

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into by and between:

The **COMMISSION ON AUDIT**, herein represented by its Chairperson, Hon. MARIA GRACIA PULIDO-TAN, with principal office at Commonwealth Avenue, Quezon City herein referred to as "**COA**";

and

The **AFFILIATED NETWORK FOR SOCIAL ACCOUNTABILITY IN EAST ASIA AND THE PACIFIC FOUNDATION**, a private non-stock, not-for-profit organization with principal office at Loyola Heights, Katipunan, Quezon City represented herein by its Director, DR. ANGELITA GREGORIO-MEDEL, hereinafter referred to as "**the Foundation**".

WHEREAS, the Philippine Government in its Philippine Development Plan (PDP) for 2011 to 2016, identified citizen's access to information and participation in governance as part of its Strategic Framework to achieve Good Governance and the Rule of Law;

WHEREAS, the Philippine government, as a signatory to the Open Government Partnership (OGP) has placed increased transparency, accountability and citizens' participation in governance at the core of its efforts to enhance the openness of government and improve the performance of government agencies, identifying Participatory Audit for Public Infrastructure Projects as one of its commitments to the OGP;

WHEREAS, Article IX-D of the 1987 Philippine Constitution established COA as an independent constitutional office and the supreme audit institution that has the power, authority and duty to audit all accounts pertaining to all revenues and expenditures of the government resources, and to prescribe accounting and auditing rules;

WHEREAS, COA in its three-year (2012-2014) Strategic Plan¹, identified transparency and partnership with citizens as key facets of its own priority reform agenda, and plans to set up and pilot a Citizens Participation Unit (CPU) in the Commission as well as include citizens in its audit process for certain projects;

WHEREAS, the Foundation is currently implementing under its Philippine Desk Program a project entitled "Enhancing Transparency, Accountability, and Citizen Participation in the Public Audit Process" with support from the Australian Agency for International Development (AusAID);

WHEREAS, the two organizations agree to build on local and global experiences to pilot a participatory audit approach to enhance transparency, accountability and enhance citizen participation in the public audit process;

NOW, THEREFORE, for and in consideration of the foregoing premises, and the terms and conditions hereinafter set forth, the parties hereto have agreed on the following:

¹ Held in Tagaytay in September 2011.

PURPOSE

To establish a Participatory Audit Program that will tap into the power of the people as the ultimate stakeholder in public accountability, contribute to improving the efficiency and effectiveness of the use of public resources through enhanced external scrutiny, improved public trust, and reduced potential for misuse of funds in support of the goals and targets of the PDP, the Philippine Government's commitment to the OGP, and the reform agenda of COA.

ORGANIZATIONAL COMMITMENTS AND OUTPUTS

1. **Establishment of the Citizen Participation Unit (CPU)**, which will serve as the primary communication link between COA and citizens and civil society groups.
 - a. COA, with assistance from the Foundation consisting of website and software development, will develop a Public Information System (PIS) that will be the central receiver, processor, and repository of knowledge and information and communication from and to the public and civil society. The PIS will contain a range of information, including for example, a database for inquiries or complaints and tracking follow up, information and examples of participatory audits that are written in language accessible to a wide audience, and links to publicly disclosed information elsewhere on COA's data systems (i.e., audit reports);
 - b. COA, with financial and technical assistance from the Foundation will engage a Web Designer and a Management Information Specialist to set up the PIS for the operational arrangements for running the PIS;
2. **Strengthen Partnership-Building** to establish the terms of engagement among stakeholders.
 - a. COA and the Foundation will implement a consultative and collaborative approach to identify partnership parameters as well as operational approach to piloting participatory audit, for inputs to the:
 - i. Participatory Audit Implementation Plan
 - ii. Operational Guidelines and a Communication and Feedback Mechanism to be piloted during the initial phase of the program, and intended for future use once the Participatory Audit project is institutionalized;
 - b. COA, with technical assistance from the Foundation will draft policy declarations based on stakeholder consultations and publish these in the form of memoranda, resolutions or circulars, whichever is appropriate, in order to strengthen stakeholder partnerships during the implementation of the Participatory Audit project;
 - c. COA, in partnership with the Foundation, shall conduct reviews and assessments of the undertakings and commitments subject of this MOA, policy consultations, and coordinated advocacy activities for policy reform;
 - d. COA, with assistance from the Foundation, will jointly identify possible CSO partners and government agencies for the pilot implementation of the Participatory Audit project; and

- e. The Foundation, in consultation with COA will draft a Monitoring and Evaluation Plan for use during project implementation.
3. **Develop and Implement a Capacity Development program** which will build the capacity of primary stakeholders, mainly civil society actors, COA auditors, and other government officials and employees to undertake participatory audit. For greater effectiveness, capacity building should be carried out in actual work situations and be oriented towards improving practice. COA, with the assistance of the Foundation, consisting of framework and module development will do the following:
- a. Identify and designate key personnel to participate in the capacity development program (Training of Trainers);
 - b. In partnership with the Foundation, identify a platform for sharing results and experiences across stakeholders;
 - c. In partnership with the Foundation, coordinate and arrange both logistical and administrative concerns for trainings and workshops under the capacity development program;
 - d. The COA will lead the development of a competency framework for the Participatory Audit program with assistance from the Foundation for the capacity development program; and
 - e. COA will provide technical knowledge and share practical information based on its auditors' experiences in order for the Foundation to assist COA in developing modules for capacity development.
4. **Develop and Implement a Public Communication Plan** to create awareness of the Participatory Audit project and generate support for it from the internal and external stakeholders.
- a. The Foundation, in consultation with COA will develop a separate advocacy website on participatory audits featuring ongoing audits, as well as findings from completed audits linked from the COA website. This will incorporate some tools for feedback and inputs from citizens;
 - b. The Foundation, in consultation with COA will draft and implement messaging and information campaigns;
 - c. The Foundation, in consultation with COA, will draft and disseminate information materials; and
 - d. The Foundation will assist COA in setting up its information system/data management system.
5. **Knowledge and Tools Generation** will facilitate knowledge sharing and ensure that good practices are replicated, and the experiences of CSOs and government agencies will be documented into case studies.
- a. The Foundation, in partnership with COA, will document key activities; conduct action research (when needed), and conduct assessments, among others.

6. In order to fulfill the abovementioned provisions, resource requirements will be provided as follows:

COA will:

- a. Provide the Project Management Office for project staff during the Participatory audit project implementation;
- b. Ensure that the counterpart staff complement for the COA Project Management Team are identified;
- c. Ensure the timely review and approval of project documents for the smooth implementation of the project; and
- d. Provide the necessary technical expertise to guide the Foundation staff during project implementation.


The Foundation will:


- a. Provide the requisite physical office space for Participatory Audit project staff and CSO partners during implementation;
 - b. Ensure that the counterpart staff complement are identified;
 - c. Ensure the timely drafting and submission of project documents for the smooth implementation of the project; and
 - d. Provide the necessary technical expertise to guide COA in working with partner CSOs during project implementation.
7. To sustain the Participatory Audit project beyond its project lifetime, COA upon positive evaluation of the project results shall endeavor to institutionalize the CPU and the Citizens Participatory Audit through a policy declaration

IMPLEMENTATION

This Agreement shall be in force upon signing by both parties until April 2014. Any amendment of this Agreement would be in mutual consent by COA and the Foundation.

In FURTHERANCE of their respective goals, objectives, and missions, the parties agree to abide by the provisions of this Agreement.


Hon. Ma. Gracia M. Pulido-Tan
Chairperson
Commission on Audit


Dr. Angelina Gregorio-Medel
Executive Director
Affiliated Network for Social
Accountability in East Asia and the Pacific

Witnesses:


Hon. Heidi Mendoza
Commissioner
Commission on Audit

Mr. Warren Turner
Australian Agency for
International Development


Vivien Suerte-Cortez
Coordinator
ANSA-EAP Foundation

Republic of the Philippines)

~~Rodriguez, Rizal~~

) S.S.

BEFORE ME, a Notary Public for and in JAN 24 2013, this _____ day of _____, 2013 at Rodriguez, Rizal, personally appeared the following persons:

Name

Valid Identification Card

Maria Gracia M. Pulido-Tan

PASSPORT NO. DE0000258

Angelita Gregorio-Medel

PASSPORT NO. EB1768405

known to me to be the same persons who executed the foregoing instrument consisting of Five (5) pages, including this page on which the acknowledgment is written and they acknowledged to me that the same is their voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and place above written.

Doc. No. 229;

Page No. 47;

Book No. II;

Series of 2013


ATTY. HAIDET T. ESPUELAS
NOTARY PUBLIC

Until December 31, 2013

PTR No. 9492073; 01/03/13; Rodriguez, Rizal

Lifetime IBP No. 011290/Roll No. 58383

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