

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON AT KULTURA
(MINISTRY OF EDUCATION AND CULTURE)
Maynila

December 29, 1978

MEC O R D E R
No. 45, s. 1978

ORGANIZATION OF AN AD-HOC MANAGEMENT SERVICE IN THE
MINISTRY OF EDUCATION AND CULTURE

To: Bureau Directors
Regional Directors
Chiefs of Services and Heads of Units
Heads of Cultural Agencies
Coordinator, State Colleges and Universities

1. Pursuant to a Memorandum of the Ministry of the Budget, dated November 25, 1978, and approved by the President on December 6, 1978, copy inclosed, conceptualizing "a management audit approach that might be adopted by way of monitoring and evaluating the performance of agencies of the national government," there is hereby organized effective immediately an Ad-Hoc Management Service in this Ministry, to set the policies and guidelines in the implementation of the functions contemplated in the aforesaid Memorandum. The members of the Ad-Hoc Management Service are as follows:

Assistant Minister for Adm.	- Chairman
Representative of Staff Bureaus and Cultural Agencies	- Members
Staff Service Chiefs	- Members
Chief Management and Audit Division	- Member and Head of Secretariat

2. The Ad-Hoc Management Service shall be assisted by a Secretariat whose members may be drawn from the various offices in the Ministry.

3. In this connection, there are hereby authorized to be organized in the staff bureaus, cultural agencies and regional offices, Ad-Hoc Management Service Units to be headed by the assistant directors, to undertake performance and other types of audit of their respective offices, under the guidance of the Ad-Hoc Management Service. In addition to this self-evaluation,

inter-bureau or inter-office audit may be initiated by agency heads themselves or their representatives for the external evaluation of each other's programs, projects and activities.

4. The Ad-Hoc Management Service is hereby authorized to conduct a comprehensive management audit of the agencies and offices, under the Ministry, as often as required, and to render the corresponding report to the Minister of Education and Culture not later than thirty days after the completion of such audit.

5. Please be guided accordingly.

(SGD.) JUAN L. MANUEL
Minister of Education and Culture

Incl.:

As stated

References:

None

Allotment: 1--(D.O. 1-76)

To be indicated in the Perpetual Index
under the following subjects:

BUREAUS & OFFICES
OFFICIALS
POLICY
REPORT
RULES & REGULATIONS

(Inclosure to MEC Order No. 45, s. 1978)

Republic of the Philippines
MINISTRY OF THE BUDGET
Manila

November 25, 1978

MEMORANDUM

F o r : The President
F r o m : The Minister of the Budget
S u b j e c t : Management Audit of Agencies
of the Government

At the Cabinet meeting held last Wednesday, the President asked the undersigned to conceptualize a management audit approach that might be adopted by way of monitoring and evaluating the performance of agencies of the national government.

May I submit the following general ideas for clearance, on the basis of which we can proceed to work out the details:

1. Responsibility of Agency Head

Agency Head shall continue to have principal responsibility for the performance of their respective agencies and personnel. In particular, Ministers shall be responsible for the performance of the Bureaus/Offices/Agencies forming part of their Ministries.

The Governing Boards of government-owned or controlled corporations shall have responsibility over general strategy and policy of corporations, while Presidents or General Managers shall have responsibility over operating performance.

2. Ministry Management Services

Ministers shall be supported by a Management Service that will be assigned the function of identifying indicators of performance, recommending target levels of accomplishment, monitoring actual results, and recommending corrective measures.

Systems/Procedures/Studies and Information Systems

This Management Service function shall extend beyond the old internal audit approach and shall focus on tangible accomplishments of the agency as against double-checking of the validity of payments and vouchers. The group shall also be assigned the function of designing and implementing a management information system for the Ministry and its component parts that would generate performance information for the guidance of the President, the Minister, and the various agency heads.

4. Ministry of the Budget Support

The various management service units of Ministries/Agencies shall report to the Ministers/Agency Heads concerned. They shall, however, be functionally supervised by the Ministry of the Budget. Among others, recommendations on systems, procedures, management information systems, and other technical aspects of the management service work shall be subject to a prior review process.

The Ministry of the Budget shall evaluate the performance of the various Management Service Units. It shall also be empowered to conduct studies on its own, subject to the concurrence of the Ministry Head concerned or the President.

5. Staffing Requirements

The main problem that will probably face the various agencies in applying a management service approach is the scarcity of people who can do the job.

The effective implementation of the program would call for some active recruitment of management, information and systems analysts. Existing government employees would be evaluated for aptitude and supplemented by heavy outside recruitment.

A pool of experts shall be formed from the Ministry of the Budget, the Commission on Audit, and the Civil Service Commission to guide the work.

6. Government-Wide Support:

The Ministry of the Budget, the Commission on Audit, the Civil Service Commission, and the various agencies of government have personnel/units that are in some ways related to the basic task at hand. The delineations of functions shall be done more precisely. In particular, the work shall be divided as follows:

The Commission on Audit - review of financial transactions, to make sure that these are properly authorized and to make sure that funds are used for the intended purposes

The Civil Service Commission - review of the efficiency of individual persons in the government, and design of evaluation policies and procedures that will tie in with the overall work goals of the organization

Ministry of the Budget - review of cost-effectiveness of agency operations, management information systems requirements, and internal operating systems and procedures of agencies

7. Private Sector Mobilization

In view of limited expertise within government, the assistance of the private sector shall be sought, in terms of providing technical expertise for limited periods of time.

Cooperative arrangements shall be evolved with:

- (a) professional organizations, such as the Financial Management Executives of the Philippines (FINEX), the Philippine Institute of Certified Public Accountants (PICPA), the Jaycees and the various Rotary Clubs,
- (b) management consultancy firms such as Sycip, Gorres, Velayo & Co., and the Economic Foundation, Inc., and
- (c) schools and private individuals. The concept is to identify individuals who will contribute their expertise to some aspect of the management service function, for a specified period of time.

In selected cases, it may be possible to have the assistance of individuals for say up to a year on a full-time basis and at the expense of companies, following the approach that has been taken in the past. Cost could alternatively be shared by government and the private enterprises.

To maximize these private sector contributions, they shall comprise a team with no line responsibilities that will be available to agencies needing their assistance. They would be attached to the Ministry of the Budget, to help out also in training understudies to continue the work when they return to the private sector.

Explanatory talks with professional organizations have been very encouraging.

With the President's approval, the undersigned shall prepare the necessary action documents for the President's signature, in order to get these into motion.

(SGD.) JAIN O. LAYA
Minister of the Budget

A true copy

