

[EXECUTIVE ORDER NO. 236, July 22, 1987]

STRENGTHENING THE GOVERNMENT CORPORATE MONITORING AND COORDINATING COMMITTEE AND FOR OTHER PURPOSES

WHEREAS, government corporations account for an inordinately high proportion of the country's external debt, public sector deficits and total credits;

WHEREAS, almost every aspect of government corporate operation represents a potential claim on government resources;

WHEREAS, a system of financial controls and periodic monitoring of government corporations is necessary to avoid the inefficient allocation and utilization of resources;

WHEREAS, there is a need to strengthen the mechanism for reviewing, monitoring and evaluating the overall performance of individual corporations as well as the government corporate sector as a whole; and

WHEREAS, an effective inter-departmental oversight mechanism is an integral part of the overall public sector rationalization program;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the sovereign will of the Filipino people and the Constitution, do hereby order:

SECTION 1. Government Corporate Monitoring and Coordinating Committee. - The Government Corporate Monitoring Committee, created under Executive Order No. 936 dated February 29, 1984, and reconstituted as the Government Corporate Monitoring and Coordinating Committee under Memorandum Circular No. 10 dated May 19, 1986, hereinafter referred to as the Committee, is hereby reaffirmed as the monitoring and coordinating body for all government-owned or controlled corporations attached to the different Departments which are represented in the Committee and which demand a heavy burden on the National Treasury.

In determining the specific government corporations that shall fall within the scope of this government monitoring system, the Committee shall prepare a list of government corporations on an annual basis subject to the approval of the President: Provided, however, That the President may include additional government corporations even if they are not attached to departments represented in the Committee but demand a heavy burden on the National Treasury.

The Committee shall be composed of the Executive Secretary, the Secretaries of the Departments of Transportation and Communications, Finance, Agriculture, Public Works and Highways, Environment and Natural Resources, and Trade and Industry and the Director-General of the National Economic and Development Authority

Secretariat. It shall be chaired on a rotating basis to be decided by the Committee.

SEC. 2. *Staff Support and Secretariat of the Committee.* - The Committee shall have such secretariat and staff support as it may need in the performance of its functions and duties under this Order.

SEC. 3. *Powers and Functions of the Committee.* - The Committee shall be responsible for coordinating the operations of the affected government-owned or controlled corporations for the purposes of:

- (1) Enhancing public accountability in the operations of the affected government-owned or controlled corporations;
- (2) Promoting efficient allocation and use of resources;
- (3) Instilling financial discipline and promoting financing self-sufficiency among the affected government-owned or controlled corporations; and
- (4) Integrating the plans and programs of the affected government-owned or controlled corporations with the requirements and goals of government policy.

For this purpose, the Committee shall have the following powers and functions:

- (a) Establish with the concurrence of affected government-owned or controlled corporations, performance criteria, targets and standards, and conduct periodic review and appraisal of performance in accordance with such agreed criteria, targets and standards;
- (b) Recommend to the President financial sanctions and restrictions such as, but not limited to, withholding of budgetary releases and imposition of additional financial controls on affected government corporations;
- (c) Monitor the implementation by the affected government-owned or controlled corporations of audit recommendations issued by the Commission on Audit to the extent that such audit recommendations are applicable to the evaluation and review functions of the Committee;
- (d) Issue appropriate guidelines, rules and regulations, subject to the approval of the President, implementing the provisions of this Executive Order;
- (e) Provide guidelines and guidance to the affected government-owned or controlled corporations in the preparation of corporate plans;
- (f) Perform such other related functions as may be necessary to carry out its responsibilities.

SEC. 4. *Responsibility of the Committee For Monitoring and Evaluating the*