



Republic of the Philippines
Commission on Audit
Department of Budget and Management
Department of Finance

Public Financial Management (PFM) Committee

Resolution No. 02-2014

WHEREAS, the Commission on Audit (COA), the Department of Budget and Management (DBM), the Department of Finance (DOF), the Bureau of the Treasury (BTr), and the National Economic Development Authority (NEDA) are collectively pursuing the Philippine governance reform agenda as stated in the Philippine Development Plan (PDP) for 2011-2016, specifically the Public Financial Management (PFM) Reform Program;

WHEREAS, the development of a comprehensive PFM Act is envisioned as an important component of the broader set of reforms under the PFM Reform Program, with the following objectives:

1. To codify the PFM reforms already institutionalized or have been initiated in previous years, to include among others, the Performance Informed Budget and the Treasury Single Account;
2. To harmonize, standardize, clarify, and modernize the current PFM procedures and practices contained in the mix of laws, regulations, circulars and orders and upgrade them based on good practices abroad;
3. To establish the minimum requirements for the integrated financial management cycle which will be supported by the Government Integrated Financial Management Information System (GIFMIS); and
4. To address the deficiencies in the PFM parameters, and procedures which have been cited in the recent studies/assessments of the International Monetary Fund (IMF) on Fiscal Transparency Evaluation and the World Bank (WB) on Public Expenditure and Financial Accountability.

WHEREAS, there is a need for a more holistic and principles-based financial management and budget law which adopts modern and international standards for the political environment and integrated technological and system developments which affect not only the budget cycle, but also the whole PFM framework to be able to clarify the responsibilities and powers/scope of influence of the Executive and Legislative branches of government, relative to the use of government funds;

WHEREAS, an **Inter-Agency Steering Committee (IASC) on the PFM Act** is hereby constituted to provide broad policy directions and guidelines in the development of said PFM Act, with the following specific functions:

1. Set up and oversee the project organization to implement the work plan approved by PFM Principals¹ relative to the development of the PFM Act;
2. Monitor and ensure the achievement of deliverables according to the timelines set for the preparation of the draft Law;
3. Coordinate with the development partners for technical support;
4. Coordinate with Congress and line agencies to ensure the acceptability of the draft PFM Act; and,
5. Review and evaluate the final draft PFM Act to check consistency with the constitution and current reform directions prior to submission to the PFM Principals and Congress.

WHEREAS, the PFM Act IASC shall be composed of the following:

Name	Position	Office	Designation
1. Laura B. Pascua	Undersecretary	Department of Budget and Management	Chairperson

¹ Defined to include the NEDA Director General in this issuance, aside from the Secretaries of DOF and DBM, and the Chairperson of COA.

Name	Position	Office	Designation
2. Heidi L. Mendoza	Commissioner	Commission on Audit	Member
3. Jeremias N. Paul, Jr.	Undersecretary	Department of Finance	Member
4. Rosalia V. de Leon	Treasurer of the Philippines	Bureau of Treasury	Member
5. Emmanuel F. Esguerra	Deputy Director General	National Economic and Development Authority	Member
6. Angela E. Ignacio	Commissioner	Governance Commission for GOCCs	Member

WHEREAS, for the systematic, continuous and efficient completion of the activities, Technical Working Groups (TWGs) shall be activated in each of the agencies involved, in order to submit the pertinent outputs for consideration of the IASC, with the following responsibilities:

1. Prepare an inventory of existing laws, relevant regulations/circulars currently forming the framework for financial management and budget actions, including completed/ongoing reform initiatives;
2. Formulate and recommend, for the agency's coverage, the general direction, objectives and scope of the reformed PFM framework to be reflected in the law;
3. Review and recast the initial draft bill prepared by International Monetary Fund (IMF) to consider the Philippine context and current reforms;
4. Recommend a draft PFM Act which is simple, rule- and principles-based, consistent with the Constitution, responsive to the Supreme Court decisions, and supported by a draft Implementing Rules and Regulations;
5. Coordinate with members of other TWGs and advisers from the development partners², to ensure consistency in the updating of policies/procedures;
6. Regularly update the IASC Chairperson and members on the progress of the draft PFM Act and present the TWG's outputs;
7. Engage spending agencies, CSOs, and key staff of Congress to facilitate/ensure buy-in of the draft PFM Act; and
8. Brief their respective Principals, singly and thru the IASC, the proposed PFM Act for consideration.

WHEREAS, the TWGs to be activated under each agency, their corresponding heads, and their respective areas of concern are shown in the table below. The membership of these TWGs shall be determined by the respective TWG heads (See Annex A for the initial list).

Agency	TWG	Areas of Concern	TWG Head
DBM	Budgeting Policies	Budget preparation, legislation, execution, monitoring and accountability	Assistant Secretary Janet B. Abuel
DOF	Macro Fiscal Policies	Fiscal policy, NG transfers to LGUs including oversight and monitoring of financial management	Assistant Secretary Ma.Teresa S. Habitan
NEDA	Economic and Planning Policies	Philippine Development Plan, evaluation, approval and monitoring of development projects	Asst. Director General Rosemarie G. Edillon
BTr	Cash Management and Debt Policies	Cash and Debt management	Deputy Treasurer Sharon P. Almanza

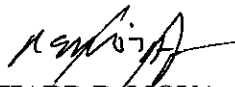
² From the International Monetary Fund, and the Australian-Department of Foreign Affairs and Trade

Agency	TWG	Areas of Concern	TWG Head
GCG	Monitoring of GOCCs	NG transfers to GOCCs including oversight and monitoring of financial management	Commissioner Angela E. Ignacio
COA	Accounting and Auditing Policies	Accounting and auditing	Commissioner Heidi Mendoza

WHEREAS, the International Monetary Fund, World Bank, and the Australian-Department of Foreign Affairs and Trade (DFAT) will be providing technical assistance to this effort.

WHEREFORE, the PFM Committee hereby resolves to approve herein provisions effective immediately.

Done this 8th day of October 2014.



RICHARD B. MOYA
Undersecretary
Department of Budget and Management
Chairperson, PFM Committee



GIL S. BELTRAN
Undersecretary
Department of Finance
Member, PFM Committee



HEIDI L. MENDOZA
Commissioner
Commission on Audit
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ROSALIA V. DE LEON
Treasurer of the Philippines
Bureau of the Treasury
Department of Finance
Member, PFM Committee