



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



MEMORANDUM

No.: 2018-009
Date: AUG 14 2018

TO : All Assistant Commissioners, Directors, Officers-in-Charge, Supervising Auditors, Audit Team Leaders, Audit Team Members, and Other Concerned Personnel

SUBJECT : Checklist of Common Audit Observations in the Audit of Gender and Development (GAD) Funds; and Determination of Gender Issues and Mandates of All Government Agencies

Commission on Audit (COA) Circular No. 2014-001 dated March 18, 2014 provides the audit guidelines in the audit of GAD funds and activities in government agencies. Annex A of COA Circular No. 2014-001 provides the matrix for the Consolidated Audit Findings on GAD. After three years of implementing the Circular, the COA GAD Focal Point System (GFPS) has identified and consolidated common audit observations in the utilization of GAD funds culled from the annual audit reports (AARs) of national government agencies (NGAs), government-owned and controlled corporations (GOCCs), and local government units which are submitted annually to the Philippine Commission on Women (PCW).

The COA Gender and Development Focal Point System (GFPS), however, takes notice on the different presentations of GAD audit observations in the AARs of NGAs, GOCCs and LGUs. There is, therefore, a need to provide an amended **Checklist of Common Audit Observations, Annex A** hereof, to be used by Auditors as reference in the audits of GAD funds and guide in the presentation of audit observations and recommendations in the AARs. Also, a **Consolidated Audit Observations on GAD, Annex A-1** hereof, provides the matrix for the consolidation of audit observations by Cluster/Office for submission to the concerned Sector for further consolidation as shown in **Annex A-2** hereof. On the other hand, the **GAD Budget and Fund Utilization matrix, Annex B** hereof, provides a summary of the agency's annual budget and utilization of funds for GAD.

Aside from COA Circular No. 2014-001, the following laws and guidelines may be used as audit criteria in the audit of GAD funds:

1. General Provisions of the annual General Appropriations Acts (GAAs) which require all government agencies to formulate GAD Plans to address gender issues within their concerned sectors or mandates to implement the applicable provisions of RA No. 9710 or the MCW, Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action (BfPA), the Philippine Plan for Gender-Responsive Development (1995-2025) and the Philippine Development Plan (PDP). The General Provisions of the annual GAAs also require that the GAD Plan be integrated in

the regular activities of the agencies which shall be at least five percent (5%) of their budgets.

2. Section 36, Chapter VI of RA No. 9710¹ mandates the following:
 - a. All departments, including their attached agencies, offices, bureaus, state universities and colleges, government-owned and controlled corporations, local government units, and other government instrumentalities shall adopt gender mainstreaming as a strategy to promote women's human rights and eliminate gender discrimination in their systems, structures, policies, programs, processes, and procedures which shall include, but not limited to, planning, budgeting, monitoring and evaluation of GAD programs, which shall be at least five percent (5%) of their budgets.
 - b. Pursuant to RA No. 7192², the Women in Development and Nation Building Act, which allocates five percent (5%) to thirty percent (30%) of overseas development assistance to GAD, government agencies receiving official development assistance should ensure the allocation and proper utilization of such funds to gender-responsive programs that complement the government GAD funds and annually report accomplishments thereof to the National Economic and Development Authority (NEDA) and the PCW.
 - c. This Commission shall conduct an annual audit on the use of the GAD budget for the purpose of determining its judicious use and the efficiency, and effectiveness of interventions in addressing gender issues towards the realization of the objectives of the country's commitments, plans, and policies on women empowerment, gender equality, and GAD.
3. PCW-NEDA-DBM Joint Circular No. 2012-01 which prescribes the Guidelines for the Preparation of Annual GAD Plans and Budgets (GPBs), and Accomplishment Reports (ARs) to implement the MCW in national government agencies (NGAs), and government-owned and controlled corporations (GOCCs).
4. PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01 which prescribes the Guidelines on the Localization of the MCW, as amended by PCW-DILG-DBM-NEDA JMC No. 2016-01 dated January 12, 2016, for local government units (LGUs).

This Memorandum is hereby issued to provide an amended **Checklist of Common Audit Observations (Annex A), Consolidated Audit Observations on GAD (Annex A-1), Sectoral Audit Observations on GAD (Annex A-2), GAD Budget and Fund Utilization (Annex B)** for purposes of enhancing the results of audit of GAD funds. The **Sample GAD Common Audit Observations and Recommendations (Annex C)** may be used as guide in the audit of GAD funds.

¹Approved on August 14, 2009

²Approved on February 12, 1992

A copy of the **Sectoral Audit Observations on GAD (Annex A-2)** shall be submitted to the Government Accountancy Sector on or before July 31 every year for inclusion in the Annual Financial Reports of NGAs, GOCCs and LGUs and to the Chairperson, Technical Working Group, COA GFPS, for submission to the PCW.

For guidance of all concerned.


MICHAEL G. AGUINALDO
Chairperson



Checklist of Common Audit Observations

#	Audit Observations	Yes	No	Partly
A. GAD Plan and Budget (GPB)				
1	Has GAD Plan and Budget (GPB) prepared			
2	Has GPB but not submitted to PCW/DILG*			
3	Has GPB but not endorsed by PCW/DILG			
4	Has PCW/DILG-endorsed GPB but not approved by agency head			
5	Has PCW/DILG-endorsed and agency-approved GPB but no copy was submitted to the Auditor			
6	Has PCW/DILG-endorsed and agency-approved GPB but copy was submitted late to the Auditor/submitted after the audit period			
B. GAD Accomplishment Report (AR)				
7	Has GAD AR prepared			
8	Has GAD AR but not submitted to PCW/DILG			
9	Has GAD AR but not endorsed by PCW/DILG			
10	Has PCW/DILG-endorsed GAD AR but not approved by agency head			
11	Has PCW/DILG-endorsed and agency-approved GAD AR but no copy was submitted to the Auditor			
12	Has PCW/DILG-endorsed and agency-approved GAD AR but copy was submitted late to the Auditor/submitted after the audit period			
C. Creation of GAD Focal Point System (GFPS) under the Manga Carta of Women (MCW)				
13	Has constituted GFPS			
14	Has GFPS created but not in accordance with the MCW			
15	Has GFPS created but not functioning/inactive			
D. GPB and Fund Utilization				
16	GAD Budget less than 5% of total appropriations			
17	GAD Budget at least 5% of total appropriations			
18	GAD Budget exceeded 5% of total appropriations			
19	GPB not implemented			
20	GPB partially implemented			
21	GPB fully implemented			
22	Programs, projects and activities (PPAs) implemented not in accordance with the GPB and gender-responsive			
23	PPAs not supportive of gender issues of the agency			
24	PPAs implemented exceeded the approved GPB			
25	GAD funds unutilized			
26	GAD funds underutilized			
27	GAD funds fully utilized			
28	GAD funds utilized exceeded the approved GPB			
E. Establishment and Maintenance of GAD Database				
29	No sex disaggregated data on file			

#	Audit Observations	Yes	No	Partly
30	With sex disaggregated data but insufficient			
31	With sex disaggregated data but no gender analysis			
32	Has conducted gender analysis			
F. Other Audit Observations				
33	Has GAD Code (for LGUs only)			
34	Has VAW Desk (for LGUs) or Women's Desk (NGAs/ GOCCs)			
35	Has GAD Monitoring and Evaluation System			
36	Others			

**Department of the Interior and Local Government (DILG) reviews and endorses the GPBs and ARs of local government units per PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01 as amended by PCW-DILG-DBM-NEDA JMC No. 2016-01*

Prepared by:

Reviewed by:

Audit Team Leader

Supervising Auditor

GAD Budget and Fund Utilization
Name of Agency _____
Calendar Year _____

Total Budget	GAD Budget	Percentage	Utilization	Percentage	Remarks

Notes:

1. **Total Budget** sources: General Appropriations Act (GAA) for NGAs, Corporate Operating Budget (COB) for GOCCs, and appropriation ordinance for LGUs. There are GOCCs with budget sources from GAAs and COBs, hence, both should be considered in the GAD budget.
2. **GAD Budget:** At least five percent (5%) of the Total Budget. If the project is foreign-assisted from Official Development Assistance, GAD budget allocation is 5%-30%.
3. **Percentage:** (a) GAD Budget over Total Budget to determine the percentage of budget allocation for GAD; and (b) Utilization over GAD Budget to determine the actual utilization of funds over the GAD Budget allocation.

Prepared by:

 Audit Team Leader

Reviewed by:

 Supervising Auditor

Sample GAD Common Audit Observations and Recommendations

Audit Observations	Recommendations
A. GAD Plan and Budget/GAD Accomplishment Report	
1. The GAD Plan and Budget/GAD Accomplishment Report were not prepared and submitted to the DILG Regional, Provincial or City/Municipal Office for review and endorsement contrary to PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01, as amended by PCW-DILG-DBM-NEDA JMC No. 2016-01 dated January 12, 2016, thus, preventing the appropriate government oversight bodies from conducting review of the same.	Require the GAD Focal Point System to prepare and submit the GAD Plan and Budget/GAD Accomplishment Report to DILG Regional, Provincial or City/Municipal Office in accordance with PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01, as amended by PCW-DILG-DBM-NEDA JMC No. 2016-01 dated January 12, 2016.
2. The GAD Plan and Budget/GAD Accomplishment Report were not reviewed and endorsed by the DILG Regional, Provincial or City/Municipal Office for review and endorsement contrary to PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01, as amended by PCW-DILG-DBM-NEDA JMC No. 2016-01 dated January 12, 2016, thus, planned GAD programs and activities as well as the accomplishments may not be within the context of the agency mandate.	Observe the scheduled GAD Planning and Budgeting as provided by PCW-DILG-DBM-NEDA Joint Memorandum Circular (JMC) No. 2013-01, as amended by PCW-DILG-DBM-NEDA JMC No. 2016-01 dated January 12, 2016 to facilitate timely submission to the Local Planning and Development Office and the subsequent review and endorsement by the DILG Regional, Provincial or City/Municipal Office.
3. GAD Plan and Budget/Accomplishment Report were not submitted to the Auditor within the period prescribed under Item V of COA Circular No. 2014-001 dated March 18, 2014.	Strictly adhere to Item V of COA Circular No. 2014-001 dated March 18, 2014 for the timely submission of the said reports to the COA Audit Team.
B. GPB and Fund Utilization	
1. The LGU failed to comply with the mandatory requirement of allocating at least 5% of the total appropriations for GAD programs, projects and activities contrary to Section 36 (a) of RA No. 9710 or the Magna Carta of Women.	Allocate at least 5% of the total annual budget for the implementation of GAD-related activities as required under Section 36 (a) of RA No. 9710 or the Magna Carta of Women.
2. Programs, projects and activities in the GAD Plan and budget were not implemented or partially implemented as of the end of the year.	Require the Heads of implementing departments/offices to ensure that GAD programs, projects and activities are implemented as planned to attain the GAD objectives.
3. Programs, projects and activities identified in the GAD Plan and Budget for CY 2016	Strictly comply with Section 36 of Republic Act No. 9710 and PCW-DILG-

Audit Observations	Recommendations
amounting to ₱ _____ do not clearly address gender-related issues and concerns contrary to the provisions of Section 36 of RA No. 9710 and PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2014-01, thus, defeating the purpose of addressing gender issues towards gender equality and women's empowerment.	DBM-NEDA Joint Memorandum Circular No. 2013-01 to ensure that the programs, projects and activities are aligned with GAD-related undertakings so that the intended beneficiaries are assured of the services, protection, and other assistance that may be provided.
4. The amount appropriated for GAD programs, projects and activities in CY 2016 was not fully utilized, leaving an unexpected balance of ₱ _____ at year-end, thus, defeating the intent of the program to pursue women's empowerment and gender equality.	Maximize the utilization of the GAD funds through the implementation of GAD-related programs and projects in order to attain the objective for which funds were provided.
C. GAD Focal Point System/Database/Code/Monitoring and Evaluation System/VAW Desk	
1. The LGU failed to create and/or strengthen the GAD Focal Point System contrary to Section (C), Rule VI of the Implementing Rules and Regulations (IRR) of RA No. 9710 or the Magna Carta of Women and Section 4.1.A of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01.	Comply with the requirement of Section 37 (C), Rule VI of RA No. 9710 or the Magna Carta of Women and Section 4.1.A of PCW-DILG-DBM-NEDA JMC No. 2013-01, on the creation of the GAD Focal Point System.
2. The LGU has not established or set up a GAD database to serve as basis for gender-responsive planning, programming and policy formulation as required under Section 37 (D), Rule VI of the IRR of RA No. 9710 and Section 41.B of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01.	Require the GAD Focal Point System to: (i) institutionalize the GAD database with adequate and systematically gathered sex-disaggregated data which will provide the bases for gender analysis, planning, programming and policy formulation; (ii) undertake gender analysis to identify and confirm existing gender issues and ensure that the programs, projects and activities are responsive to the said issues; and (iii) revisit Annex B of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01, which identifies the data requirements for particular gender issues.
3. The LGU failed to formulate and pass a GAD Code as required under Section 37 (B), Rule VI of the IRR of RA No. 9710 and Section 4.1.E of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01.	Require the Sangguian to formulate and pass a local GAD code or ordinances with the assistance of the LGU GFPS, to support the localization of Magna Carta of Women and to Ensure that GAD is mainstreamed in local policy-making and integrated in local development plans.
4. The LGU failed to establish a GAD monitoring and evaluation (M&E) System that may jeopardize the effective and efficient implementation of GAD plans	Establish a GAD monitoring and evaluation system as required under Sections 3.4 and 5.1 of PCW-DILG-DBM-NEDA Joint Memorandum Circular No.

Audit Observations	Recommendations
and programs contrary to Sections 3.4 and 5.1 of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01.	2013-01.
5. The LGU was not able to establish a Violence Against Women (VAW) Help Desk in its barangays for lack of competent personnel who will man thereof contrary to Section 9 (d) of RA No. 9710 and PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-01, hence, violations committed against women and minors were not properly reported, responded to, documented and monitored.	<p>a. Direct the GAD Focal Point Personnel and all concerned Punong Barangay (PB) to establish immediately an active VAW Help Desk in their respective barangays managed by a person designated by the PB and staffed with competent personnel, situated within the premises of the Barangay Hall; and</p> <p>b. Require that in the absence of a barangay hall, the VAW Desk shall be established within the premises where the Punong Barangay holds office.</p>

h