

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 55

**DIRECTING THE INTEGRATION AND AUTOMATION OF GOVERNMENT
FINANCIAL MANAGEMENT SYSTEMS**

WHEREAS, it is the policy of the State to adopt and implement full public disclosure if all its transactions involving public interest and recognize the right of the people to information on matter of public concern as embodied under Section 28, Article II and Section 7, Article III of the 1987 Constitution;

WHEREAS, the present administration subscribes to the emerging global thrust towards open government and greater budget transparency and accords the highest priority to public sector initiatives that promote transparency, accountability and good governance as contained in the President's Social Contract with the Filipino people;

WHEREAS, the development of a government integrated financial management information systems (GIFMIS) will facilitate the generation of vital information on any and all aspects of government financial transactions that can be made accessible to the public through information technology, subject to existing laws, and greater participation of civil society organizations in fiscal governance, as well as the effective and efficient delivery of public services;

WHEREAS, the said integrated system will, among others, allow greater financial management and control at the oversight and agency levels, ensure stricter compliance of the budget to appropriation laws and corresponding rules and regulations, significantly improve Treasury cash management, and facilitate keeping of general accounts of government and management reporting at various levels of government;

WHEREAS, in recognition of the critical need for such system in the government, a Memorandum of Agreement (MOA) was entered into by and among the key oversight agencies of the government namely, the Commission on Audit (COA), Department of Budget and Management (DBM) and the Bureau of the Treasury (BTr) / Department of Finance (DOF) which created the Steering Committee on Cooperation to Foster the Development of a GIFMIS and implement a Public Financial Management (PFM) Reforms Roadmap;

WHEREAS, the GIFMIS Committee has already developed the broad strategies as embodied in a PFM Reforms Roadmap and started to draw up preliminary action plans for the implementation of PFM reforms in the government; and,



WHEREAS, the GIFMIS Committee, which is tasked not only to undertake development of GIFMIS but also to implement the PFM Reforms Roadmap as well as to operationalize a Treasury Single Account (TSA), shall be more aptly called and hereinafter referred to as the PFM Committee.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Automation of the Financial Management Systems of the Key Oversight Agencies. The financial management systems of the three (3) key oversight agencies, i.e., COA, DBM and DOF, shall be automated to the extent necessary and feasible and fully integrated to serve as the backbone of the financial reporting system of the government.

SECTION 2. Deliverables of the PFM Committee. The PFM Committee shall carry out all necessary activities for the completion and installation of the following PFM systems within the term of the current administration:

- a) The GIFMIS which shall enable real-time, online accounting, monitoring and control of obligations and disbursements and their direct links to cash management for more effective financial control and accountability;
- b) A TSA that provides BTr a more effective way of cash management and rationalizing agency bank accounts, a more economical system for cash disbursements which will remove revenue and expenditure floats, and a more efficient reconciliation of bank balances;
- c) An efficient budget release system with predictable and streamlined allotment and cash release programs throughout the year to support the operations of implementing agencies based on reliable cash forecasting and programming by DBM and BTr;
- d) Regular in-year reporting system on the status of budget execution, and timely year-end audit reporting of agency financial and physical operations which will be used in the budget preparation process, the Congressional debate on agency budgets and performance, and the public's participation in the budget process; and,
- e) Systematic recording and reporting of all liabilities of government entities including real and contingent liabilities to enable national government to manage its financial exposure.

SECTION 3. Authority and Functions of the PFM Committee. The PFM Committee shall have the following authority and functions:



- a) Devise a five-year plan for the development and implementation of an integrated financial management information system that links national government agencies with the COA, DBM and BTr to enable the generation of comprehensive, accurate, reliable and timely consolidated financial status reports for the oversight and the implementing agencies;
- b) Oversee, coordinate and develop integration, simplification and harmonization of the government's financial management processes and information systems that shall cover all transactions of government in a phased and systematic manner, and which shall apply uniformly to all government oversight and implementing agencies to generate reliable and accurate reports in a timely manner;
- c) Develop and oversee the implementation of the Philippine PFM Reforms Roadmap;
- d) Shepherd and champion the passage of supporting legislation needed in Congress;
- e) Coordinate budgetary and donor funding to support PFM reform efforts and the GIFMIS;
- f) Provide a comprehensive report every six (6) months on all project milestone activities and its findings and recommendations to the Office of the President through the Development Budget Coordination Committee (DBCC); and,
- g) Issue the necessary implementing policies, mechanisms and procedures to carry out the mandate of the PFM Committee.

SECTION 4. Coverage. All departments, bureaus, offices or agencies of the national government, shall give full support and collaborate with the PFM Committee for the smooth and successful formulation and implementation of the PFM reforms, especially the TSA and the GIFMIS projects.

SECTION 5. Funding. The PFM Committee shall develop a multi-year expenditure plan for the implementation of the PFM Reforms Roadmap, TSA and GIFMIS. The DBM is hereby authorized to provide funds for the requirements of the projects.

SECTION 6. Separability Clause. If any provision of this Executive Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.




SECTION 7. Repealing Clause. All orders, rules, regulations, and issuances, or parts thereof, which are inconsistent with this Executive Order, are hereby repealed, amended, or modified accordingly.

SECTION 8. Effectivity. This Executive Order shall take effect immediately upon publication in a newspaper of general circulation.

DONE, in the City of Manila, this 6th day of September, in the year of Our Lord, Two Thousand and Eleven.



By the President:



PAQUITO N. OCHOA, JR.
Executive Secretary



CERTIFIED COPY:



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