

EXECUTIVE ORDER NO. 19

FINANCING THE INDEPENDENCE OF THE COMMISSION ON AUDIT

WHEREAS, Article XII of the 1973 Constitution, providing for an independent Commission on Audit, among others, was adopted in the Provisional Constitution pursuant to Proclamation No. 3 dated March 25, 1986;

WHEREAS, in order to enable the Commission on Audit to discharge effectively its powers and functions, it is necessary to enhance its independence;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. There shall be a total reorganization of the Commission on Audit; provided that the reorganization be done within the framework of the Commission's appropriations and in coordination with the Ministry of the Budget; and provided further that the separation/replacement of personnel in connection therewith be done consistent with Executive Order No. 17 dated May 28, 1986.

SEC. 2. The cost of audit services rendered to government agencies by the Commission on Audit shall be covered by fund sources provided in Section 24 of P.D. 1445 which shall be incorporated in the national budget and included in the Annual General Appropriations Law; provided that in the case of government-owned and/or controlled corporations and its subsidiaries, the cost of audit services shall be fixed at an amount equivalent to one fourth of one per centum ($\frac{1}{4}$ of 1%) of the operating budgets of these corporations/ subsidiaries.

This amount shall be remitted in six equal installments every sixty days (the first installment to fall on January 15 of every calendar year) to the National Treasury by each government corporation/subsidiary concerned; provided, that if the operating budgets of the government corporation/subsidiary are reduced during the year as a result of operating fund shortfall or reduction of its operations, the cost of audit services previously determined shall be reduced proportionately.

It shall be the responsibility of the highest official of a government owned or controlled corporation and its subsidiaries to furnish the Commission on Audit a duly certified copy of the operating budget of his corporation one month before the onset of a new calendar year.

Any official or employee who refuses or fails to submit a certified copy of the operating budget to the Commission as required, or fails to remit the amount due for the cost of audit services, shall be held liable for neglect of duty, and shall be subject to disciplinary or administrative action under the existing rules and regulations of the Civil Service Commission.

SEC. 3. All allowances and fringe benefits granted by government owned or controlled corporations to the personnel of the Commission's auditing units in such corporations shall be directly defrayed by the Commission from its own appropriation pursuant to Section 31 of the General Provisions of the General Appropriations Act, otherwise known as Batas Pambansa Bilang 879.

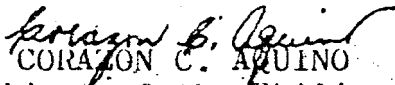
SEC. 4. Appropriations authorized for the Commission on Audit shall be automatically released. The quarterly release of funds by the Ministry of the Budget and Management to the Commission shall be based on the latter's operating budget.

SEC. 5. Funds needed to implement this order shall be drawn from salary lapses and savings of the Commission on Audit. Subsequent funding requirements shall be incorporated in the annual appropriations of the Commission.

SEC. 6. All orders, issuances, rules and regulations or any part thereof which are inconsistent with the provision of this Order are hereby repealed and/or modified accordingly.

SEC. 7. This Order shall take effect immediately.

Done in the City of Manila, this 19th day of June 1986, of the year of Our Lord, nineteen hundred and eighty six.


CORAZON C. AQUINO
President of the Philippines

By the President: