

[EXECUTIVE ORDER NO. 19, June 19, 1986]

**ENHANCING THE INDEPENDENCE OF THE COMMISSION ON
AUDIT**

WHEREAS, Article XII of the 1973 Constitution, providing for an independent Commission on Audit, among others, was adopted in the Provisional Constitution pursuant to Proclamation No. 3 dated March 25, 1986;

WHEREAS, in order to enable the Commission on Audit to discharge effectively its powers and functions, it is necessary to enhance its independence;

NOW, THEREFORE, I CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. There shall be a total reorganization of the Commission on Audit; provided that the reorganization be done within the framework of the Commission's appropriations and in coordination with the Ministry of Budget; and provided further that the separation/replacement of personnel in connection therewith be done consistent with Executive Order No. 17 dated May 28, 1986.

SEC. 2. the cost of audit services rendered to government agencies by the Commission on Audit shall be covered by fund sources provided by Section 24 of P.D. 1445 which shall be incorporated in the national budget and included in the Annual General Appropriations Law; provided that in case of government-owned and/or controlled corporations and its subsidiaries, the cost of audit services shall be fixed at an amount equivalent one fourth of one per centum (1/4 of 1%) of the operating budgets of these corporations/ subsidiaries.

This amount shall be remitted in six equal installments every six days (the first installment to fall on January 15 of every calendar year) to the National Treasury by each government corporation/subsidiary concerned provided, that if the operating budgets of the government corporation/subsidiary are reduced during the year as a result of operating fund shortfall or reduction of its operations, the cost of audit services previously determined shall be reduced proportionately.

It shall be the responsibility of the highest official of a government owned or controlled corporations and its subsidiaries to furnish the Commission on Audit a duly certified copy of the operating budget of his corporation one month before the onset of a new calendar year.

Any officials or employee who refuses or fails to submit a certified copy of the operating budget to the Commission as required, or fails to remit the amount due for the cost of audit services, shall be held liable fore neglect of duty, and shall be subject to disciplinary or administrative action under the existing rules and regulations of the Civil Service Commission.