

# **COA Circular No. 2021-014**

**dated December 22, 2021**

**Guidelines on the Use of  
e-Collection and e-payment  
in government transactions**



# Outline

1. Government regulations related COA Circular 2021-014
2. On-going initiatives concerning digital payments
3. Applicable guidelines for each mode of electronic collection and electronic payment
4. Open Forum and Conclusions





# Regulations ahead of C21-014

RA No. 8792 –  
Electronic  
Commerce Act  
dated 14 June  
2000

DOF-DTI JDAO No.  
02 s. 2006 and No.  
10-01 s. 2010  
Electronic Payment  
Collection System  
(EPCS)

RA No. 11032 –  
Ease of Doing  
Business and  
Efficient  
Government  
Service Delivery  
Act of 2018





# The need to prescribe regulations

Disruptors forced everyone, including those not ready, to embrace technology

Some agencies entered into agreements or schemes that prevent audit

Those in good faith need to be guided in the observance of due diligence

Evolving business process need responsive regulations

Controls prescribed in the manual operation would not be effective in digitalized ops

Schemes that prevent transparency and accountability should be disallowed





## Other regulations

- EO 170 s., 2022 Adoption of Digital Payments for Government Disbursement and Collection
- DBM Circular Letter No. 2018-14 Implementation of the Modified Direct Payment Scheme
- Budget Circular No. 2025-1 Adoption of Government Purchase Card



# EO 170, s.2022

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 170

## ADOPTION OF DIGITAL PAYMENTS FOR GOVERNMENT DISBURSEMENTS AND COLLECTIONS

**SECTION 4. Digital Payments for Government Collections.** All Covered Agencies are mandated to offer a digital mode of collecting payments for taxes, fees, tolls, and other charges and impositions. It is understood that this Order does not foreclose the acceptance of cash and other traditional modes of payment.

**SECTION 3. Digital Payments for Government Disbursements.** All Covered Agencies shall utilize safe and efficient digital disbursement in the payment of goods, services and other disbursements, including in the distribution of financial assistance, as well as in the payment of salaries, wages, allowances and other compensation to employees.

# EO 170, s.2022

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 170

## ADOPTION OF DIGITAL PAYMENTS FOR GOVERNMENT DISBURSEMENTS AND COLLECTIONS

WHEREAS

**SECTION 2. Coverage.** All departments, agencies, and instrumentalities of the government, including state universities and colleges, government-owned or -controlled corporations (hereafter, “Covered Agencies”), are hereby directed, and local government units (LGUs) are hereby enjoined, to adopt digital payments for their respective disbursements and collections.



# EO 170, s.2022

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 170

## ADOPTION OF DIGITAL PAYMENTS FOR GOVERNMENT DISBURSEMENTS AND COLLECTIONS

For the implementation of digital collections, a tiered transition period not exceeding three (3) years shall apply. The transition period reflects the operational readiness and capability of an agency to implement digital payment solutions.

<b>Operational Readiness and Capability Assessment</b>	<b>Transition period</b>
Covered agency is already offering digital mode of collecting payments in some of its public-facing transactions through a payment gateway or a collection agreement with financial institutions	Within 1 year
Covered agency is not yet offering digital mode of collecting payments	More than 1 year but less than 3 years



# DBM Budget Circular No. 2025-1

Subject : **GUIDELINES ON THE ADOPTION OF THE GOVERNMENT PURCHASE CARD (GPC) AS AN ALTERNATIVE MODE OF PAYMENT FOR CERTAIN GOVERNMENT EXPENDITURES**

## 3.0 Scope and Coverage

All departments, agencies, and instrumentalities of the Executive Branch, including SUCs and GOCCs not covered by Republic Act (RA) No. 10149,<sup>4</sup> are enjoined to adopt the policy on the use of the GPC starting FY 2025.



# DBM Budget Circular No. 2025-1

Subject : **GUIDELINES ON THE ADOPTION OF THE GOVERNMENT PURCHASE CARD (GPC) AS AN ALTERNATIVE MODE OF PAYMENT FOR CERTAIN GOVERNMENT EXPENDITURES**

## 5.0 General Guidelines

- 5.3 The use of the GPC as a mode of payment shall not supplant nor bypass existing accounting rules and requirements prescribed in applicable laws and issuances, such as the COA Circular Nos. 2012-001<sup>5</sup> and 2012-003,<sup>6</sup> among other issuances.



# DBM Budget Circular No. 2025-1

## 5.0 General Guidelines

5.8 In line with COA Circular No. 2021-014, prior to the implementation of the GPC, an agency shall:

5.8.1 Execute a Memorandum of Agreement (MOA) with the Servicing Bank. At the minimum, the MOA must include the

5.8.2 Design and implement appropriate internal control measures and procedures for the proper implementation of the GPC. For this purpose, the implementing agency shall formulate a set of internal guidelines adopting this Circular, as well as the accounting and auditing rules and requirements prescribed in applicable laws and issuances.

5.8.3 Develop an incident escalation plan for managing circumstances involving fraudulent transactions or unauthorized use of the GPC.



# DBM Budget Circular No. 2025-1

Subject : **GUIDELINES ON THE ADOPTION OF THE GOVERNMENT PURCHASE CARD (GPC) AS AN ALTERNATIVE MODE OF PAYMENT FOR CERTAIN GOVERNMENT EXPENDITURES**

## 9.0 Transitory Provisions

Agencies that have already adopted the GPC may continue their implementation under previously issued internal guidelines, subject to updates or modifications in line with the provisions of this Circular.



# DBM Circular Letter No. 2018-14

**SUBJECT : Updated Guidelines in the Implementation of the Modified Direct Payment Scheme (MDPS) Due Creditors/Payees of All National Government Agencies (NGAs)**

- 3.8 Consistent with accounting and auditing rules and regulations, the NGAs are reminded to require their creditors to issue Official Receipts (ORs) or Sales Invoice as evidence of receipt of payment through LLDAP-ADA and SLIIE or MDS check. However, in
  - 3.8.1 In case the supplier/contractor failed to submit OR or sales invoice, the list of bank-validated ADA shall be attached to the DV as proof of payment.
  - 3.8.3 Non-issuance of OR or Sales Invoice by the contractor/supplier shall be reported to the BIR as violation of regulations



# On-going Initiatives

- Digital PFM (COA DBM DOF-BTr
- eGOVPay (DICT)
- Link.BizPortal (LBP)
- QR Ph (BSP)
- .
- Digital Transformation of State Audit (COA)
  - Drafting Circular/Memorandum on Compliance Audit for EO 170 among others





**COA Circular No.  
2021-014  
dated December 22, 2021**



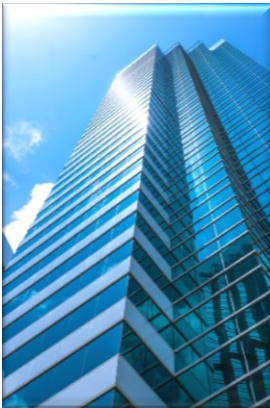


# Coverage



## All Government Entities

- ⑩ Having e-Collections or e-Payment transactions
- ⑩ Without or less physical interaction with the collecting or disbursing officers



Private entities authorized to perform governmental functions







# Definition of Terms

## INTERMEDIARIES

- these are Authorized Government Depository Bank (AGDBs), **Electronic Money Issuers (EMIs)** - *banks, non-bank financial institutions supervised by BSP, and non-bank institutions registered with BSP as a money transfer agent*, **Electronic Payment Gateway Provider (EPGPs)** - *bank or non-bank entity which operates or maintains an eCollection or ePayment Systems*, bank or any other BSP-regulated private entity facilitating government entity's collection or payment transactions.





# Definition of Terms

## Electronic Collection (e-Collection)

- NO actual money, check, or any physical note is handed through the hands of the government entity's collecting officer

- (CAR) Collect-Aggregate-Remit
- (SCC) Self-Collect and Credit






# Definition of Terms

## Electronic Payment (e-Payment)

- Disbursement money for the purposes of paying government expenses or expenditures through electronic means, such as fund transfer
- (DEP) Direct Electronic Payment
- (TDL) Transfer-Distribute-Liquidate





# General Principles and Guidelines



# General Principles

- The use of electronic means and technology in performing governmental functions are allowed, [encouraged even!]
- All expenditures and uses of funds should be transparent and have proper authorization
- Schemes of collection and/or payment that prevent transparency and accountability over public funds, shall be discontinued



# General Guidelines

**5.1.1** Engaging intermediaries should be covered by a contract or written agreement outlining the responsibilities of both parties

**5.1.2** Use of AGDB's facilities is encouraged

- In out-sourcing under CAR or TDL, RA 9184 needs to be followed
- Auditability Clause is a mandatory provision of the contract (out-source) per COA Circular No. 2020-010 dated December 2, 2020

**5.1.3** Agency opted to implement the digital transaction, there should be documented procedures consistent with internal control principles, and a focal person designated for its monitoring



# General Guidelines

## Sample Management's Representation Letter

(Auditee's Letterhead)

(Date)

(To The Auditor)

This representation letter is in connection with the implementation of the Electronic Collection and/or Payment Systems of the [Agency Name].

I certify that the [Agency Name] implements appropriate internal controls and procedures, and will continue to implement and review them as are necessary under the circumstances, including prevention and detection controls over the use of e-Collection and e-Payment Systems to safeguard the interest of the government.

I confirm to my knowledge and belief that:

- We/I have fulfilled our/my responsibilities for the design, implementation, and maintenance of proper and effective internal controls over the use of e-Collection and e-Payment Systems;
- We/I acknowledge our/my responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud;
- Management design its information technology (IT) controls to meet control objectives related to Information Security requirements on:
  - a. confidentiality to protect sensitive information from being viewed by unauthorized users.
  - b. integrity to safeguard critical IT resources like hardware, software, and data repositories from improper modification or destruction, and ensure nonrepudiation and authenticity of data; and
  - c. availability to ensure that critical IT resources (i.e., hardware, software, data) are available when needed.

I offer this Management Representation to attest the foregoing statements and to assert that the Audit Team can rely on the accuracy and correctness of documents and data submitted for audit, resulting from the implementation of the e-Collection and/or e-Payment Systems by [Agency Name].

Very truly yours,

\_\_\_\_\_  
Head of Agency / Authorized Representative

Attested by: \_\_\_\_\_

\_\_\_\_\_  
[Head, Internal Audit Unit, Compliance  
Department, or its equivalent]

5.1.4 Management Representation is a prerequisite and shall be submitted to COA Audit Team within 60 days from the effectivity of this Circular and every March 31 thereafter.



Sample Management's Representation Letter

(Auditee's Letterhead)

(Date)

(To The Auditor)

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Very truly yours,

\_\_\_\_\_  
Head of Agency / Authorized Representative

Attested by:

\_\_\_\_\_  
[Head, Internal Audit Unit, Compliance  
Department, or its equivalent]





# General Guidelines

**5.1.8** Designation of focal person for the e-Collection and e-Payment implementation

**5.1.9** Electronic Data/Reports maintained in active file for 1 year

- All data/reports available for access to State Auditors
- Disaster Recovery Plan and backup facility are required

**5.1.10** FBGAs are allowed justified deviation (*Embassies are the main target of the innovative policy*)



# Electronic Collections



# e-Collection

## Two categories

### Collect-Aggregate-Remit (CAR)

- **An** e-Collection scheme where the daily collections are done by the intermediary on behalf of its principal government entity and aggregated in the intermediaries' possession or control for a period of time before being remitted to the government entity's AGDB accounts or that of National Treasurer.

### Self-Collect-Credit (SCC)

- An e-Collection scheme where the collections are done by the government entity itself utilizing the intermediary's technology or infrastructure, and collections will not pass through the hands of the collecting officer but are directly credited to the government entity's AGDB accounts or that of National Treasurer



# Collect-Aggregate-Remit (CAR)

5.2.2.a The government entity shall require the intermediary to generate an electronic Acknowledgement Receipt (AR) to be immediately issued to the payor, via online, mobile, or printed copy, for every collection made (Annex B).

The AR issued by the intermediary to the payor shall have the following minimum data content:

- Letterhead of the intermediary
- AR Number (unique number generated by intermediary)
- Date and Time
- Agency Name
- Name of payor
- Particulars (nature of collection. e.g., payment for passport fees)
- Amount received for the transaction, value-added tax, and service charge, if any, indicated separately
- Reference Number (unique reference number of the output generated/service rendered/document issued by the government entity. e.g., account number, order of payment slip number, assessment number or equivalent, passport application number, etc.)



# COA Circular No. 2013-007 dtd Sept 18, 2013

- Guideline on the use of eORs to Acknowledge Collection of Income and Other Receipts of Government
- PD 1445 Government Auditing Code

## **Section 68.** *Issuance of Official receipt..*

1. No payment of any nature shall be received by a collecting officer without immediately issuing an official receipt in acknowledgment thereof The receipt may be in the form of postage, internal revenue or documentary stamps and the like, or officially numbered receipts, subject to proper custody, accountability, and audit.
2. Where mechanical devices are used to acknowledge cash receipts, the Commission may approve, upon request, exemption from the use of accountable forms.



# Collect-Aggregate-Remit (CAR)

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5.2.2.b The electronic AR shall be accepted to the same extent as OR supposedly issued by the government entity itself.

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As far as the public is concerned, every AR issued by such intermediary is binding to the government entity, and for all intents and purposes, is considered collection by the latter.

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Such AR should have a security protocol to ensure the authenticity, completeness, and traceability of the collection.



# Collect-Aggregate-Remit (CAR)

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5.2.2.c For auditing purposes, the government entity is not required to issue a separate OR to individually acknowledge each collection made through such intermediary.

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However, from the point of collection, such amount forms part of public funds. It remains the duty of the government entity to prepare and submit the required duly accomplished reports of collection and deposit mentioned in paragraph 5.2.2.g hereof, either with the assistance of such intermediary or by its own efforts.



## Collect-Aggregate-Remit (CAR)

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5.2.2.d The intermediaries shall remit or deposit intact the full amount of collections due to the government to the appropriate account in the AGDB within the next banking day from the collection date or within the time period as may be prescribed by DOF.

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They shall submit to the government entity a Certification of Deposit, (*Annex C*), and proof (e.g., EFT receipt, validated deposit slip, bank confirmation) that the total amount collected from the previous day is actually deposited to the appropriate AGDB account.





# Self-Collect-Credit (SCC)

## 5.2.3.a

- The government entity, using its own front-end system for online collection, shall immediately issue eOR to acknowledge every transaction consistent with COA Circular No. 2013-007 dated September 18, 2013, DTI-DOF JDAO No. 02 s.2006, and DTI-DOF JDAO No. 10-01, s. 2010



# Self-Collect-Credit (SCC)

## 5.2.3.b

- For face-to-face collection, where no cash, check, or physical note was used, through the government entity's collecting officer, the government entity shall issue an eOR.
- The eOR issued to acknowledge the amount collected should clearly indicate the mode of collection (e.g., manual deposit, online/mobile banking, e-Wallets, etc.).
- The collecting officer shall require proof to satisfaction that the amount is already credited to the government entity's account (e.g., validated bank deposit slip, fund transfer receipt, online/mobile banking confirmation, etc.)



# Self-Collect-Credit (SCC)

## 5.2.3.c

- For all collections wherein the funds are not yet in the appropriate AGDB account, the agency shall prepare the Report of e-Collections and Deposits (Annex F).
- The details of deposit in this report shall be filled in once the money is deposited or transferred to the appropriate AGDB account.
- The Cash/Treasury Unit shall monitor such deposits or fund transfers. The deposit slip or transaction confirmation receipt shall be attached to the report



# Annex F

## REPORT OF e-COLLECTIONS AND DEPOSITS

Entity Name : \_\_\_\_\_  
Fund Cluster : \_\_\_\_\_  
Intermediary : \_\_\_\_\_

Report No. : \_\_\_\_\_  
Sheet No. : \_\_\_\_\_  
Date : \_\_\_\_\_

[illegible]

# Self-Collect-Credit (SCC)

## 5.2.3.d

- For collections directly credited to the appropriate AGBD account, the authorized cash/treasury personnel shall confirm the deposit, which shall be the basis for preparing the Report of Daily Collection Directly Deposited to the Agency's Bank Account (Annex G)

## 5.2.3.e

- The specific portion of Government Accounting Manual for National Government Entities pertaining to AGDB collections shall be suppletory in application by all government entities covered by this Circular.



# Annex G

### REPORT OF DAILY COLLECTION DIRECTLY DEPOSITED TO THE AGENCY'S BANK ACCOUNT

Date:

Entity Name :

Entity Name : \_\_\_\_\_  
Fund Cluster : \_\_\_\_\_

Bank / Account number :

Report No. : \_\_\_\_\_

Report No. : \_\_\_\_\_  
Sheet No. : \_\_\_\_\_

Date : \_\_\_\_\_

[illegible]

**CERTIFIED CORRECT:**

Name and Signature

Official Designation



# Self-Collect-Credit (SCC)

Online front-end system: eOR required

- Legal basis: COA Circular No. 2013-007 dtd Sept 18, 2013 and DTI-DOF JDAO No. 02 s.2006

Face-to-face digital payment options

- e.g. Debit/Credit Card, QR-enabled payment

Directly credited to the Agency's AGDB account

- (e.g. iAccess fund transfer; OTC Bank Deposits)



# E-Collection

	CAR	SCC
Possession of the money at the time of collection	In the account of the intermediary	In the account of the agency
Remittance	Intermediaries shall remit or deposit intact the full amount of collections due to the government to the appropriate account in the AGDB within the next banking day from the collection date or within the time period as may be prescribed by DOF	Since money is already in the agency's account, the collection is already considered remitted.
Proof of Payment	Acknowledgment Receipt Issued by the intermediary	Official Receipt issued by the Government Agency
Bonds requirement	Required	Not required





# E-Collection

	CAR	SCC
Reporting - Intermediary	<p>Intermediaries should submit the following to the government agency within the next banking day:</p> <ul style="list-style-type: none"><li>• List of Daily Collections</li><li>• Certification of Deposit</li><li>• proof (e.g., EFT receipt, validated deposit slip, bank confirmation) that the total amount collected from the previous day is actually deposited to the appropriate AGDB account.</li><li>• Electronic copy of ARs</li></ul>	<p>Intermediaries' platform should be able to generate or submit details of collection</p>





# Electronic Payment



# Electronic payment

Use of electronic modes of payment shall generally be allowed.

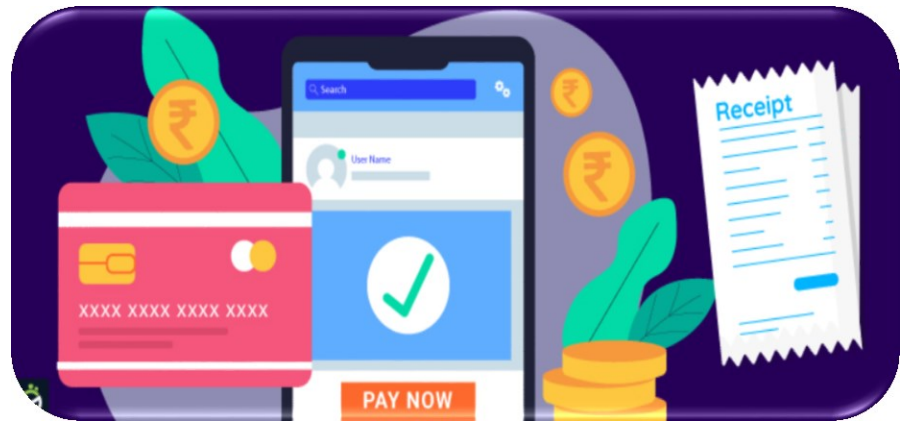
All e-payments shall follow existing procedures on disbursements.

eOR or AR shall be accepted as proof of payment for the transaction.



# Direct Electronic Payment

Payments are made by the government entity itself using the intermediary's technology or infrastructure



- 4.1.4 Authority to Debit Account (ADA) – is a document that serves as the authority for the MDS-AGSB to debit the MDS sub-account of the SA for the amounts to be immediately credited to the bank accounts of the LGUs on the value date.



# Direct Electronic Payment

*Certified  
Electronic List of  
**Successful**  
Fund Transfer*

- Payee's name
- Amount
- Date of Transaction
- Bank Acct No.

**Advice/  
Authority to  
Debit  
Account**

*Certified  
Electronic List of  
**Failed**  
Fund Transfer*

- Payee's name
- Amount
- Date of Attempt to credit the fund

The Government Servicing Bank shall carry out payment instructions and submit to the government entity disbursing the fund a verified list of successful or failed fund transfers, together with all relevant details. Subject to agreements between the Government Servicing Banks and Covered Agencies, the former shall be allowed to collect fees from the latter for EFT services.

## Mobile or online banking facility

## Date: \_\_\_\_\_

Sheet No.: \_\_\_\_\_

[illegible]

I hereby certify on my official oath that the above is a true statement of all e-Payments during the period stated above in the amounts shown thereon.

Name and Signature of Disbursing Officer/Cashier

Official Designation

Date \_\_\_\_\_



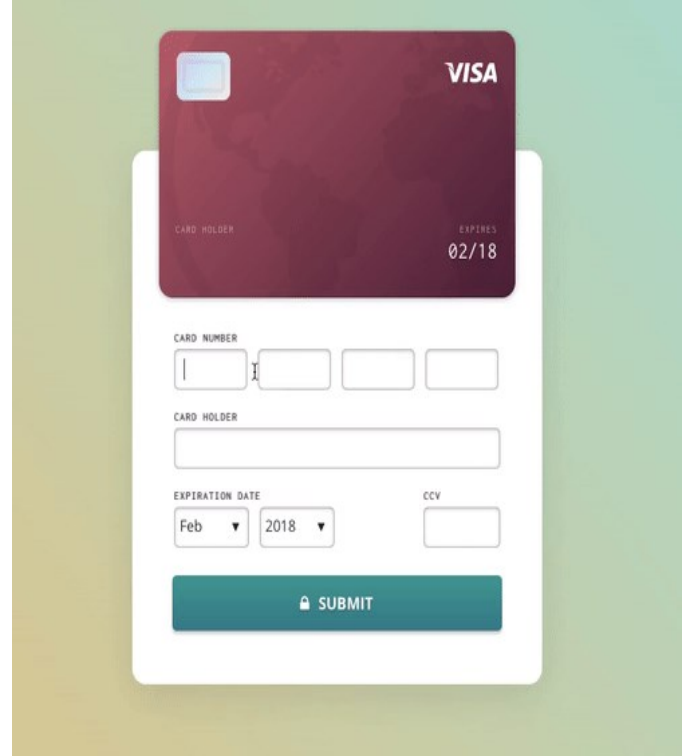
# Direct Electronic Payment

## Use of Agency Credit Card

- May be resorted to if no other more expeditious and inexpensive options
- Rules on accounts payable apply

## Requirements:

- Documentation of Internal Control
- Implementation needs prior approval
- Certification from the Head of the Agency or Representative
- Statement of Account and receipts
- Ensure billed amount paid in full and card balance not exceed authorized credit limit
- Used only for official transactions



# Transfer- Distribute - Liquidate

Government entity's fund are first transferred to the intermediary's possession and control, which latter thereafter uses to distribute payments to the intended payees of the government entity.



PAYMENT CENTERS



BENEFICIARIES





# Transfer-Distribute-Liquidate

Outsourced

Contract is required

- ⑩ Obligation of both parties
- ⑩ Manner of remittance of funds from the agency to the intermediary
- ⑩ Liquidation of funds
- ⑩ Return of undistributed funds
- ⑩ Service fee
- ⑩ Confidentiality and security of information
- ⑩ Reporting requirements
- ⑩ Penalty for breach of contract
- ⑩ Auditability clause related to government funds



# Transfer-Distribute-Liquidate

Transfer of fund based on:

- ⑩ Program of distribution of the agency, or
- ⑩ Net Disbursing Capacity of the intermediary based on 30 days

Intermediary's bond is required

Due diligence is required

Public officers solidary liable for the public funds

Liquidation report (not exceeding 30 days)

**Conduct monthly reconciliation. Unclaimed/undisbursed funds to be returned within 30 days**



	<b>Direct Electronic Payment</b>	<b>Transfer-Distribute-Liquidate</b>
<b>Disbursement Process</b>	Payments are directly made from the agency's account to the accounts of the beneficiaries, creditors, suppliers, etc.	Funds are transferred first to the intermediary, who will distribute it to the actual payee/beneficiaries.
<b>Required Reports</b>	Daily Report of e-Payments from Agency Account, prepared by the disbursing officer	Liquidation reports, to be submitted by the intermediary, within 30 days after disbursement of funds supported with proof that the funds are actually distributed to beneficiaries
<b>Bond Requirement</b>	Not Required	Required



# Saving Clause

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The intention is to provide guidance and to make it clear that *online transaction in government is allowed*.

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For instances or situations not expressly covered or stipulated in the Circular, interpretation that would allow operational effectiveness should be favored.

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In case of doubt, the Systems and Technical Services Service may be consulted.



# Transitory Clause

Entities covered by this Circular are given 1 year to:

- Make amendments to their existing contacts with intermediaries
- Install controls necessary for the secured implementation of the system as prescribed
- Formulate internal controls compliant with standards on security
- Other activities desirable and necessary



# Effectivity

15 days after its  
publication

Published in the  
Philippine Star on  
December 29, 2021



# Conclusion

- e-Collection and use of technology in government operation or in performing government function are allowed and encouraged even before COA Circular No. 2021-014
- However, controls to mitigate risks associated with innovation are major requirement from public officers
- COA issued Circulars to prevent and disallow irregular transactions particularly those done using electronic means
- Regulations should evolve alongside modernization



# Action Plan

As a result of attending this event, I plan to:

- Inform my superiors and/or Director of the learnings like the updates on regulations and need for compliance with rules and regulations applicable to my work
- Share and cascade to my co-worker the different Annexes of COA Circular No. 2021-014 (including when to use them)
- Inform the Head of my agency of the impending conduct of compliance audit





# Questions???



# Sample Questions (and suggested answer)

My agency, as far as I know, has some soft of eCollection.  
What can I suggest for my Agency to be compliant with COA rules applicable to this.

- First, call the attention of your Director that you are exposed to the risk of AOM.
- Create a team (TWG) to conduct Risk Impact Analysis of implementing eCollection.
- Document and cascade the formulated (proper) procedures
- Issue a MRL stating that your systems and procedures would reasonably preserve / retain the CIA of data



# Sample Questions (and suggested answer)

We don't have yet an Internal Audit Unit. How can we submit the MRL

- Technically, in the absence of the IAU, the Compliance Unit or its equivalent (the office responsible for reviewing and monitoring the controls of the Agency), can attest to the MRL.
- Create a composite team (TWG) to review the formulated procedures and controls.
- The objective is to conduct self assessment to verify
  - existing, and
  - effective



# Sample Questions (and suggested answer)

We wanted to implement an End-to-End system, removing manual process in support to our digital transformation initiatives. Can we be exempted from issuing the NPO receipt?

- Yes. Under PD 1445, agencies may request to be exempted from the use of accountable form.
- COA Circular 2013-007 allowed the use of eOR subject to prescribed guidelines



# Sample Questions (and suggested answer)

In response to the demand for online payment of our stakeholders, we accept direct deposit. After verification, we issue the NPO receipt to the taxpayer, we then prepare the RCD. Is this proper?

- COA recognizes the changing operation as demanded by stakeholders' convenience.
- The auditing guidelines prescribed for manual operation will not be effective in the digital environment.
- The appropriate report should be used. Annex G – Report of Daily Collection Directly Deposited to the Agency's Bank Account



# Sample Questions (and suggested answer)

After attending PAGBA conferences, meetings, and seminars. We learned that COA accepts and allows online collection. However, our auditor refused to accept this innovative procedure. What should we do?

- While the Commission accepts these innovative procedures, we nonetheless recognizes that innovation always comes with risks.
- Comply with the Circular's requirement, these address the concern of the auditor on the CIA of data.
- Adopt internal rules and issue MRL.



# Sample Questions (and suggested answer)

We have an End-to-End digital system pursuant to our objective of going paperless. Our auditor requires us to print all documents and papers for submission to them. What should we do?

- Until and unless you made a declaration that you have reviewed your processes and that the auditor can rely on your digital submission, the auditor will not accept your digital submission.
- Comply with the Circular (MRL and Internal Rules)
- The auditor will endorse you to us for the access to our Digital Vault (COA Circular No. 2023-006)



# Caveat !

The suggested answers given are based on the facts presented.

If there has been a change of fact, the suggested answer may change.

Agencies actual process and controls need to be assessed by the auditor.

The answers given should not be interpreted rightly or wrongly as to allowing a specific action in pre-audit





***The Commission on Audit will  
continue to strive to be your enabling  
partner, and help improve government  
operations, in partnership with  
stakeholders, for the benefit of the  
Filipino people.***

**Thank you!**

