REVISED GUIDELINES GOVERNING AUDITORIAL REVIEW AND EVALUATION OF GOVERNMENT INFRASTRUCTURE CONTRACTS

Read online (full-text search, related cases, audio case brief): https://batas.org/library/6e05330738bc/

Adopted: 06 April 2015
Date Filed: 22 April 2015

WHEREAS, Section 2, paragraph 2, Article IX-D of the 1987 Constitution provides that the Commission on Audit (COA) has exclusive authority 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;

WHEREAS, pursuant to the aforementioned constitutional provision, the COA has adopted Resolution No. 91-52 dated September 17, 1991 which provides that in the audit of infrastructure projects, the Approved Agency Estimate shall serve as a reference value for the formulation of the COA cost estimate where the total contract price should be equal to or less than the total COA estimate plus ten percent (10%) in order to sustain a finding of reasonableness, otherwise, the contract price will be deemed excessive;

WHEREAS, the Government has approved on January 10, 2003 Republic Act (RA) No. 9184 or the Government Procurement Reform Act, Annex “A” of the Implementing Rules and Regulations (IRR), which prescribes that all construction quantities shall be computed to a reasonable accuracy of not more than plus or minus ten percent (10%) of the final quantities of the as-built structure, based on reasonable approved current prices as projected over the proposed construction period thus, the Approved Budget for the Contract (ABC) is already inclusive of ten percent allowance;

WHEREAS, allowing another ten percent (10%) variance over the COA cost estimate, which is computed based on the ABC, may result in unnecessary or excessive expenditures of government funds considering the sheer magnitude of the contract cost of infrastructure projects of government agencies at present time;

WHEREAS, in order to ascertain the validity and regularity of government infrastructure projects particularly with respect to contract cost, there is need to issue new guidelines on the review and evaluation of government infrastructure contracts.

NOW, THEREFORE, the Commission resolves, as it does hereby RESOLVE, to repeal COA Resolution No. 91-52, and prescribe new guidelines, to wit:

- The Auditor concerned should ascertain strict compliance by the auditee agency with the pertinent requirements provided under RA No. 9184 and its IRR, as amended and other relevant issuances.

- The Auditor or his/her representative should attend all stages of the procurement process as observer in accordance with Section 13.1 of the IRR of RA No. 9184.

- The Auditor or his/her representative shall prepare a report on his assessment of the extent of the Bids and Awards Committee’s compliance with the pertinent requirements provided under RA No. 9184 and its IRR, as amended, and other relevant issuances. In addition to the report that shall be submitted to the Government

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

Procurement Policy Board and the Office of the Ombudsman as required under Section 13.4.b of the IRR of RA No. 9184, the Auditor shall furnish a copy of his/her report to the Director who has jurisdiction over the auditee agency.

- The Auditor shall render a report that the contract has been found in order as to the legal and auditorial review before the conduct of the technical review.

- The technical review and evaluation shall be guided by the provisions of Annex “A” - Detailed Engineering for the Procurement of the Infrastructure Project of the IRR of RA No. 9184, and other relevant issuances of the COA.

- The ABC shall serve as reference value of the COA cost estimate. The COA cost estimate shall be computed without any allowable variance.

- The Auditor shall use the Technical Evaluation Report of the technical personnel as reference in the conduct of audit.

- Should defects or errors in the ABC be discovered in the course of the review, the same, together with the pertinent reasons, especially those that would adversely affect the contract price, shall be communicated to the auditee in writing by the Auditor.

- In case the contract passed the auditoria I and legal review, any discrepancy in the technical review (contract review and inspection) unfavourable to the government should be disallowed in audit.

This Resolution shall take effect immediately and supersedes COA Resolution No. 91-52 dated September 17, 1991. All other issuances which are inconsistent herewith are repealed or modified accordingly.

Adopted this 6th day of April 2015 at Quezon City, Philippines.

(SGD) HEIDI L. MENDOZA
Commissioner
Officer-in-Charge

(SGD) JOSE A. FABIA
Commissioner

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.