

**[ BOC MEMORANDUM CIRCULAR NO. 32-98,  
January 30, 1997 ]**

**1997 REVISED RULES OF PROCEDURE OF THE COMMISSION ON  
AUDIT**

Pursuant to Section 6 of Article IX-A of the Constitution of the Republic of the Philippines, and by virtue of the powers vested in it by existing laws, the Commission on Audit hereby promulgates the following rules governing pleadings and practice before it.

**Rule I  
Introductory Provisions**

*SECTION 1. Title of the Rules.* — These rules shall be known and cited as the Revised Rules of Procedure of the Commission on Audit.

*SECTION 2. Applicability.* — These rules shall govern the pleadings and practice in the Commission on Audit in all matters, litigated cases, actions and proceedings, including administrative cases originally acted upon by or appealed to it in the exercise of its quasi-judicial function.

*SECTION 3. Construction.* — These rules shall be liberally construed in order to effectively carry out the power, authority and duty of the Commission on Audit as vested upon it by the Constitution and the existing laws, and to achieve just, speedy and inexpensive determination and disposition of any matter or case before it.

*SECTION 4. Meaning of Words.* — Whenever used in these rules, the following words or terms shall mean:

- a. Accounts — the bookkeeping records, including journals, ledgers, vouchers and other supporting papers; a detailed statement of items of debits and credits;
- b. Appellant — the party who appeals the final order or decision of the Auditor;
- c. Appellee — the Auditor whose order or decision is the subject of the appeal;
- d. Auditors — the heads of the auditing units, groups or teams of the Commission on Audit;
- e. Certificate of Settlement and Balances (CSB) — A written notification by the Auditor to the agency head and the accountable officer concerned of the total suspensions, disallowances and charges found in audit, as well as the total settlements thereof;

f. Chairman — the Chairman of the Commission on Audit or Presiding Officer of the Commission Proper;

g. Charges — inclusions or additions to an accountability pertaining to the assessment, appraisal or collection of revenues, receipts and other incomes such as those arising from under-appraisal, under-assessment or under-collection;

h. Commission — the Commission on Audit;

i. Commission Proper — the Chairman and the two Commissioners;

j. Commissioner — a Commissioner of the Commission on Audit;

k. Directors — the heads of the Central Offices and Regional Offices of the Commission;

l. Government agency or agency of the government or agency — any department, bureau or office of the National Government, or any of its branches and instrumentalities or any local government unit, as well as any government-owned or controlled corporation, including its subsidiaries, or other self-governing board or commission of the government;

m. Interlocutory Order — an order issued by the Commission Proper or any of its Members, other than the final decision;

n. Member — the Chairman or a Commissioner;

o. Money claim — a demand for payment of a sum of money, reimbursement or compensation arising from law or contract due from or owing to a government agency;

p. Petitioner — the party who appeals the final order or decision of the Director to the Commission Proper;

q. Record of case — consists of the pleadings, documents and papers filed with the Auditor or Director, which support the decision or action subject of appeal. In case of audit disallowances/charges, the papers shall include certified true copies of the notice of suspension, notice of disallowance/charge, and Certificate of Settlement and Balances. In either case, the documents shall include the pertinent working papers and relevant evidences;

r. Rollo — consists of the original of the pleadings (petition, answer and reply), notices, motions, memoranda or briefs and other relevant documents which are filed in the Commission Proper thru the Commission Secretary in appealed and original cases. These are fastened or stitched in chronological order in a folder separate from the record of the case originating from the Auditor;

s. Respondent — in administrative cases, the term refers to an employee of the Commission charged with offenses punishable under Civil Service laws. In cases of petitions or money claims, the term refers to the party required to answer the petition;

t. Secretary — the head of the Commission Secretariat.

## **Rule II**

### **Jurisdiction and Powers of the Commission on Audit**

*SECTION 1. General Jurisdiction:* — The Commission on Audit shall have the power, authority, and duty to examine, audit and settle all accounts pertaining to the revenue and receipts of and expenditures or uses of funds and property. Owned or held in trust by, or pertaining to the Government, or any of its subdivisions, agencies, or instrumentalities, including government-owned and controlled corporations with original charters, and on a post-audit basis: (a) constitutional bodies, commissions and offices that have been granted fiscal autonomy under the Constitution; (b) autonomous state colleges and universities; (c) other government-owned or controlled corporations and their subsidiaries; and (d) such non-governmental entities receiving subsidy or equity directly or indirectly, from or through the government, which are required by law or the granting institution to submit to such audit as a condition of subsidy or equity. However, where the internal control system of the audited agencies is inadequate, the Commission may adopt such measures, including temporary or special pre-audit, as are necessary and appropriate to correct the deficiencies. It shall keep the general accounts of the Government, and for such period as may be provided by law, preserve the vouchers and other supporting papers pertaining thereto.

The Commission shall have exclusive authority to the limitations in Article IX of the Constitution, to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures, or uses of government funds and properties.

Specifically, such jurisdiction shall extend over but not limited to the following cases and matters involving:

- a. Disallowance of expenditures or uses of government funds and properties found to be irregular, unnecessary, excessive, extravagant, or unconscionable;
- b. Money claims due from or owing to any government agency;
- c. Determination of policies, promulgation of rules and regulations, prescription of standards governing the performance by the Commission of its powers and functions;
- d. Resolution of novel, controversial, complicated or difficult questions of law relating to government accounting and auditing;
- e. Charges made in the audit of revenues and receipts resulting to under-appraisal, under-assessment or under-collection;
- f. Certificates of Settlement and Balances issued by the auditors;
- g. Appointment of the officials and employees of the Commission, including

disciplinary actions against its personnel;

h. Exercise of its visitorial power over non-government organizations (1) subsidized by the government, (2) those required to pay levies or government shares, (3) those funded by donations through the government, (4) those for which Government has put up a counterpart fund, or (5) those entrusted with government funds or properties;

i. Audit of the financial operations of public utilities whenever required by law;

j. Authorization and enforcement of the settlement of accounts subsisting between agencies of the government;

k. The compromise or release in whole or in part, of any settled claim or liability to any government agency pursuant to Section 36, P.D. 1445;

l. Submission of papers relative to government obligations pursuant to Section 39, P.D. 1445;

m. Opening and revision of settled accounts;

n. Retention of money due to a person for satisfaction of his indebtedness to the Government;

o. Checking and audit of all property or supplies of the government agency;

p. Seizure by the Auditor of the office of the local treasurer found to have a shortage in cash;

q. Constructive distraint of property of any accountable officer with shortage in his accounts upon a finding of a prima facie case of malversation of public funds or property against him;

r. The keeping of the general accounts of the Government and for such period as may be provided by law, preserve the vouchers and other supporting papers pertaining thereto; and

s. Collection of indebtedness due the Government, or any of its subdivisions, agencies or instrumentalities, or any government-owned or controlled corporations or self-governing board or commission.

*SECTION 2. The Powers and Functions of the Chairman as Chief Executive Officer. —* As Chief Executive Officer of the Commission, the Chairman shall (1) control and supervise the general administration of the Commission, (2) direct and manage the implementation and execution of policies, standards, rules and regulations promulgated by the Commission, and (3) control and supervise the audit of highly technical or confidential transactions or accounts of any government agency.

The two (2) Commissioners may assist in the general administration of the Commission, upon proper delegation by the Chairman.

*SECTION 3. Powers, Functions, and Duties of Auditors Representatives of the*

*Commission.* — The Auditors shall exercise such power and function as provided by law and as may be authorized by the Commission in the examination, audit and settlement of the accounts, funds, financial transactions and resources of the agencies under their respective audit jurisdiction.

*SECTION 4. Appellate Jurisdiction.* — The Commission Proper shall have appellate jurisdiction to review, reverse, modify, alter or affirm the reports, resolutions, orders, decisions and other dispositions of the Auditors or Directors concerned.

*SECTION 5. Entities within the Jurisdiction of the Commission.* — The authority and power of the Commission to examine, audit and settle all accounts extend to the following entities:

- a. National Government, its departments, bureaus, agencies and offices, including Philippine embassies, consulates and other foreign based government agencies;
- b. Local government units, their agencies, and other instrumentalities;
- c. Government owned and/or controlled corporations and their subsidiaries;
- d. Constitutional bodies, commissions and offices that have been granted fiscal autonomy under the Constitution;
- e. Autonomous state colleges and universities; and
- f. Non-governmental organizations subject to the visitorial power of the Commission.

### **Rule III**

#### **Organizational Structure of the Commission Proper and How It Transacts Business**

*SECTION 1. The Commission Proper.* — (1) For purposes of this rule and as a component of the organizational structure of the Commission, the Chairman and the two Commissioners shall together be known as the Commission Proper and as such shall be distinguished from the other components of the Commission consisting of the central and regional offices subsisting or which may hereinafter be created. (2) The Commission Proper shall sit as a body to determine policies, promulgate rules and regulations, and prescribe standards governing the performance by the Commission of its powers and functions. (3) The Chairman shall act as the presiding officer of the Commission Proper and the Chief Executive Officer of the Commission.

*SECTION 2. Regular Session.* — The Commission Proper shall hold its regular sessions at the Commission Proper Board Room, COA Central office, Quezon City every Tuesdays and Thursdays without need of call, unless it decides otherwise.

*SECTION 3. Special Session.* — Whenever public interest requires, the Chairman on his own initiative or upon recommendation of any of the two Commissioners may call a special session at the time and place designated by the Commission Proper.

*SECTION 4. Quorum and Voting.* — The Commission Proper shall decide by a majority vote of all its members any case or matter brought before it within sixty