

**MEMORANDUM OF AGREEMENT**  
**Between the Commission on Audit,**  
**Department of Budget and Management**  
**and Department of Finance- Bureau of the Treasury**  
**on Cooperation to Foster the Development of the**  
**Government Integrated Financial Management Information System**

**KNOW ALL MEN BY THESE PRESENTS:**

JAN 21 2010

This Memorandum of Agreement (MOA) on cooperation entered into this \_\_\_ day of \_\_\_\_\_ in the year 2009 done at MANILA by and between:

The **Commission on Audit (COA)**, Philippine Supreme State Audit Institution created and existing under the laws of the Republic of the Philippines, with principal office address at Commonwealth Avenue, Quezon City, herein represented by **REYNALDO A. VILLAR**, in his capacity as Chairman of the Commission, and hereinafter referred to as the **COA**;

The **Department of Budget and Management (DBM)**, a National Government Agency created and existing under the laws of the Republic of the Philippines, with principal office address at General Solano St., San Miguel, Malacanang, Manila, herein represented by **ROLANDO G. ANDAYA, Jr.**, in his capacity as Secretary of Budget and Management, and hereinafter referred to as the **DBM**;

and

The **Department of Finance- Bureau of the Treasury (DOF-BTr)**, a National Government Agency created and existing under the laws of the Republic of the Philippines, with principal office address at DOF Building, BSP Complex, Roxas Boulevard, Manila, herein represented by **MARGARITO B. TEVES**, in his capacity as Secretary of Finance, and hereinafter referred to as the **DOF-BTr**;

**WITNESSETH THAT:**

**WHEREAS**, the Commission on Audit is mandated to keep the general accounts of government and develop accounting standards, techniques and methods of audit and examination of government accounts;

**WHEREAS**, the Department of Budget and Management is tasked to formulate and implement the National Budget and is undertaking efforts to introduce innovations in budget preparation, programming and execution to enhance fiscal discipline, strengthen internal control systems while also improving the delivery of services;

**WHEREAS**, the Bureau of the Treasury is responsible for the management of cash resources and public debt of the national government and for this purpose is currently strengthening its cash management and information systems;

**WHEREAS**, the provision of a sound financial management system in government, that facilitates better planning, and effective utilization of funds, and promotes transparency requires the cooperation and collaboration among the three oversight agencies, COA, DBM and DOF-BTr;

**WHEREAS**, the COA, DBM and DOF-BTr, considered as the principals to this agreement, are committed to promote fiscal responsibility and good governance through greater transparency and accountability in the management of government funds and have expressed a desire to focus their efforts on the development of a modern computerized integrated financial management system, in combination with information technology and the review and reengineering of existing operational budgeting, cash management, and accounting and auditing rules and procedures, that can provide timely, more effective and responsive ways of managing, monitoring and reporting the financial performance of the government to its citizens;

**NOW THEREFORE IN CONSIDERATION OF THE ABOVE**, the COA, DBM and DOF-BTr do hereby agree to establish an inter-agency steering committee (also termed as GIFMIS Committee) composed of authorized alternates or representatives of the principals who hold senior management level positions and have the authority to make immediate decisions during critical meetings and on other pressing concerns and who shall serve as focal persons for the cooperation. The committee shall oversee, coordinate and develop the integration and harmonization of the government's financial management information systems that shall cover all financial transactions of government in a phased and systematic manner, shall apply uniformly to all government oversight and implementing agencies and shall generate reliable and accurate reports in a timely manner.

All outputs of the inter-agency steering committee are recommendatory in nature and all milestone activities shall be reported to the principals.

**PURPOSE and GOALS of the Inter-agency Steering/GIFMIS Committee:**

The purpose of the committee is to clarify, simplify, improve and harmonize the financial management processes and information system of the public sector and as necessary amend and integrate the relevant financial information management systems in the COA, DBM ,DOF-BTr and implementing agencies to eventually foster the development of a Government Integrated Financial Management Information System (GIFMIS), secure steadfast engagement of all key stakeholders, converge existing financial management processes and information system programs and initiatives, focus on sustainable solutions and ensure government ownership of the GIFMIS implementation/action plan.

To effectively achieve said purpose, the inter-agency steering committee shall initiate the creation of a Technical Working Group (TWG) who will provide the necessary technical data and information, give technical support and advice to issues identified by the committee and facilitate the review and/or implementation of recommended/approved solutions. The principals shall nominate at least two (2) technical officials/staff from their agency and invite other officials and staff of implementing and resource agencies to be members of the TWG.

**GIFMIS CONCEPTS and COMPONENTS**

1. Government Integrated Financial Management Information System – customized and integrated application or process-level automation of all routine financial operations and reporting of the national government particularly financial planning and budgeting, treasury, and accounting functions.
2. Components and intended results are the following (*subject to modification once a more detailed information and/or a diagnostic analysis are available*):
  - a. Full integration of budget planning and budget execution data, thereby allowing greater financial management and control at the oversight and agency levels;
  - b. Data capture and monitoring of the execution of the budget which reflects compliance to appropriation law and corresponding rules and regulations;



2 

- c. Planning for cash as well as close and timely monitoring of the government's cash position for a rational implementation of financial plan and policies;
- d. Data consolidation to facilitate keeping of the general accounts of government and management reporting at various levels of government;
- e. Preparation and production of consistent, timely and accurate financial statements and other financial reports on budgeting and accounting for effective evaluation and accountability; and

**AREAS OF COOPERATION:**

COA, DBM and DOF-BTr shall cooperate in the following areas:

1. Identification and rationalization of the management **data/information needs** and reports of COA, DBM and DOF-BTr and the line departments;
2. Coordination and promotion of regular **technical meetings** sponsored by each principal to discuss "needs analysis" and develop possible sequencing of activities in the development of the GIFMIS. Each principal agrees to post the technical meetings on its website and provide links to meeting information and materials necessary for the development of the GIFMIS. For this purpose, information will be exchanged between COA, DBM and DOF-BTr and the Inter-agency Steering Committee's TWG.
3. Review and reengineering of financial management processes to facilitate the integration of the government's financial management systems and strengthen fiscal discipline and internal control. Consequently, resulting new and amended issuances and laws will be drafted and submitted to the Office of the President and Congress reflecting the reengineered systems and processes.
4. Sharing of ideas and information with respect to **encouraging a harmonized and integrated financial management information system**. The communication channel for this purpose will be the COA since this Institution keeps and manages the national accounting system.
5. Coordination of existing **Public Financial Management initiatives and reforms** of the parties which are directly related to the enhancement/harmonization of the party's financial management information system and the development of GIFMIS.
6. And such other activities related in the performance of the purpose of this Memorandum of Agreement (MOA).

**COA shall contribute the following:**

1. Take the lead in the review, updating, and harmonization of the classification of accounts and in the establishment of a unified coding system;
2. Coordinate, with other oversight and implementing agencies, on a "needs survey" of financial information and reports generated from oversight agencies, agency-level finance managers and civil society organizations, if available, and produce a consolidated list of financial information and reports that shall be generated by the integrated information system

**DBM shall contribute the following:**

1. Prepare an inventory of all the financial information and reports that it generates for purposes of budget preparation, programming, execution and performance evaluation to be incorporated and harmonized with the relevant accounting and financial information and reports of COA and DOF-BTr;
2. Take the lead in the review, updating and harmonization of budget information and reports with the national government accounting system;

**DOF-BTr shall contribute the following:**

1. Prepare an inventory of all the financial information and reports that it generates for purposes of cash programming and debt management to be incorporated and harmonized with the relevant accounting and financial information and reports of COA and DBM;
2. Take the lead in the review, updating and harmonization of cash and debt management information and reports with the national government accounting system;


**EFFECTIVITY**

This agreement may be amended or revoked only upon mutual consent of all parties; shall be effective from the date of its signing and shall continue to be in forced, unless sooner terminated by either party, *Provided that*, all proposed amendments and intent of termination shall be done in writing and concurred to by all parties.

**IN WITNESS WHEREOF** and on behalf of our respective agencies, we accept the terms of this MOA on cooperation and hereunto set our signatures on the date and place above-written.

**COMMISSION ON AUDIT**

By:



**REYNALDO A. VILLAR**  
Chairman

**DEPARTMENT OF BUDGET AND MANAGEMENT**


By:



**ROLANDO G. ANDAYA, Jr.**  
Secretary


**DEPARTMENT OF FINANCE – BUREAU OF THE TREASURY**

By:




**MARGARITO B. TEVES**  
Secretary 009564

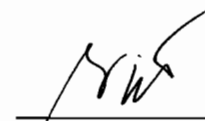
*Signed in the presence of:*



Arcadio B. Cuenco, Jr.  
Assistant Commissioner  
COA



Mario L. Relampagos  
Undersecretary  
DBM



Roberto B. Tan  
Treasurer  
DOF

001555


Republic of the Philippines )  
MANILA ) SS.

**ACKNOWLEDGEMENT**

**BEFORE ME**, this JAN 21 2010 day of \_\_\_\_\_ 2009 personally appeared the following:

- a.) Reynaldo A. Villar with CTC no. 00002987 issued on 01/15/09 at Quezon City
- b.) Rolando G. Andaya, Jr. with CTC no. 14723951 issued on 01/05/09 at Ragay, Camarines Sur
- c.) Margarito B. Teves with CTC no. 00000353 issued on 01/23/09 at Manila.

All known to be to be the same persons who executed the foregoing MOA and they acknowledged to me that the same is their free act and deed, as well as that of the entities that they represent. This instrument consists of five (5) pages including this page, signed by the parties and their witnesses on each and every page thereof and sealed with my notarial seal.

  
**NOTARY PUBLIC**  
E.O. 191, s. 1, Dec. 17, 1976  
IBPS 24655 / ROLL# 24655  
TIN# 144-519-060  
Comm. Exp. Dec. 31, 2010

Doc. no. 311 ;  
Page no. 63 ;  
Book no. X ;  
Series of 2009 / 10



REPUBLIC OF THE PHILIPPINES

## Department of Budget and Management

Malacanang, Manila

November 24, 2009

### MEMORANDUM :

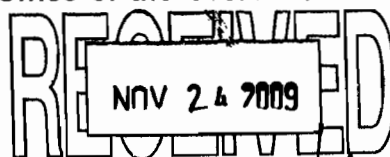
**FOR** : The Secretary

**SUBJECT** : **MOA on Government Integrated Financial Management Information System (GIFMIS)**

1. Attached, for your consideration, is the Memorandum of Agreement among the Department, COA and the DOF - Bureau of the Treasury entitled "Cooperation to Foster the Development of the GIFMIS." It has been signed by the COA Chairman.
2. Undersecretary Relampagos and myself have been working this out with COA and BTr in coordination with former Secretary Emy Boncodin. This system will enable us to secure data on the financial transactions of the agencies on a more timely and accurate basis, ensuring that this data is consistent with those given to COA and BTr. Hence, it will improve our decision making for budget preparation, and execution; assist with the APR and our inspectorate role, and with the improvement of internal control systems.
3. The significance of this MOA is highlighted by the following:
  - a) the development of the GIFMIS is one of the main recommendations of the IMF in the TA on Budget Execution in 2008, and by the joined GOP-donor PFM workshop in Tagaytay early this year;
  - b) this cooperation MOA is one of the conditionalities on DBM under the recent ADB program loan (DPSP3) and the basis for ADB giving a TA for the GIFMIS PMO;
  - c) the new AusAID proposed PFM facility which was recently discussed with you is intending to focus additional resources on the GIFMIS development.

*Laura B. Pascua*  
**LAURA B. PASCUA**  
Undersecretary

Office of the Secretary - DBM



By: \_\_\_\_\_ CTRL No. 1494/3



*Funding the Republic*

REPUBLIKA NG PILIPINAS  
KAGAWARAN NG PANANALAPI  
KAWANIHAN NG INGATANG-YAMAN  
(BUREAU OF THE TREASURY)  
INTRAMUROS, MAYNILA

12 January 2010

**MEMORANDUM**

**FOR** : **Hon. MARGARITO B. TEVES**  
Secretary of Finance

**SUBJECT** : Memorandum of Agreement By and Between the  
COA, DBM, and DOF on the Government Financial  
Management Information System (GIFMIS)

Given the mandates of the Commission on Audit (COA), the Department of Budget and Management (DBM), and the Bureau of the Treasury (BTr), a Memorandum of Agreement among the said agencies is hereby proposed, agreeing, among others, to cooperate and collaborate to provide a sound financial management system in government that will facilitate better planning and effective utilization of funds.

Output of said activity shall be known as Government Integrated Financial Management Information System (GIFMIS) and the same shall be coordinated by a steering committee consisting of authorized alternates or representatives of the principals, to be known as GIFMIS Steering Committee.

Also, proposed is the designation of the undersigned as DOF-BTr representative to the Committee with DTOP Eduardo S. Mendiola as the alternate.

For the Honorable Secretary's approval and signature if in order.

  
**ROBERTO B. TAN**  
Treasurer of the Philippines

001554

**Approved:**

  
**MARGARITO B. TEVES**  
Secretary of Finance

009563



Republic of the Philippines  
**Commission on Audit**  
**Office of the Assistant Commissioner**  
**Special Services Sector**  
Commonwealth Avenue, Quezon City, Philippines  
Telephone No. 951-42-63

---

**MEMORANDUM**

**F O R** : **Chairman REYNALDO A. VILLAR**  
This Commission

**SUBJECT** : Proposed Memorandum of Agreement on  
Cooperation to Foster the Development of  
the Government Integrated Financial  
Management Information System

**D A T E** : November 6, 2009

We respectfully submit for your approval / signature the attached Memorandum of Agreement between the Commission on Audit, Department of Budget and Management, and the Department of Finance – Bureau of the Treasury on Cooperation to Foster the Development of the Government Integrated Financial Management Information System.

The Assistant Commissioners' Group discussed, reviewed and incorporated corrections and revisions on the text in its meetings on October 3, 7 and 15, 2009 and is recommending approval thereof.

The MOA will address and facilitate our function of keeping of the general accounts of government because it will allow COA access to data produced by the DBM and the Bureau of the Treasury. It will thus enable us to keep track of government revenues and expenditures.

For your consideration, Sir.

  
**ARCADIO B. CUENCO, JR.**  
Assistant Commissioner

*acr*