



Republic of the Philippines
COMMISSION ON AUDIT
Office of the Regional Director
 Region XI, Davao City

III. Audit Program on Distribution and Entitlement on COVID-19 Funds

A. Financial Aid and Assistance

AUDIT OBJECTIVE	AUDIT PROCEDURES	CRITERIA
To determine whether the financial aid allowed and to be extended under existing guidelines were received by the intended recipients without delay.	<ol style="list-style-type: none"> 1. Gather all relevant guidelines granting cash benefits to intended beneficiaries. 2. Identify the benefits, the source of the benefits, frequency of the grant, authority of the entity to receive the grant or financial aid, the amount and the eligible recipient/beneficiaries. Prepare a working paper to document the data gathered. 3. Prepare a flowchart to trace the proper flow of financial aid from the audited agencies to the beneficiaries. 4. Compare the actual financial aid distribution flow with the proper aid procedures as prescribed in the flowchart and note deficiencies, if any. 5. Obtain list of eligible beneficiaries of the financial aid and the receiving reports showing receipt by intended beneficiaries. Compare data in the list with those in the receiving report and note down discrepancies, if any. Prepare appropriate working paper to document findings. 6. Verify whether actual recipients are the targeted beneficiaries to receive the aid. 7. Interview and confirm from recipients in the list of beneficiaries whether the correct amounts were received by them without delay. Prepare interview notes or appropriate working paper to document the findings. 8. Prepare and issue AOM, NS, ND, as maybe warranted, on the deficiencies noted. 	<p>RA 11469 or Bayanihan to Heal as One Act</p> <p>DSWD-DOLE-DTI-DA-DOF- DBM-DILG Joint Memorandum Circular No. 1 series of 2020 dated April 3, 2020</p> <p>DSWD MC No. 04 series of 2020 dtd March 30, 2020</p> <p>DOF DBM Joint Circular No. 1 dated March 30, 2020</p> <p>DILG Memorandum Circular No. 2020-092 dated June 10, 2020</p> <p>DILG Memorandum Circular No. 2020-090 dated May 29, 2020</p> <p>DOLE Department Order No. 209 dated March 17, 2020 (CAMP)</p> <p>DOLE Department Order No. 210 dated March 23, 2020 (TUPAD#BKBK)</p> <p>DOLE Department Order No. 212 dated April 8, 2020 (DOLE-AKAP for OFWs)</p>

B. Personnel Cash Benefits (Cash Assistance to Government Personnel)

AUDIT OBJECTIVE	AUDIT PROCEDURE	CRITERIA
To determine whether cash benefits or entitlements as allowed under existing DBM and other pertinent guidelines were actually received by the intended beneficiaries without delay.	<ol style="list-style-type: none">1. Gather all relevant guidelines granting cash benefits and entitlements to intended government personnel.2. Identify the benefits, amount, frequency, conditions and the eligible recipients. Prepare a working paper to document the data gathered.3. Prepare a flowchart to trace the proper flow of cash benefit or entitlement from the audited agencies to the beneficiaries.4. Compare the actual flow of cash entitlement with the proper aid procedures as prescribed in the flowchart and note deficiencies, if any.5. Obtain list of entitled employees and receiving reports from management. Compare data in the list with those in the receiving report and note down discrepancies, if any. Prepare appropriate working paper to document findings.6. Gather Disbursement Vouchers and their supporting documents for COVID-19 personnel benefits to validate actual amount and timeliness of the payments made.7. Verify the validity of the claim, the correctness of the amount released and recorded, completeness of the documentary requirements submitted and proof of receipt of the payment by checking signatures in the paid payroll. Prepare appropriate audit working papers to document the findings.8. Prepare and issue AOM, NS, ND, as maybe warranted, on the deficiencies noted.	<p>RA 11469 or Bayanihan to Heal as One Act</p> <p>Administrative Order No. 26 dated March 23, 2020</p> <p>DBM Budget Circular No. 2020-1 dated March 24, 2020</p> <p>Administrative Order No. 28 dated April 6, 2020</p> <p>DBM Budget Circular No. 2020-2 dated April 7, 2020</p>

C. Other Financial Assistance, Services and Benefits

AUDIT OBJECTIVE	AUDIT PROCEDURE	CRITERIA
<p>To determine whether other financial assistance, services, and other entitlements for cost of treatment for COVID-19 patients, medical expenses of public and private health workers in case of exposure to COVID-19 or any work related injury or disease, reimbursement of expenses incurred by the Philippines Red Cross, availability of credit, grace period for payment of loans, among other benefits, extended by RA 11469 or the Bayanihan to Heal as One Act and other pertinent laws, issuances and guidelines on COVID-19 were actually extended, properly recorded and received by the intended beneficiaries without delay.</p>	<ol style="list-style-type: none"> 1. Gather all relevant guidelines granting assistance, services and other entitlements to intended COVID-19 patients, public and private health workers, among other beneficiaries pertaining to COVID-19 programs and activities. 2. Identify the benefits under each guideline, the amount, frequency, conditions and the eligible recipients/beneficiaries. 3. Gather Disbursement Vouchers and their supporting documents for payment of COVID-19 assistance and entitlements to validate actual payments of the benefits. 4. Post audit these vouchers and their supporting documents based on the relevant guidelines pertaining to the grant of the assistance or benefit. 5. Verify the validity of the claim, the correctness of the amount paid, released and recorded, completeness of the documentary requirements and the proof of receipt of payment. Prepare appropriate audit working papers to document the findings. 6. In case infrastructure facilities are required to be provided for as assistance, verify the completeness and propriety of the documents with management. <ul style="list-style-type: none"> • Determine the manner and mode of creating or constructing the facility • If by donation, determine the completeness and propriety of transfer documents • If constructed in a private property without the donation, determine the agreement between the owner and the government to make sure that public funds are spent solely for public purpose and that if the structure is permanent, its ownership will eventually be vested to the government. 	<p>RA 11469 or Bayanihan to Heal as One Act and its Implementing Rules and Regulations</p> <p>DILG MC No. 2020-085 dated May 20, 2020</p> <p>DBM Local Budget Circular No. 125-126</p> <p>DOH DOLE DBM Joint Administrative Order No. 2020-001 dated June 4, 2020</p> <p>CSC issuances on AWA and Leave Applications during a Community Quarantine</p>

AUDIT OBJECTIVE	AUDIT PROCEDURE	CRITERIA
	<p>7. For non-monetary benefits, verify if they were extended and received by the intended beneficiaries without delay in conformity with the pertinent guidelines granting such benefit. Prepare audit working paper to document the finding.</p> <p>8. Determine the appropriate recording of other financial assistance, services and benefits in the books of accounts of the entity granting the benefits. Review the journal entries recorded and note deficiencies, if any. Propose adjusting journal entry, if necessary.</p> <p>9. Trace the recorded amounts of the other financial assistance, services and benefits to the financial reports at the end of the period.</p> <p>10. Conduct interview with the recipients of the assistance or benefits to confirm their receipt of the assistance based on the guidelines extending the benefit in the correct amount and without delay. Prepare interview notes to document the audit findings.</p> <p>11. Prepare and issue AOM, NS, ND, as maybe warranted, on the deficiencies noted.</p>	

D. Assistance and Benefits In-Kind

AUDIT OBJECTIVE	AUDIT PROCEDURE	CRITERIA
<p>To assess and determine whether the goods and other benefits in-kind to be distributed under pertinent issuances or guidelines were properly recorded and received by the intended beneficiaries in the proper quantity or manner without delay.</p>	<ol style="list-style-type: none"> 1. Gather or secure copies of pertinent issuances, relevant laws, legislations or regulations on assistance in the form of goods and other benefits in-kind to be distributed or extended to intended beneficiaries. 2. Identify these goods and other benefits in-kind, source of the fund, the quantity or types, frequency of distribution or grant and the eligible beneficiaries. Prepare a working paper to document the data gathered. 3. Obtain or secure a copy of the procedural or distribution flowchart, if any, to trace the proper flow of goods and other benefits in-kind from the audited agencies to the beneficiaries. Prepare flowchart to validate the proper distribution flow if there is no such flowchart obtained from management. 4. Verify memoranda/orders issued and approved by management based on pertinent issuances and relevant laws regarding the flow of the relief operations and proper authorization. Ensure they were properly communicated or disseminated. 5. Conduct interview or inquire about the procedure adopted by management in the giving of assistance or benefit. 6. Compare the flowchart of the distribution per guidelines against the actual distribution process of the agency. Prepare appropriate audit working papers to document the findings. 7. Interview recipients of goods and services whether they received assistance in proper quantity and manner without delay. Prepare interview questionnaire/s and notes to document the results of interview. The interview questionnaire shall confirm the actual quantity of goods and/or services received by the beneficiary, the latter's eligibility to receive the aid and the manner of delivery without delay. 	<p>RA 11469 or Bayanihan to Heal as One Act</p> <p>Administrative Order No. 27 dated March 31, 2020</p> <p>COA Circular 2020-009 dated April 21, 2020</p> <p>DILG Memorandum Circular No. 2020-080 dated May 5, 2020</p> <p>DILG Memorandum Circular No. 2020-090 dated May 29, 2020</p> <p>DILG Memorandum Circular No. 2020-066 dated March 31, 2020</p>

AUDIT OBJECTIVE	AUDIT PROCEDURE	CRITERIA
	<ol style="list-style-type: none"> <li data-bbox="618 289 1190 457">8. Assess effectiveness and efficiency of the control procedures on distribution of relief taking also into account the timeliness, complete documentation and proper authorization of the distribution. <li data-bbox="618 493 1190 709">9. Determine the appropriate recording assistance and benefits in-kind in the books of accounts of the entity granting the benefits. Review the journal entries recorded and note deficiencies, if any. Propose adjusting journal entry, if necessary. <li data-bbox="618 762 1190 867">10. Trace the recorded amounts of the assistance and benefits in-kind to the financial reports at the end of the period. <li data-bbox="618 905 1190 1010">11. Conduct ocular inspection of COVID-19 facilities created and observe the services rendered to patients or beneficiaries. <li data-bbox="618 1041 1190 1100">12. Prepare and issue AOM, NS, ND, as maybe warranted, on the deficiencies noted. 	

E. Receipt, Distribution and Issuance of Goods and Benefits In-Kind

AUDIT OBJECTIVE	AUDIT PROCEDURE	CRITERIA
<p>To determine whether goods, equipment or facilities received for distribution were properly received, inventoried, accounted for and safely kept in storage facilities and their issuance properly controlled and regulated.</p>	<ol style="list-style-type: none"> 1. Obtain from management copies of receiving reports/acknowledgement receipts or lists of inventory of procured or donated goods, equipment or facilities intended for COVID-19 programs and activities. For donations in-kind from local and foreign sources, obtain from agency the Summary/List of Donations Received, Distributed and Balances. Prepare working paper to document and consolidate the inventory of these goods, equipment or facilities. 2. Validate the donations of goods, equipment or facilities thru confirmation from donors or from other government agencies where these items originate. 3. Conduct ocular inspection on the storage facilities where these items were kept to determine their physical condition. Verify the actual balances of the items that remained on site, if any. 4. Verify if there are adequate control procedures in the receipt, inventory, storage and issuance of these goods, equipment or facilities for COVID-19 programs and activities. 5. Prepare a process flow or a flowchart on the actual flow of these goods, equipment or facilities from the moment they were received by management until they are distributed to the intended beneficiaries. 6. Conduct interview with personnel assigned or involved in the receipt, custody and issuance of goods, equipment or facilities for COVID-19 program and projects to validate the process flow and assess the adequacy of internal control. Prepare audit working papers to document the finding. 7. Prepare and issue AOM on deficiencies noted. 	<p>Administrative Order No. 27 dated March 31, 2020</p> <p>COA Circular 2020-009 dated April 21, 2020</p> <p>COA Circular 2014-002 dated April 15, 2014</p> <p>COA Memorandum 2014-009</p>