

Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

MC # 43 s. 1981

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS; HEADS OF DEPARTMENT  
AND STAFFS; REGIONAL IRRIGATION DIRECTORS; PROJECT  
MANAGERS AND PROVINCIAL IRRIGATION ENGINEERS;  
IRRIGATION SUPERINTENDENTS AND OFFICERS-IN-CHARGE  
OF SYSTEMS, CHIEF CORPORATE ACCOUNTANT AND REGIONAL/  
PROJECT ACCOUNTANT; CORPORATE AUDITOR AND REGIONAL/  
PROJECT AUDITORS AND ALL OTHERS CONCERNED

National Irrigation Administration

SUBJECT : COA Circular No. 81-26-J, Dated May 20, 1981,  
Re: Pre-Audit of Claims for Contract Price  
Adjustments or Price Escalation

For the information and guidance of all concerned, attached copy of COA Circular No. 81-26-J authorizes the withdrawal of pre-audit on progress payments with contract price adjustments except in final payments or when the cumulative payments exceed eighty per cent (80%) of the original contracted amount.

Compliance by all concerned is hereby enjoined to avoid delay in the processing of payments for progress billings of contractors of public works projects.

(SGD.) FIORELLO R. ESTUAR  
Administrator

9-17-81

Enclosed: Copy of COA Circular No. 81-26-J

Republic of the Philippines  
COMMISSION ON AUDIT  
Quezon City

May 20, 1981

COMMISSION ON AUDIT CIRCULAR NO. 81 - 26 - J

TO : All Heads of Ministries and Managing Heads of Government Owned and/or Controlled Corporations: Chiefs of Bureaus and Offices of the National Government; Chief Accountants; COA Regional Directors; Bureau and Corporation Auditors; Governors, City/Municipal Mayors; Provincial/City Auditors; and All Others Concerned.

SUBJECT : PRE-AUDIT OF CLAIMS FOR CONTRACT PRICE ADJUSTMENTS OR PRICE ESCALATION

In order to avoid delay in the processing of payments for progress billings of contractors of public works projects and since the guidelines and methodology for making price adjustments as approved by the President allows the automatic application of the price adjustments to the contract unit prices as part of the billing of the contractor the following pre-audit rules are hereby promulgated:

1. Progress payments with price adjustments shall not be subject to pre-audit except in final payments or when the cumulative payments exceed eighty ~~eighty~~ per cent (80%) of the original contracted amount.
2. All completed payments of price adjustments including supporting documents and computations pertaining thereto shall be forwarded to the Auditor concerned who shall then transmit the same to the COA Technical Service Office for review.
3. The pre-audit of final payments and/or cumulative payments in excess of 80% of the contract amount with price adjustments in the previous progress billings shall require the prior review by the COA Technical Service Office of the reasonableness of the price adjustments made.

Strict compliance herewith is enjoined.

(SGD.) FRANCISCO S. TANTUICO, JR.  
Acting Chairman