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*A Paper Series on
Transparency, Participation & Accountability*

**Pioneering citizen participatory
audits in the Philippines:
*The experience of the Concerned Citizens
of Abra for Good Government (CCAGG)***

*Pura Sumangil, Anna Bueno,
and Joy Acheron*

**Audit institutions' engagement
with civil society: Lessons from
the Philippine experience**

Commentary by Joy Acheron



About TPA Now! Paper Series

The challenge of transformative impact of transparency, participation and accountability (TPA) initiatives points to the need for a different way of doing accountability. To advance the discourse and practice of 'strategic TPA,' Government Watch (G-Watch), in partnership with Accountability Research Center (ARC), has launched *TPA Now! A Paper Series on Transparency, Participation and Accountability* as a platform for practitioners, researchers and action strategists to present evidence and reflect on the practice and research on strategic TPA and to broaden awareness on the importance of accountability in governance.

G-Watch is an independent citizen action and research for accountability in the Philippines that aims to contribute in the deepening of democracy through political reform and citizen empowerment.

ARC is an action-research incubator based at American University in Washington, DC that seeks to strengthen and learn from the work of civil society organizations and policy reformers on the frontlines of accountability work and build knowledge for the field of transparency, participation and accountability.



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Pioneering citizen participatory audits in the Philippines: *The experience of the Concerned Citizens of Abra for Good Government (CCAGG)*

Photo source: <https://ansa-eap.net/welcome-to-ansa-eap/resources/thematic/piloting-participatory-audit/>

It all began with an invitation to present the work of the Concerned Citizens of Abra for Good Government (CCAGG) in a conference. Sometime in 1997, the Philippine Center for Investigative Journalism (PCIJ) headed by Sheila Coronel convened an international forum on Corruption Prevention in Philippine Peninsula Hotel in Metro Manila. CCAGG was one of the invited presenters. Mr. Ernesto Bautista, the Assistant Resident Representative of the United Nations Development Program (UNDP) in Manila, took interest in CCAGG's presentation. CCAGG extended an invitation to Mr. Bautista to go to Abra, which Mr. Bautista accepted. After staying in Abra for three days, going around to visit construction sites being monitored, meeting with local government agency heads, and interviewing CCAGG members, Mr.

Bautista was impressed by what he saw and heard that he then facilitated UNDP's support to CCAGG work.

CCAGG is an NGO which started as a people's organization. It began as a group of National Citizen's Movement for Free Elections (NAMFREL) volunteers in Abra during the presidential snap election in 1986, who decided to continue working for good governance, calling themselves CCAGG. Abra is a mountainous landlocked province in the Cordillera Administrative Region (CAR). It is populated by Ilocanos and the indigenous people called Tingguians.

The pioneering members of CCAGG trained under the National Economic Development Authority (NEDA) in monitoring countryside infrastructure. After some years of work, CCAGG became

a model of people's participation in governance during the administration of then President Cory Aquino.

In 1997, the Commission on Audit (COA), along with NEDA, developed a reform program titled "Enhancing the Public Accountability Program of the Philippine Commission on Audit: a Preparatory Assistance" (EnPAP), which aimed, among others, to enhance transparency and accountability in government, and to develop mechanisms for citizens to participate in audit affairs.

UNDP recognized CCAGG's potentials of partnering with COA. Mr. Terence Jones, the Resident Representative of UNDP Manila then, ascertained CCAGG's worthiness to pioneer COA's reform program after he visited Abra, met CCAGG members and inspected the monitoring sites. UNDP then introduced CCAGG to COA commissioners Celso Gangan, Raul Flores and Emmanuel Dalman.

Interested in what they learned, they sent to Abra members of their Management Committee (ManCom) to meet CCAGG. The ManCom inspected five projects which CCAGG were monitoring at the time, interviewed stakeholders, and talked to CCAGG members. It turned out that this visit was a quiet assessment of the organization's integrity, capability and commitment. The technical team favorably recommended CCAGG as COA's pilot partner in its reform program.

Citizen audit and CCAGG

The role of audits cannot be understated in a democratic society where public office is considered a public trust. In the Philippines, the supreme audit institution is an independent Commission on Audit, tasked with verifying if public funds, paid by the people through taxes, were properly spent—and take corrective actions when



Meeting with Mr. Terence Jones, Resident Representative of UNDP Manila. (Photo Source: CCAGG)

necessary.¹ In this role, COA states that its mission is to “ensure accountability for public resources, promote transparency, and help improve government operations, in partnership with stakeholders, for the benefit of the Filipino people.”²

But COA does not have a monopoly in that mission. The same aspirations for accountability and transparency are shared by the Filipino people and their independent organizations, such as civil society and non-government organizations (CSOs and NGOs), who have the Constitutional right to effectively and reasonably participate in all levels of decision-making in government³ and are encouraged by the State in promoting the welfare of the nation.⁴ Recognizing this, COA currently pursues a program called the Citizen Participatory Audit (CPA), which is, among others, a “strategy to uphold the people’s right to a transparent government and use of public resources built

on the premise that public accountability prospers with a vigilant and involved citizenry.”⁵ This program finds support among COA’s constitutional powers, one of which is to “define the scope of its audit and examination, [and] establish the techniques and methods required” for its audits.⁶

CCAGG is one of COA’s initial partners—if not the first—in its participatory audit program, before it was called the CPA. CCAGG specialized in monitoring the implementation of infrastructure projects and was first tapped by NEDA to monitor the Community Employment and Development Program (CEDP). CEDP was a program during the Corazon Aquino administration which sought to revitalize the economy by financing small infrastructure projects. CCAGG targeted good governance as its goal, knowing that Filipinos “are a people deprived of participation in governance work and frustrated by non-disclosure of public

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1 Constitution, Art. IX-D, Sec. 2; see also Bernas, J., *The 1987 Constitution of the Republic of the Philippines: A Commentary* (2009), p. 1100.

2 Commission on Audit, *Vision and Mission*, at <https://www.coa.gov.ph/index.php/2013-06-19-13-06-03/vision-and-mission>

3 Constitution, Art. XIII, Sec. 15-16.

4 Constitution, Art. II, Sec. 23.

5 Citizen Participatory Audit, at <https://cpa.coa.gov.ph/>

6 Constitution, Art. IX-D, Sec. 2.

funds being poured into our government coffers.”⁷

CCAGG uses a community- and volunteer-based approach to verify whether roads, bridges, and other infrastructure projects are executed according to contract regulations, and works with civil engineers to draft evidence-based reports, which may uncover potential corruption in the implementation of public infrastructure projects.⁸ Since 1987, CCAGG has been active in participatory monitoring local public infrastructure projects in Abra, and has been working together with local agencies to promote transparent and accountable governance. In one early case, CCAGG was instrumental in enabling accountability mechanisms—both local and national—to cause the penalization of project engineers for grave misconduct, who, among others, certified that certain projects were completed even though they were still ongoing.⁹

CCAGG’s engagement in the pilot-testing of COA’s participatory audit program,

which was supported by UNDP, was borne out of CCAGG’s clear track record in participatory monitoring of local infrastructure projects in Abra, and its goal to be recognized as an NGO promoting good governance as a parallel to COA.

Laying the groundwork for the first Philippine participatory audit

After COA’s visit to Abra, UNDP requested CCAGG to study a project proposal for a COA reform program—the participatory audit. As provided in the proposal, the project then aimed “to enhance transparency and accountability in government, increase openness by developing mechanisms within the government audit system which will strengthen direct citizen participation in the audit affairs.” It was slated to be implemented for three years, initially to be pilot-tested in Abra.

Most significantly, COA was to develop

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7 Sumangil, P. (Nov. 14, 2012), Presentation made to the ASEAN Conference on Promoting Social Accountability at New World Hotel, Makati City, p.1, at https://www.ocsc.go.th/sites/default/files/attachment/page/philippine_ccagg.pdf

8 International Budget Partnership, “Concerned Citizens of Abra for Good Government (CCAGG) – Philippines,” p. 1, at <https://www.internationalbudget.org/wp-content/uploads/Profile-of-Concerned-Citizens-of-Abra-for-Good-Government-CCAGG-%E2%80%93-Philippines.pdf>

9 Concerned Citizens of Abra for Good Government (CCAGG), “Initiatives in Citizenship Building in Abra Province,” p. 19 at <https://www.ombudsman.gov.ph/UNDP4/initiatives-in-citizenship-building-in-abra-province-2/index.html>

a partnership arrangement with CCAGG, and based on the pilot implementation, the project was to be expanded to include other CSOs and NGOs to explore other modalities for partnerships and identify lessons learned as basis for possible replication. The pilot implementation was thus critical since it was meant to serve as a basis for future civil society engagement in participatory audits. It was to be the basis for developing criteria for selecting, accrediting, and developing partnership arrangements with CSOs; refining mechanisms for such participatory audits; and in developing a policy for participatory audits, including strategies for mainstreaming participatory audits in regular COA audit activities.

For CCAGG, the proposal was a welcome opportunity to contribute to reforming fiscal management policies, specifically in integrating transparency, accountability, and citizens' participation for good governance. In 2000, COA started conducting field visits in Abra to interview stakeholders and gather data on the projects which CCAGG previously, and was then, monitoring. Apparently, these visits were quiet assessments of CCAGG's integrity and commitment as an organization, which culminated with COA submitting a favorable report recommending CCAGG as COA's first pilot audit partner.

Formalizing the participatory audit partnership between COA and CCAGG required drafting and finalizing a Memorandum of Agreement (MOA). It also required the issuance of a COA resolution (Resolution No. 2000-02) authorizing CCAGG to participate in the pilot implementation of COA audits and recognizing its qualifications—specifically, how “the professional members of the CCAGG can provide a broader perspective and fresh approach to value for money audits.” The MOA was formally signed on August 8, 2000. The audit tie-up between COA and CCAGG was to cover specific audits to be undertaken for one year, or from August 8, 2000 until July 2001.

While the audit partnership pushed through, a provision in the MOA was the subject of contention previously between CCAGG and COA, and was one of the challenges CCAGG, as a CSO pushing for transparency in governance, had to face in its collaborations with government. The provision stated:

“4. Confidentiality of reports and premature disclosure of information

... With regards unreleased audit reports and any and all confidential or classified information obtained in the course of audits, both parties shall ensure that these shall not be prematurely disclosed to parties who are not involved in the audit engagement.

The CCAGG binds itself with COA to comply with the standard audit procedures and processes particularly with respect to reporting and disclosure of information gathered in audit. Failure to comply with this provision by any party shall be sufficient ground for the termination of this Agreement and/or the filing of appropriate charges against the person concerned."

COA objected to demands made by CCAGG to discuss preliminary audit findings with community members, which was customary for CCAGG as its practice involved citizens at all stages. Similarly, CCAGG was concerned by the fact that official audits were restricted to the post-project period that depended greatly on tracking the official paper trail, or accounting documentation. For CCAGG, restricting audits to the post-project period may potentially cause the loss of valuable findings. Eventually, CCAGG understood the need for this mechanism and agreed to include the provision.

Further, to the credit of both organizations, some aspects of CCAGG audit methodologies were incorporated into the participatory audit exercise due to the encouragement by CCAGG. One of these was social impact analysis, which measures the impact of a project on the targeted communities.

Overall, the MOA was anchored in the context of COA's reform program, which sees participatory audit "as a way of promoting partnership and collaboration with civil society and enhancing public accountability in government."

Making critical collaborations work

At the outset, CCAGG recognized the need to effect cohesion between its volunteer-members and COA personnel. Drawing from its broad experience in engaging its community of volunteers, there was a tacit recognition that strangers will not fit into a purposive audit activity. Friendship, though newly formed, can be the start of a committed collaboration. Thus, team building activities were an important part of the training activities slated for the participatory audit program.



MOA Signing

(Photo source: <https://studylib.net/doc/5235263/participatory-audit--the-ccagg-experience---ansa-eap>)

Essential to the success of the pilot participatory audit program was setting shared expectations and knowing each party's functions and responsibilities. COA and CCAGG discussed their similarities and differences during the training, which they jointly identified below:

- As to *basic functions*, both COA and CCAGG do audit work.
- As to *process*, COA focuses more on post-audit, which begins only upon the completion of a particular project, or after a certain percentage of a project has been attained. Auditing is made only after the disbursement of funds with completed documents attached. But like CCAGG, COA looks into compliance with rules and regulations. Meanwhile, CCAGG monitors infrastructure projects using Programs of Work as bases. If it finds irregularity in the course of its monitoring, be it in the beginning or at the middle of the construction period, a dialogue starts right at the project site with the contractor or a government supervising engineer. In their absence, a monitoring report is sent to the implementing agency and the contractor to inform them of CCAGG's findings. More often than not, a response is received. At any rate, for CCAGG, the monitor's mere presence in the project site

may already thwart irregularities or corruption.

Aside from activities "effecting cohesion" between CCAGG and COA, other training activities for the pilot implementation of the participatory audits included the following:

- Results-oriented monitoring and evaluation
- Value for money (VFM) audit concepts and applications
- Laws in the conduct of audit
- Infrastructure audit
- Fraud audits
- Audit evidences

A highlight of the training was the selection of VFM audits. CCAGG and COA chose to pursue VFM audits for the program in view of the thrust of the government to promote good governance through transparency, people empowerment and enhancement of public accountability. This auditing approach was also well suited for CCAGG monitors. Since CCAGG monitors are volunteers from the communities, they are familiar with the projects to be audited; they know the people; and on account of these, can engage communities in discussions about ongoing projects and their impacts.

Another highlight was the recognition by COA of the value of participatory audits. Then-COA Commissioner Emmanuel

Dalman described the participatory audit as “an innovative audit approach that promotes transparency and accountability in state audit...done with the direct participation of civil society organizations.”

Comm. Dalman also stated that a participatory audit is an “innovation...beneficial to both COA and CSO[s],” where CSOs represent the people. Comm. Dalman added that the audit “supports the theory that the people, being the ultimate source of authority of the State, may participate in running its affairs if only to ensure that what the State does at least approximates what the people want.”

The level of recognition by COA, a government agency, of the value of CSO participation in the government’s supreme audit mechanism was encouraging, if not revolutionary, at that time. This was made more evident through a question that kept coming back during the trainings for

the participatory audit: between CCAGG approach and COA system for auditing, which one should prevail? Comm. Dalman answered: “CCAGG’s method is beautiful and has been tested. Its fusion with compliance and financial audit of COA will make it more enduring.”

The field work: auditing infrastructure and environmental projects

CCAGG and COA chose the Department of Public Works and Highways (DPWH) and the Department of Environment and Natural Resources (DENR) as the agencies to be audited for the participatory audit program. The Provincial Government of Abra was third in the list, but was dropped for future engagement.

DPWH and DENR were chosen based on the following factors: magnitude of



National Road Monitoring of Abra-Kalinga Road January 20, 2012 (Photo Source: CCAGG FB Page)

funding; significance and impact of an agency project on society, economy and on the environment; public interest which the project generated, and administrative controls, e.g., how the agency faces risks and if they have regard for value for money.

The CCAGG-COA participatory audit team also decided to jointly assign weights to the above, ranked them accordingly, and used the same as guide in identifying agencies to be audited.

A preliminary conference reiterated the terms of engagement of the participatory audit, before team members were fielded to DPWH and DENR. Among others, it was stressed that:

- Projects of DPWH and DENR (the agencies) from 1999 to 2020 will be evaluated according to project objectives, and to determine whether the communities benefited from them;
- Technical problems or deficiencies will be brought to the attention of the agency;
- Findings will not be disclosed without the knowledge of the agencies concerned;
- The auditors' audit observation memorandum (AOM) will be issued before the formal value-for money report;
- All the findings will be substantiated with sufficient evidence.

- CCAGG will assist in social validation by conducting interviews, particularly on the perception of communities on implemented projects in their areas.
- The results of the participatory audit are final and executory, and resident auditors need not evaluate them for a second time.

For [DPWH](#), the agency audited in particular was the DPWH-Abra Engineering District. The audit covered 13 projects executed in the [Abra-Kalinga Road](#) in 1999 and another eight projects in [Abra-Ilocos Norte Road](#) in 2000. From 1999 to 2000, the budget allotted for its projects amounted to approximately Php 265 million, with the agency expending Php 255 million.

In choosing to prioritize the Abra-Kalinga and Abra-Ilocos Norte roads implemented in 1999 and 2000, COA and CCAGG considered the amount of funds allocated for the said projects and the critical role the roads played on community development.

The DPWH participatory audit was divided into three phases: contract administration, contract implementation, and social validation.

- [Contract administration](#) covered the qualification of bidders, bidding process and evaluation of proposals. However, realizing that these are purely financial and compliance in nature, these were dropped from

the report but were covered by the regular audit.

- **Contract implementation** covered evaluations made on the project accomplishments, contract variations, project monitoring and supervision and contract review within the parameters of applicable laws, rules and regulations.
- **Social impact validation** was carried out through focus group discussions, interviews, and community meetings with the beneficiaries to assess the impact of the road improvement projects. The social validation focused more on the communities along the Abra-Kalinga Road. Initially, the team observed that the effects of the projects along Abra-Ilocos Norte Road were not yet felt since the projects were more of road openings rather than the improvement of old and existing roads like the Abra-Kalinga Road.

COA, CCAGG, and DPWH each came up with a comprehensive list of observations based on the audit. Negative findings included the lack of representatives from COA and the private sector in the local Bids and Awards Committee (BAC) to ensure transparency of the bidding process; the lack of compliance of some road projects with pre-qualification and bidding processes; the non-presentation of contractors' licenses for documentation;

incomplete bid documents; release of mobilization fees to contractors even as projects have not yet started; projects not completed on deadline; and other concerns regarding materials and road engineering.

Meanwhile, positive findings included project contract agreements for 23 projects that were properly executed and approved by the head of agency, and payment scheme and terms that were in accordance with law.

For **DENR**, the agency audited in particular was the Provincial Environment and Natural Resources Office (PENRO) in Abra. The audit focused on the evaluation of the **Soil Conservation and Watershed Management Program Services** from 1999 to 2000. For this program, the agency received from the DENR Regional Office a total allotment of approximately P1.3 million and Php 453,000 in years 1999 and 2000, respectively.



On-site visit to DENR Projects and Community Meetings.
(Photo source: <https://studylib.net/doc/5235263/participatory-audit--the-ccagg-experience---ansa-eap>)

The specific program was chosen primarily to determine whether value for money has been achieved from the project as a whole. The participatory audit team used a risk assessment tool, in addition to covering contract administration, implementation, and social impact validation in this audit.

The audit also aimed to ascertain whether fiscal responsibility over the resources and operations of the agency was economically, efficiently and effectively discharged by PENRO. It also aimed to assess performance, identify opportunities designed to promote answerable, honest and productive government service, and encourage accountability and best practices.

Findings from the social impact validation revealed that PENRO was able to implement 9 out of 10 projects under the Soil Conservation and Watershed Management Program Services from 1999 to 2020. Further, the program

provided the farmers in the area additional irrigation supply for their farm lots, resulting in increased productivity and improved farming practices in the watershed areas. Environmental awareness was heightened and enhanced the living conditions of the constituents in the locality.

The validation also highlighted that the increased participation of women during project implementation provided them the opportunity to earn extra income, besides fostering cooperation between and among families and community members.

However, the DENR audit also found, among others: three projects completed beyond the period stipulated in their contracts, without approved time extensions; various deficiencies in item implementation and completion; issuing Notices to Proceed to contractors without executing contracts; and lack of appropriate performance standards to measure project effectiveness.



Assessing the COA and CCAGG partnership

CCAGG and COA separately submitted their assessments on the participatory audit project.

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On-site visit to DENR Projects and Community Meetings.
(Photo source: <https://studylib.net/doc/5235263/participatory-audit--the-ccagg-experience---ansa-eap>)

CCAGG's assessment

For its assessment, CCAGG pointed out the following issues with the partnership, starting with the composition of the team. The composition of the group is not proportionate as membership did not include an engineer from COA—it only included an engineer from CCAGG. Since one of the project objectives is the improvement of COA's audit methodology as well as replicability, both engineers should have worked and presented an output. CCAGG also stated that it may also learn from COA and may participate in evaluation of output and recommendations.

CCAGG also recognized that the prohibition of premature disclosure of audit findings was a real challenge and caused some tensions between COA and CCAGG. The COA staff objected to demands made by the CCAGG to discuss, as their practice, preliminary audit findings with stakeholders at all stages. Similarly, CCAGG was concerned by the fact that official audits were restricted to the post-project period that depended greatly on tracking the official paper trail (accounting documentation). They averred that in restricting audits to the post-project

period, they might lose potentially valuable findings. However, to the credit of both organizations, some aspects of the CCAGG audit methodology like the social impact analysis was incorporated into the participatory audit exercise. Social impact analysis measures the project's impact on its targeted communities.

This difference in audit methodology was noted in a paper of the International Budget Partnership (IBP) on the CCAGG engagement with COA:

"The COA staff objected to demands made by the CCAGG staff to discuss preliminary audit findings with community members. In turn, CCAGG staff were concerned that restricting official audits to the post-project period increased the likelihoods of losing potentially valuable findings."¹⁰

CCAGG also pointed out that the initial team building and training activities may not have been enough—there was no time allotted to the shaping of the partnership, the relationship between the groups, and the organization as a whole. Adjustments, however, were made during the audit execution phase.

CCAGG also stated that since the

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¹⁰ Ramkumar, V. & Krafchick, W. "The Role of Civil Society Organizations in Auditing and Public Finance Management," p. 17, at <https://www.internationalbudget.org/wp-content/uploads/The-Role-of-Civil-Society-Organizations-in-Auditing-and-Public-Finance-Management1.pdf>

projection of projects to be audited was high, its plans and presumptions, including constant project discussions, were not met. CCAGG also pointed out the rigidity of the work schedule, as its monitors were used to flexible work arrangements. However, the time allotted to the site inspection and social validations were flexible.

CCAGG also stated that there were no standards to be followed in the preparation of reports, and thus, work on the reports took time.

Notably, on work performance, CCAGG assessed that the established relationship between the audited agency and COA ‘as perceived’ could be broken by the presence of a third party—such as CCAGG. This may prevent the perception of a ‘settlement’ between the auditor and auditee. A third party that is pro-people and advocates transparency and accountability can be a ‘check and balance’ mechanism between COA and its audited agencies.

CCAGG believes that their participation (and the participation of other NGOs and people’s organizations, or POs) on government audit activities to enhance transparency and accountability is a new development and represents a breakthrough. The project proved that

NGOs and POs and the community as a whole can be auditors, and that they can help the government in ensuring that the projects are properly implemented on the ground. NGOs as deputized auditors can open windows of opportunities for citizens’ increased participation in government affairs, and can guarantee an improvement in governance.

COA’s assessment

Then-COA Chair Guillermo N. Carague, in his message during the launching of the CCAGG-COA Participatory Audit Manual, said “the Participatory Audit experiment showed that the citizenry can be harnessed to assist in performing activities which were in the past been considered as exclusively government’s—to promote a higher level of accountability to our government transactions.”¹¹

COA stated in its assessment that the presence of civil society working in collaboration with COA auditors added a critical element by which value for money (VFM) audits had been operationalized. CCAGG’s participation showed that “honest assessments from the beneficiaries are certain to manifest if trust and mutual acceptance had been established between the auditors and the

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11 Roaring, V. (April 2002), “The COA-UNDP Participatory-Audit Manual,” p. 7, at <https://www.ombudsman.gov.ph/UNDP4/the-coa-undp-participatory-audit-manual/index.html>

program recipients.” Auditors from COA, as virtual strangers in localities for project areas subject to audit, “may not be able to generate responses as factual and truthful as they should be.”

Another important assessment from COA pointed out that “while principally the mission was to undergo VFM audits, the findings are substantially in the nature of financial and compliance.” COA enumerates “at least two things that are perceived to have caused such a result”:

- Both COA and CCAGG members of the teams were not yet quite adept in conducting VFM audits, especially CCAGG, whose acknowledged expertise is on the monitoring of projects while implementation is still in progress. The selection of ongoing projects tends to self-restrict the audit parameters—specifically, to issues of compliance, or the efficiency of the construction in relation their timeframe insofar as VFM is concerned. Further, the social impact of certain projects can only be reasonably measured within a certain (gestation) period.
- The VFM audit standards to be used in particular projects have not been clearly defined and established.

On the scheduling of work schedules, COA recognized that “it is not always practicable to demand full time



attendance from CCAGG members as most of them have other responsibilities to perform,” even though it is reasonable to expect CCAGG to put in a number of days or hours to work on the engagement.

Overall, COA recommended pursuing a second stage of pilot-testing the participatory audit project. In its assessment, COA stated that “both COA and CCAGG have learned experientially from each other’s approach to a common objective, and thus open[ed] the door for an opportunity to further sharpen and hone their skills.”

UNDP assessment

Meanwhile, Mr. Terence D. Jones, Resident Representative of the of the UNDP said that “recognizing that people

are not only beneficiaries but also agents of development...the participatory audit program has successfully proven that citizens can contribute in making audits more responsive, efficient and transparent.” He also added that “by agreeing to take in private citizens as part of their value-for money audit teams, COA has paved the way for a constructive partnership with civil society.” He commended CCAGG and the Social Action Development Council of Benguet for broadening the audit findings and recommendations through their academic backgrounds, work exposures, and familiarity with the projects.¹²

How the CCAGG-COA partnership paved the way for institutionalizing participatory audits

At present, the fruits of the pilot implementation of the participatory audit between COA and CCAGG may be seen in COA’s citizen participatory audits, or CPAs. In 2012, COA took steps to institutionalize the CPA, elevating the

participatory audit program piloted in 2000 beyond its “project” status.¹³

As previously mentioned, COA’s mission on transparency and accountability is an aspiration it shares with citizens, including CSOs, NGOs, and POs. There is no doubt that supreme audit institutions (SAIs) such as COA perform a role beyond auditing financial records: globally, “SAIs form one of the most important institutions in a country’s accountability chain,” and while they have been traditionally responsible for public expenditure oversight, they are “increasingly taking a more comprehensive view of the effectiveness, efficiency, and overall performance of government policies and programs.”¹⁴ Assessing the independence, autonomy, and access to information (among others) of SAIs is therefore critical, but where there are gaps and operational challenges that may prevent SAIs from completely fulfilling their functions, citizen engagements may further enhance SAIs’—such as the COA’s—mission to “ensure accountability for public resources, promote transparency, and help improve government operations, in

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 12 Roaring, V. (April 2002), “The COA-UNDP Participatory-Audit Manual,” p. 9-10, at <https://www.ombudsman.gov.ph/UNDP4/the-coa-undp-participatory-audit-manual/index.html>

13 Tan, Maria Gracia P. (2019), “Citizen Participatory Audit in the Philippines –Pilot Phase I (2012-2014),” Learning Note 3, *World Bank Group*, p. iii, at <http://documents1.worldbank.org/curated/en/995101557837621617/pdf/Citizen-Participatory-Audit-in-the-Philippines-Pilot-Phase-I-2012-2014.pdf>

14 World Bank (2021), “Supreme Audit Institutions Independence Index : 2021 Global Synthesis,” *World Bank Group Open Knowledge Repository*, p. 10, at <https://openknowledge.worldbank.org/handle/10986/36001?deliveryName=DM111286>

partnership with stakeholders, for the benefit of the Filipino people.”¹⁵

Recent international studies have highlighted the need to “harness the renewed energies created by communication between SAIs and citizens.”¹⁶ In advocating for the independence of SAIs, for example, citizens and civil society CSOs could play a major role and by introducing citizen monitoring mechanisms to ensure the independence of supreme audit institutions.¹⁷

In a 2021 survey measuring SAI independence across countries including the Philippines, a key observation stated that only 50% of SAIs surveyed undertook all three types of audits—financial, compliance, and performance—with performance often lacking due to limitations in resources and technical

capacity.”¹⁸ Remarkably, this is a point already made by COA in its assessment of the pilot implementation with CCAGG in 2000, when it stated that both entities were not yet adept at VFM audits, and thus produced findings more akin to financial and compliance audits.

In a 2014 paper assessing subsequent CPAs, it was also revealed that “the act of citizens themselves conducting a state audit has started a paradigm shift among government leaders and the bureaucracy as a whole,” with auditee agencies being constrained to become more welcoming as “their client and ultimate master—the citizen—is conducting the audit as well.” Agencies learn that “citizen auditors are professional and competent, working with exacting accountability” and “not merely asking questions to acquire information,”¹⁹ echoing CCAGG’s

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15 Commission on Audit, Vision and Mission, at <https://www.coa.gov.ph/index.php/2013-06-19-13-06-03/vision-and-mission>

16 United Nations Department of Economic and Social Affairs, Division for Public Administration and Development Management (2013), “Citizen Engagement Practices by Supreme Audit Institutions Compendium of Innovative Practices of Citizen Engagement by Supreme Audit Institutions for Public Accountability,” TPA Initiative, p. xii, at <https://iniciativatpa.org/2012/wp-content/uploads/2014/09/INTOSAI-citizen-engagement.pdf>

17 World Bank (2021), “Supreme Audit Institutions Independence Index : 2021 Global Synthesis,” *World Bank Group Open Knowledge Repository*, p. 33, at <https://openknowledge.worldbank.org/handle/10986/36001?deliveryName=DM111286>

18 World Bank (2021), “Supreme Audit Institutions Independence Index : 2021 Global Synthesis,” *World Bank Group Open Knowledge Repository*, p. 22, at <https://openknowledge.worldbank.org/handle/10986/36001?deliveryName=DM111286>

19 Tan, Maria Gracia P. (2019), “Citizen Participatory Audit in the Philippines –Pilot Phase I (2012-2014),” Learning Note 3, *World Bank Group*, p. 21, at <http://documents1.worldbank.org/curated/en/995101557837621617/pdf/Citizen-Participatory-Audit-in-the-Philippines-Pilot-Phase-I-2012-2014.pdf>



earlier assessment that citizens can be auditors aiding government in verifying the implementation of projects on the ground.

The same 2014 paper on CPAs also highlighted the value of CSOs' research and data gathering tools that focused on the level of satisfaction of citizens with the effectiveness of a particular project (i.e., for CPAs, the community scorecard). The counterpart—or predecessor—of this is the social impact validation that was integrated by CCAGG in the pilot participatory audits. Arguably, since COA audits typically focus on hard financial data, without these CSO tools, “what the intended beneficiaries of the project—the citizens—have to say on the project would have hardly been taken into account.”²⁰

To recap, what the pilot implementation of the participatory audit in 2000 intended

to do, according to COA, was (a) ascertain whether the participation of CSOs in the examination and audit of public funds, which was the sole domain of COA, would be beneficial considering CSOs' potential source of technical and human expertise. It also sought to (b) determine whether the COA-CCAGG partnership contributed to COA's policy of promoting transparency in the conduct of audits. COA's approval of a second stage of the pilot, and its subsequent institutionalization of the participatory audit through the CPAs, clearly support CCAGG's conviction that the project was a “breakthrough”—not only in the Philippines but in the international community.

Final words

This paper discusses CCAGG's experience in the pilot implementation of COA's participatory audit program, the projects

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20 Tan, Maria Gracia P. (2019), “Citizen Participatory Audit in the Philippines –Pilot Phase I (2012-2014),” Learning Note 3, World Bank Group, p. 22, at <http://documents1.worldbank.org/curated/en/995101557837621617/pdf/Citizen-Participatory-Audit-in-the-Philippines-Pilot-Phase-I-2012-2014.pdf>

monitored for the pilot implementation, the interplay of government and CSO interests in piloting a COA reform program, and how CCAGG contributed to the institutionalization of participatory audit in the country's supreme audit institution.

The COA-CCAGG partnership was an example of how social accountability can work even in the context of an 'invited space.'²¹ The engagement between COA and CCAGG demonstrated a civil society-government collaboration that was balanced and was learning from each other. The persisting questions about the engagement of civil society with audit institutions include whether and how the differences in approach and methodology between audit institutions and civil society could be reconciled and whether and how the two can be in equal footing as independent entities.²² Independence is key to the effectiveness of both audit institutions and civil society groups. The early CCAGG-COA engagement showed this can be done.

For example, even as the participatory audit project was a proposal by COA, CCAGG sought to challenge and question the non-disclosure requirements of the project MOA. While CCAGG eventually agreed to such policy, it was able to open up the participatory audit and convince COA to integrate its own approaches on monitoring, such as the social impact validation, which is now considered by COA (through the community scorecard) as an integral part of its CPAs.

Key to the success of the pilot partnership is CCAGG's recognition of its functions as CSO partner, which it previously articulated in reflecting on its engagement in the CEDP. There, CCAGG highlighted that is both (a) an entity responsible for "complementing local development work" initiated by government, and that it is also a (b) claim holder "by providing check and balance on government power to ensure that funds allotted for development work will be used judiciously and its fruits be enjoyed by its constituents"²³—in other

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21 'Invited spaces' refers to arenas of interaction between citizens and the government in which the terms of engagement are set by the authorities. 'Claimed' or 'created spaces', in contrast, are spaces which have been "claimed by less powerful actors from or against the power holders, or created more autonomously by them" (Gaventa 2006: 27; Cornwall and Schattan Coelho 2007).

22 Mendiburu, M. (August 2020), "Citizen Participation in Latin America's Supreme Audit Institutions: Progress or Impasse?" *Accountability Research Center and Controla Tu Gobierno Working Paper*, at <https://accountabilityresearch.org/publication/citizen-participation-in-latin-americas-supreme-audit-institutions-progress-or-impasse/>

23 Sumangil, P. (Nov. 14, 2012), Presentation made to the ASEAN Conference on Promoting Social Accountability at New World Hotel, Makati City, p.1, at https://www.ocsc.go.th/sites/default/files/attachment/page/philippine_ccagg.pdf

words, it considered its role not merely as “complementary” but “parallel,” if not equal, to the COA.

The tacit recognition of this dual role considers citizens not just as passive SAI “clients” or beneficiaries whose confidence needs to be established to lend legitimacy to the audit institution’s mandate; citizens are, more importantly, active movers of public and social accountability, able to directly influence the implementation of legal and policy mandates traditionally thought to be within the realm only of government agencies. As citizens and their organizations navigate various spaces for exacting accountability and transparency from government, the potential of such an approach for engagement and collaboration should be explored, improved, and maximized, not only in COA but in all levels of government, to truly realize the goals of transparent, accountable, and participatory decision-making in public policy.

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Audit institutions' engagement with civil society: *Lessons from the Philippine experience*

by Joy Aceron

Geo-tagging training on CPA and Audit Planning (Photo source: CCAGG FB Page)

The Philippine Commission on Audit (COA) is the supreme audit institution of the country that is constitutionally mandated to “ensure accountability for public resources, promote transparency, and help improve government operations, in partnership with stakeholders, for the benefit of the Filipino people” (1987 Philippine Constitution Section IX-D). To ensure its independence, COA has been designated as a constitutional body. It enjoys fiscal autonomy, though its leadership are appointed by the President subject to the approval of Congress.

The early engagement of COA with civil society was in early 2000. It worked with the Concerned Citizens of Abra for Good Governance (CCAGG) for the monitoring of infrastructure projects. While viewed as successful by participants, the partnership got discontinued with the change in leadership in COA. Aside from the problem of sustainability, there was also the challenge of reconciling CCAGG's methodology and COA's, according to reports and accounts of CCAGG. The main section of this TPA paper documents that experience.

COA was also involved in G-Watch's Textbook Count. COA was present in bidding activities as part of its mandate. The Commission was also invited in dialogues about the findings of the monitoring for problem-solving, specifically to generate response.

The Philippines under Gloria Macapagal-Arroyo was a downtime for social accountability initiatives. There was no significant COA engagement with civil society.

In 2012, under the Aquino administration, the Citizen Participatory Audit (CPA) was launched. CPA involves citizens in the official audit process. In particular, CPA is a performance audit conducted by COA auditors in partnership with representatives of civil society covering specific programs/ projects of a government agency or a local government. Performance audit looks beyond budget utilization to include whether program goals/ objectives have been achieved.

The programs/ projects covered by CPA were said to be co-identified by civil society organizations (CSOs) and COA, but there is

a perception that COA and donors have a big say in what programs/ projects to cover. As of 2018, around seven (7) CPAs have been completed, evidenced by reports posted on the COA website covering infrastructure, solid waste management, health services in barangay health stations and disaster management (though COA reported to the OGP-Independent Reporting Mechanism that 15 reports were being completed as of 2018 – see Aceron, Joy. 2018. *Independent Reporting Mechanism (IRM): Philippines End-of-Term Report on 2015-2017*. Washington, DC.). Reports say that concerned government agencies have responded to the findings with actions to correct the mismanagement/ non-compliance that were found.

Those who took part in CPA from civil society were representatives of civil society organizations that were capacitated through capacity-building done by ANSA-EAP and ‘authorized’ by COA (authorization notes are issued to CSO representatives by COA so that they can be officially included in the audit team) that had served as civil society intermediary for CPA from its creation to its institutionalization.

CPA has been institutionalized in COA through a COA resolution, budget allocation and an operational manual. Civil society participation in CPA has expanded what audit looks at to include those that concern citizens more. Citizen auditors have turned into a ‘force multipliers’ greatly needed by COA given its limited manpower.¹

In recent years, G-Watch has been working with COA - identifying critical programs that COA needs to look at: infrastructure in BARMM, SK training funds in the National Youth Commission (NYC), PhilHealth funds and COVID funds. These were all part of the programs/ institutions being engaged/ monitored by G-Watch. The result of G-Watch’s monitoring/ engagement showed that a COA audit in a specific aspect/ part of the program/ institution would be strategic.



Photo source: <https://ansa-eap.net/welcome-to-ansa-eap/projects/citizen-participatory-audit>

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 1 See https://group.idea-international.org/wp-content/uploads/2019/06/2019_KDIS_MfDR-Publication-2.pdf?fbclid=IwAR17pQP0SrCvZhgcRQ0YbZA9pvF2dVHlIQfZQg7xzdi2MHfuN0WkKaeDdk; and Citizen Participatory Audit in the Philippines. <http://iniciativatpa.org/2012/wp-content/uploads/2014/10/CPA-case-study.pdf>

So far, COA has been responsive to G-Watch. The Commission has released reports on NYC trainings and PhilHealth as part of its regular audit. This was covered by media. However, COA has yet to complete the investigation on infrastructure in BARMM and COVID-19. COA has been pointing out the lack of manpower and resources to conduct special audits. It has also been a partner of G-Watch in promoting awareness on the importance of accountability, attending G-Watch events and activities.

- **COA's engagement with civil society though spanning several years remains limited in scope and scale. Overly technical methodology coupled with limited resources are major constraints.**



CPA activities have slowed down these past few years, but it is continuing. Two more reports (on potable water and school-buildings) have just been completed in 2020 and awaiting approval for release. Recognition activity for CSO partners have also been conducted amidst the pandemic. A new partnership has been explored between the COA Chairperson and Heidi L. Mendoza, former COA Commissioner and former Under-Secretary General, Office of Internal Oversight Services of the United Nations.²

Below are some takeaways and lessons from the engagement of civil society with COA that can hopefully guide future actions.

Civil society participation in the audit process is not yet mainstreamed in all audits of COA. Only several programs and projects have been audited by COA with civil society participation. Even CPA, which is a institutionalized national program of COA, only completed about seven (7) programs/ projects as of 2019. The COA audits conducted with civil society covered projects at the barangay-community and municipal levels, which were then aggregated at the national level for processing and problem-solving. It is not clear if COA's engagement with civil society involved regional-level processes/ activities.

One factor why the COA engagement with civil society has been limited is the complex and highly technical methodology of the formal audit process. COA's audits involving civil society still largely follows the formal/ regular audit process with additional activities, such as survey of beneficiaries and preparatory and post-monitoring activities for CPA. In other words, civil society involvement, though it provides additional manpower, still adds to COA work needing resources. Hence, it does not solve the perennial problem of lack of resources in COA.

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2 Email exchanges with COA Director/ CPA Head Aida Talavera, October 29, 2020.

Some of the programs/projects covered by COA audits with civil society participation can be considered corruption-prone (such as infrastructure projects), but there are a lot more agencies that are perceived to be most corrupt that have not been covered by COA audits with civil society (e.g., customs, military spending, conflict hotspots). The clout of COA plus civil society participation could be impactful in these highly corruption-prone agencies.

- **While already institutionalized, leadership in COA and the government (the presidency) remain critical factors in ensuring the continuity of COA engagement with civil society.**

One of the reasons the focus of CPA advocates is to institutionalize CPA, even making this a recurring commitment in the Open Government Partnership (OGP), is to ensure the continuity of the program. CCAGG's engagement with COA in early 2000 shows that a change in leadership in COA could abruptly end a good partnership. The OGP commitment of CPA institutionalization has been completed with the passage of a COA policy, allocation of resources and release of operational guidelines. Yet, the buy-in of the new COA Chair still had to be secured when there was a transition, precisely because of the vulnerability of reform programs like CPA in the context of leadership change/ political transition. CPA was one of the reforms from the Aquino administration that got sustained

under the Duterte government. The institutionalization of the program in COA, getting it as a continuing commitment in the OGP and securing buy-in from the new COA leadership, were some of the factors that sustained CPA across administration. Still, there is a question of the quality of CSO participation in the CPA and the impact of CPA under the Duterte government that has been largely unresponsive to civil society.

- **Audit institutions are great allies in the fight against corruption and in advancing accountability in governance, filling an important part in a multi-level/ ecosystemic accountability strategy.**

COA's main mandate is to hold government accountable, and it has the authority of the Constitution to perform its mandate with independence. Obviously, there are many factors that constrain COA from performing its mandate. However, the authority it has is a strong backbone in a multi-level/ ecosystemic accountability strategy. If the supreme audit institution (SAI) is an ally and works in collaboration with other pro-accountability/ pro-reform forces, the fight against corruption is stronger compared to a situation where the SAI is either an enemy or a fence-sitter.

Civil society engagement with SAI is a piece of the puzzle, but due to limits of its mandate and the constraints in how it conducts its affairs, it is only a piece of a

puzzle. The other pieces and approaches need to work as well. Multi-level/ vertically integrated approaches and the ecosystemic approach to accountability provide the other pieces of the puzzle.

- **Civil society involvement in audit has made audit more substantive in addressing citizen concerns, but limited citizen/ civil society leadership in SAI- civil society engagement is a major constrain in achieving transformative goals of accountability through this approach.**

COA's audit with civil society showed that SAI audits become more responsive to citizen concerns and issues. CPA audits were gathering beneficiary feedback and including indicators that were important to citizens. CCAGG largely mobilized COA in its monitoring. G-Watch has been recommending to COA audit programs/ spending that are critical, i.e., facing allegations of anomalies that G-Watch partners are aware of.

However, by and large, past experiences of civil society engagement with COA were framed within the institutional bounds of COA. While there were efforts to ensure that civil society had taken part in the entire process, there were still limits to it.

Programs and projects to be covered by CPA need to be priorities of COA as well,

at the very least. COA has to have the capacity to conduct the audit, which makes COA's absorptive capacity a big factor. The methodology has to comply with COA standards that are not fully conducive to civil society. For instance, CCAGG's engagement with COA showed a stark difference in the process (CCAGG wanted a presentation to its members before the release of the audit report, but COA could only present findings upon completion of the reports.³ Finally, the processing of audit results involved civil society, but civil society inputs/ insights/ perspectives were not accounted separately in the reports, which makes it hard to say if indeed civil society contributed substantively to the audit.

The above instances show that when it comes to civil society engagement with SAIs, citizen/ civil society leadership in the reform process is limited. This is a problem because of the limited mandate of SAIs. There are parts of the budget, for instance, that COA would avoid touching, such as the intelligence funds of the President. Secondly, it is a question whether policy reform is part of the mandate of SAIs. For sure, political reform is not part of their mandate.

In other words, the transformative goals of accountability, addressing root causes of problems, is not something we can expect to achieve in engaging SAIs. Pushing the limits of accountability

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3 See <https://www.internationalbudget.org/wp-content/uploads/The-Role-of-Civil-Society-Organizations-in-Auditing-and-Public-Finance-Management1.pdf>.

to achieve transformative gains is the burden of citizen movements and social action. This is the reason citizen-led multi-level accountability campaigns had shown better chances of achieving transformative goals in the Philippines (see Aceron 2018).

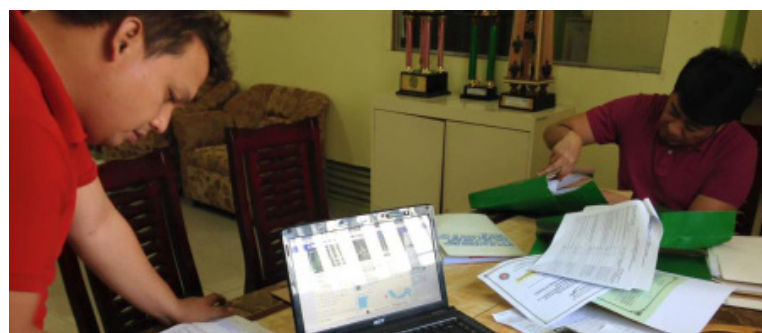
- **Citizen-led accountability complements strong SAI engagement with civil society – it's just a matter of exploring an appropriate design.**

Citizen-led accountability entails civil society setting the agenda, tapping institutions such as SAIs whenever needed. The challenge is ensuring the responsiveness of SAIs which, in the experience of G-Watch, has a lot to do with COA's absorptive capacity. Citizen-led accountability also involves the capacity of civil society to check and ensure the integrity of participatory mechanisms, including those that are institutionalized like the CPA. CSO participation with relative autonomy and independence can be incorporated in the design of an institutionalized program, but one must be conscious of such goal and there should be a buy-in from government.

An example is the civil society validation in the Agency Procurement Compliance and Performance Indicators (APCPI) of the Department of Education (DepEd), which G-Watch helped design. The CSO validation of self-assessment of DepEd offices is done separately and CSO inputs in the process are clear. Another way is

to have a regular/ institutionalized (say, every three years, mandated in a policy document) civil society evaluation of a mainstreamed participatory mechanism like CPA.

In the case of CPA, for instance, validating its impact in terms of the response of agencies to CPA findings is a crucial endeavor. The idea behind this is to build evidence that government services and programs are improved when an agency acts on or responds to CPA recommendations. The validation can hopefully serve as a take-off point of how the impact of participatory public auditing can be improved so that it makes a real difference in the situation of inefficiencies and corruption in the public sector. This can be done by informing what are the facilitating and hindering factors to agency action on CPA recommendations; what is the extent of impact of CPA recommendations on the overall performance of the agency/ program; and how can other more critical sectors learn from best practices on generating agency response to high-impact CPA recommendations.



G-Watch Southern Leyte undertaking APCPI confirmation of DepEd Baybay City, 2016 (Photo source: G-Watch Southern Leyte)

- **COA engagement with the public or general citizenry has been limited. Even relatively successful accountability initiatives may still have weak transparency/ public disclosure practice that enables public/ citizen participation.**

The reports from COA audit with participation of civil society are still very technical and are not made widely accessible to the public. There have been efforts to make CPA reports more reader-friendly with the use of infographics. However, awareness-raising about CPA reports and other reports with CSO involvement has not been effective.

In the experience of G-Watch, COA's audits of NYC trainings and PhilHealth formed part of its regular audit of NYC and PhilHealth. G-Watch had to go through the long audit reports to find the parts relevant to its advocacy. Improved media coverage of late increased awareness of the COA reports, somehow, but the reports with CSO involvement have not been disseminated extensively. As a consequence, there has been a general lack of public awareness, participation and support on audit findings and recommendations that could undertake follow-up advocacies to help generate sustainable response and action from duty bearers that COA is holding to account towards systemic change.