

**REPORT
ON
CITIZEN PARTICIPATORY AUDIT
WITH GEOTAGGING
OF
FARM-TO-MARKET ROADS
IN THE
PROVINCIAL GOVERNMENT OF LA UNION
AND MUNICIPALITY OF CABA, LA UNION**



**A Joint Undertaking of the
Philippine Commission on Audit
and The World Bank**



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EXECUTIVE SUMMARY

INTRODUCTION

The Citizen Participatory Audit (CPA) is a reform strategy and an audit technique that brings together civil society organizations (CSOs), citizens and auditors of the Commission on Audit (COA), as one audit team; to strengthen citizen involvement in the public audit process towards improving transparency, efficiency and effectiveness in the use of public resources.

The CPA was launched on November 26, 2012 by former COA Chairperson Ma. Gracia M. Pulido Tan in a joint program with the Department of Public Works and Highways (DPWH) and the Affiliated Network for Social Accountability in East Asia and the Pacific (ANSA-EAP) for the pilot audit of the CAMANAVA Flood Control Project of the DPWH.

It is also worthy to mention that the CPA bagged the Bright Spots Award in the Open Government Partnership (OGP) Summit held in London on October 31 to November 1, 2013. The CPA was among the seven short listed entries for the Bright Spots Award. Ultimately, it emerged as the top contender.

CRITERIA FOR SELECTION

The criteria for selection of projects for CPA are as follows:

1. High value in terms of project cost;
2. High impact in terms of:
 - a. the degree of importance to the people's hearts-urgency of addressing the expressed need, vulnerability to corruption,
 - b. the extent of affected geographical area,
 - c. the size of the affected population,
 - d. the risk to life, property and/or conflict,
 - e. the degree of the expected improvement in the quality of life of the beneficiaries.
3. Ideally, with a CSO with members residing at or near the project site, or where advocacies directly relate to or otherwise impact on the project;
4. The possibility of obtaining immediately audit results through an audit period of short duration; and
5. Such other criteria as may be identified from time to time by the COA Participatory Audit Project Management Team (PAPMT).

The criteria for selection of civil society organizations that will participate are:

1. Has no conflict of interest vis-à-vis the project and implementing agency subject of the audit as per definition of R.A. 9184 or the Government Procurement Reform Act;
2. Has complied with tax laws, rules and regulations as applicable;
3. Should be willing and ready to engage with the Government without remuneration;
4. Can mobilize their staff, members, volunteers and other partners for the project;
5. Able to show their strong presence in their area of operation; and
6. With established track record and credibility.

USE OF GEOTAGGING

Geotagging is a revolutionary and inexpensive approach to using Information and Communication Technology (ICT) and Global Positioning System (GPS) applications for accurate visualization of projects. The device required is only a GPS-enabled android cellphone and access to free applications downloadable from the internet. Geotagging answers the question: Is the right activity implemented at the right place?

BRIEF DESCRIPTION OF THE ACTIVITY

The COA-Project Management Office (PMO) issued a memorandum on August 5, 2015 instructing selected Regional Directors to conduct Exploratory Meeting to identify the projects to be covered by the CPA, conduct of initial audit planning and formation of the CPA Team for the COA personnel component. This was conducted on November 25, 2015 at the Regional Office.

When the project identification and initial planning had been done, our Regional Director consequently issued COA Office Order No. 2015-11-081 on November 27, 2015 for the Capacity Building Seminar which was held on December 8-11, 2015 at the COA Regional Office and now participated by the Civil Society Organizations. The seminar was conducted by the COA-Project Management Office (PMO) and Geotagging/Geostore Training Management Team (G/GTMT) both from Central Office.

The Capacity Building Seminar was both constructive and informative that it emphasized on the participation of the civil society organizations/citizens in the monitoring of projects in order to promote social accountability and transparency. It was also informative in the sense that it introduced a new approach in the inspection of projects – the Geo-tagging and Geostore.

After the Capacity Building Seminar, our Regional Director issued Office Order No. 2016-01-087 dated January 4, 2016 designating the Citizen Partner of each CPA Team and directing us to conduct the CPA of Farm to Market Roads in the province of La Union starting from January 11-21, 2016.

SUMMARY OF AUDIT OBSERVATIONS

1. Observation: Non-adherence to DPWH DO No. 11, s 2014.

Recommendation:

- a. We, therefore, recommend that the Provincial Engineer's Office ensure compliance with the quality design standards in the preparation of plans and specifications and most importantly, in the construction of FMRs to:
 - prolong the useful lives and obtain maximum benefits from the resources invested in road construction; and
 - promote/enhance road safety to all road users along with improved access to market place and other places of interest.

2. Observation: Minor defects noted on the completed projects.

Recommendation:

- a. We, therefore, recommend that the Provincial Engineer immediately notify the contractor of the defects and request the implementation of corrective actions not only to comply with the General conditions of Contract but most importantly, to prolong the useful life of the FMR.

A. BACKGROUND

The Citizen Participatory Audit (CPA) is a priority program of the Commission on Audit founded on the premise that public accountability can prosper only with a vigilant and involved citizenry. It is a reform strategy and an audit technique that brings together Civil Society Organizations (CSOs) and COA Auditors as one team to strengthen citizen involvement in the public audit process towards improving transparency, efficiency and effectiveness in the use of public resources.

As early as November 26, 2012, the COA under the leadership of former Chairperson Maria Gracia M. Pulido Tan, has already launched the CPA in the CAMANAVA Flood Control Project of the Department of Public Works and Highways (DPWH) in Navotas City. This is a two-year joint program of COA,

DPWH and the Affiliated Network for Social Accountability in the East Asia and the Pacific (ANSA-EAP), with funding supporting from the Australian Agency for International Development (Aus AID). During its launch, six CSOs have joined the CPA project who also signed the memorandum of agreement.

Due to its participatory and inclusive approach to governance, CPA bagged the Bright Spots Award in the Open Government Partnership (OGP) Summit held in London, United Kingdom on October 31 to November 1, 2013. The CPA was among the seven short-listed entries for the Bright Spots Award and ultimately it emerged as the top contender.

To continue this innovative audit approach, the COA Local Government Sector instructed selected Regional Directors to conduct Citizens Participatory Audit on locally funded Farm-to-Market Roads projects implemented during CY 2015 by the various Local Government Units. For Region I, the CPA was started on December 8, 2015 focusing on the FMRs implemented by the pilot Province of La Union, its lone City of San Fernando and 19 municipalities.

What makes this undertaking more distinctive was the application of Geotagging in the actual inspection of FMRs. This is an inexpensive project visualization tool using GPS-enabled android cellular phones and free applications downloadable from internet including Google Earth images.

This is the process of adding, geographical identification metadata to various media such as a geotagged photograph or video, websites, SMS messages, or codes or RSS feeds and is a form of geospatial metadata. This data usually consist of latitude and longitude coordinates, though they can also include altitude, bearing, distance, accuracy data and place names. Geotagging is a transparency tool that answers the question – Is the right activity implemented at the right place?

For the pilot Province of La Union, 10 representatives from two CSOs were invited to the Buy-in of CPA Geotagging but due to the conflicting time schedules, particularly to the student organizations, only 5 representatives were able to commit their partnership for the CPA program, to wit:

CIVIL SOCIETY ORGANIZATIONS	REPRESENTATIVE
1. Millennium Women’s League, Inc.	Rosita M. Subido Nieves Cabading Vivencia N. Bautista
2. Don Mariano Marcos Memorial State University La Union - College of Arts and Management Student Body Organization	John Kenneth C. Quiñones Gellie M. Lucas

B. GROUNDWORK ACTIVITIES IN PHOTOS

✚ **November 25, 2015**
COA Regional Office 1
San Fernando City, La Union



Exploratory Meeting with invited Civil Society Organizations (CSOs)



✦ **December 8-11, 2015 – Capacity Building
COA Regional Office 1
San Fernando City, La Union**



Ms. Monette Jimenez welcomed participants to the seminar



Team 1 during the "dummy" project geotagging experience

December 9, 2015 – Team reporting on the dummy project geotagging experience



Mr. Albert Padin of Symph discussing about Geostore



Instructions were given to the team for inspection with geotagging of sample project and assignment of roles

December 10, 2015 – Inspection of sample project and in-classroom transfer to laptop then to GeoStore & Preparation of Inspection Report



Team 1 inspecting the sample FMR project at Aringay, La Union



Ms. Rosita Subido, a representative of MWLI during the inspection



After the inspection of sample project, the CPA teams returned to training venue



In-classroom transfer to laptop then to Geostore & preparation of Inspection report



Reporting by CPA Team

December 11, 2015 – Distribution of training certificates, MOA Signing, Nomination and Authorization



Dir. Lynn SF Sicangco during the MOA signing, Nomination & Authorization



CSO Representative Rosita M. Subido receives her Certificate of Training



Team 1 after receiving training certificates and MOA signing



The participants of Citizen Participatory Audit (CPA)
Capacity Building

January 11, 2016 – Survey and Inspection of the Project Improvement of San Eugenio Farm to Market Road, Aringay, La Union



Team 1 during the inspection of the project, at the start and end of the project respectively.



Farmer beneficiaries of the San Eugenio FMR



Survey to farmers, family members and students at Aringay, La Union

January 12, 2016 – Survey and Inspection of the Project Concreting of Farm to Market Road at Santiago Norte, Caba, La Union



CPA Team at the start and end of the project at Caba, La Union



ATL Edencio P. Brabante discussing CPA to the farmer beneficiaries and family members.



Survey to farmers, family members and students at Caba, La Union

C. AUDIT FOCUS

CPA Team 1 inspected and geo-tagged the following FMRs:

Team	Project	Length/Area	Contract Cost
Team 1	Improvement of San Eugenio Farm to Market Road, Aringay, La Union	300 meters	1,964,263.92
	Concreting of Farm to Market Road at Santiago Norte, Caba, La Union	120 meters	294,268.60

D. AUDIT OBJECTIVES

The audit covered the evaluation of farm-to-market roads (FMRs) and road rehabilitation projects implemented during CY 2015 by the Local Government Units in the Province of La Union and the Department of Public Works and Highways 1st and 2nd Engineering Districts to determine the physical existence and condition of the projects and to evaluate whether these were implemented in accordance with approved plans and specifications. In addition, the CPA has also the following audit objectives:

1. To determine whether the implemented FMRs were included in the respective LGU's Annual Investment Plan.
2. To validate the existence of reported projects accomplishments and determine whether these were implemented in accordance with the approved plans and specifications and Program of Work (POW) with reference to DPWH Dept. Order No. 11 series of 2014 on the "Design Standards for Tourism and Farm to Market Roads" and the guidelines set by the Department of Agriculture.
3. To determine if the actual project cost of the FMR is not excessive by using the Quarterly DPWH Construction Materials Price Data and current market prices as reference.
4. To validate the effectiveness of the FMR in attaining the project objectives as to enhancing the farmers income and also as a means in improving their quality of life as mandated under RA No. 8435 otherwise known as the Agriculture and Fisheries Modernization Act.

5. To determine whether the projects were implemented in accordance with the required time frame.

E. AUDIT CRITERIA

The standards/benchmarks used as basis for the validation/determination were:

- ✚ Compliance with applicable laws, rules and regulations, and
 - ✚ Efficiency of project implementation
1. DPWH Dept. Order No. 11 series of 2014 dated Feb. 3, 2014 or other applicable laws and regulations on project design standards.
 2. Republic Act No. 8435 otherwise known as the Agriculture and Fisheries Modernization Act of 1997.
 3. Project documents, Approved Plans and Specifications, As Built Plans, Program of Work and Detailed Cost of Estimates, Certificate of Project Completion, Statement of Work Accomplished, Certificate of Project Acceptance.
 4. COA Circular No. 2012-003 dated October 29, 2012 on the Prevention of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures.
 5. Republic Act No. 3019/ Anti-Graft and Corrupt Practices Act
 6. DPWH Construction Materials Price Data for 2015 (Quarterly Issuance)

F. AUDIT METHODOLOGY

In general, the CPA teams adopted the following methodologies:

- ✚ Gather and review project documents (Program of Works and Detailed Estimates, Plans and Specifications, contract documents) pertaining to the implementation of selected FMR/RR projects;
- ✚ Review of financial and physical accomplishment reports and LGUs' development and investment plan;

- ✚ Conduct interview with the concerned LGU officials and beneficiaries/proponents;
- ✚ Conduct project inspection and evaluation; and
- ✚ Geotagging and documentation of the projects

Team 1 was assisted by Ms. Rosita Subido of Millennium Women's League, Inc., San Fernando City, La Union. She conducted interviews with officials and proponents/beneficiaries in San Eugenio Aringay and Santiago Norte, Caba, La Union.

The audit procedures are as follows:

1. The COA Auditors will do the task for audit objectives no. 1 and 2 of the Audit Program.
2. For audit objective no. 3 of the Audit Program, the ocular inspection of FMR's will be conducted by the CPA Team (COA Auditors, CSO Representative and TAS). The conduct of ocular inspection of FMRs will include the following activities:
 - a. Actual measurement of dimension of the FMR's (Thickness, Width, Length).
 - b. Taking photographs of the project.
 - c. Geo-tagging.
 - d. Preparation of initial observations if FMR was constructed in accordance with its plans and specifications with reference to DPWH Order No. 11.
 - e. Documentation of the project inspected.
3. For audit objective no. 4 of the Audit Program, the CSOs will interview the farmers and their families in the area as to the benefits they derived from the project by using the SURVEY QUESTIONNAIRE.
4. The TAS who conducted the inspection will prepare the Inspection Report. He checks and computes the quantity reported in the accomplishment report using the plans and agency's detailed cost breakdown.
5. The CPA Team will issue Audit Observation Memorandum (AOM), Notice of Suspension (NS), Notice of Disallowance (ND) for any deviation or discrepancy noted in the FMR.

G.	AUDIT PERIOD
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The CPA Team conducted the audit planning, field work and data processing from January 11-21, 2016 and February 3, 2016 .

The audit will be conducted within nineteen (19) days, broken down into three activities namely: four (4) days for audit planning, two (2) days for field work and thirteen (13) days for report writing. The audit activities to be undertaken and the corresponding period are as follows:

	ACTIVITIES	Inclusive Dates	No. of W.D.
A.	PLANNING		
	Initial conference and briefing (Capacity Building)	Dec.8-11,2015	4 days
	Gathering of financial and non-financial records/reports/documents		
	Review project documents, including financial and physical reports		
	Revision of audit plan/ program and final briefing.		
B.	EXECUTION		
	Inspection of projects with Geo-tagging and interview of farmers. FMR – San Eugenio, Aringay FMR – Santiago Norte, Caba	Jan. 11, 2016 Jan. 12, 2016	1 day 1 day
	Computations and Analysis of Data	Jan. 18-19, 2016	2 days
	Development of audit observations, conclusions and recommendations.	Jan. 20, 2016	1 day
C.	PREPARATION AND RELEASE OF CPA REPORT		
	Preparation of Draft CPA Report		3 days
	Review of Draft CPA Report by the Team Supervisor and Director		2 days
	Finalization and Release of CPA Report		5 days
	Total		26 days

H. AUDIT RESULTS

The pavement width of PCCP did not conform to the minimum design standards as required under DPWH DO No. 11, series 2014

Department of Public Works and Highways Department Order (DO) No. 11, s. 2014 provides the Design Standards for Tourism and Farm-to-Market Roads to ensure the quality and safety of road infrastructure. Under the DO, the minimum pavement width for Portland Cement Concrete Pavement (PCCP) is four (4) meters for two lanes in relation to average daily traffic of less than two hundred (200).

In our inspection of the FMRs implemented by the Provincial Government of La Union and Municipality of Caba, La Union we noted the following findings and observations:

1. Improvement of San Eugenio, Aringay FRM (PGLU Project)

The FMR has complied with the contracted scope of accomplishment as reported by PGLU and as verified by the CPA Team however, the actual pavement width of San Eugenio FMR was only three (3) meters instead of the four (4) meters minimum pavement width as required under DPWH DO No. 11.

2. Concreting of Santiago Norte FMR, Caba, La Union

The FMR has also complied with the contracted scope of accomplishment as reported by the Municipality of Caba and as verified by the CPA Team however, the actual pavement width of Santiago Norte FMR was only 2.5 meters instead of the four (4) meters minimum pavement width as required under DPWH DO No. 11.

According to both Local Engineers, the Provincial and Municipal Engineers, they prepared the Plan and Program of Work of the FMRs based on actual road width and condition. They can comply with the minimum thickness of .15 or 6 inches but not on the required minimum width because these FMRs are mostly barangay roads and are only 2.5 meters – 3 meters wide.

While we recognize that providing wider FMRs may have compensated with their compliance with DPWH DO No. 11, the CPA Team is more concerned on the existence of the project, extent of work done (quantity, quality and workmanship) and the project effectiveness as to the benefits extended to the farmers.

We, therefore, recommend that the construction of FMRs be properly planned and focused on the quality of work and also to comply with the design standards as required by DPWH DO No. 11 if applicable to actual road condition.

MINOR DEFECTS ON THE COMPLETED SAN EUGENIO FMR

Item 37 of the General Conditions of Contract (GCC) under the Philippine Bidding Documents, for Infrastructure, 4th Edition provides for the correction of defects. It cites, among others, that the Procuring Entity’s Representative shall give notice to the Contractor of any defects before the end of the Defects Liability Period, which is one (1) year from project completion up to final acceptance by the Procuring Entity. Every time notice of a defect is given, the Contractor shall correct the notified defect within the length of time specified in the Procuring Entity’s Representative’s notice.

During our ocular inspection the CPA Team noted some minor defects on the construction of San Eugenio FMR, Aringay, La Union, details are as follows:

Station	Defects in Workmanship
0+169.10	 <p data-bbox="1133 1287 1317 1325">Minor scaling</p>
0+228	 <p data-bbox="1141 1707 1373 1745">Transverse cracks</p>



According to the Provincial Engineer, the minor scaling at Station 0+169.10 may have been caused by the early opening of the FMR to the farmers who used jeeps and tricycles before its curing period.

As to the transverse cracks at Station 0+228 and Station 0+304, these were caused by lack of compaction in its base.

For the Santiago Norte FMR in Caba, La Union, the CPA Team noted that the project was implemented in accordance with its plans and specification, there were no major defects noted, only a minor transverse crack on Station 0+113 but it was properly sealed. Our comment was that the FMR was too narrow at only 2.5mtrs width and also without the necessary shoulders as required under DPWH Department Order No. 40.

Recommendation:

For the San Eugenio FMR, we recommend the proper supervision of infrastructure projects by the designated Engineer in the Construction Division and also in the Quality Control Division to ensure quality of work in the construction of infrastructure projects.

For the Santiago Norte FMR in Caba, La Union, we recommend that the construction of FMR be properly planned and provision for the purchase of additional right of way be prioritized for the FMRs that are too narrow.

I. AUDIT CONCLUSIONS

The Improvement of San Eugenio FMR implemented by the PGLU was constructed in accordance with the approved plans and specifications however, the minimum design standard for the PCCP of four meters was not met because the actual road bed width was only three meters. The minor defects of scaling and transverse cracks could have been avoided if only the Quality Control Division in the Provincial Engineer's Office had diligently did their job in supervising the implementation of the FMR.

Likewise, the construction of the Santiago Norte FMR, Caba, La Union was implemented in accordance with the contracted scope of work however, it did not also conform to DPWH DO No. 40 as to the minimum width of PCCP because it was only 2.5 meters wide and it has no provision for shoulders of 1.5 meters on both sides.

J. AUDITEES' COMMENTS ON THE AUDIT TEAMS' RECOMMENDATIONS

The Provincial Engineer is amenable to our recommendation and they assured us that future projects be properly supervised to assure quality of work and also to comply with the DPWH design standards if actual road conditions do warrant.

Likewise, the Municipal Engineer of Caba, La Union also agrees with our recommendation and assures the CPA Team with their compliance to the required design standards.

K. AUDIT TEAM'S EVALUATION AND REJOINDER

The CPA Team recognizes the effort of PGLU and the Municipality of Caba to implement much needed FMRs that benefits their constituents particularly the farmers by providing them better access/mobility in transporting their farm products to the public market. These FMRs are also a big help to their family members, especially the grade school children who can now go to school riding in a tricycle or jeepney.

With the participation of the CSOs and the application of Geotagging as a verification tool, the CPA Team was able to verify whether the right project was implemented at the right place, and whether the FMR was implemented efficiently. The Survey Questionnaire, as an audit tool, was also effective in gathering community perceptions/responses on the implementation of the FMR.

All the observations/exceptions gathered together with our recommendations were discussed with Management during the exit conference. The CPAs rejoinder are as follows:

L.	CSOs' REFLECTIONS
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Ms. Rosita M. Subido, our Citizen Partner from the Millennium Women's League Inc. (MWLI) expressed her gratitude for becoming a CPA Team Member. That she was able to contribute, in her small ways, in the strengthening of citizen involvement in the public audit process towards improving transparency in the use of local government funds.

Prepared by:

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Team 1 – CPA Audit with Geotagging