

[**PRESIDENTIAL DECREE NO. 111-A, September 09, 1973**]

SUPPLEMENTING PRESIDENTIAL DECREE NO. 111, DATED JANUARY 26, 1973, ENTITLED "DECLARING THE EFFECTIVITY OF THE CREATION OF THE COMMISSION ON AUDIT AS PROVIDED IN THE NEW CONSTITUTION AND PROVIDING GUIDELINES FOR THE OPERATION THEREOF"

WHEREAS, Presidential Decree No. 111, dated January 26, 1973, has declared that the Commission on Audit created in the new Constitution is now in existence, and provided guidelines for its operations;

WHEREAS, the General Auditing Office may serve as the nucleus of the Commission on Audit; and

WHEREAS, there is an imperative need to set up an organization for the Commission on Audit that shall most effectively and economically carry out its powers and functions;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, do hereby order and decree:

SECTION 1. The Commission on Audit, hereinafter referred to as the Commission, shall consist of the Commission Proper to be constituted pursuant to Section 1, Article XII-D, of the new Constitution; an Administrative Service; a Legal Service; an Accountancy Service; a Systems and Training Service; a Program Audit Office; three National Government Audit Offices; a Local Government Audit Office; and a Corporate Audit Office.

SEC. 2. The Commission Proper shall sit as a body and promulgate policies, rules, regulations, and standards governing the performance of the powers and functions of the Commission in accordance with the new Constitution. It shall appoint the officials and employees of the Commission in accordance with the Civil Service Law, pursuant to Article XII-A, Section 4, of the new Constitution. It is authorized to make changes in the Composition, distribution and assignment of auditing units as well as the personnel whenever the needs of the service so require.

SEC. 3. The Chairman shall act as the presiding officer of the Commission Proper and the chief executive officer of the Commission.

SEC. 4. The Administrative Service shall be responsible for providing the Commission with services relating to budgeting, accounting, personnel, records, supplies, equipment, collecting and disbursing, housekeeping, and other related services. It shall have a Budget, Cash and Property Division; an Accounting Division; a Personnel Division; a Records Division; and a General Services Division.

- a. The Budget, Cash and Property Division shall provide budgeting, collecting and disbursing, and property management services for the Commission,

- b. The Accounting Division shall maintain the books of accounts of the Commission and provide other related accounting services.
- c. The Personnel Division shall provide personnel management services for the Commission.
- d. The Records Division shall provide records management services for the Commission.
- e. The General Services Division shall provide housekeeping, security, messengerial, transportation and other related services for the Commission.

SEC. 5. The Legal Service shall be responsible for performing advisory and consultative functions and rendering legal services with respect to the performance of the functions of the Commission and to the interpretation of general auditing rules and regulations and pertinent laws. It shall handle the investigation of administrative cases filed against the personnel of the Commission, evaluate and act on all reports of involvement of said personnel in anomalies and/or irregularities in government transactions, and such other investigative work to be ordered by the Commission. In addition, it shall represent the Commission in preliminary investigations of malversation cases discovered in audit, and assist the Solicitor General and the Tanodbayan in handling cases involving the Chairman or any of the Commissioners, and other officials and employees of the Commission. It shall have a National Government Division, a Local Government Division, a Corporate Division, each performing the functions of the Legal Service as they pertain to their respective clientele area, and an Investigation and Prosecution Division.

SEC. 6. The Accountancy Service shall be responsible for preparing the annual financial report of the Government, its subdivisions, agencies and instrumentalities, including government-owned or controlled corporations (as consolidated by the Corporate Audit Office) and other financial and/or statistical reports as may be required by the Commission; verifying appropriations of National Government agencies and controlling fund releases thereto; and preparing statements on local governments' revenues, legal borrowings, and net paying capacities for reclassification and other purposes. It shall have an Accounts Division, a National Government Accountancy Division, a Local Government Accountancy Division, and a Treasury Vault and Banking Audit Division.

- a. The Accounts Division shall control the release of allotments out of appropriations provided under various appropriations acts, and undertake overall National Government cash reconciliation.
- b. The National Government Accountancy Division shall prepare required annual and other financial and/or statistical reports on the operations and financial conditions of the National Government and reconcile public debt.
- c. The Local Government Accountancy Division shall prepare required annual and other financial and/or statistical reports on the operations and financial conditions of Local Governments and hospitals maintained by local government units.
- d. The Treasury Vault and Banking Audit Division shall audit cash transactions in the vault of the Bureau of the Treasury.

SEC. 7. The Systems and Training Service shall be responsible for developing general accounting, auditing, and related fiscal control systems, and formulating and implementing the Commission's training programs. It shall have a Systems Division and a Training Division.