone on a spree of spending without due regard to their fiscal responsibilities. Reports also show that unliquidated cash advances issued to treasurers and head of

the agency are increasing at an alarming rate. Some agencies keep on granting cash advances even though previous ones have not yet been liquidated. There are also observations that there seems to be an increase in the discovery of malversation cases now than before (Bacani, 1984: 2).

Traditionally, auditing in the Philippines follows the pre-audit system. Before a transaction can be consummated, the auditor must first approve it. In practical terms, this means that the auditor must countersign all checks issued by the agency to cover obligations or approve cash disbursements before payment can be made (Bacani, 1984: 2).

While pre-audit ensures that no financial transactions occur without the auditor's approval, the auditor should be competent, upright and trustworthy and always see to it that public funds are spent solely for the purpose and in accordance with law, rules and regulations. Unfortunately, this is not always true. There are instances that an auditor is incompetent and not trustworthy, as numerous malversation cases show. In fact, the temptation of power is sometimes so strong that the auditor as guardian of the nation's purse sometimes becomes an accomplice (Bacani, 1984: 3)

Where both auditor and management are determined to do their jobs well, the pre-audit still proves inadequate. By

its very nature, pre-audit is only a tentative evaluation of transaction's compliance with regulations because it is done before a project is completed. This is particularly true of transactions which are partially completed or based on percentage of accomplishment such as those undertaken by agencies like public works and highways. It is only after the whole project has been completed that the auditor can really see it in perspective, and can determine whether or not its financing has been in accordance with rules and regulations and more important, whether it has been carried out economically, efficiently and effectively. Thus, it is only post-audit which can give the auditor this perspective.

Based on the researcher's observations and feedbacks gathered, majority if not all government agencies in Catbalogan, Samar have already implemented the lifting of pre-audit policy. However, no information had been gathered yet in terms of the extent to which this scheme is accepted by those in the management level and by the COA personnel themselves. Thus, it is in this context that the researcher was motivated to conduct a study which would look into the receptivity of those directly concerned to the lifting of pre-audit policy.

Hopefully, the results of the study would provide inputs for policy redirection and affect better or higher

receptivity to the current audit policy.

Statement of the Problem

This study assessed the receptivity level of management personnel among government agencies in Catbalogan, Samar and COA personnel themselves to the total lifting of pre-audit policy. Specifically, it attempted to answer the following questions:

1. What is the profile of COA and government agencies personnel respondents as to:
 - 1.1 Age and sex;
 - 1.2 Civil status;
 - 1.3 Educational qualification;
 - 1.4 Length of service; and
 - 1.5 Designation/position?
2. What is the level of awareness of the COA and government agencies personnel on the transaction/activities relative to auditing rules and regulations in:
 - 2.1 Payroll System - Salaries and Wages;
 - 2.2 Procurement and Disposal System;
 - 2.3 Inspection and Acceptance System;
 - 2.4 Inventory; and
 - 2.5 Reporting?
3. Is there a significant difference in the extent of awareness between the two categories of respondents on the

transactions/activities relative to auditing and auditing rules and regulations along the five considered areas?

4. To what extent do the COA personnel and management personnel agree with the auditing practices followed before the lifting of pre-auditing system along the following areas:

- 4.1 Payroll System - Salaries and Wages;
- 4.2 Procurement and Disposal System;
- 4.3 Inspection and Acceptance System;
- 4.4 Inventory, and
- 4.5 Reporting?

5. Is there a significant difference in the extent of agreement between the management personnel and COA personnel relative to the auditing practices followed before the lifting of pre-audit system?

6. To what extent do the COA personnel and management personnel agree with the auditing practices followed after the lifting of pre-auditing system along the five considered areas?

7. Is there a significant difference in the extent of agreement between the management personnel and COA personnel relative to the auditing practices followed after the lifting of pre-audit system?

8. What problems are encountered by the two categories of respondents relative to:

8.1 auditing practices before the lifting of pre-audit system

8.2 auditing practices after the lifting of pre-audit system

9. What solutions are suggested by the COA and management personnel in relation to the problems encountered?

10. What implications maybe derived from the findings of the study?

Hypotheses

On the basis of the foregoing problems presented, the following hypotheses were tested in this study:

1. There is no significant difference in the extent of awareness between the COA and management personnel on the transaction/activities relative to auditing and auditing rules and regulations along the following:

1.1 Payroll System - Salaries and Wages;

1.2 Procurement and Disposal System;

1.3 Inspection and Acceptance System;

1.4 Inventory; and

1.5 Reporting.

2. There is no significant difference in the extent of agreement between the COA and management personnel relative

to the auditing practices followed before the lifting of pre-audit system.

3. There is no significant difference in the extent of agreement between the COA and management personnel relative to the auditing practices followed after the lifting of pre-audit system.

Theoretical Framework

The theoretical structure of this study is based on the Commission on Audit Circular No. 95-006 dated May 18, 1995 which is the total lifting of pre-audit on all financial transactions of national government agencies, government-owned and/or controlled corporations and local government units, which states:

In pursuance of the constitutional mandate vesting in the Commission on Audit the exclusive authority to define the scope of its audit and examination, establish the techniques and methods required therefore, and promulgate accounting and auditing rules and regulations (Sec. 2 (2), Art. IX-d, 1987 Constitution), this Commission hereby lifts all pre-audit activities presently being performed on financial transactions of national government agencies, government owned and/or controlled corporations and local government units.

Section 2 of Presidential Decree No. 1445, which is substantially reiterated in Section 1, Chapter 1, Title I-B, Book V, of the Administrative Code of 1987, provides that:

All resources of the government shall be managed, expended or utilized in accordance with law and regulations and safe-guarded against loss or wastage resulting from illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The primary responsibility for faithful adherence to this policy rests with the chief or head of the government agency concerned.

Consistent with such policy, COA Circular No. 82-195 dated October 26, 1982, lifted the pre-audit of government transactions, with certain exceptions. Upon the change of administration after the February, 1986 revolution, however, the audit of financial transactions entered into during the past regime uncovered irregularities and anomalies of grave proportions. In order to prevent further dissipation of government resources, COA Circular No. 86-257 dated March 31, 1986, as amended, instituted pre-audit of selected government transactions. In the light of the changes occurring at that time, selective pre-audit was perceived to be an effective, albeit temporary, remedy against the recurrence of the observed maladies.

With the normalization of the political system and the stabilization of government operations the Commission On Audit gradually lifted the pre-audit of financial transactions of national government agencies, government-owned and/or controlled corporations and local government units under several issuances, the last of which was COA

Circular No. 94-006, dated February 17, 1994. These issuances however did not include/some pre-audit activities on the financial transactions of the government agencies pending further study and evaluation on the adequacy of the internal control system on the matter.

Conceptual Framework

The scheme in Figure 1 presents the conceptual framework of the study. At the base of the schema is the frame depicting the research environment of the study which is the government agencies in Catbalogan, Samar. The study focused on assessing the receptivity of the two groups of respondents namely: the COA personnel and management personnel of government agencies on the lifting of the pre-audit policy, thus, the arrow from these boxes points towards the center box. The two-way arrow from the box of COA personnel to that of the government personnel elucidates a comparison of their responses which was undertaken.

The results of the analysis and evaluation undertaken served as bases in formulating policy redirections envisioned to contribute towards the attainment of the ultimate goal of the study which is to minimize graft and corruption in government transactions.

Importance of the Study

This study was conducted inasmuch as up to the present no

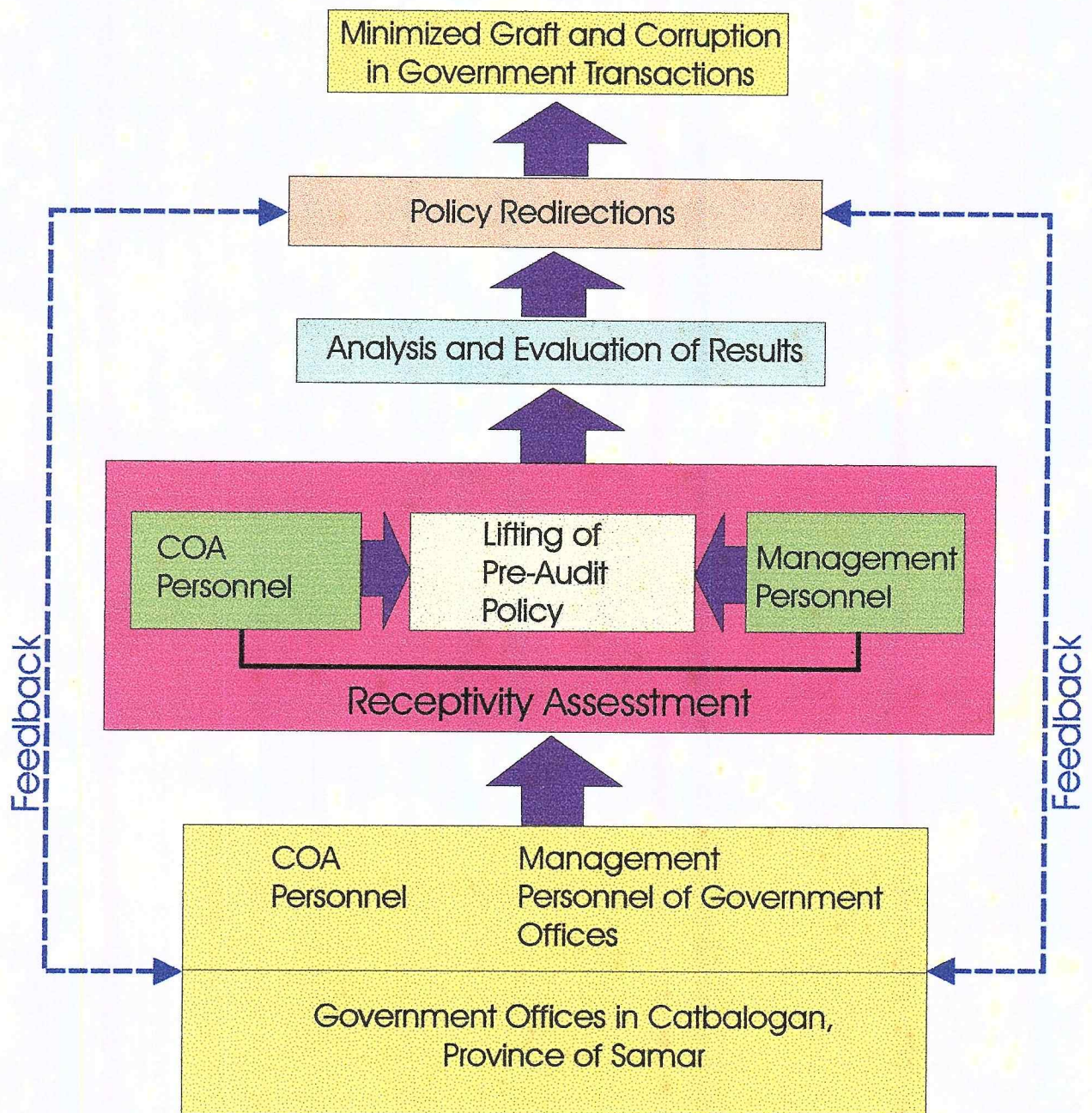


Figure 1. Schema of the Conceptual Framework showing the Research Environment and the variables involved.

study has been conducted to look into the receptivity of management personnel in the different government agencies. Moreover, the results of this study are expected to bring about benefits to policy makers, COA personnel, management personnel, prospective researchers as well as to the community as a whole.

Policy makers. The results of this study would provide policy makers information in terms of determining success of policies formulated and implemented. One major success indicator which could be elicited is the extent to which a particular policy or program is accepted by the intended beneficiaries. Hence, the results of this study could be a valuable input for them as to whether there is a need to modify or replace a policy they are implementing specifically on auditing scheme.

COA Personnel. The results of this study would serve as a guide to COA personnel on the advantages and disadvantages on the lifting of pre-audit system. The advantage is that post-audit system of examination makes the COA a truly independent body. It prevents the auditor from participation in purely management functions and provide wide latitude of decision-making to the agency over its financial activities. It also gives the auditor a

better perspective, being detached from management operations and decision-making activities and maintain independence in mental attitude and can view agency operations more objectively. The disadvantages are increased suspensions and disallowances and increased unliquidated cash advances.

Management Personnel. With the lifting of pre-audit, management assume full fiscal responsibility in its operations and allows more time to train its people on financial management and strengthen its internal control system.

Prospective Researchers. Findings of this study could be utilized by future researchers who are interested in assessing policies formulated relative to auditing scheme. They could capitalize on the results of this study as anchorage for conducting another research endeavor of similar nature.

Community. Residents of nearby communities could likewise benefit from the findings of this research. One major prerequisite for progress or development is minimizing or if possible, eradicating graft and corrupt practices in government agencies. Results of this study could provide guidelines and bases for coming up with measures to minimize

graft and corruption in government agencies. If this could be attained, eventually, progress of the community or of the place is expected and hence, this development would be enjoyed by the residents in the nearby community.

Scope and Delimitation

This study assessed on the receptivity of management and COA personnel to the total lifting of pre-audit policy in government agencies in Catbalogan, Samar. The extent of agreement by these respondents on auditing practices before and after the total lifting of pre-audit system was elicited.

Eleven government agencies in Catbalogan, Samar were involved in the study, namely: Land Bank of the Philippines, Philippine National Bank, Development Bank of the Philippines, National Food Authority, Department of Agrarian Reform, Department of Environment and Natural Resources, Department of Public Works & Highways, Samar Regional School of Fisheries, Samar State Polytechnic College, Bureau of Treasury and Provincial Health Office. These different agencies were represented by personnel who were directly affected by the audit system. These management personnel were the accountant, budget officer, bookkeeper, chief/head of the internal control unit, supply officer, cashier and the head of the agency. Furthermore, all COA personnel

assigned in the different government agencies in the municipality were likewise involved who represented the second category of respondents.

This study was conducted during SY 1997-1998.

Definition of Terms

For purposes of establishing a common frame of reference, important terms used in this study are herein defined conceptually and operationally.

Acceptance. It refers to receiving of goods and determine whether a particular delivery made to the agency is in accordance with specifications called for in the purchase order, contract and other documents (Manual on Property Inspection, 1980: p. 25).

Accountability. In the broad sense, this term refers to the obligation of public officers and employees to perform the duties of a public office with the highest degree of responsibility, integrity, loyalty and efficiency (Manual on Certificate of Settlement and Balances (CSB), 1985:1). In the fiscal sense, and as used in this study, accountability refers to the total amount of public funds or property for which an accountable officer may be held liable.

Accountable Officer. Generally, this term refers to the officer of any government agency whose duties, wholly or

partly, permit or require the possession or custody of government funds or property, such as treasurer, collecting officer, disbursing officer, cashier, paymaster, property officer or supply officer, and who is required by law to file a bond and to render his account (Manuel in CSB, 1985:1). In this study, this refers to management personnel in government agencies of Catbalogan, Samar specifically the head of office/agency and those who are directly affected by the audit system, namely the accountant, bookkeeper, head/chief of internal control unit (ICU) and the supply officer.

Accounting Information. Conceptually, this term refers to the basic data of business. It shows how much you make, what you spend, what you own, what you owe and what investment the owners have in business (Glossary of Terms for State Auditor, SAAC, p.14). As used in the study, this term refers to how much one makes, spends, owns, owes and what investment the owners have in business.

Audit. It is the examination of an accounts or books of accounts, for the purpose of ascertaining their corrections.

Audit Independence. This term is essentially a state of mind which is not subordinate to the clients and which processes objectively or lack of bias in forming delicate judgments and permeates all other audit attributes. The auditor is free from interest or relationship which may warp

or impair his judgment, even subconsciously in expressing opinion on financial statements (Glossary of Terms for State Auditor, SAAC, : 2).

Auditing. This term is defined as the critical and systematic examination or review of accounting reports, documents, records, procedures and control for the purpose of determining whether they conform with prescribed criteria, or to enable the expression of an opinion on the propriety of the financial statements (Casino,, 1981).

Cash Advance. This term means the payment of cash for which an accounting must be rendered or liquidated by the recipient at some future date (Glossary of Terms for State Auditor, SAAC, :14).

Certificate of Settlement and Balance (CSB). A formal written notification by the auditor to the officer whose accounts have been audited and settled wherein shall be indicated the balances found due thereon and certified, and the charges or differences existing from the settlement by reason of disallowances, charges suspensions, or either deficiencies (CSB, 1985: 3).

COA Personnel. This term pertains to the auditors assigned in the eleven government agencies considered in the study who belong to the Commission on Audit.

Comprehensive Audit. Comprehensive audit includes all

financial and compliance audit, economy and efficiency audit (managerial audit) and effectiveness audit (program result audit) (COA Journal, 1976: 26)

Disbursement. This refers to the movement of cash either from the treasury or from an authorized disbursing officer to the recipient (Primer on Natural Budget, 1981).

Disallowances. This refers to the disapproval of a credit or credits to an account/accountable officer's accountability due to non-compliance with law or regulations (CSB, 1985: 2).

Disposal System. This refers to procedures followed in the requisition of supplies and materials from the supplies room/store room to the different section of the agency (Glossary of Terms for Audit, p. 275).

Economy and Efficiency Audit. This refers to an activity that determine whether the entity is managing or utilizing its resources (personnel, property, space and so forth) in economical and efficient manner and the causes of any inefficiencies or uneconomical practices, including inadequacies in management information system, administrative procedures or organizational structure (COA Journal, 1976: 26).

Effectiveness or Program Results Audit. This term refers to an activity which determines whether the desired

results or benefits are being achieved, the objectives established by the legislature or other authorizing body are not and if the agency has considered alternatives which might yield desired results at lowest cost (COA Journal, 1976:26).

Financial and Compliance Audit. Generally, this refers to an audit activity which determines whether financial operations are properly conducted; the financial reports of an audited agency are presented fairly, and if the entity has complied with applicable laws and regulations (COA Journal, 1976: 26).

Fraud. This refers to any wrong doing which adversely affects the interest of the government including, but not limited to, act of dishonesty which result in loss or injury to the government (CSB, 1985: 2).

Government Agencies. It refers to any department, bureau or office of the National Government, or any of its branches and instrumentalities, or any political subdivision, as well as any government owned or control corporation including its subsidiaries or other self-governing board or commission of the government (Sec. 3, (8) PD 1445).

Inspection. This is a process of measuring or checking materials, workmanship or method for conformance with

quality control, specification and/or standard (Glossary of Terms for Auditors, p. 345).

Internal Control. It refers to the plan of the organizational and all the coordinate methods and measure adopted within an organization or agency to safeguard its assets, check the accuracy and reliability of its accounting data and encourage adherence to prescribed managerial policies.

Management Personnel. As used in the study, this term refers to the personnel in the agencies involved who were directly involved in audit activity of these agencies. More specifically, this group of respondents were composed of the accountant, bookkeeper, chief/head of internal control unit, supply officer and the head of agency.

Payroll System. This is a set of procedures followed in paying the salaries and wages made to the employee by his employer which maybe weekly, daily, bi-weekly, semi-monthly, monthly, quarterly, semi-annual or annual period (Glossary of Terms for Auditors, p. 479).

Pre-Audit. It refers to the examination of financial transactions before their consummation or payment, as well as financial transactions which have already taken place but have not yet been recorded (COA Journal, 1976: 8-9).

Procurement. This is an acquisition of supplies including non-personal services by written order or contract

through bidding or negotiation.

Post Audit. It refers to the examination of financial transactions after their consummation or after payment. It is done after a transaction or a number of transactions and the records thereof have been completed (COA Journal, 1976: 8-9).

Receptivity. The term refers to the power of receiving impressions(Webster, 1960: 60).

Salary. This refers to the compensation covering weekly, monthly or yearly period for services rendered. It applies to pay of higher degrees personnel such as white-collar employees or persons in positions of responsibility and authority in the firm (Glossary of Terms for State Auditors, p. 584).

Suspension. The term refers to the deferment of action to debit/credit the accounts/accountable officer's accountability pending compliance with certain requirements (CSB, 1985: 2).

Transaction. It is an event or condition the recognition of which gives rise to entry in the accounting records (CSB, 1985:2).

Wages. It refers to compensation for manual labor skilled or unskilled for work done by so called "blue-collar workers (Glossary of Terms, p. 691).

Chapter 2

REVIEW OF RELATED LITERATURE AND STUDIES

A painstaking effort was made by the researcher to gather ideas and concepts related to the study. However, because of relative scarcity of literature and studies dealing specifically with receptivity to the lifting of pre-audit system, most conceptual literature and studies presented in this section were peripheral to the focus of this study but related in the sense that they dealt in broader terms with evaluation and assessment of some auditing program and dialogue. Various materials reviewed simply urged that this present research be pursued.

Related Literature

Basically, the auditing function in general may be undertaken on a pre-audit or post-audit basis, or a combination of both. Audit after a transaction is completed is known as post-audit. This is in contrast to pre-audit which involves checking of transactions before they are consummated.

Proponents of pre-audit advance the theories that "an ounce of prevention is worth a pound of cure," that pre-audit is effective than post-audit in the sense that transactions are subject to examination before consummation or

payments are made, thus there is an outright prevention of committing fraud and if there is a fraud or wrong-doing it can be easily seen and stopped and that there is no other best way to prevent an error or wrong-doing before its occurrence.

On the other hand, advocates of the post-audit system in the government claim that the Constitution does not specifically state the need for pre-audit and that preventive measures can be effectively installed even with the adoption of post-audit. This can be achieved through the installation of a strong internal control structure and the promulgation and more effective implementation of accounting and auditing rules and regulations by seriously considering the moral values of the people behind their implementation. Section 2 of PD 1445, otherwise known as the Auditing Code of the Philippines provides:

It is the declared policy of the State that all resources of the government shall be managed, expended, or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of the government. The responsibility to take care that such policy is faithfully adhered to rest directly with the chief or head of the government agency concerned. (Manuel, 1975: 20).

A post-audit system of examination makes the Commission On Audit a truly independent body. It prevents the auditor

from participation in purely management functions and provides a wide latitude of decision-making to the agency over its financial activities. Post-audit gives the auditor a better perspective. Being detached from management operations and decision-making activities, it preserves his independence, does not interfere with management prerogatives, and reduces "red tape" in governmental operations. (Paras, 1981: 3)

In pre-audit, the auditor inevitably decides concurrently with management what goods or services to pay for. If after final review, the transactions is subsequently found to be irregular, the auditor find himself involved, and more so often than not, he finds difficulty in extricating himself.

In the early fifties, the Philippine government hired the services of Booz, Allen and Hamilton, a management and consultant firm from the United States, to study, among others, the auditing system of the Philippines (Flores, 1981:24). The recommendation of this firm had tremendous influence in the thinking of the officials of the then General Auditing Office (GAO) as may be discerned in the various memorandum circulars issued by early auditing officials.

The move to withdraw pre-audit is not a new idea. On

August 31, 1953. Acting Auditor General Pedro M. Gimenez issued GAO Memorandum Circular No. 205 withdrawing pre-audit of expenditures not exceeding an aggregate amount of P200 for supplies, materials, equipments and services delivered or rendered and for traveling expenses not exceeding P100 for one month in the national agencies. This was the first experiment after liberation and in accordance with the recommendation of Booz, Allen and Hamilton. The main aim of the Memorandum Circular was "to reduce to the minimum the delay in the payment of claims", as if it was accepted that the pre-audit system is a cause for delayed payments on government obligations (Flores and Principle, 1979: 23).

Through his Memorandum Circular No. 264 issued on September 30, 1955, Auditor General Manuel Agregado raised to P500 expenditures for supplies, materials, equipment and services rendered and P200 for traveling expenses not subject to pre-audit. This amendment, however, did not preclude management from courting to the auditor for pre-audit any expenditure it wished to be passed upon in audit before payment. As control device on disbursements in cash vouchers not subject to pre-audit, GAO memorandum Circular No. 309 was issued on November 29, 1956, by Deputy Auditor General Pedro M. Gimenez. authorizing the opening of an agency checking account with the Philippine National Bank.

This account was replenished periodically by drawing treasury warrants, which of course had to be pre-audited and countersigned by the auditor (Flores, 1981: 24).

On January 15, 1957. Gimenez already the Auditor General issued General Circular No. 44 which provided that payment made by check in the amount of P500 or less would not be subject to pre-audit and that agencies were authorized to draw checks against approved vouchers without first submitting them to the auditor for examination. However, it emphasized that the agencies would assume all responsibility for the legality of payment and take steps to insure full compliance with laws, rules and regulations. It also provided that vouchers, bank accounts and statement of bank balance reconciliation will be subject to post-audit without prior notice by representatives of the GAO. It further provided that any disallowances in post-audit should be refunded by the officials who authorized and signed the check for such payment, without prejudice to their right to recover from the person who received payment.

General Circular No. 45, dated January 22, 1957, constituted one of the important regulations issued by then Auditor General Gimenez for it allowed, for the first time, agency management to inspect deliveries worth P2,000 or less without participation of the auditors. Under the circular,

agencies were permitted greater latitude in the placing of bids and inspection of deliveries of supplies, materials and equipment without direct participation by the auditor. It further emphasized that auditors will no longer participate in any of the following functions: canvassing of market for quotations; issuing invitations to bid; examining the bids before making the awards; awarding the contracts, or any function relating to the securing of bids or awarding of contracts, except only as provided in Sections 606 and 607 of the Administrative Code (Flores, 1981: 25).

On January 23, 1957, Auditor General Gimenez issued Memorandum Circular No. 313 which required direct payment to creditors of government owned or controlled corporations either by cash or by checks without pre-audit subject to certain limitations. With the issuance of this circular, the scope of the withdrawal of pre-audit was expanded to include government corporations (Flores, 1981: 25).

On June 10, 1957, by the issuance of Memorandum Circular No. 331, all major commands of the Armed Forces of the Philippines, including the office of the Secretary were authorized to pay in cash or by PNB checks all their legitimate obligations not exceeding P1,000 in each case without pre-audit.

Under Memorandum Circular No. 333, issued on June 17,

1957, all heads of national government agencies, provincial, city and municipal treasurers and all government-owned and/or controlled corporations were authorized to pay all their obligations to the Government Service Insurance System, Irrespective of amount, as well as all collections or receipts due to the system, such as life, retirement and property insurance premiums, including extra premiums for occupational hazards and disability benefits, repayment of policy loans, salary loans and real estate loans collected from borrowers, including accrued interest thereon. If any, in cash or PNB checks, without the usual pre-audit by the auditors (Flores, 1981: 25).

On May 21, 1963, Auditor General Gimenez issued General Circular No. 79, which was the landmark in government audit promulgation. This circular abolished the pre-audit system in all government-owned or controlled corporations. The circular provided that all pre-audit of disbursements and inspection of deliveries being conducted by resident auditing units of government-owned or controlled corporations shall be stopped and that payments may be made and deliveries accepted without prior intervention by any representatives of the Government Auditing Office provided that the respective corporate management should assume full responsibility for the property and integrity of transactions ap-

proved by them. Under this circular the auditors concerned were required to see to it that vouchers are post-audited not later than one week after they have been paid (Flores, 1981: 26).

General Circular No. 83, dated August 8, 1963, further withdraw pre-audit in all national agencies and defined the policy for its implementation. It allowed management to assume fully their legitimate fiscal responsibilities; gave them wider latitude of decision on their financial activities; eliminated interference by the auditors in purely management functions; and most important of all it reduced red tape in governments when allowed to pay their obligations, accept deliveries and issue checks regardless of amount without the interventions of the auditors. The only pre-audit functions retained were review of contracts as required by Administrative Order No. 290 of the President (Flores, 1981: 26).

On August 12, 1968, Auditor General Ismael Mathay, Sr. took exploratory steps towards lifting the pre-audit again in national agencies by issuing Memorandum Circular No. 575 which provided that deliveries of supplies, materials and equipment valued at P2,000 or less chargeable against Grant-in-Aids of the PACD and the P1,000,000 Rural Development Fund was exempted from pre-audit, but in practice, full

pre-audit was still in effect through the auditor's inspection activities because deliveries in excess of P2,000 shall be submitted for inspection to the provincial and city auditors, in places where the PACD auditors not readily accessible (Bacani, 1984:4).

On April 6, 1976, Acting Chairman Francisco S. Tantui-co, Jr. issued Commission on Audit (COA) Circular No. 76-26, partially lifting pre-audit and directing the full implementation of post-audit system. Under the circular, the chief or head of each department, bureau or office, including local government, government owned or controlled corporations and self governing boards, agencies and commissions were enjoined to install, implement and monitor a sound system of internal control and that it was incumbent upon agency management to institute internal safeguards or procedures particularly those in connection with disbursements of all forms, adopt systematic voucher processing techniques; install sound procedures for revising and accepting deliveries of supplies, materials and equipment, and introduce other measures as may be necessary to prevent irregularities and strengthen existing internal control, and for that purpose, the head of the agency may seek the assistance of the Commission on Audit in the design and installation of a sound system of internal

control (Bacani, 1984: 28).

On May 18, 1982, Chairman Tantuico issued COA circular No. 82-185 withdrawing the authority of the auditors in the countersignature of warrant and checks, transferring the responsibility to agency officials. Pre-Audit system was completely lifted through the issuance of COA Circular Nos. 82-195, dated October 26, 1982.

Upon the change of administration after the February 1986 revolution, various auditing policies and circulars were issued, with the normalization of the political system and the stabilization of government operations, the then Chairman Eufemio C. Domingo, took another initiative to withdraw pre-audit system of government transactions, through the issuance of COA circular No. 89-299, dated March 21, 1989.

Among the circulars issued by Chairman Domingo on the lifting of pre-audit system are COA No. 90-340 dated August 2, 1990 and COA circular No. 91-355, dated June 18, 1991 during the period of emergency caused by the earthquakes and the eruptions of Mount Pinatubo, respectively.

On the basis of the results of the re-assessment made by the Commission On Audit on the policy on pre-audit, the commission gradually lifted the pre-audit of financial transactions on National government agencies, government owned and/or controlled corporations and local government

units through Circular No. 94-006, dated February 17, 1994, by Chairman Pascasio S. Banaria. These issuances, however, did not include some pre-audit activities on the financial transactions of government agencies pending further study and evaluation on the adequacy of the internal control system.

The most recent issuance on the lifting of pre-audit was COA circular No. 95-006, dated May 18, 1995 by Chairman Celso D. Gangan. Under this circular pre-audit on all financial transactions of the national government agencies, government owned and/or controlled corporations and local government unit should be totally lifted without exceptions.

Almost instantaneously, after the then General Auditing Office (now Commission on Audit) issued rules and regulations withdrawing pre-audit, department heads (ministry heads), chiefs of bureaus and offices, local government heads and heads of government-owned or controlled corporations requested exemption from the coverage of said rules and regulations lifting pre-audit or requested deferment of their implementation in their respective agencies. This reaction has been an established pattern from way back 1953 to the present.

On April 20, 1960, Auditor General Gimenez issued General Circular No. 70 which provided that all supplies and

materials and equipment procured by the government will, in addition to the inspection to be made by the agency, be inspected by the corporation, bureau, provincial or their authorized representative of the value of the materials, supplies or equipment delivered. Deliveries to bureaus and offices in Manila requiring technical knowledge like drugs and chemicals, office laboratory and hospital equipment, machinery, lumber, cloth, and papers, etc. would be inspected by the bureau auditors or their authorized representatives. When the value of the delivery exceeds P2,000.00, the auditors or the assistant auditors should make the inspection.

This circular revoked General Circular No. 45, dated January 22, 1957 which provided that agency management should inspect deliveries worth P2,000 or less without participation of the auditors. It likewise revoked Memorandum circular No. 313 issued on January 23, 1957 and General Circular No. 79 issued on May 21, 1963 thereby restoring pre-audit in areas where it was earlier lifted.

On April 1, 1965, Auditor General Gimenez, in reaction to request of the Commissioner of Public Highways for the restoration of the pre-audit system in the offices of all district and city engineers, issued Memorandum Circular No. 505 temporarily restoring pre-audit in said offices until

such time when the offices concerned were ready to assume full responsibility for the transactions.

On April 14, 1965, Memorandum Circular No. 506 was issued providing that pre-audit shall be observed in the National Irrigation Administration in view of the fact that it was a newly organized government corporation and that it was still at its initial stage of operations.

On May 14, 1965, Memorandum Circular No. 511 was issued in accordance with the request of the Secretary of Education and in all agencies offices, state colleges and schools under that department, as an exception to General Circular No. 83, dated August 8, 1965.

Memorandum Circular No. 510, issued on May 21, 1965, revoked General Circular Nos. 79 and 79-A thereby restoring pre-audit of disbursements, inspection of deliveries, countersignature of checks and such other pre-audit activities as may have been earlier withdrawn under memorandum circular Nos. 79 and 79-A in government-owned or controlled corporations as well as other self governing boards, commissions on agencies of the government.

On June 23, 1965, Memorandum Circular No. 512 was issued restoring pre-audit in the Office of the Secretary, and in all the bureaus, offices, agencies, commissions, boards and regional offices of the Department of Commerce

and Industry, in accordance with the request of the honorable secretary, as an exception to General Circular No. 83, dated August 8, 1964.

On October 7, 1965, Auditor General Gimenez issued Memorandum Circular No. 520 directing all heads and governing bodies of government-owned or controlled corporations and corporate auditors that no payment on loans or other forms of credit granted or extended by any government-owned or controlled corporation to any person, association or corporation, whether public or private, in amounts of P500,000.00 or more should be made without pre-audit and approval by the resident auditor of the lending institution.

On November 29, 1965, Auditor General Gimenez issued Memorandum Circular No. 527 directing that all expenditures and contracts of whatever nature were subject to pre-audit so as not to drain the cash in the Treasury and for purposes of economy.

On February 17, 1965, Auditor General Mathay revoked Memorandum Circular No. 527, dated November 29, 1965 admonishing the auditors that although all the expenditures were subject to pre-audit, these transactions must be audited promptly and strictly in accordance with existing laws and regulations, and the auditors concerned should themselves

render decision thereon within their respective jurisdiction, except only in cases involving difficult questions of law which the resident auditors may elevate to the central office for consultation or decision with the necessary comment and recommendations.

On October 9, 1973, Acting Chairman of the Commission on Audit, Ismael Mathay, Sr. issued General Circular No. 123, requiring prior review by the Commission on Audit of proposed service contracts with private persons or firms for studies relating to government accounting, auditing and management system, including pay or job classifications of government personnel and for the conduct of seminars or workshops for government employees on any of the said subjects. Acting Chairman Mathay, in issuing the circular emphasized that the expenditures of public funds that such service contracts entailed may be deemed unnecessary and extravagant considering that the services contemplated therein can be rendered with the same efficacy by some agencies or instrumentalities of the government, such as the Commission on Audit, Budget commission, University of the Philippines, Civil Service Commission and the like.

On May 5, 1976, Acting Chairman Francisco S. Tantuico, Jr. issued COA Circular No. 76-26 S deferring the implementation of COA Circular No. 76-26 in local governments in

accordance with the request of the Acting Secretary of Finance, Under the circular, the provincial and city auditors were instructed to continue the pre-audit of all local government accounts in accordance with the procedures prior to the promulgation of COA Circular No. 76-26.

On March 31, 1986, after the February revolution, Chairman Teofisto T. Guingona, Jr. issued COA circular No. 86-257, instituting pre-audit of selective government transactions. The main purpose of the circulars was to prevent further disposition of government resources.

On September 8, 1989, Chairman Eufemio C. Domingo, issued COA Circular No. 89-299A reinstituting pre-audit activities on financial transactions of national government agencies and government owned-and/or controlled corporation but no longer a pre-requisite to implementation/prosecution of projects and/or payment of claims, such as, but not limited to the following: 1. Review and evaluation of contracts; 2. Evaluation of On-going infrastructure and other construction projects which shall include field inspection to verify actual project accomplishments or status; 3. Inspections of deliveries of foodstuffs, medicines, supplies, materials, equipment and the like; Pre-repair inspection; and 4. Verification of the certificate as to the availability of funds; Witnessing of

the opening of bids.

The first request for deferment in the implementation of COA Circular No. 76-26 was followed by various other requests which required the corresponding modification to suit the needs of the time and to keep pace with other developmental and projects of the government.

For example, paragraph No. 5 of COA Circular No 76-26 provides that checks covering transactions not subject to pre-audit shall no longer be countersigned by responsible agency officials except deputized officer accountable for the checks and personnel of the accounting unit.

Accordingly, on June 10, 1976, COA Circular No. 76-26 (B) prescribing that in the case of provinces and cities, checks covering transactions not subject to pre-audit shall be countersigned by the provincial governor or city mayor, as the case may be. The governor or mayor may, however delegate in writing such duty to the provincial or city administrator or other official equivalent rank who shall thereby countersign checks "By authority of the Governor/Mayor".

On November 29, 1978, COA, issued COA Circular No. 76-26(C) reimposing partial withdrawal of pre-audit in provinces and cities with certain limitations. Under this circular, the auditor shall continue to pre-audit first

payment of fixed expenditures such as rentals, subscriptions to periodicals, and other expenditures which were recurring and fixed in nature; payments amounting to more than P5,000.00 of consumable items; all refunds; first payments of salaries and wages, payments of expenditure of consumable supplies involving more than P10,000.00; payments of back pay claims and cash advances irrespective of amount; withdrawals of bank and principal deposits involving more than P10,000.00 deliveries of supplies, and materials and equipment within the limit of their authority; countersign treasury warrant; and perform such other pre-audit functions as are or may be required by law or competent authority.

On April 27, 1979, COA issued Circular No. 79-26 (D) which provided that when a provincial or city treasurer entertained some doubts on the legality and/or, propriety of a claim he may refer the voucher to the provincial or city auditor, as the case may be, accompanied by a letter stating in detail the grounds and reasons for the referral. The auditor should return the same with his opinion on the matter. In no case should the auditor pre-audit the transaction not subject to Pre-audit notwithstanding the doubts expressed by the treasurer, or even if requested to do so for accommodation.

In order to further facilitate and avoid delay in the processing of claims for payment of supplies, materials,

equipment and services delivered or rendered and of various government projects and activities, COA issued COA Circular No. 80-26 (F) which prescribed that partial payments for these developmental projects, other than the first and last payments shall no longer be pre-audited and the corresponding warrants and/or checks shall no longer be countersigned by the representative of the Commission on Audit.

In order to effect the smooth implementation of this circular, COA issued COA Circular No. 80-26 (G) on April 8, 1980 enjoining heads of national agencies, local government units, government-owned or controlled corporations to designate the proper officials of the agency who shall countersign treasury warrants and checks covering claims which are not subject to pre-audit. The circular required that no official or employee assigned to the accounting office or internal control unit should be authorized to countersign checks and treasury warrants. As far as practicable, the countersigning official should be higher in rank than the official designated to sign the warrant or checks.

To protect the Bureau of Treasury against in encashment of forged or spurious type "B" treasury warrant or its acceptance through bank clearing operations, COA Circular No. 80-26 (H) required heads of bureau and offices to inform in writing the Treasury of the Philippines of the

agency official authorized to sign and/or countersign type "B" treasury warrants issued by the Bureau of office pursuant to the provisions of COA Circular nos. 80-26 (F) and 80-26 (G). The circular likewise required the officials designated to prepare the Report of Treasury Warrants Countersigned by Agency Officials (RTWCAO) covering the type "B" treasury warrants.

To avoid delay in the processing of payments for government infrastructure projects and pursuant to the pertinent implementing guidelines of P.D. 1594, COA Circular No. 80-26 (I) requiring that first payment subject to pre-audit should include only the first billing which represented the firsts collection on the work accomplished in a particular project. Mobilization fees, downpayments and other forms of advance payments, if authorized by proper authorities, should not be subject to pre-audit. Correspondingly, the warrants and/or checks for such payments should not be countersigned by the representatives of the COA.

Pre-audit is the examination of financial transactions before the consummation or payment, as well as financial transactions which have already taken place but have not yet been recorded.

The term pre-audit is generally associated with the examination of financial transactions involving disburse-

ments of government funds. Basically it is a special development of the control aspect of accountancy. It is also considered as an integral part of the accounting and payment process. Thus, pre-audit seeks to determine that: 1. The proposed expenditures complies with an appropriation law or other specific statutory authority; 2. Sufficient funds are available for the purpose; 3. The proposed expenditure is not unreasonable or extravagant and unexpended balance of appropriation where it will be charged to is sufficient to cover the entire amount thereof; and 4. The transactions is approved by proper authority and the claims is duly supported by authentic underlying evidence (Bacani, 1984: 35).

On the other hand post-audit is the examination of the financial transactions after their consummation or after payment. It is done after a transaction or a number of transactions and the records thereof have been completed. It covers the same areas covered in pre-audit aside from tracing the transactions under audit to the books of accounts. In general and whenever practicable, the scope of post-audit work embraces the three components of comprehensive audit, namely: a) financial and compliance; b) economy and efficiency; and c) program results and effectiveness.

Post audit is preferable to pre-audit because of the following: 1. Post-audit does not infringe unduly on

management responsibilities and interfere with management as other audit method often do; thus, the auditor can undertake a more objective appraisal of the work of the agency; 2. The agency's management is given the full chance to exercise a wide discretion and latitude of decision on its financial activities in keeping with the declared policy of the state that fiscal responsibility rests directly with the management of agency concerned; 3. Post-audit has proved effective in revealing the existence of major defalcations and other irregularities not unearthed in pre-audit; 4. The agency's operations are expedited with the non-intervention of the auditor in its affairs; and 5. A system of selective test auditing is allowed in post-audit (Bacani, 1984: 35)

This seeming preference for post-audit work over pre-audit was derived from the inherent limitations of pre-auditing. Necessarily since it aims to inspect a transactions which have yet to be completed, pre-audit can only check the transaction's adherence to rules and regulations as a planned undertaking. But, as everyone knows, actualities seldom correspond to plans. Thus, almost always, the results of pre-auditing do not reflect the real intent and nature of the completed transactions. (Bacani, 1981: 41).

What makes this situation dangerous is the fact that

the results of pre-audit are taken as "blanket approval" of the transaction as a whole by everyone concerned, notwithstanding that pre-audit can only appraise the transaction as planned, and therefore is incomplete. This misconception has become so pervasive that the authorities concerned, and even the auditors themselves, tend to view post-auditing as a mere formality. Yet, in point of fact, it is only post-auditing which can make complete and objective appraisal, because at its vantage point, it can view transactions in their wholeness. As a result of this misconception, government auditing in the Philippines has generally been ineffective insofar as management of funds and maximization of expenditure results are concerned.

One can argue that despite its limitations, pre-auditing remains effective in preventing the wastage of funds, since it does not allow the actual spending of money if the planned transaction does not meet with legal requirements. Post-auditing can discover wrongdoing only after the deed is done, and by then the money has been spent. Surely, as the saying goes, "an ounce of prevention is worth a pound of cure."

Unfortunately, this reasoning, while viable on papers does not really work out in real life. Pre-audit may have the potential of preventing wastage. When the auditor, follows pre-auditing procedures conscientiously, sooner or

later he will clash with management, specially if that management is bent on pursuing wrong-doing or unlawful transactions. Eventually, the resident auditor will be removed from his particular assignment, either through his own choice, because he finds working with management impossible, or through the agency itself, which has found a way to have him transferred to another assignment. Alternatively (and this happens often) the auditor may take the line of least resistance and "come to terms with" management bent on milking the state coffers. The problem becomes serious and difficult to curb when the auditor himself becomes an accomplice in covering up management's -wrong-doing and illegal transactions.

Pre-audit system may prevent irregular,unnecessary, extravagant and excessive expenditure of funds, over payments of refunds, back pay claims, salaries, leaves; excessive cash advances; irregular and wasteful requisition; utilization and disposition of assets; overpricing ; short and ghost deliveries/projects.

Some of the known advantages are the following: 1) It prevents payment of claims which are irregular, illegal, excessive or wanting in proper documentation; 2) It prevents the commission of technical malversation, that is the use of funds different from that intended or authorized

by the appropriation law; 3) It prevents double-payment of claims; 4) It detects errors in computation of claims; 5) It affords ample protection of government funds and property; and 6) It improves collections of taxes due the government and other accounts accruing to the government, and it hastens the liquidation of cash advance (Glossary of Terms, 1985: 499).

However, the auditor in exercising the pre-audit function may unduly encroach on management prerogative, and thus may not be able to appraise objectively the performance of the agency. Furthermore, if something goes wrong with the financial transactions, the auditor becomes implicated for the simple reason that he cannot easily detect what some unscrupulous people in the management are up to.

Other known disadvantages of pre-audit may be summarized as follows: 1) It is an additional red tape in the processing of claims; 2) Some people would say that pre-audit is a management function; 3) Independence of the auditor is tainted with doubt and suspicious especially if it becomes obvious that the auditor is enjoying some degree of dependence for financial support on the audited agency; 4) Credibility of the financial audit report is affected by the fact that the auditor who prepares it is the same auditor who pre-audited the transactions; 5) Integrity of the

Commission on Audit is shaken everytime an anomaly is discovered and the auditor concerned is implicated; and 6) Illegal transactions that somehow was passed in audit make an auditor a principal suspect thru direct participation under the Revised Penal Code (Glossary of Terms, 1985: 505).

The General Accounting Office of the United State exercises essentially a post-audit function, The Comptroller General, however, retain certain powers regarding proposed receipts and expenditures. He is authorized and required by law to render advance opinions on the legality of proposed expenditures at the request of heads of departments and establishments, disbursing officers and certifying officers, He, likewise, has the power to settle claims by and against the government while these powers are not exercised automatically on the Comptroller's own initiative, but only at the request of the parties interested. Extensive use is in fact made of them. In many cases, disbursing officers, who are personally liable for their administrative actions, frequently seek to ascertain in advance the legality of proposed expenditures. The result is that each year thousands of decisions are given on an extremely wide range of subjects, binding the administration and constituting an impressive code of precedents, guiding in its future activities (Besana, 1975: 23).

In Russia, audit in government agencies is subdivided, as regards the time and ways in which it is applied, into pre-audit, current audit or audit at the time of performance and post-audit. Pre-audit is carried at the time of preparation of the budget and during discussions of allocation. Pre-audit entails examining whether, and to what extent, allocations accord with the plan and projects, and also their conformity to legal terms of reference. This form of audit also imposes examination of the correctness of calculation and necessity of each item of expenditure separately. Great importance is attached to this form of audit since every unit obtains for its budget only such amount of expenditures as it is approved by audit service which can refuse support allocations that are found to be unjustified or unnecessary.

A specific category of pre-audit which is of particular importance is the audit with respect to individual salaries in accordance with grading and of final amount to be allocated for salary purposes and for administration and management expenses. In this field the question of financial discipline is considered seriously and government adopts a number of resolutions aimed at intensifying audit over expenditure on salaries and over administrative expenses. Budget funds for payment of salaries are supervised

strictly most of the time and any violation of the terms of such funds involves financial penalties. The agencies and institutions may only make use of allocations in accordance with the actual number of employees signed by the head of the agency and the chief accountant. The auditors examine the efficiency of the establishment, the need for the listed number of posts and the level of salaries. This duty is to question unnecessary increase in staff. Pre-audit is also carried out by auditors at the time of opening a separate credit for each budgetary expenditure. Before the opening of credit, the appropriate audit agency examines whether financing of the activities of institutions is authorized by approved programs. This pre-audit is of great value since it prevents waste of money, before projects start.

Current audit which is made at the time of performance has some element of pre-audit. It is made in the agencies at the time when financial transactions are made or expenditures are incurred. Current audit is applied during the implementation of the revenue and expenditure parts of the budget to make sure through checking of accounts kept by agencies that the expenditure from the budget keeps pace with the fulfillment of operating and production plans and corresponds to the actual amount programmed for those estab-

lishments.

Post-audit is used to examine the legality of financial operations. With the help of post audit the economic efficiency of financial transactions and correct allocations of budget funds are verified and unused resources of government institutions are conserved. This covers examination of balance sheets and financial reports and checking documents (Besana, 1975:24).

In Austria, the system is post-audit. There are, however, specified exceptional case in which pre-audit is exercised. In case when expenditures are known to be against what is provided in the budget in amount or purpose, these expenditures are examined by the auditor. Proposed expenditures of this kind are accordingly brought to the auditor's attention before being entered into, unless the subject of special legislation or relating to a case of extreme urgency. In these cases, the auditor examines whether the conditions justifying deviations from budgetary provisions are present, and, if necessary, makes his observations to the management. The observations do not bind the management and the auditor is not entitled to reject the proposed expenditure but can only report the matter to the legislator.

The need for some form of pre-audit is widely

recognized and accepted. Italy, Greece, Romania, Venezuela, Belgium, Russia and most of the Socialist states makes extensively use of pre-audit.

Austria, Netherlands, United States, France, West Germany, Spain, England, Israel, Japan and Norway adopt post-audit.

As a general rule, every administrative act should be subject to the prior examination of two independent factors: the executive agency directly responsible for implementation and an external factor, acting primarily as a restraining influence and concerned, in particular, with legal, financial, and administrative regularity of proposed act. There is no reason why this latter function should not be entrusted to the management itself. If it is imposed on the auditing service to have an active role in the administrative process to disallow or disapproved decisions of the executive power it thereby bears in effect some of the responsibility for administration.

Related Studies

The researcher found very limited studies related to the problem. In fact, the related studies were not specifically on the Pre-Audit System but on audit reports and recommendations.

Zaldarriaga (1994) pursued a research on the impact of

annual audit recommendations on the operations of government agencies in Tacloban City. She made use of a descriptive type of research. There were four aspects of impact which she considered, viz: 1) relevance, 2) timeliness, 3) quality, and 4) feasibility and the respondents involved were the agency heads, administrative officers, and finance officers of the government agencies in the said city.

The following were the major findings of her study:

1. Among the three groups of respondents, the agency heads had the most use of the annual audit report (AAR) particularly as a source of financial information, as a guide in planning and controlling, and as a tool in decision-making while the finance officers had the least use in all the three categories;

2. The three groups of respondents showed no significant differences in perceptions with regards to the impact of the AAR in terms of relevance. They rated the AAR to be "highly relevant";

3. The three groups of respondents also showed no significant differences in perceptions as to timeliness of the AAR. Majority (69%) considered the AAR as timely even if 51 percent of the agencies represent by the sample respondents got their AAR for 1993 after April 1994;

4. The perceptions of the three groups of respondents

regarding the impact of the AAR in terms of quality showed no significant difference. They rated the AAR as close to "very good". This rating relate to factual, fair, and accurate reporting, objective findings, and presentation of concise and clear reports;

5. In terms of feasibility of the audit recommendations, the three groups of respondents also showed no significant differences in perceptions. The overall adjectival rating was "often times feasible;" and

6. As a whole, the ratings given by the three groups of respondents on the AAR usage and its impact in terms of the four variables measured were not the highest ratings possible but neither were they the lowest. On a scale of 0 to 4, the overall rating was on scale 3 - the second to the highest rating. This fact implies that the agency officials still have certain reservations for the AAR. On the part of the Commission on Audit, this maybe viewed as a cue for improvement.

Based on the aforecited findings, Zaldarriaga proposed three major recommendations, as follows:

1. Auditors should exert extra efforts to get the highest ratings possible. As guardians of government resources, it would be best if agency management views COA report as something that has a very high impact. This means

that COA AAR ought to be always used, needs to be very highly relevant, should be excellent in quality and recommendations need to be always possible;

2. The AAR needed to be expressed in definite standards and could be utilized in agency operations particularly in planning and controlling, and in decision-making. In the end, the time and efforts exerted by the auditors would not be in vain; and

3. A similar study be undertaken in the future to determine if perceptions have improved or not and for the auditors to make appropriate actions. Some other variables may also be used to measure other aspects of AAR impact.

The present research undertaking and that of Zaldarriaga have similarities on several aspects. Firstly, Zaldarriaga's study utilized a descriptive method of research like this present study. Secondly, the respondents of the study of Zaldarriaga and the present study involved government agencies. Finally, both studies touched on audit practices of the personnel of the Commission on Audit.

However, they differed on the focus of the study as well as the research environment. While Zaldarriaga's study looked into the impact of annual audit report, the present study looked into the receptivity of COA and management personnel to the lifting of pre-audit system. Moreover, the previous study was conducted in Tacloban City while present

endeavor was conducted in Catbalogan.

Criswell (1993) tried to undertake a tracking of the implementation of Audit Recommendation in Tulsa, Oklahoma on the ground that the office of the City Auditor had both a legal and professional obligation to follow-up on actions taken by management in response to audit recommendations. The research made use of survey questionnaire forms which were sent to department heads on all pending corrective action from audit reports issued between July, 1988 to December, 1991. The questionnaire forms included the audit finding summary and an area for indicating the current status. Auditees completed the forms by circling either yes to no indicate if corrective action had been completed. The form included lines for providing additional explanation and requested updated completion dates for corrective action still not completed.

Findings showed that of the 141 audit findings included in the survey, auditees indicated 105 or 75 percent had been completed. These statistics were included in the report along with partially complete, pending, not implemented due to changed circumstances and no reply statistics. Furthermore, it was revealed that the overall recommendation acceptance rate was 93 percent. The remaining seven percent included recommendation auditees

inclined, that is, three percent or those that were not implemented due to changed circumstances, four percent.

It was primarily recommended that the city auditor's office must establish an audit finding data base which will include a brief summary of audit findings, recommendations and responses. Each findings will be given a status code to indicate whether it is completed, declined or pending.

The study of Criswell is similar to the present study in that both were concerned on audit activities. On the other hand, the major differences were on the focus inasmuch as the former concentrated on monitoring the implementation of the different audit recommendations contained in the AAR while the latter concentrated on the acceptability of lifting the pre-audit system. Moreover, the previous study was conducted in Tulsa, Oklahoma while the present study was conducted in Philippine setting.

Another study was conducted by Waters (1991) designed to determine a person's attitude towards audit opinions and attitude towards audit reporting. The study indicated the existence of the problem on expectation gap and provided evidence that a person's knowledge about the audit process is a factor in this gap. The main conclusion was that the existence of the expectation gap would continue and that knowledge of the audit process did have an influence on

attitude.

Along this line, Waters formulated several recommendations for minimizing the problems identified and improve the attitudes of auditees towards audit process and audit reporting. Some of these were: 1) better education on the aims of the audit process; 2) better explanation on the audit opinion; and 3) a clear statement of the role and responsibility of the auditor as determined through discussion with users of the financial opinion.

The study of Waters bear some similarities and relationship with the present study inasmuch as it looked into the attitude and opinions of auditees towards audit reports and audit process. Somehow, this present study considered also the attitudes of the respondents involved in the form of assessing their receptivity towards the lifting of pre-audit system which is part of an audit process.

Chapter 3

METHODOLOGY

This chapter presents the methods and procedures used in the conduct of this study. It specifically discusses the research design, the instrument utilized for gathering data, the sampling procedure and the treatment of data used in testing the hypothesis as well as the level of significance and the degrees of freedom at which the hypotheses were tested.

Research Design

This study employed the descriptive normative type of research making use of the questionnaire as the main instrument in gathering the needed data relative to the assessment of the receptivity of management and COA personnel to the total lifting of pre-audit policy in government agencies in the municipality of Catbalogan, Samar. The questionnaire was augmented by documentary analysis, unstructured interview and observation in order to verify the data gathered through the questionnaire and strengthen their validity and reliability.

Instrumentation

Since this study focused on the receptivity to the lifting of pre-audit policy of the Management and COA

personnel in government offices in Catbalogan, Samar, the normative descriptive survey method was used. This was directed towards ascertaining facts that prevailed among the respondents or cases to be sampled. The questionnaire was the major instrument used in gathering data and was supplemented by interviews, documentary analysis as well as observation to check the validity of initial responses.

Questionnaire. A questionnaire checklist was the principal instrument used in this study. It consisted of four parts. The first part contained the introduction letter to the respondents. The second part contained the personal data of the respondents. The third part contained the list of questions and the fourth part contained open-ended questions to respondents asking for comments or suggestions and the possible problem areas of employees with regards to the total lifting of pre-audit policy.

Before the researcher constructed the instrument, he made an extensive reading of books, magazines and unpublished materials on the subject of his study. He also reviewed and analyzed these materials to give him adequate insight and background information on how to prepare his instrument. After formulating the instrument, he showed the draft of the questionnaire to some of his friends and colleagues for comments and suggestions which

were incorporated in the final draft of his questionnaire.

The questionnaire consisted of a cover letter where the intention and the nature of the research was explained to those who were given the instrument. This was done by the researcher to solicit support and obtain valid responses from them. The aforesaid questionnaire-checklist consisted of seven parts, as follows:

Part I obtained personal information from the COA and management personnel in relation to their age, sex, civil status, designation, position and the like.

Part II was designed to elicit information in terms of the respondents' level of awareness relative to COA auditing and auditing rules and regulations along the five components considered. The responses under this section were quantified with the use of the Likert five-point scale, viz: 5 for Fully Aware, 4 for Highly Aware, 3 for Moderately Aware, 2 for Quite Aware and 1 for Not Aware.

Part III and IV were designed to solicit from the respondents the extent to which they agree or disagree with the auditing practices followed before and after the lifting of the pre-audit system, respectively. Moreover five-point Likert scale was used ranging from 1 to 5 corresponding to Strongly Disagree, Disagree, Uncertain, Agree and Strongly Agree, respectively.

Part V and VI obtained information with regards to the problems encountered by the two categories of respondents before and after the lifting of the pre-audit system. To quantify their responses, numerical ratings of 5,4,3,2, and 1 for Extremely Felt, Highly Felt, Moderately Felt, Seldom Felt and Not Felt, respectively were used.

Finally Part VII comprised of possible solutions to the problems and the respondents were made to agree or disagree with these solutions. The nature of responses collected was similar to those given under Part III and IV of the said questionnaire.

Interview. An unstructured interview was also utilized by the researcher in the data collection. This was undertaken during the retrieval of the questionnaires wherein unclear or vague responses were clarified by the researcher from the respondents with the end in view of cross checking the validity and reliability of their answers to the item in the questionnaire.

Documentary Analysis. Records were likewise scrutinized by the researcher to guide him in the identification of the personnel from each department who participated in the study. The personnel officers or the human management officers from each agency were approached

by the researcher to provide him records of the administrative personnel in the department. This led him to the identification of the respective agency's accountant, bookkeeper, chief/head of the internal control unit, supply officers as well as the head of the agency.

Observation. While the researcher distributed and administered the questionnaire, observation was simultaneously conducted. The researcher tried to visit the finance department of the agencies involved to see the actual operations of said department in relation to the audit activities. Important points observed were noted and recorded by the researcher.

Validation of the Questionnaire

A permission to dry-run the questionnaire was sought by the researcher from the Directress of Sacred Heart College to administer said questionnaire to all members of the faculty and personnel of the said school. The researcher explained to those involved in the try-out his intention of validating the instrument.

The comments and suggestions of the respondents in the dry-run were solicited and incorporated in the questionnaire before the final printing.

The questionnaire were fielded personally by the

constructed for the purpose as shown in the succeeding discussion.

For the Extent of Awareness:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Fully Aware (FA)
3.51 - 4.50	Highly Aware (HA)
2.51 - 3.50	Moderately Aware (MA)
1.51 - 2.50	Quite Aware (QA)
1.00 - 1.50	Not Aware (NA)

For the Extent of Agreement to the Auditing Practices Followed Before and After the Lifting of Pre-Audit as well as to the Solutions listed:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Strongly Agree (SA)
3.51 - 4.50	Agree (A)
2.51 - 3.50	Uncertain (UN)
1.51 - 2.50	Disagree (DA)
1.00 - 1.50	Strongly Disagree (SDA)

For the Problems Encountered:

<u>Weighted Mean</u>	<u>Interpretation</u>
4.51 - 5.00	Extremely Felt (EF)
3.51 - 4.50	Highly Felt (HF)
2.51 - 3.50	Moderately Felt (MF)
1.51 - 2.50	Seldom Felt (SF)
1.00 - 1.50	Not Felt (NF)

The formula is:

$$\bar{X}_w = \frac{\sum f_1 x_1}{N}$$

where:

\bar{X}_w = stands for the weighted mean

f_1 = is the frequency for the 1th score

x_1 = is the code (1-5)

N = is the total number of cases

t-test. To compare the receptivity of the management an COA personnel to the lifting of pre-audit system, t-test for independent samples was used. It was also applied to test the three hypotheses that: 1) There is no significant difference in the extent of awareness of the COA and management personnel on the transactions/activities relative to auditing and auditing rules and regulations along the following: Payroll System - Salaries and Wages; Procurement and Disposal System; Inspection and Acceptance System; Inventory; and Reporting; 2) There is no significant difference in the extent of agreement between practices followed before the lifting of pre-audit system; and 3) There is no significant difference in the extent of agreement between the COA and management personnel relative to the auditing practices followed after the lifting of pre-

audit system. The formula used was as follows (Walpole, 1982: 307):

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(N_1 - 1)S_1^2 + (N_2 - 1)S_2^2}{N_1 + N_2} - \frac{1}{N_1} + \frac{1}{N_2}}}$$

where:

t = is the computed value of the statistics

\bar{X}_1 = is the mean of management personnel

\bar{X}_2 = is the mean of COA personnel

N_1 = is the number of cases for the first group

N_2 = is the number of cases for the second group

S_1^2 = is the variance of the first group

S_2^2 = is the variance of the second group

α = is .05

The computed t-value was compared with the critical t-value at $\alpha = .05$ and $df = N_1 + N_2 - 2$. In cases where the computed t-value prove to be greater than the critical/tabular t-value, the hypothesis was rejected, otherwise, the same was accepted.

Chapter 4

PRESENTATION AND ANALYSIS AND INTERPRETATION OF DATA

This chapter presents the data collection including the corresponding analysis and interpretation. Included in this chapter are: 1) profile of the respondents; 2) their extent of awareness of the different transactions/activities relative to auditing and auditing rules and regulations; 3) their extent of agreement on the different auditing practices followed before and after the lifting of pre-audit system; 4) their problems felt before and after the lifting of pre-audit system; 5) their suggested solutions in relation to the problems encountered; and 6) the results of the test of hypothesis under taken.

Profile of the Respondents

As mentioned in the preceding chapter, there were two categories of respondents involve in the study, the COA personnel of the different government offices in Catbalogan, Samar. Their personal and professional characteristics are herein presented to have a better glimpse of who they were.

Age and Sex. Table 2 shows the sex profile of the COA personnel. It was revealed that majority of the COA personnel, that is, eight or 53.3 percent of the 15

Table 2

Age and sex Profile of COA Personnel

Age Bracket	Sex		Total	Percentage
	Male	Female		
50 - 54	2	-	2	13.3
45 - 49	-	-	-	-
40 - 44	2	1	3	20.0
35 - 39	1	7	8	53.3
30 - 44	-	2	2	13.3
Total	5	10	15	100.0%
Percentage	33.3	66.7	100.0%	-
Average Age	45.0	36.5	39.3	

respondents were between 35-39 years of age. There were three or 20.0 percent who belong to the age groups of 40-44 years. Two or 13.3 percent were from ages of 50-54 years and 30-34 years. As a whole, the COA personnel proved to be relatively young in as much as the average age for the COA personnel was 39.3 years old.

The COA personnel were dominated the female species. There were ten or 66.7 percent of them with only five males or 33.3 percent.

Moreover, it can gleaned that the female COA personnel

were much younger than their male counterparts. This was evidenced by the fact that the average age of the females was 36.5 years against that of the males which was pegged at 45.0 years. This implied that there were more female entrants to the commission on audit than the males and that auditing as the trend showed was becoming more attractive to the women and than to the men.

Taking aside the side of the management personnel, it can be observed from table 3, that the highest frequency of nine out of 34 or 26.5 percent were between 35-39 years of age. This was followed by those between 45-49 years old and 30-34 years of age with seven management personnel or 20.6 percent and five personnel or 14.7 percent, respectively. The least number of two or 5.9 percent were found to be 55-59 years old. As a group, management personnel were found to be approaching their middle age in as much as the average was posted at a value of 40.6 years. In relation to their the trend was found to be similar to that observed from the COA personnel group. Evidently, the female dominated this group with 19 out of 34 or 55.9 percent in comparison to the males with 15 out of them comprising 44.1 percent. Like the COA personnel group, the female group turned out to be younger with an average age of 43.2 years. This data

Table 3

Age and Sex Profile of Management Personnel

Age Bracket	Sex		Total	Percentage
	Male	Female		
55 - 59	1	1	2	5.9
50 - 54	2	1	3	8.8
45 - 49	3	4	7	20.6
40 - 44	1	2	3	8.8
35 - 39	5	4	9	26.5
30 - 44	1	4	5	14.7
25 - 29	-	3	3	8.8
Not Specified	2	-	2	5.9
Total	15	19	34	100.0%
Percentage	44.1	55.9	100.0%	-
Average Age	43.2	38.8	40.6	

provided basis for implying that among the management group, there was then the growing trend of females to dominate which meant, that unlike the traditional belief that males are better manager, the women can prove to be equally capable to occupy the posts that were once reserved for men. Moreover, this implied that in the government agencies of Catbalogan there were evidences of organizations to be

indiscriminate in terms of the sex of personnel occupying management by positions.

It was also noted from the data gathered relative to the age and sex of the respondents that the COA personnel were younger than the management personnel. This could be attributed to the fact that the ones undertaking the audit activities were expected to be more energetic and physically strong in as much as the responsibilities and functions inherent in the positions of the auditors were complicated, rigorous and required dedication.

Civil Status. The data shown in Table 4 relates the civil status profile of the two groups of respondents. From the COA personnel's group, majority of the respondents which comprised 13 out of 15 or 86.7 percent of the personnel were married. Only one was single corresponding to 6.7 percent and another one, which comprised 6.7 percent did not specify his/her civil status. On the other hand, out of the 34 personnel-respondents from the management group only 16 signified their marital status that they were married and this comprised 47.1 percent. The remaining 18 personnel or 52.9 percent left unanswered the item of the questionnaire for civil status. In general, the trend of the data collected for civil status of the respondents suggested that

Table 4

Civil Status Profile of the Respondents

Civil Status	: Respondents Category :				Total	: Per-centage
	:-----:-----:-----:-----:					
	: COA Personnel :		: Mgt. Personnel :			
	:-----:-----:		:-----:-----:			
	Number	%	Number	%		
Single	1	6.7	-	-	1	2.0
Married	13	86.7	16	47.1	29	59.2
Not Specified	1	6.7	18	52.9	19	38.8
Total	15	100.0%	34	100.0%	49	100.0%

majority of them, that is, 29 out of the 49 total respondents which comprised 59.2 percent were already married. This could be attributed to the fact that the respondents were already in their early forty's and thus, are expected to have established their respective families already.

Educational Qualification. Among the 15 COA personnel, it can be observed from table 5 that eight of 53.3 percent were baccalaureate degree holders while quite a number of them, that is, seven personnel corresponding to 46.7 percent were pursuing their masteral degrees. The same trend could

Table 5

**Educational Qualification Profile
of the Respondents**

Educational Qualification	: Respondents Category :				Total	: Percen- : tage
	:-----:-----:-----:-----:					
	: COA Personnel:Mgt:Personnel:					
	:-----:-----:-----:-----:					
	: Number :	% :	Number :	% :		
MA/MS with Ph.D. units	-	-	2	5.9	2	4.1
BS/AB with MA/MS units	7	46.7	9	26.5	16	36.7
AB/BS Degree holder	8	53.3	23	67.6	31	63.2
Total	15	100.0%	34	100.0%	49	100.0%

noted for the management group. Majority of them had earned their AB/BS degrees with 23 out of 34 or 67.6 percent. This was followed by those who had earned MA/MS units with nine of these personnel or 26.5 percent. It is worthwhile noting that there were two of this group which comprised 4.1 percent who were pursuing their doctoral degree as of the conduct of this study. This was understandable inasmuch as the personnel involved under this group were already occupying managerial positions either in the top or middle level. Hence, they were continuously upgrading themselves by pursuing professional growth. In general, the data on

educational qualification of the respondents suggested that the personnel involve in the study were educationally qualified in the positions they were occupying, hence they were expected to be able to discharge their functions efficiently and effectively.

Length of Service. Contained in Table 6 are data on the number of years in service of the respondents. Among the 15 COA personnel involve in the study, most of them, that is seven or 46.7 percent had been in the service for 11-15 years followed by those who had been in service for 6-10 years, 16-20 years as well as 21-25 years with two each comprising 13.3 percent. On the average, this category of respondents had served Commission on Audit for 16.7 years already. Moreover, among the 34 management personnel, the highest frequency of nine comprising 26.5 percent had been in the service for 6-10 years followed by those who had served for 1-5 years and 21-25 years with six personnel corresponding to 17.5 percent. In general, it can also be said that this group of respondents had enough experience in their positions as evidenced by the fact that their average number of years in service was 14.5 years. The table suggested that in terms of experience the COA personnel proved to be older than the management personnel. This meant that these management personnel could have been

Table 6

Length of Service Profile of The Respondents

Length of service in Years	Respondents Category				Total	Percentage
	COA Personnel	Number	%	Mgt. Personnel	Number	%
31 - 35	1	6.7	2	5.9	3	6.1
26 - 30	1	6.7	2	5.9	3	6.1
21 - 25	2	13.3	6	17.6	8	16.3
16 - 20	2	13.3	5	14.7	7	14.3
12 - 15	7	46.7	4	11.8	11	22.4
6 - 10	2	13.3	9	26.5	11	22.4
1 - 5	-	-	6	17.6	6	12.2
Total	15	100.0%	34	100.0%	49	100.0%
Mean	16.7	-	14.5	-	15.1	

promoted later than those personnel serving as auditors in be their respective agencies.

Position/Designation. In relation to position/designation only the data for the management group was presented in as much as for the COA personnel, all of them were occupying state auditor's position. As suggested by Table 7, more than half of the management personnel, that is, 18 out of 34 or 52.9 percent were department heads/chiefs in their agencies. This was followed by those

Table 7

**Position/Designation Profile of The
Management Personnel**

Position/ Designation	: Number	: Percentage
Department Head/Chief Officer	18	52.9
Accountant	6	17.6
Bookkeeper	6	17.6
Budget Officer	2	5.9
Cashier	1	2.9
Fiscal Examiner	1	2.9
Total	34	100.0%

occupying the positions of Accountants or Bookkeepers with six of them or 17.5 percent. The least frequency of one personnel or 2.9 percent corresponds to cashier or Fiscal Examiner. The data contained in Table 8 show that the positions occupied by the respondents from the management personnel group occupied positions where the bulk of their activities related to fiscal or financial management.

**Extent of Awareness of the Respondents
of the Different Transaction/Activities**

The respondents were made to signify their level of

awareness of the different transaction/activities relative to auditing rules and regulations and are herein presented as follows:

COA Personnel. The level of awareness of the COA personnel are contained in Table 8. As revealed by the said table, the respondents considered themselves "fully aware" of the transaction/activities. Among these, the highest weighted mean of 4.69 was assigned to "Payroll System - Salaries and Wages". This value was followed by 4.57, 4.54 for "Inspection and Acceptance System", "Inventory" and "Reporting," respectively. The least weighted mean was pegged at 4.17 or "highly aware" for "Procurement and Disposal System". In general, the COA auditors deemed themselves to be "highly aware" of the listed transactions/activities in relation to auditing and auditing rules and regulations. Their high level of awareness indicated that as auditors, they equipped themselves with the needed information so that they could discharge of their functions effectively.

Management Personnel. In Table 9, it can be noted that this group of respondents manifested high level of awareness on the five listed areas/components. Of these, the highest weighted mean was followed by 4.29 and 3.93. These means referred to "Payroll System - Salaries and Wages",

Table 8

**Extent of Awareness of the COA Personnel of
the Different Transaction/Activities**

Transaction/Activities	Extent of Awareness					Total	Weighted Mean/Inter- pretation	
	5	4	3	2	1			
	(FA)	(HA)	(MA)	(QA)	(NA)			
	:	:	:	:	:			
Payroll System - Salaries and Wages	(45)	(16)				(61)		
	9	4				13	4.69	FA
Procurement and Disposal System	(35)		(15)			(50)		
	9		5			12	4.17	HA
Inspection and Acceptance System	(45)	(16)	(3)			(64)		
	9	4	1			14	4.57	FA
Inventory	(40)	(16)	(3)			(59)		
	8	4	1			13	4.54	FA
Reporting and Wages	(40)	(16)	(3)			(59)		
	8	4	1			13	4.54	FA
Grand Mean							4.50	HA

Legend:

4.51 - 5.00	Fully Aware	(FA)
3.51 - 4.50	Highly Aware	(HA)
2.51 - 3.50	Moderately Aware	(MA)
1.51 - 2.50	Quite Aware	(QA)
1.00 - 1.50	Not Aware	(NA)

"Reporting" and "Inspection and Acceptance System," respectively. The lowest weighted mean of 3.71 was for "Procurement and Disposal System."

It is significant to note that the trend of responses

Table 9

**Extent of Awareness of Management Personnel
of the Different Transaction/Activities**

=====						
Transaction/Activities	: Extent of Awareness :					: Weighted
	:-----: Total :					Mean/Inter-
	: 5 :	: 4 :	: 3 :	: 2 :	: 1 :	pretation
	: (FA) :	: (HA) :	: (MA) :	: (QA) :	: (NA) :	:

Payroll System - Salaries and Wages	(75)	(60)				(135)
	15	15				30
						4.50
						HA
Procurement and Disposal System	(30)	(40)	(30)	(4)		(104)
	6	10	10	2		28
						3.71
						HA
Inspection and Acceptance System	(25)	(76)	(15)	(2)		(118)
	5	19	5	1		30
						3.93
						HA
Inventory	(30)	(52)	(24)	(2)	(1)	(109)
	6	13	8	1	1	29
						3.76
						HA
Reporting and Wages	(75)	(32)	(9)	(4)		(120)
	15	8	3	2		28
						4.29
						HA
Grand Mean						4.04
						HA
=====						

Legend:

4.51 - 5.00	Fully Aware	(FA)
3.51 - 4.50	Highly Aware	(HA)
2.51 - 3.50	Moderately Aware	(MA)
1.51 - 2.50	Quite Aware	(QA)
1.00 - 1.50	Not Aware	(NA)

given by the two groups of respondents were more or less the same. They indicated their highest level of awareness on matters concerning Payroll System. Evidently, one of the probable reasons to this were the fact that the preparation of payroll, specifically on salaries and wages were the most

common transaction done in any government agency. Some payrolls were done on a weekly basis, while others were done twice a month or monthly. Moreover, the two categories of respondents signified their lowest level of awareness on procurement and disposal system. This could be attributed to the fact that one needed to go through several intricacies in this activity.

Comparison of the Extent of Awareness
of the COA and Management Personnel
of the Different Transactions/Activities
Relative to Auditing and Auditing Rules
and Regulations

The level of awareness of the two categories of respondents, viz: COA personnel and management personnel were compared. As discussed earlier, the over-all level of assessment of the COA personnel was "highly aware" with a grand mean of 4.50. This level turned out to be numerically greater than that given by the management personnel which was 4.04 with the same qualitative meaning of "highly aware." To determine the significance of the difference observed, t-test for independent samples was applied and the results were reflected in Table 10. The responses of the COA personnel turned out to be more homogeneous than those given by the management group. This was supported by the fact that the standard deviation of the responses given by the former was 0.1956 while the latter gave a standard

Table 10

T-test of Comparison Between the Extent of
Awareness of the COA and management
Personnel of the Different
Transaction/Activities

Groups Compared	Mean / Interpretation	Standard Deviation	Number of Cases
COA Personnel	4.50 HA	0.1956	5
Management Personnel	4.04 HA	0.3440	5

Computed t-value : 2.599 : Critical t-value : 1.860			
: at $\alpha = .05$; df = 8			

Evaluation: Significant (Reject H_0)			
=====			

Legend:

4.51 - 5.00	Fully Aware (FA)
3.51 - 4.50	Highly Aware (HA)
2.51 - 3.50	Moderately Aware (MA)
1.51 - 2.50	Quite Aware (QA)
1.00 - 1.50	Not Aware (NA)

deviation of 0.3440. Moreover, the computed t-value resulted to 2.599. This proved to be numerically higher than the critical t-value of 1.860 at .05 level of significance and 8 degrees of freedom. Consequently, the hypothesis that "There is no significant difference in the extent of awareness of the COA and management personnel on the transaction/activities relative to auditing and auditing

rules and regulations along: 1) Payroll System - Salaries and Wages, 2) Procurement and Disposal System, 3) Inspection and Acceptance System, 4) Inventory, and 5) Reporting" was rejected. This means that the level of awareness of the two groups of respondents differed. This implied that the level of awareness of the COA personnel was higher than the management personnel. This could be attributed to the fact that the COA auditors were more knowledgeable on auditing as well as auditing rules and regulations inasmuch as they were the ones who were supposed to determine whether transactions/activities undertaken by management personnel were within the bounds of legality.

**Extent of Agreement of the Respondents
on Auditing Practices Before the
Lifting of the Pre-audit System**

The researcher tried to investigate the assessments of the COA and management personnel on the auditing practices followed before the pre-audit system was lifted. The respondents were made to express their extent of agreement of the these practices along: 1) Payroll System - Salaries and Wages, 2) Procurement and Disposal System, 3) Inspection and Acceptance System, 4) Inventory, as well as 5) Reporting.

COA Personnel. Table 11 presents the extent to which the COA personnel agreed with the auditing practices before

Table 11

**Extent of Agreement of COA Personnel on
Auditing Practices Before the Lifting
of the Pre-Audit**

=====									
Transaction/Activities	Extent of Agreement					Total	Weighted Mean/Inter- pretation		
	5	4	3	2	1				
	(SA)	(A)	(UN)	(AA)	(SDA)				

Payroll System - Salaries and Wages	(10) 3	(40) 10				(55) 13	4.23	A	
Procurement and Disposal System	(15) 3	(16) 4	(15) 5			(46) 12	3.83	A	
Inspection and Acceptance System		(28) 7	(15) 5			(43) 12	3.58	A	
Inventory	(10) 2	(20) 5	(15) 5			(45) 12	3.75	A	
Reporting and Wages		(48) 12				(48) 12	4.00	A	
Grand Mean								3.88	A
=====									

Legend:

4.51 - 5.00	Strongly Agree (SA)
3.51 - 4.50	Agree (A)
2.51 - 3.50	Uncertain (UN)
1.51 - 2.50	Disagree (DA)
1.00 - 1.50	Strongly Disagree (SDA)

the lifting of pre-audit system. It is reflected by the said table that this group of respondents agreed with all the "auditing practices" followed before the pre-audit was

lifted. This was supported by the fact that all the weighted means obtained fall within the "agree" range. Among these, the highest weighted mean was 4.23 for "Payroll System - Salaries and Wages." This was followed by 4.00 and 3.83 for "Reporting" and "Procurement and Disposal System", respectively. The lowest weighted mean was 3.58 for "Inspection and Acceptance System". On the whole, the COA personnel agreed with the auditing practices followed before the lifting of the pre-audit system as evidenced by the grand mean of 3.88. This data revealed the idea that as assessed by the COA personnel the practices done during the time that the pre-audit system was followed were acceptable to them.

Management Personnel. In Table 12, it can be gleaned that the management personnel agreed with four out of five transactions or activities. The corresponding weighted means arranged in descending order were as follows: 4.24, 4.00, 3.68 and 3.52. These means referred to the following: 1) Payroll System - salaries and wages, 2) Reporting, 3) Inventory, as well as 4) Inspection and Acceptance System respectively. On the other hand, the management personnel showed indecisiveness on the auditing practices undertaken under "Procurement and Disposal System" where the weighted mean resulted to 3.50 which meant "Uncertain." In general,

Table 12

**Extent of Agreement of Management Personnel
on Auditing Practices Before the
Lifting of the Pre-Audit**

Transaction/Activities	Extent of Agreement						Total	Weighted Mean/Inter- pretation	
	5	4	3	2	1				
	(SA)	(A)	(UN)	(A)	(SDA)				
Payroll System - Salaries and Wages	(55) 11	(64) 16	(3) 1		(1) 1	(127) 29	4.24	A	
Procurement and Disposal System	(10) 2	(64) 16	(18) 6	(4) 2	(2) 2	(98) 28	3.50	UN	
Inspection and Acceptance System	(20) 4	(60) 17	(15) 7	(4) 2	(3) 3	(102) 29	3.52	A	
Inventory	(20) 4	(68) 17	(21) 7	(4) 2	(1) 1	(114) 31	3.68	A	
Reporting and Wages	(20) 4	(88) 22	(12) 4			(120) 30	4.00	A	
Grand Mean								3.79	A

Legend:

4.51 - 5.00	Strongly Agree (SA)
3.51 - 4.50	Agree (A)
2.51 - 3.50	Uncertain (UN)
1.51 - 2.50	Disagree (DA)
1.00 - 1.50	Strongly Disagree (SDA)

however, this group of respondents signifies that they agreed with the auditing practices that were followed before pre-audit was lifted with a grand mean of 3.79 or "agree". This meant that like the COA personnel, the management

personnel also considered the practices one before pre-audit was lifted to be acceptable.

Comparison of the Extent of Agreement
of the Two Groups of Respondents on
Auditing Practices Followed Before
the Lifting of Pre-Audit

The extent to which COA and management personnel agreed with the auditing practices followed before pre-audit was lifted were compared. The results of the comparison are presented in Table 13.

It can be gleaned from the said table that the responses given by the COA personnel were less dispersed than those given by the management personnel inasmuch as the standard deviations of their responses were 0.2481 and 0.3224, respectively. Furthermore, the weighted mean representing the extent of agreement of the COA personnel was 3.88 or "agree". This value was higher than the weighted mean of the responses of the management personnel which was pegged at 3.79. To determine whether the difference of 0.090 was significant, the t-test for independent samples was utilized: The computed t-value was 0.4947, which proved to be lesser than the critical t-value of 1.860 at $\alpha = .05$ and $df = 8$. This led to the acceptance of the hypothesis which stated "There is no significant difference in the extent of agreement between the COA and

Table 13

**T-test of Comparison Between the Extent of Agreement
of the COA and Management Personnel on the
Auditing Practices Followed Before
Pre-Audit System Was Lifted**

Groups Compared	Mean / Interpretation	Standard Deviation	Number of Cases
COA Personnel	3.88 A	0.2481	5
Management Personnel	3.79 A	0.3224	5

Computed t-value : 0.4947		Critical t-value : 1.860	
		: at $\alpha = .05$; df = 8	

Evaluation: Not Significant (Accept H_0)			
=====			

Legend:

4.51	-	5.00	Strongly Agree	(SA)
3.51	-	4.50	Agreee	(A)
2.51	-	3.50	Uncertain	(UN)
1.51	-	2.50	Disagree	(DA)
1.00	-	1.50	Strongly Disagree	(SDA)

management personnel relative to the auditing practices followed before the lifting of pre-audit system along the five considered areas, viz: Payroll System - salaries and wages, Procurement and Disposal System, Inspection and acceptance System, Inventory, as well as Reporting." Apparently, the extent of agreement of the two grouped of respondents did not differ significantly. Hence, as assessed by the two groups of respondents, the practices in

auditing undertaken before the lifting of pre-audit system were "agreeable" or acceptable.

Extent of Agreement of the Respondents on Auditing Practices Followed After the Lifting of the Pre-Audit System

The receptivity levels of the COA and management personnel on the auditing practices followed after pre-audit was lifted were likewise elicited by the researcher.

COA Personnel. The receptivity of the COA personnel on auditing practices are presented in Table 14. As depicted by the said table, this group signified their agreement on three transactions or activities, as follows: Reporting with a weighted mean of 3.69, Inventory with a weighted mean of 3.69, and Payroll System, - Salaries and Wages with a weighed mean of 3.67. However, the COA personnel showed indecisiveness in relation to two transactions, namely: Procurement and Disposal System, as well as Inspection and Acceptance System, both with weighted means of 3.15. This indecisiveness could be due to the fact that it was along this two areas where mismanagement of resources could come in and that the auditors could not control the occurrence with the lifting of pre-audit. Significantly, the over-all receptivity of the COA personnel was pegged at a grand mean of 3.47 falling under the category of "uncertain." This indicated as to the practices followed after the lifting of

Table 14

**Extent of Agreement of COA Personnel on
Auditing Practices After the
Lifting of Pre-Audit**

Transaction/Activities	Extent of Agreement					Total	Weighted Mean/Inter- pretation	
	5	4	3	2	1			
	:(SA):	(A):	(UN):	(A):	:(SDA):			
Payroll System - Salaries and Wages	(36) 9	(6) 2	(2) 1			(44) 12	3.67	A
Procurement and Disposal System	(20) 5	(15) 5	(6) 3			(41) 13	3.15	UN
Inspection and Acceptance System	(20) 5	(15) 5	(6) 3			(41) 13	3.15	UN
Inventory	(40) 10	(6) 2	(2) 1			(48) 13	3.65	A
Reporting and Wages	(40) 10	(6) 2	(2) 1			(48) 13	3.69	A
Grand Mean							3.47	UN

Legend:

4.51 - 5.00	Strongly Agree (SA)
3.51 - 4.50	Agree (A)
2.51 - 3.50	Uncertain (UN)
1.51 - 2.50	Disagree (DA)
1.00 - 1.50	Strongly Disagree (SDA)

pre-audit, the COA personnel were not sure whether to agree or disagree.

Management Personnel. Taking the side of the management personnel, it can be noted from Table 15 that

Table 15

**Extent of Agreement of Management Personnel
on Auditing Practices After the
Lifting of Pre-Audit**

Transaction/Activities	Extent of Agreement					Total	Weighted Mean/Inter- pretation	
	5	4	3	2	1			
	:(SA):	(A):	(UN):	(A):	:(SDA):			
Payroll System - Salaries and Wages	(35) 7	(76) 19	(3) 1			(114) 27	4.22	A
Procurement and Disposal System	(20) 4	(64) 16	(18) 6		(1) 1	(103) 27	3.81	A
Inspection and Acceptance System	(25) 5	(64) 16	(12) 4	(2) 1	(1) 1	(104) 27	3.85	A
Inventory	(30) 6	(64) 16	(3) 1	(4) 2	(1) 1	(102) 26	3.92	A
Reporting and Wages	(35) 7	(72) 18	(6) 2			(113) 27	4.19	A
Grand Mean							4.00	A

Legend:

4.51 - 5.00	Strongly Agree (SA)
3.51 - 4.50	Agree (A)
2.51 - 3.50	Uncertain (UN)
1.51 - 2.50	Disagree (DA)
1.00 - 1.50	Strongly Disagree (SDA)

they agreed with the auditing practices followed after the lifting of pre-audit. Out of the five listed transactions/activities, the highest weighted mean resulted to a value of 4.22 or "agree". This corresponded to Payroll

System, - Salaries and Wages. Following are the values 4.19, 3.92, 3.85 and 3.81 for "Reporting," "Inventory", "Inspection and Acceptance System" as well as "Procurement and Disposal System", respectively. In general, the management personnel deemed the auditing practices followed after the lifting of the pre-audit system to be agreeable inasmuch as the grand mean resulted to a value of 4.00.

This is indicative of the fact that the management personnel welcome the lifting of the pre-audit system in contrast to the uncertain receptivity of the COA personnel. One probable reason for this was the fact that the lifting of said pre-audit gave these personnel more freedom in the management of their financial resources.

Comparison of the Extent of Agreement on
the Auditing Practices Followed After
the Lifting of Pre-Audit System Between
COA and Management Personnel

To have a more in-depth analysis of the responses elicited from the two categories of respondents, a comparison of their receptivity to the lifting of pre-audit was undertaken by the researcher. The results of the analysis are presented in Table 16. As described earlier in this chapter the COA personnel manifested uncertainty in relation to their receptivity of the lifting of pre-audit system inasmuch as the grand mean posted for this group was 3.47 or "uncertain." For the management side, they

Table 16

**T-test of Comparison Between the Extent of Agreement
of the COA and Management Personnel on the
Auditing Practices Followed After
Pre-Audit System Was Lifted**

=====				
Groups	:	Mean /	:	Standard
Compared	:	Interpretation	:	Deviation

COA Personnel		3.47 UN		0.2922
				5
Management Personnel		4.00 A		0.1933
				5

Computed t-value :-338247		:	Critical t-value :	
		:	at $\alpha = .05$; df = 8	

Evaluation: Significant (Reject H ₀)				
=====				
Legend:				
4.51	-	5.00	Strongly Agree	(SA)
3.51	-	4.50	Agreee	(A)
2.51	-	3.50	Uncertain	(UN)
1.51	-	2.50	Disagree	(DA)
1.00	-	1.50	Strongly Disagree	(SDA)

manifested "agreement" with the auditing practices followed after the lifting pf pre-audit where the obtained grand mean was posted at a value of 4.00. Hence, the numerical difference between the two grand means resulted to 0.53. To ascertain whether this observed difference was significant, t-test for pooled variance model, that is, independent samples was applied to the data collected. The computed t-value was -3.382 which was numerically greater than the

tabular-critical t-value of 1.860 at .05 level of significance and 8 degrees of freedom. Consequently the hypothesis that "There is no significant difference in the level of agreement on the auditing practices along: 1) Payroll System - Salaries and Wages, 2) Procurement and Disposal System, 3) Inspection and Acceptance System, 4) Inventory, as well as 5) Reporting between the COA and Management Personnel" was rejected. This indicated a significant difference between these two groups of respondents receptivity to the total lifting of pre-audit system. While COA personnel showed reluctance to agree with these practices, the management personnel, on the other hand, indicate willingness to accept and agree with these practices.

Problems Felt Before the Lifting of Pre-Audit

To have a better perspective of the problems that COA personnel and management personnel tackled before the pre-audit system was lifted, the researcher gathered from these two groups of respondents the problems they encountered and their level of sensitivity to these problems. The data along this regard are herein presented.

COA Personnel. The data shown in Table 17 were the problems felt by COA personnel. Out of the seven listed

Table 17

**Problems Felt by COA Personnel Before
the Lifting of Pre-Audit**

Problems	: Extent of Agreement :					: Weighted Mean/	
	:-----: Total :Inter-						
	: 5 :	: 4 :	: 3 :	: 2 :	: 1 :	: pretation	
	:(EF) :	:(HF) :	:(MF) :	:(SF) :	:(NF):	:	

1. The voluminous transactions result to delays/inefficiency on the part of the COA personnel.	(15) 3	(8) 2	(21) 7		(1) 1	(45) 13	3.46 MF
2. Varying interpretation of COA auditors of different circulars/ memoranda creates confusion/ chaos on the part of management.			(15) 5	(8) 4	(3) 3	(26) 12	2.17 SF
3. Too much emphasis on economy by COA auditors, hence quality of work performance is sacrificed.			(15) 5	(8) 4	(3) 3	(26) 12	2.17 SF
4. Too much red tape cause by pre-audit resulted to conflict between COA auditors and management.	(20) 5	(15) 5			(2) 2	(37) 12	3.08 MF
5. Sometimes pre-audit provide avenue for COA auditors to usurp the functions of management.	(8) 2	(24) 8			(2) 2	(34) 12	2.83 MF
6. Pre-audit system cannot measure performance of public works projects.	(32) 8	(6) 2			(2) 2	(40) 12	3.33 MF
7. Auditors are exposed to risk of not being able to filter anomalous/ erroneous transactions due to voluminous paper works cause by pre-audit.	(15) 3	(28) 7		(2) 1	(1) 1	(46) 12	3.83 HF

Grand Mean						2.98	MF
=====							
Legend:	4.51 - 5.00	Extremely Felt (EF)	1.51 - 2.50	Slightly Felt (SF)			
	3.51 - 4.50	Highly Felt (HF)	1.00 - 1.50	Not Felt (NF)			
	2.51 - 3.50	Moderately Felt (MF)					

problems, the problem that "Auditors are exposed to risk of not being able to filter anomalous/erroneous transactions due to voluminous paper works caused by pre-audit" was "highly felt" by this group of respondents with a weighted mean of 3.83. Four other problems were assessed by COA personnel as "moderately felt" where the highest weighted mean was 3.46 followed by 3.33. These values corresponded to "The voluminous transactions result to delays/inefficiency on the part of COA personnel" and "Pre-audit system cannot measure performance of public works projects," respectively. Only two of these problems were considered by the COA personnel as "slightly felt", namely: 1) Varying interpretations of COA auditors of different circulars/memoranda creates confusion/chaos on the part of management, and 2) Too much emphasis on economy of COA auditors, hence quality of work/performance is sacrificed, both with weighted mean values of 2.17. On the whole, the listed problems were deemed by this group of respondents as "moderately felt" with a grand mean of 2.98. This data on the problems felt by COA personnel showed that the auditors were most concerned with the risk inherent in pre-audit system, which they were exposed to. They were most particular of the probability that due to heavy paper works caused by pre-audit, they might not be able to diagnose illegal transactions, thus affecting their effectiveness as

auditors.

Management Personnel. For the management personnel side, it can be observed from Table 18 that all the listed problems were assessed by them as "moderately felt". The first five problems arranged in descending order of the obtained weighted means are: 1) Too much red tape caused by pre-audit resulted to conflict between COA auditors and management with a weighted mean of 3.38, 2) Auditors are exposed to risk of not being able to filter anomalous/erroneous transactions due to voluminous paper works caused by pre-audit with a weighted mean of 3.36, 3) the voluminous transaction result to delays.inefficiency on the part of COA personnel with a weighted mean of 3.27, 4) Pre-audit system cannot measure performance of public works projects, having a weighted mean of 3.25 , and 5) Sometimes pre-audit provide avenue for COA auditors to usurp to functions of management with a weighted mean of 3.18. In general the listed problems were assessed by management personnel to be "moderately felt" as evidenced by the grand mean resulting to 3.21. The data on this regard were indicators of the concern of management personnel which was primarily focused on speedy transactions inasmuch as they gave much emphasis on the problem of delay caused by pre-audit.

Table 18

Problems Felt by Management Personnel Before the Lifting of Pre-Audit

Problems	: Extent of Agreement :					: Total :	Weighted Mean/ Inter-pretation	
	:-----: :							
	: 5 :	: 4 :	: 3 :	: 2 :	: 1 :			
	:(EF) :	:(HF) :	:(MF) :	:(SF) :	:(NF) :			

1. The voluminous transactions result to delays/inefficiency on the part of the COA personnel.	(20) 4	(36) 9	(30) 10	(10) 5	(2) 2	(98) 30	3.27	NF
2. Varying interpretation of COA auditors of different circulars/ memoranda creates confusion/ chaos on the part of management.	(15) 3	(28) 7	(21) 7	(20) 10	(2) 2	(86) 29	2.97	NF
3. Too much emphasis on economy by COA auditors, hence quality of work performance is sacrificed.	(15) 3	(28) 7	(24) 8	(16) 8	(2) 2	(85) 28	3.04	NF
4. Too much red tape cause by pre-audit resulted to conflict between COA auditors and management.	(25) 5	(32) 8	(21) 7	(8) 4	(5) 5	(98) 29	3.38	NF
5. Sometimes pre-audit provide avenue for COA auditors to usurp the functions of management.	(15) 3	(36) 9	(27) 9	(8) 4	(3) 3	(89) 28	3.18	NF
6. Pre-audit system cannot measure performance of public works projects.	(15) 3	(36) 9	(33) 11	(4) 2	(3) 3	(91) 28	3.25	NF
7. Auditors are exposed to risk of not being able to filter anomalous/ erroneous transactions due to voluminous paper works cause by pre-audit.	(20) 4	(48) 12	(18) 6	(4) 2	(4) 4	(94) 28	3.36	NF

Grand Mean							2.98	NF
=====								
Legend:	4.51 - 5.00	Extremely Felt (EF)	1.51 - 2.50	Slightly Felt (SF)				
	3.51 - 4.50	Highly Felt (HF)	1.00 - 1.50	Not Felt (NF)				
	2.51 - 3.50	Moderately Felt (MF)						

Problems Felt After the Lifting of Pre-Audit

The researcher gathered information in relation to the problems encountered by COA and management personnel after pre-audit system was lifted to provide basis for comparison of issues in relation to the lifting of pre-audit. The data elicited along this line are reflected in Tables 19 and 20.

COA Personnel. Among the four listed problems in Table 19, the COA personnel gave the highest weighted mean of 3.58 or "highly felt" to the problems that "Higher risk on the part of management because the entire responsibility rests on them. Auditors' opinion is not consult before a transaction is made". This was followed by the weighted means of 3.46, 3.33 and 3.07 corresponding to: "More disallowances are issue inasmuch as inspection is no longer a prerequisite for payment". "Avoidance of fraud and anomalous practices cannot be one because payment was done already", and "Management is not ready yet to undertake accounting and auditing activities", respectively. As a whole, problems encountered by COA personnel as "moderately felt" as evidenced by the obtained grand mean of 3.36. Again, this group of respondents gave prime importance on the possibility of risk that management maybe exposed to with the lifting of pre-audit.

Table 19

**Problems Felt by COA Personnel After
the Lifting of Pre-Audit**

Problems	: Extent of Sensitivity :					: Weighted Mean/ : Total : Inter- : pretation :					
	:-----:-----:-----:-----:-----:										
	: 5 :	: 4 :	: 3 :	: 2 :	: 1 :						
	:(EF) :	:(HF) :	:(MF) :	:(SF) :	:(NF) :						

1. Avoidance of fraud and anomalous practices cannot be done because payment was one already.	(32) 8	(3) 1	(4) 2	(1) 1	(40) 12	3.33	MF				
2. Higher risk on the part of management because the entire responsibility rests on them. Auditors' opinion is not consulted before a transaction is made.	(15) 3	(20) 5	(3) 1	(4) 2	(1) 1	(43) 12	3.58	HF			
3. Management is not ready yet to undertake accounting an auditing activities.	(5) 1	(16) 4	(18) 6	(2) 1	(2) 2	(43) 14	3.07	MF			
4. More disallowance are issue inasmuch as inspection is no longer a prerequisite for payment.	(20) 4	(8) 2	(15) 5		(2) 2	(45) 13	3.46	MF			

Grand Mean						3.36	MF				
=====											
Legend:	4.51 - 5.00	Extremely Felt (EF)	1.51 - 2.50	Slightly Felt (SF)							
	3.51 - 4.50	Highly Felt (HF)	1.00 - 1.50	Not Felt (NF)							
	2.51 - 3.50	Moderately Felt (MF)									

Management Personnel. Taking the opinion of the management personnel, it is revealed by Table 20 that this group of respondents considered the problem that "Higher risk on the part of management because the entire responsibility rests on them. Auditor's opinion is not

Table 20

**Problems Felt by Management Personnel
After the Lifting of Pre-Audit**

Problems	: Extent of Sensitivity :						: Weighted Mean/ : Inter- : pretation :	
	:-----: Total							
	: 5 :	4 :	3 :	2 :	1 :			
	:(EF)	:(HF)	:(MF)	:(SF)	:(NF):			

1. Avoidance of fraud and anomalous practices cannot be done because payment was one already.	(20) 4	(36) 9	(15) 5	(20) 10	(1) 1	(92) 29	3.17	MF
2. Higher risk on the part of management because the entire responsibility rests on them. Auditors' opinion is not consulted before a transaction is made.	(35) 7	(48) 12	(15) 5	(12) 6	-	(110) 29	3.79	MF
3. Management is not ready yet to undertake accounting an auditing activities.	(5) 1	(20) 5	(27) 9	(26) 13	(1) 1	(79) 29	2.72	MF
4. More disallowance are issue inasmuch as inspection is no longer a prerequisite for payment.	(10) 2	(12) 3	(24) 8	(22) 11	(2) 2	(70) 26	2.69	MF

Grand Mean							3.09	MF
=====								
Legend:	4.51 - 5.00	Extremely Felt (EF)	1.51 - 2.50	Slightly Felt (SF)				
	3.51 - 4.50	Highly Felt (HF)	1.00 - 1.50	Not Felt (NF)				
	2.51 - 3.50	Moderately Felt (MF)						

consulted before a transaction is made" to be "highly felt" by them with a weighted mean of 3.79. The rest of problems were assessed as "moderately felt" with weighted means posted at 3.17, 2.72 and 2.69. These means were referred to :

1) Avoidance of fraud and anomalous practices cannot be

done because payment was done already, 2) Management is not ready yet to undertake accounting and auditing activities, and 3) More disallowances are issued in as much as inspection is no longer a prerequisite for payment, respectively.

Generally, problems after the lifting of pre-audit a system were assessed by management personnel to be "moderately felt". This was because the computed grand mean was pegged at 3.09.

Obviously, the COA personnel and management personnel acknowledged the problem in relation to the risk that the latter were exposed without pre-audit practices. For pre-audit to work effectively, management should be highly, if not fully aware of existing laws, rules and regulations in relation to the transactions they were to undertake to avoid illegal activities.

Suggested Solutions in Relation to Problems Encountered

The two categories of respondents were made to provide solutions to minimize, if not totally eradicate the problems they have in relation to auditing as well as auditing rules and regulations. The researcher listed possible solutions in the questionnaire checklist and the COA personnel were made to manifest their extent of agreement to the solutions. Data on this respect are contained in Table 21 and 22.

COA Personnel. As shown in Table 21, this category of respondents indicated strong agreement on two solutions, namely: "Continuously upgrade the COA auditors by sending them to trainings, seminar-workshops, study grants and the like" - 4.69 and "Management should recruit staff with qualifications to undertake internal control system in the organizations to avoid or minimize graft in disbursements of funds due to the lifting of pre-audit" - 4.62. For the three remaining solutions, however, the COA personnel showed uncertainty as to their effectiveness or workability. The weighted means were 3.15 for "Provide additional staff to COA auditors to answer the problem on voluminous paper work caused by pre-auditing system," 2.62 for "Retain pre-auditing system to minimize fraud or anomalous transactions," as well as 2.54 for "Totally lift the pre-audit system to train management to be more self-reliant." Significantly, the auditors themselves tended to be divided as to retain pre-audit or lift pre-audit system in auditing practices in the different government agencies in Catbalogan, Samar.

Management Personnel. From table 22, it can be gleaned that the management personnel manifested "strong agreement" on the solution that "Management should recruit staff with qualifications to undertake internal control

Table 21

Solutions Suggested by COA Personnel

Solutions	: Extent of Agreement :					: Total :	Inter-pretation :	Weighted Mean/
	:-----:-----:-----:-----:-----:							
	: 5 :	: 4 :	: 3 :	: 2 :	: 1 :			
	:(SA):	(A):	(UN):	(DA):	(SDA):			
1. Retain pre-auditing system to minimize frauds or anomalous transactions.	(12) 3	(9) 3	(12) 6	(1) 1	(34) 13	2.62	UN	
2. Provide additional staff to COA auditors to answer the problems on voluminous paper work caused by pre-auditing.	- 7	(28) 1	(3) 5	(10) 5	- 13	3.15	UN	
3. Totally lift the pre-audit system to train management to more self-reliant.	(5) 1	- 4	(12) 8	(16) 8	- 13	2.54	UN	
4. Continuously upgrade the COA auditors by sending them to trainings, seminar-workshops, study grants, and the like.	(45) 9	(16) 4	- -	- -	- 13	4.69	SA	
5. Management should recruit staff with qualifications to undertake internal control system in the organization to avoid or minimize graft in disbursements of funds due to the lifting of pre-audit.	(45) 9	(12) 3	(3) 1	- -	- 13	4.62	SA	
Grand Mean						3.52	A	

Legend:

4.51 - 5.00	Strongly Agree	(SA)
3.51 - 4.50	Highly Felt	(HF)
2.51 - 3.50	Moderately Felt	(MF)
1.51 - 2.50	Slightly Felt	(SF)
1.00 - 1.50	Not Felt	(NF)

Table 22

Solutions Suggested by Management Personnel

Solutions	: Extent of Agreement :					: Total :	Weighted Mean/ Inter-pretation	
	:-----:							
	: 5 :	: 4 :	: 3 :	: 2 :	: 1 :			
	:(SA)	:(A)	:(UN)	:(DA)	:(SDA):			
<hr/>								
1. Retain pre-auditing system to minimize frauds or anomalous transactions.	(30) 6	(24) 6	(18) 6	(22) 11	-	(94) 29	3.24	UN
2. Provide additional staff to COA auditors to answer the problems on voluminous paper work caused by pre-auditing.	(35) 7	(36) 9	(12) 4	(16) 8	-	(99) 28	3.54	A
3. Totally lift the pre-audit system to train management to more self-reliant.	(25) 5	(44) 11	(9) 3	(16) 8	(1) 1	(95) 28	3.39	UN
4. Continuously upgrade the COA auditors by sending them to trainings, seminar-workshops, study grants, and the like.	(70) 14	(36) 9	-	(10) 5	-	(116) 28	4.14	A
5. Management should recruit staff with qualifications to undertake internal control system in the organization to avoid or minimize graft in disbursements of funds due to the lifting of pre-audit.	(120) 24	(12) 3	-	-	(1) 1	(133) 28	4.75	SA
<hr/>								
Grand Mean							3.81	A

Legend:

4.51 - 5.00	Strongly Agree	(SA)
3.51 - 4.50	Highly Felt	(HF)
2.51 - 3.50	Moderately Felt	(MF)
1.51 - 2.50	Slightly Felt	(SF)
1.00 - 1.50	Not Felt	(NF)

system in the organizations to avoid or minimize graft in disbursements of funds due to the lifting of pre-audit" as evidenced by the resulting weighted mean of 4.75. Furthermore, this group agreed with two of the five listed solutions: "Continuously upgrade the COA auditors by sending them to trainings, seminar-workshops, study grants, and the like" - 4.14 and "Provide additional staff to COA auditors to answer the problem on voluminous paper work caused by pre-auditing system" - 3.54. For the remaining two solutions that "Totally lift the pre-audit system to train management to be more self-reliant" and "Retain pre-auditing system to minimize fraud and/ or anomalous transactions" the management personnel showed indecisiveness in that the weighted means of 3.39 and 3.24, respectively corresponded to "uncertain". Like the COA auditors, the management personnel assigned in the different government agencies in Catbalogan, Samar were divided whether to agree or disagree with retaining or lifting pre-audit system in auditing practices.

Implications Derived From the Findings of the Study

Undertaking a closer scrutiny of the data collected from the two categories of respondents provided indications of a major information that COA personnel gave prime

consideration and importance on effectiveness of government transactions and activities while management personnel were most particular on efficiency of transactions and were easily bothered by delays caused by pre-audit.

Moreover, based from the problems encountered and the experiences they had before and after the lifting of pre-audit, it was evident that both the COA personnel and management personnel were not decided yet whether to favor or not to favor lifting of pre-audit in auditing practices. These were hints that the pre-audit system provided balanced advantages as well as disadvantages, hence the deadlock.

Finally, the management personnel showed hints of being more receptive to the lifting of pre-audit in comparison to COA personnel. The justification of this was the fact that pre-audit provided avenues to management personnel to be more independent and careful in relation to their decision-making activities. Moreover, delays were minimized without pre-auditing practices.

Chapter 5

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter contains the summary of findings which covers the profile of the respondents and their receptivity to the lifting of pre-audit system. From the major findings, conclusions were drawn and consequently, corresponding recommendations were formulated.

Summary of Findings

On the basis of the data collected with the use of the questionnaire and supplemented by unstructured interviews, documentary analysis and observation, the following are the major findings of the study:

1. The modal sex of the respondents was female with ten out of 15 or 66.7 from the COA personnel and 19 out of 34 or 55.9 percent from the management personnel. Moreover, both the COA personnel group and the management personnel group were considered to be in their middle age as evidenced by their average age posted at 39.3 years and 40.6 years, respectively.

2. The greater majority of the total respondents turned out to be married with 29 out of 49 or 59.2 percent. Only one was single, comprising 2.0 percent of the respondents and the rest did not specify their civil status.

3. The lowest educational qualification of the respondents was AB/BS degree - eight out of 15 or 53.3 percent from the COA personnel and 23 out of 34 comprising 67.6 of the management personnel. Seven of the COA personnel corresponding to 46.7 percent were pursuing their MA/MS degrees while nine of the management personnel or 26.5 percent have earned MA/MS units. Furthermore, two or 5.9 percent of the management personnel have already earned their MA/MS units and were already pursuing Ph.D. degrees.

4. The average length of service of the COA personnel was posted at 16.7 years while for the management personnel, it was 14.5 years. Evidently, the length of service of the former was higher than the latter at an average of 2.2 years.

5. All the COA personnel occupy the posts of State Auditors while for the management group, majority of them, with 18 out of 34 or 52.9 percent were department heads/ chief officers. Other positions occupied were: accountant with six or 17.6 percent, bookkeepers with six or 17.6 percent, Budget Officer with two or 5.9 percent, Cashier with one or 2.9 percent as well as Fiscal examiners with one or 2.9 percent.

6. Both the COA management and management personnel assessed themselves to be "highly aware" of the different transactions/activities relative to auditing and auditing

rules and regulations specifically on: 1) Payroll System - salaries and wages, 2) Procurement and Disposal System, 3) Inspection and Acceptance System, 4) Inventory, and 5) Reporting posting grand means of 4.50 and 4.04 respectively.

7. The t-test value for comparing the level of extent of awareness of the two categories of respondents on the different transactions and activities in relation to auditing and auditing rules and regulations along the five aforecited components was 2.599 while the critical/tabular t-value was pegged at 1.800. Inasmuch as the computed t-value was greater than the tabular t-value, the hypothesis that "There is no significant difference in the extent of awareness of the COA and management personnel on the transactions/activities relative to auditing and auditing rules and regulations" was rejected.

8. The COA personnel as well as the management personnel gave grand means of 3.88 and 3.79, respectively which correspond to a qualitative interpretation of "agree" for their extent of agreement with the auditing practices followed before the lifting of the pre-audit system.

9. In comparing the extent to which the COA personnel and management personnel agree with the auditing practices followed before pre-audit system was lifted, the computed t-value was posted at 0.4947. This proved to be lesser than

the critical/tabular t-value of 1.860 at $\alpha = .05$ and $df = 8$. Hence, the hypothesis that "There is no significant difference in the extent of agreement between the COA and management personnel relative to auditing practices followed before the lifting of pre-audit system" was accepted.

10. Data revealed that in relation to auditing practices followed after the lifting of pre-audit system, the COA personnel were "undecided" whether to agree or disagree posting a grand mean of 3.47. However, the management personnel manifested agreement as evidenced by the grand mean resulting to 4.00.

11. The hypothesis that "There is no significant difference between the extent of agreement on the auditing practices followed after the pre-audit of the COA and management personnel" was rejected. This is evidenced by the fact that the computed t-value of -3.382 proved to be numerically greater than the critical t-value of 1.860 at .05 level of significance and 8 degrees of freedom.

12. The "highly felt" problem of the COA personnel with the highest weighted mean of 2.98 before pre-audit was lifted was "Auditors are exposed to risk of not being able to filter anomalous/erroneous transactions due to voluminous paper works caused by pre-audit". On the other hand, for the management personnel "moderately felt" problem before

the lifting of pre-audit having the highest weighted mean of 3.38 was: "Too much red tape caused by pre-audit resulted to conflict between COA auditors and management." Moreover, after the lifting of pre-audit, COA personnel identified "higher risk on the part of management because the entire responsibility rests on them. Auditors' opinion is not consulted before a transactions is made" as "highly felt" problem posting the highest weighted mean of 3.58. The same problem was identified by management personnel as "highly felt" after the lifting of pre-audit assigning the highest weighted mean of 3.79.

13. There were two solutions with which COA personnel agreed inasmuch as the weighted means resulted to 4.69 and 4.62 for "Continuously upgrade to the COA Auditors by sending them to trainings, seminar-workshops, study grants, and the like" as well as "Management should recruit staff with qualifications to undertake internal control system in the organizations to avoid or minimize graft in disbursements of funds due to the lifting of per-audit;" respectively. Meanwhile, the management group posted the highest weighted mean of 4.75 or "strongly agree" which was followed by a value of 4.14 or "agree." These means referred to "Management should recruit staff with qualifications to undertake internal control system in the organization to avoid or

minimize graft in the disbursement of funds due to the lifting of pre-audit," and "Continuously upgrade the COA Auditors by sending them to training, seminar-workshops, study grants, and the like," respectively.

Conclusions

With the findings of the study just presented several conclusions were drawn, to wit:

1. The COA personnel and management personnel are expected to be serving their respective agencies for the next ten years or more inasmuch as they are still in their middle-age. This means that their attitude, their beliefs as well as their principles will influence still their workplace for quite a long period of time.

2. Both the two categories of respondents are capable of occupying their respective posts. This is supported by their profile on educational qualifications, length of service as well as their level or extent of awareness on the activities/transactions in relation to auditing rules and regulations.

3. The COA personnel proved to be more updated and knowledgeable on COA auditing practices as well as rules and regulations in comparison to the management personnel coming from the different government agencies in Catbalogan. Therefore, the COA personnel manifested dedication and high

responsibility to the jobs and functions assigned to them as guardians of government funds.

4. Both the COA personnel and the management personnel manifested receptivity to the activities and auditing practices followed before the pre-audit system was lifted inasmuch as their responses fall within the range of "agree".

5. Inasmuch as the second hypothesis was accepted, it is therefore conclusive to state that both the COA and management personnel are receptive to the auditing practices before the pre-audit system was lifted.

6. The COA personnel showed reluctance to agree with the practices in audit followed after pre-audit system was lifted. However, the management personnel showed receptivity to these practices. Evidently, there existed a differing opinion between these two groups of respondents, thus, the third hypothesis was rejected. While the COA personnel wanted to avoid risk of mismanaging funds of the government with the lifting of pre-audit, management personnel of government agencies gave a cue of accepting the lifting of pre-audit to exercise more freedom in disbursing funds.

7. Some of the problems identified by the COA personnel as well as those by the management personnel need to be considered very carefully inasmuch as they tend to be

grave as evidenced by the fact that they were assessed as "highly felt" by them. Considering these problems as a whole, provided some clues that they are manageable to some extent as evidenced by the fact that they were just "moderately felt" by the two categories of respondents.

Recommendations

On the basis of the conclusions drawn as well as the responses given by the respondents on probable solutions to the problems they encountered, the following recommendations are presented:

1. There is a need for coming up with a staff development program designed to train and develop key officials of government agencies in relation to management of government funds. Continuous upgrading of their awareness on auditing rules and regulations should be undertaken to minimize their risk of committing illegal transactions.

2. The "internal control officer" of the different government agencies should be one whose probity is unquestionable and must possess the needed qualifications to be able to detect anomalous transactions and prevent them before they are committed. This way, the receptivity of COA personnel on the total lifting of pre-audit could be improved if they know that the agency is already prepared to undertake guarding government funds from illegal and immoral

transactions.

3. There must be a regular consultative conference/meeting of COA personnel and management personnel. COA personnel could serve as resource persons or consultants on matters where management personnel are not sure or doubtful as to the legality of a particular transaction.

4. A financial management information system should be established in all government agencies properly validated by the Department of Budget and Management as well as by the Commission on Audit. This should be utilizing electronic equipment and computers to monitor and keep track of fund disbursement with automated system of transactions and established standards and policies of disbursement of funds. This way, illegal or anomalous transactions could be minimized even with the lifting of pre-audit system.

5. A sequel study could be undertaken, assessing the impact of the lifting of pre-audit system in government agencies in Catbalogan. Aspects which could be included in the study are timeliness of audit reports as well as incidence of anomalous practices among these agencies.

6. A parallel study maybe conducted in other provinces of Eastern Visayas Region.

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BIBLIOGRAPHY

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APPENDICES

APPENDIX A

Republic of the Philippines
SAMAR STATE POLYTECHNIC COLLEGE
Catbalogan, Samar

March 18, 1996

The Dean of Graduate Studies
Samar State Polytechnic College
Catbalogan, Samar

Madam:

I have the honor to request approval one of the following research problem, preferably problem no. 1:

1. TOTAL LIFTING OF COMMISSION ON AUDIT PRE-AUDIT POLICY: A RECEPTIVITY ASSESSMENT
2. EFFECTIVENESS OF AUDIT RECOMMENDATIONS: THE SAMAR EXPERIENCE
3. HOW EFFECTIVE IS AUDIT UNDER THE TEAM APPROACH

Anticipating your most favorable approval on this request.

Very truly yours,

(SGD.) BARTOLOME C. TAN, JR.
Researcher

APPROVED:

(SGD.) RIZALINA M. URBIZTONDO, Ed.D.
Dean, Graduate Studies

APPENDIX B

Republic of the Philippines
SAMAR STATE POLYTECHNIC COLLEGE
Catbalogan, Samar

GRADUATE SCHOOL

APPLICATION FOR ASSIGNMENT OF ADVISER

NAME	TAN,	BARTOLOME	C.
	Surname	First Name	Middle Name

CANDIDATE FOR DEGREE: Master of Arts

AREA OF SPECIALIZATION: Public Management

TITLE OF PROPOSED THESIS: TOTAL LIFTING OF COMMISSION
ON AUDIT PRE-AUDIT POLICY: A RECEPTIVITY ASSESSMENT

(SGD.) BARTOLOME C. TAN, JR.
Applicant

(SGD.) RIZALINA M. URBIZTONDO, Ed.D.
Name of Designated Adviser

APPROVED:

(SGD.) RIZALINA M. URBIZTONDO, Ed.D.
Dean, Graduate Studies

APPENDIX C

SURVEY QUESTIONNAIRE FOR
COA PERSONNEL

Dear Respondents,

The undersigned is presently conducting a research entitled "RECEPTIVITY OF MANAGEMENT AND COA PERSONNEL TO THE LIFTING OF PRE-AUDIT POLICY IN GOVERNMENT OFFICES IN CATBALOGAN, SAMAR". In this regard your cooperation is solicited to provide the researcher information relative to the said research.

Please indicate your sincere and honest response as called for under each component. Rest assured that your responses will be kept highly confidential.

Thank you very much for sharing your valuable time.

Very truly yours,

BARTOLOME C. TAN, JR.
Researcher

=====

PART I - PERSONAL INFORMATION:

Direction: Please provide the required information by placing a check mark (/) on the appropriate box or writing your answers on the space provided.

1. Name: _____ 2. Age (in years) ____
(Optional)

3. Sex:	/ / Male	4. Civil Status: / / Single
	/ / Female	/ / Married
		/ / Separated
		/ / Widow/
		/ / Widower

5. Designation: (Local) _____

6. Position: (Plantilla) _____

7. Office/Agency: _____

8. Office/Agency Address: _____

9. Educational Background

9.1 Baccalaureate: _____
Major: _____9.2 Masteral Degree/units earned: _____
Major: _____9.3 Doctoral Degree/units earned: _____
Major: _____

10. Length of Service (in years) _____

11. Monthly Salary _____

**PART II - EXTENT OF AWARENESS ON TRANSACTIONS RELATIVE TO
COA AUDITING RULES AND REGULATIONS**

Direction: Listed below are transactions/activities relative to COA Auditing Rules and Regulations. Please indicate your extent of awareness using the following scale:

- 5 - Fully Aware (FA)
- 4 - Highly Aware (HA)
- 3 - Moderately Aware (MA)
- 2 - Quite Aware (QA)
- 1 - Not Aware (NA)

Activities/Transactions	Extent of Awareness				
	5	4	3	2	1
	(FA)	(HA)	(MA)	(QA)	(NA)
1. Payroll System - Salaries and Wages	:	:	:	:	:
2. Procurement & Disposal System	:	:	:	:	:
3. Inspection & Acceptance System	:	:	:	:	:
4. Inventory	:	:	:	:	:

 5. Reporting : : : : :
 =====

PART III - Extent of Agreement on Auditing Practices Before the Lifting of Pre-Audit

Direction: This part of the questionnaire is designed to elicit your extent of agreement relative to the auditing practices before the lifting of the pre-audit system. You are requested to provide your responses with the use of the following scale:

- 5 - Strongly Agree (SA)
- 4 - Agree (A)
- 3 - Undecided (UN)
- 2 - Disagree (DA)
- 1 - Strongly Disagree (SDA)

Activities/Transactions	Extent of Agreement				
	5	4	3	2	1
	(SA)	(A)	(UN)	(DA)	(SDA)
1. Payroll System - Salaries and Wages	:	:	:	:	:
2. Procurement & Disposal System	:	:	:	:	:
3. Inspection & Acceptance System	:	:	:	:	:
4. Inventory	:	:	:	:	:
5. Reporting	:	:	:	:	:

PART IV - EXTENT OF AGREEMENT ON AUDITING PRACTICES AFTER THE LIFTING OF PRE-AUDIT

Direction: This portion of the questionnaire is designed to elicit your extent of agreement relative to the

auditing practices after the lifting of the pre-audit system. Please affix your agreement by using the five-point likert scale, viz:

- 5 - Strong Agree (SA)
- 4 - Agree (A)
- 3 - Uncertain (UN)
- 2 - Disagree (DA)
- 1 - Strongly Disagree (SDA)

Auditing Practices	Extent of Agreement/ Disagreement				
	5	4	3	2	1
	(SA)	(A)	(UN)	(DA)	(SDA)
1. Payroll System - Salaries & Wages:	:	:	:	:	:
2. Procurement & Disposal System	:	:	:	:	:
3. Inspection & Acceptance System	:	:	:	:	:
4. Inventory	:	:	:	:	:
5. Reporting	:	:	:	:	:

PART V - PROBLEMS ENCOUNTERED BEFORE THE LIFTING OF PRE-AUDIT

Direction: The problems you encountered before the lifting of the pre-audit are herein presented. Please signify your extent of sensitivity to these problems using the five-point likert scale, viz:

- 5 - This problem is extremely felt (EF)
- 4 - This problem is highly felt (HF)
- 3 - This problem is moderately felt (MF)
- 2 - This problem is seldom felt (SF)
- 1 - This problem is not felt (NF)

Problems on Pre-Audit	Sensitivity				
	5	4	3	2	1
	(EF)	(HF)	(MF)	(SF)	(NF)
1. The voluminous transactions result to delays/inefficiency on the part of COA personnel.	:	:	:	:	:
2. Varying interpretations of COA auditors of different circulars/memoranda creates confusion/chaos on the part of management.	:	:	:	:	:
3. Too much emphasis on economy by COA auditors, hence quality of work/performance is sacrificed.	:	:	:	:	:
4. Too much red tape caused by pre-audit resulted to conflict between COA auditors and management.	:	:	:	:	:
5. Sometimes pre-audit provide avenue for COA auditors to usurp the functions of management.	:	:	:	:	:
6. Pre-audit system cannot measure performance of public works projects.	:	:	:	:	:
7. Auditors are exposed to risk of not being able to filter anomalous/erroneous transactions due to voluminous paper works caused by pre-audit.	:	:	:	:	:
8. Others, please specify	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:

PART VI - PROBLEMS ENCOUNTERED AFTER THE LIFTING OF PRE-AUDIT

Direction: This portion will elicit the problems you have encountered after lifting the pre-audit system. Please signify your extent of sensitivity to these problems with the use of the following guide.

- 5 - This problem is extremely felt (EF)
- 4 - This problem is highly felt (HF)
- 3 - This problem is moderately felt (MF)
- 2 - This problem is seldom felt (SF)
- 1 - This problem is not felt (NF)

Problems on the lifting of Pre-Audit	Sensitivity				
	5 (EF)	4 (HF)	3 (MF)	2 (SF)	1 (NF)
1. Avoidance of fraud and anomalous practices cannot be done because payment was done already.	:	:	:	:	:
2. Higher risk on the part of management because the entire responsibility rests on them. Auditors' opinion is not consulted before a transaction is made.	:	:	:	:	:
3. Management is not ready yet to undertake accounting and auditing activities.	:	:	:	:	:
4. More disallowances are issued inasmuch as inspection is no longer a pre-requisite for payment.	:	:	:	:	:
8. Others, please specify	:	:	:	:	:
_____	:	:	:	:	:
_____	:	:	:	:	:
_____	:	:	:	:	:

PART VII - SUGGESTED SOLUTIONS

Direction: Given the problems you have encountered before and after the lifting of pre-audit, you are requested to assess the following suggested solutions and determine whether you agree or disagree with the presented solutions below. Please use the following responses:

- 5 - Strongly Agree (SA)
- 4 - Agree (A)
- 3 - Uncertain (UN)
- 2 - Disagree (DA)
- 1 - Strongly Disagree (SDA)

Suggested Solutions	Extent of Agreement/ Disagreement				
	5	4	3	2	1
	:(SA):	(A)	(UN):	(DA):	(SDA)
1. Retain pre-auditing system to minimize fraud or anomalous transactions.	:	:	:	:	:
2. Provide additional staff to COA auditors to answer the problem on voluminous paper work caused by pre-auditing system.	:	:	:	:	:
3. Totally lift the pre-audit system to train management to be more self reliant.	:	:	:	:	:
4. Continuously upgrade the COA Auditors by sending them to trainings, seminar-workshops, study grants, and the like.	:	:	:	:	:
5. Management should recruit staff with qualifications to undertake internal control system in the orga-	:	:	:	:	:

nizations to avoid or mini-	:	:	:	:	:
mize graft in disbursements	:	:	:	:	:
of funds due to the lifting	:	:	:	:	:
of pre-audit.	:	:	:	:	:
6. Others, please specify	:	:	:	:	:
_____	:	:	:	:	:
_____	:	:	:	:	:
=====					

Thank you very much for your cooperation.

The Researcher

Thank you very much for sharing your valuable time.

Very truly yours,

BARTOLOME C. TAN, JR.
Researcher

APPENDIX D

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

May 18, 1995

COMMISSION ON AUDIT CIRCULAR NO. 95 - 006

TO : All Heads of Departments, Chiefs of Bureaus and Offices of the National Government, Managing Heads of Government-Owned and/or Controlled Corporations, Self-Governing Boards and Agencies; Heads of Authorized Depository Banks; the Treasurer of the Philippines, Provincial Governors and City / Municipal Mayors; Provincial / City/ Municipal Treasurers and General Services Officers, Chief Accountants / Heads of Accounting Units of All Government Agencies; Heads of Auditing Units and All Others Concerned.

SUBJECT : Total lifting of pre-audit on all financial transactions of the National Government agencies, government-owned and/or controlled corporations and local government units.

1.0 PURPOSE

1.01 In pursuance of the constitutional mandate vesting in the Commission on Audit the exclusive authority to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations (Sec. 2(2), Art. IX-D, 1987 Constitution), this Commission hereby lifts all pre-audit activities presently being performed on financial transactions of

national government agencies, government-owned and/or controlled corporations and local government units. For purposes of clarity and convenience, this circular restates and supersedes all previous issuances dealing on the lifting of pre-audit.

2.0 HISTORICAL BACKGROUND

- 2.01 Section 2 of Presidential Decree No. 1445, which is substantially reiterated in Section 1, Chapter 1, Title I-B, Book V, of the Administrative Code of 1987, provides that "all resources of the government shall be managed, expended or utilized in accordance with law and regulations and safeguarded against loss or wastage resulting from illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The primary responsibility for faithful adherence to this policy rests with the chief or head of the government agency concerned."
- 2.02 Consistent with such policy, this Commission under COA Circular No. 82-195 dated October 26, 1982, lifted the pre-audit of government transactions, with certain exceptions. Upon the change of administration after the February, 1986 revolution, however, the audit of financial transactions entered into during the past regime uncovered irregularities and anomalies of grave proportions. In order to prevent further dissipation of government resources, the Commission, under COA Circular No. 86-257 dated March 31, 1986, as amended, instituted pre-audit of selected government transactions. In the light of the changes occurring at that time, selective pre-audit was perceived to be an effective, albeit temporary, remedy against the recurrence of the observed maladies.
- 2.03 Subsequent developments required the re-assessment of this Commission's policy on pre-audit. With the normalization of the political system and the stabilization of

government operations, there was a need to re-affirm further the concept that fiscal responsibility resides with management; as embodied in the Government Auditing Code of the Philippines. In addition, this Commission feels the need to contribute further in accelerating the delivery of public services and improving the operations of government by curbing undue bureaucratic red tape and ensuring facilitation of government transactions, while continuing to preserve and protect the integrity of these transactions.

- 2.04 On the basis of the results of such re-assessment this Commission gradually lifted the pre-audit of financial transactions of national government agencies, government-owned and/or controlled corporations and local government units under several issuances, the last of which was COA Circular No. 94-006, dated February 17, 1994. These issuances however did not include some pre-audit activities on the financial transactions of the government agencies pending further study and evolution on the adequacy of the internal control system on the matter.

3.0 COVERAGE

- 3.01 This Circular shall apply to financial transactions, irrespective of amount, of all agencies of the National Government, government-owned and/or controlled corporations and local government units. Such transactions shall include but shall not be limited to contracts or undertakings for procurement of supplies, materials and equipment; infrastructure and other construction projects; rent or lease and repair and maintenance of equipment, motor vehicles, physical facilities and similar items; consultancy and other related services; janitorial, security and other similar services; and sale of government property/assets which have become unserviceable or no longer needed.

4.0 GENERAL RULE ON THE AUDIT OF FINANCIAL TRANSACTIONS

- 4.01 The pre-audit of all financial transactions of national government agencies, local government units and government owned and/or controlled corporations involving implementation/prosecution of projects and/or payment of claims is hereby lifted without exception.
- 4.02 Pre-audit activities shall henceforth be the responsibility of the agencies concerned as provided in part 6.01 hereof.
- 4.03 Whenever circumstances warrant, however, such as where the internal control system of a government agency is inadequate, this Commission may reinstitute pre-audit or adopt such other control measures, including temporary or special pre-audit, as are necessary and appropriate to protect the funds and property of the government.

5.0 ENUMERATION OF PRE-AUDIT ACTIVITIES LIFTED

- 5.01 All audit activities heretofore undertaken by this Commission or its representatives in the form of pre-audit including those provided in international agreement, are hereby lifted. The following and other such similar audit activities previously performed by COA Auditors shall not be pre-requisites to implementation/prosecution of projects, perfection of contracts, payment of claims, and/or approval of applications filed with the agencies.
- 5.01.1 Review and evaluation of contracts;
- 5.01.2 Evaluation of on-going infrastructure and other construction projects which shall include field inspection to verify actual project accomplishment or status;
- 5.01.3 Evaluation of the need for and extent or repair to be made on

- equipment, including motor vehicles, and infrastructures.
- 5.01.4 Inspection of deliveries of foodstuffs, medicines, supplies, materials, equipment, and the like.
 - 5.01.5 Verification of the certificate as to the availability of funds.
 - 5.01.6 Witnessing of the opening of bids.
 - 5.01.7 Audit of cash advances of whatever nature and account.
 - 5.01.8 Verification of Request for Obligation of Allotment (ROA);
 - 5.01.9 Audit of Journal Vouchers;
 - 5.01.10 Verification of the schedule of accounts payable;
 - 5.01.11 Audit of refunds of whatever nature and amount.
 - 5.01.12 Review and evaluation of government contracts for auditing, accounting and related services.
 - 5.01.13 Processing and review of documents relative to the acquisition of real property by the government for public use.
 - 5.01.14 Witnessing of condemnation / destruction, and approval of negotiated price, of unserviceable government property and other disposable assets of the audited agencies.
 - 5.01.15 Observation of the proceedings of the Local Prequalification, Bids and Awards Committee (PBAC) and issuance of certification that the rules and procedures for prequalification, bids and awards, have been complied with (Sec. 37,

Chapter 5., Title 1, Book I, R.A. 7160).

5.01.16 Verification of applications for bond and for Fiscal Agency Service;

6.0 DUTIES AND RESPONSIBILITIES OF AGENCY OFFICIALS

- 6.01 Pre-audit activities shall henceforth be considered as part of agency's accounting and fiscal control process. Being a primary responsibility of the agencies, an adequate internal control system shall be instituted in order to achieve economy, efficiency and effectiveness in the management and utilization of the agency resources.
- 6.02 The head of the government agency concerned shall define or delineate the duties and responsibilities of its officials and employees involved in financial transactions. The responsibility to request and/or issue clearances, notices, advices or reports heretofore lodged in the auditor in connection with the pre-audit of disbursement and countersigning of Treasury Warrant/Treasury Checks shall henceforth be assumed by the agency personnel concerned.
- 6.03 Accountable officers shall submit the records of receipts, disbursements, expenditures, operations, and all other transactions, together with the supporting documents, to the Chief Accountants in the manner and within the timeframe prescribed in existing rules and regulations.
- 6.04 Disbursing officers in particular shall faithfully comply with Section 100 Presidential Decree No. 1445 which require them to render monthly reports of their transactions pursuant to existing auditing regulations not later than the fifth day of the ensuing month to the auditor concerned.
- 6.05 The official involved in the daily recording of transactions in the books of accounts shall turn over the receipts and the disbursements records with all paid vouchers

and documents evidencing the transactions to the Auditor within ten (10) days from date of receipt of said documents.

- 6.06 The officials responsible for or in charge of accepting deliveries of procured items shall, within twenty-four (24) hours from such acceptance, shall notify the auditor of the time and date of the scheduled deliveries.
- 6.07 Where the period for submission of reports and documents prescribed in paragraph 6.03 and 6.04 above cannot be met, as in the case of accountable officers stationed in other countries, the head of the agency concerned shall submit the corresponding request for exemption to the Chairman, Commission on Audit, thru the Auditor, stating the reasons therefore, and the recommended periods for such submission.
- 6.08 Pre-repair evaluation shall be performed by management, furnishing a copy thereof to the Auditor within five (5) days from date of evaluation/inspection.
- 6.09 Inspection of consumable and perishable items, as well as unserviceable and disposable government property and other assets, shall be conducted by management. A copy of the report of inspection or its equivalent shall be submitted to the Head of the Auditing Unit within twenty four (24) hours from acceptance of the items delivered and, in the case of unserviceable and disposable property/assets, immediately after inspection thereof by management.
- 6.10 Management shall furnish the Auditor with a copy of the schedule or notice of opening of bids and condemnation/destruction of government property and other disposable assets, as the case maybe, at least five (5) days before the scheduled time.
- 6.11 The concerned officials of the local government units shall furnish the local auditor with a copy of the rules and procedures for prequalification, bids and

awards, and notify the latter of the scheduled meetings of the local Pre-Qualification, Bids and Awards Committee (PBAC) at least five (5) days before its meetings and opening of bids.

7.0 FAILURE TO SUBMIT REPORTS

7.01 Unjustified failure on the part of the official or employee concerned to submit the documents and reports mentioned herein shall be considered a ground for the automatic suspension of payment of his salary until he shall have complied with the aforesaid requirements, without prejudice to any disciplinary action that maybe instituted against him (Sec. 122, P.D. 1445).

8.0 REPEALING CAUSE

8.01 This Circular supersedes, amends or modifies all existing COA issuances inconsistent herewith, COA Circulars reinstituting pre-audit activities in some particular agencies of the government are likewise hereby superseded.

9.0 EFFECTIVITY

This Circular shall take effect on 18 May 1995.

CELSO D. GANGAN
Chairman

ROGELIO B. ESPIRITU
Commissioner

SOFRONIO B. URSAL
Commissioner

Cho
NAA/dae

pre-audit

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

September 8, 1989

COMMISSION ON AUDIT CIRCULAR NO. 89-299-A

TO : All Heads of Departments, Chiefs of Bureaus and Offices of the National Government; Managing Heads of Government-Owned and /or Controlled Corporations, Self-Governing Boards and Agencies; Heads of Authorized Depository Banks; the Treasurer of the Philippines; Provincial Governors and City/Municipal Mayors; Heads of Auditing Units; Chief Accountants/Heads of Accounting Units; and all Others Concerned.

SUBJECT: RESTATEMENT WITH AMENDMENTS OF COA CIRCULAR NO. 89-299 ON THE LIFTING OF PRE-AUDIT OF FINANCIAL TRANSACTIONS OF NATIONAL GOVERNMENT AGENCIES AND GOVERNMENT-OWNED AND /OR CONTROLLED CORPORATIONS.

1.0 RATIONALE

It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with the law and reputations and safeguarded against loss or wastage resulting from illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The primary responsibility for faithful adherence to this policy rests with the chief or head of the government agency concerned. (Cf. Sec. 2, P.D. No. 1445).

Consistent with such policy, this Commission under COA Circular No. 82-195 dated October 26, 1982, lifted the pre-audit of government transactions, with certain exceptions. Upon the change of administration after the February 1986 revolution, however, the audit of financial transactions entered into during the past regime uncovered irregularities and anomalies of grave proportions. In order to prevent further dissipation of government resources, this Commission, under COA Circular No. 86-257 dated March 31, 1986, as amended, instituted pre-audit of selected

government transactions. In the light of the changes occurring at that time, selective pre-audit was perceived to be an effective, albeit temporary, remedy against the recurrence of the observed maladies.

Recent developments require the pre-assessment of this Commission's policy on pre-audit. With the normalization of the political system and the stabilization of government operations, there is now a need to re-affirm further the concept that fiscal responsibility resides in management as embodied in the Government Auditing Code of the Philippines. In addition, there is a need for this Commission to contribute to accelerating the delivery of public services and improving the operations of government by curbing undue bureaucratic red tape and ensuring facilitation of government transactions, while continuing to preserve and protect the integrity of these transactions.

4.2 Auditorial verification of the certificate as to the availability of funds shall be conducted but not as pre-requisite to the perfection of the contract.

4.3 Countersigning by the Auditor or withdrawals and check disbursements from trust accounts shall no longer be performed.

4.4 Witnessing by the Auditor of the opening of bids shall continue to be performed but not as a pre-requisite to the award of the contract.

4.5 Cash advance covering the following shall not be pre-audited:

4.5.1 Transfer of funds from one agency to another;

4.5.2 Payment for salaries and wages, allowances, bonuses, salary differentials and other emoluments;

4.5.3 Expenses for foreign travel; and

4.5.4 Petty cash.

Cash advance drawn for other purpose shall continue to be pre-audited.

4.6 The Auditor shall continue to perform the following

activities as a regular post-audit procedure in the verification of accounts.

4.6.1 Verification of Request for Obligation of Allotment (ROA);

4.6.2 Detailed audit of journal vouchers;

4.6.3 Signing of the schedule of accounts payable;

4.6.4 Audit of funds.

5.0 OTHER COA FUNCTIONS

5.1 The following functions assigned to COA shall continue to be performed prior to perfection of contract and disposal/acquisition of property:

5.1.1 The review and evaluation of government contracts for auditing, accounting and related services which shall continue to be governed by Section 32 of Presidential Decree No. 1445.

5.1.2 Processing and review of documents relative to the acquisition of real property by the government for public use.

5.1.3 Witnessing of destruction and approval of negotiated price of unserviceable equipment pursuant to Section 79 of PD 1445.

5.2 The following functions shall continue to be performed prior to the approval of the applications:

5.2.1 Recommending approval of application for bond;

5.2.2 Verification of application for Fiscal Agency Service.

6.0 DUTIES AND RESPONSIBILITIES OF AGENCY OFFICIALS

Pre-audit activities shall henceforth be considered as part of the agency's accounting and fiscal control process. Internal control being a primary responsibility of the agencies, an adequate internal control system shall be instituted by these agencies in order to achieve economy, efficiency and effectiveness in the management and utilization of their resources.

- 6.1 The Head of the government agency concerned shall define or delineate the duties and responsibilities of its officials and employees involved in financial transactions. The responsibility to request and /or issue clearances, notices, advices, or reports here to fore lodged in the Auditor in connection with the pre-audit of disbursements and countersigning of Treasury Warrants/Treasury Checks shall henceforth be assumed by the agency personnel concerned.
- 6.2 Accountable officers shall submit daily the records of receipts, disbursements, expenditures, operations, and all other transactions, together with the supporting documents, to the Chief Accountant. Disbursing officers in particular shall, however, continue to comply also with Section 100 of Presidential Decree No. 1445.
- 6.3 The official concerned with the daily recording of transactions in the books of accounts shall turn over the receipts and the disbursement records with all paid vouchers and documents evidencing the transaction to the Auditor within ten (10) days after such records, vouchers and documents have been received by such official for recording in the books of accounts.
- 6.4 The officials responsible for or in charge of the issuance of letter orders or purchase orders and of accepting deliveries of procured items shall, within twenty-four (24) hours from such issuance and acceptance, furnish the Auditor with copies of said letter orders or purchase orders and notify him of said deliveries, as the case may be, in order to enable the Auditor to prepare for and perform timely inspection of the same. The inspection to be conducted by the Auditor shall not however, be a pre-requisite to the payment for subject deliveries.
- 6.5 Where the period for submission of reports and documents prescribed in paragraphs 6.2 and 6.3 above cannot be met, as in the case of accountable officers stationed in other countries, the head of the agency concerned shall submit the corresponding request for exemption to the Chairman, Commission on Audit, thru the Auditor, stating the reasons therefor, and the recommended

periods for such submission.

- 6.6 Pre-repair evaluation report shall be rendered by management, a copy of which shall be submitted to the Auditor within 5 days from date of evaluation/inspection but not before actual repair.
- 6.7 Inspection of consumable items shall be conducted by management. A copy of the report of its equivalent shall be submitted to the Auditor within 24 hours from acceptance of the items delivered.
- 6.8 Management shall furnish the Auditor with a copy of the schedule or notice of opening of bids at least five (5) days before the opening bids.

7.0 DUTIES AND RESPONSIBILITIES OF THE AUDITOR

- 7.1 The post-audit shall be conducted immediately by the Auditor and shall be completed within thirty (30) days after receipt of the related financial records. If the complete records of the transactions are not turned over to him by the agency official within the period herein specified, the Auditor shall demand in writing that the same be transmitted to him immediately, furnishing the Chairman of this Commission, thru proper channels, with a copy of such demand.
- 7.2 It shall be the responsibility of the Auditor to undertake a periodic evaluation of the internal control system in the audited agency to determine its adequacy. If such system is found to be inadequate, he shall immediately communicate such deficiency to the Head of Agency and the Chairman of this Commission.
- 7.3 The Auditor shall immediately bring to the attention of the head of agency and the Chairman of this Commission in writing any anomaly or irregularity that he may discover in the course of his review, inspection and evaluation of transactions.

8.0 RESTORATION OF PRE-AUDIT FUNCTION AND OTHER MEASURES

Whenever circumstances warrant, such as where the internal control system of a government agency is

inadequate, this Commission may reinstitute pre-audit or adopt such other control measures, including temporary or special pre-audit, as are necessary and appropriate to protect the funds and property of the agency.

9.0 FAILURE TO SUBMIT REPORTS

Unjustified failure on the part of the official or employee concerned to submit the documents and reports mentioned herein shall be considered a ground for the automatic suspension of payment of his salary until he shall have complied with the aforesaid requirements, without prejudice to any disciplinary action that may be instituted against him (Sec. 122, P.D. 1445).

10.0 REPEALING CLAUSE

Subject to the exception provided for under par. 2.2 supra, COA Circular No. 86-257, as amended, and all other COA Circulars and memoranda which are inconsistent herewith are hereby repealed amended, or modified accordingly.

11. EFFECTIVITY

This circular shall take effect on April 3, 1989.

(SGD.) EUFEMIO C. DOMINGO
Chairman

(SGD.) BARTOLOME C. FERNANDEZ, JR.
Commissioner

(SGD.) ALBERTO P. CRUZ
Commissioner

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

December 19, 1989

COMMISSION ON AUDIT CIRCULAR NO. 89-299-B

TO : The Speaker, House of Representatives; Heads of Authorized Depository Banks; The Treasurer of the Philippines; the Unit Auditor, the Chief Accountant and all Accountable Officers, All of the House of Representatives; and all Others Concerned.

SUBJECT: Suspension of Various Provisions of COA Circular No. 89-299-A with Respect to Transactions of the House of Representatives, Congress of the Philippines.

In view of the State of National Emergency declared by the President under Executive Order No. 503, dated December 6, 1989, and upon the request of the Speaker, House of Representatives, it is necessary to suspend, for the duration of the state of National Emergency, various provisions of COA Circular No. 89-299-A in order to enable the Office of the Speaker to respond more expeditiously to the needs of the house and its members.

Accordingly, those provisions of COA Circular No. 89-299-A, dated September 8, 1989, particularly paragraph 4.0, requiring pre-audit activities are hereby suspended with respect to financial transactions of the House of Representatives such that the transactions affected shall henceforth be subject only to post-audit.

It is understood that the pertinent provisions of COA Circular No. 89-299-A prescribing the duties and responsibilities of the Speaker and other officials of the House of Representatives shall be strictly observed.

The suspension of pre-audit activities for financial transactions of the House shall automatically revoked upon Declaration of the End of the State of National Emergency.

(SGD.) EUFEMIO C. DOMINGO
Chairman

CURRICULUM VITAE

CURRICULUM VITAE

NAME : BARTOLOME C. TAN, JR.

ADDRESS : 245 Rizal Avenue Extension
Catbalogan, Samar

DATE OF BIRTH : April 30, 1957

PLACE OF BIRTH : Catbalogan, Samar

CIVIL STATUS : Married with 3 children - Chabelle
Ann; Charesse Ann; Charles
Bartolomew

NAME OF SPOUSE : Ofelia A. Tan

PROFESSION : Certified Public Accountant

OFFICE : Commission on Audit

PRESENT POSITION : State Auditor IV

UNIT ASSIGNED : DPWH - Catarman Northern Samar

EDUCATIONAL BACKGROUND

Elementary : Catbalogan I Central Elementary School
Catbalogan, Samar

Secondary : Samar School of Arts & Trades
(now SSPC) Catbalogan, Samar

College : Lycum of the Philippines
Bachelor of Science in Business Adm.
Major in Accounting

Graduat Studies: Samar State Polytechnic College
Catbalogan, Samar

Master of Arts in Public Management

CIVIL SERVICE ELIGIBILITY

Career Service Eligible

Certified Public Accountant (RA 1080)

WORK EXPERIENCE

Internal Auditor	Philippine Village Hotel 1980 - 1983
General Accountant . . .	Philippine Pyrites Corp. 1984 - 1985
State Auditor I	Commission on Audit DPWH - First Leyte Engineering District 1985 - 1987
State Auditor II	Commission on Audit Samar Regional School of Fisheries Regional Fishermen's Training Center 1988 - 1992
State Auditor III. . . .	Commission on Audit DPWH - Samar Engineering District 1993 - 1995
State Auditor IV	Commission on Audit DPWH - Samar Engineering District 1996 to date
Part Time Accounting & Auditing Instructor . .	Sacred Heart College 1991 to date

MEMBERSHIP TO ORGANIZATIONS

Member	Government Association of Certified Public Accountant (GACPA)
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Vice President	Phil. Institute of Certified Public Accountant (PICPA) Samar Chapter
Member	Couples for Christ Catbalogan, Samar
Adviser.	Junior Phil. Institut of Accountant (JPIA) Sacred Heart Colleg Chapter
Board of Adviser	Civic Brotherhood Org. Inc. Catbalogan, Samar
Member	Catbalogan Tennis Club Catbalogan, Samar
Member	COA Regional Office Tennis Club, Tacloban City

SEMINAR AND TRAINING ATTENDED

COA In-Hous Training Orientation Seminar	COA Regional Office No. 8 March 10-14, 1986
Performance Audit.	Visayas Reg'l. Training Center June 02 - 06, 1986
CSB Preparation and Issuance	Visayas Reg'l. Training Center June 19-21, 1986
AMORE/MGAU/OMS	Visayas Reg'l. Training Center July 22-25, 1986
Statutory Construction	Visayas Reg'l. Training Center June 28-30, 1986
State Audit Code	Visayas Reg'l. Training Center September 15-20, 1986
Audit & Legal Evidence	Visayas Reg'l. Training Center Octobr 17-19, 1986
Computer Basic Course.	Visayas Reg'l. Training Center November 21-28, 1986

National Govt. Acctg. . .	Visayas Reg'l. Training Center May 02-13, 1987
Internal Control System.	Southern Phil. Training Center May 17-19, 1987
Property Inspection . . .	Southern Phil. Training Center September 09, 1988
Government Audit P-1 . .	Southern Phil. Training Center May 29 June 02, 1989
Audit Report Writing. . .	Southern Phil. Training Center September 04-06, 1990
Mgt. of Govt. Auditing Unit	Southern Phil. Training Center May 21-25, 1990
Audit Working Paper Devt.	Southern Phil. Training Center June 07-09, 1990
New Sampling Scheme and New CSB	Southern Phil. Training Center September 12-16, 1994
Value for Money Audit: Attest Audit & Legal Evidence.	Southern Phil. Training Center May 17-19, 1987
Consolidation of Annual Audit Report Preparation	COA - Central Office June 26-27, 1995
Value Orientation Workshop	COA - Region VIII Aug. 28 - Sept. 1, 1995
Value for Money Audit Technique & Procedures. .	COA - Region VIII April 15-19, 1996
11th National Convention. .	GACPA, Baguio City November 27-28, 1987/95
Value Added Tax Seminar . .	PICPA, Tacloban City June 22, 1998

Basic Auditing Concept . . PICPA, Tacloban City
June 23, 1988

3rd Eastern Visayas
Regional Conference . . . PICPA, Ormoc City
June 12-13, 1992

47th National Convention. . PICPA, Baguio City
November 25-28, 1993

5th Eastern Visayas
Regional Convention . . . PICPA, Tacloban City
May 19-20, 1994

48th Annual National
Convention. PICPA, Iloilo City
November 24-27, 1994

49th Annual National
Convention. PICPA, Lingayen Pangasinan
November 11 - Dec. 02, 1995

4th Accounting Teacher
Convention. PICPA, Tacloban City
April 23-24, 1996

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