

MEMORANDUM ORDER NO. 12

DIRECTING THE IMPROVEMENT OF THE CASH DISBURSEMENT
OPERATIONS OF THE GOVERNMENT THROUGH THE AGENCY
TREASURY WARRANT FUNDING SCHEME

WHEREAS, under the present system, Cash Disbursement Ceilings are issued in order to ensure that agency disbursements are within the limits of cash availability in the Treasury;

WHEREAS, the existing system of using Cash Disbursement Ceilings does not fully ensure that the individual agencies do not issue treasury warrants and TCAAs in excess of their respective Cash Disbursement Ceilings;

WHEREAS, experience has indicated that due to the difficulty of such control mechanism, government funds have either been wasted, diverted, or dissipated hampering National Treasury operations;

WHEREAS, the tight financial situation of the government calls for the institution of stronger control measures to see to it that funds are not expended beyond the amounts authorized by the monetary authorities in accordance with the development thrust of the government.

IN VIEW THEREOF, the Ministry of Budget and Management, in coordination with the Ministry of Finance and the Commission on Audit, shall undertake the following:

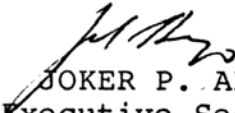
1. Conduct studies and formulate a system of directly issuing treasury warrants to the accounts of the various ministries, agencies, offices, commissions, including government owned and/or controlled corporations, to fund their operating requirements.
2. Design the necessary forms, reports, systems, and procedures to ensure the smooth functioning and operation of the revised system.
3. Institute the necessary internal control measures to safeguard the funds of the government under the new system.

4. Formulate a plan of implementation, including the selection of ministries and offices to serve as pilot projects in testing the operation of the new system during the current fiscal year, so that the system can be implemented fully in all government offices upon the start of fiscal year 1987.

All other ministries and government offices shall extend the necessary cooperation and support to facilitate the implementation of the new system.

This Order shall take effect immediately.

By authority of the President:


JOKER P. ARROYO
Executive Secretary

Manila, June 10, 1986