

FURTHER AMENDING SECTIONS 584 AND 651 OF THE REVISED ADMINISTRATIVE CODE, AS AMENDED BY REPUBLIC ACT NOS. 2266 AND 2716

PRESIDENTIAL DECREE NO. 61, November 20, 1972

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WHEREAS, in order to clarify the status of the representative of the Auditor General and his subordinate officials and employees assigned in government-owned and controlled corporations and to define the powers of the Auditor General in appointing said officials and employees and his authority to determine the operating expenses of the Auditing Office thereat, there is a need to further amend Sections 584 and 651 of the Revised Administrative Code, as amended by Republic Act No. 2266 and Republic Act No. 2716, respectively;

WHEREAS, to give autonomy to the various self-governing boards of government-owned and controlled corporations in the management and operation of their respective corporations, it is imperative to extend to said governing boards the corresponding authority to pass upon the personnel requirements of the Auditor General's representatives, with the end in view to reducing costs and expenses as envisioned under the Integrated Reorganization Plan;

NOW, THEREFORE, I, FERDINAND E. MARCOS, Commander-in-Chief of all the Armed Forces of the Philippines, pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and in order to effect the desired changes and reforms in the social, economic and political structures of our Society, do hereby decree that the following amendments to the aforementioned provisions, as amended by Republic Act No. 2266 and Republic Act No. 271G, are hereby adopted and approved, and made part of the law of the land:

SECTION 1. Section 584 of the Revised Administrative Code, as amended by Republic Act No. 2266, is further amended to read as follows:

"SEC. 584. General Jurisdiction of the General Auditing Office. — The authority and powers of the General Auditing Office extend to and comprehend all matters relating to accounting procedure, including the keeping of the accounts of the Government, the preservation of vouchers, the methods of accounting, the examination and inspection of the books, records and papers relating to such accounts and to the audit and settlement of the accounts of all persons respecting funds or property received or held by them in an accountable capacity, as well as to the examination and audit of all debts and claims of any sort due from or coming to the Government of the Philippines in any of its branches. The said jurisdiction shall also extend to all corporations established and organized in accordance with the laws of the Philippines wherein the Government of the Philippines or any of its branches or any corporation owned or controlled by it owns the majority of stocks as well as to all other self-governing boards, commissions or agencies of the Government. In the exercise of this jurisdiction, the Auditor-General shall act as the ex officio Auditor of the said corporation, board, commission or agency and, as such, he is empowered and authorized to appoint a representative, known as the Auditor, and fix his salary in an amount equal to the salary authorized for the first assistant or next ranking managing head of the corporation, board, commission or agency, and to appoint and fix the salaries and number of the personnel to assist said representative in his work, but in all cases subject to the approval of the self-governing board,

commission or agency of the Government concerned. The personnel expenses and operating costs of his office shall be determined and paid by the corporation, board, commission or agency concerned. Such salaries and number of Auditing personnel may only thereafter be increased, diminished or altered by the Auditor General, subject to the approval of the self-governing board, commission or agency of the Government concerned and said representative and his subordinate personnel may receive such allowances and privileges as may be authorized and approved by the said governing board, commission or agency of the Government upon recommendation of the Auditor General."

SEC. 2. The first paragraph of Section 651 of the same Code, as amended by Republic Act No. 2266, is hereby further amended to read as follows:

"SEC. 651. Power of Auditor to Compromise Claim. — The Provision of any law to contrary notwithstanding, when, in the judgment of the Auditor General, the interest of the Government so requires, he may compromise or release, in whole or in part, any claim or settled liability to the Government not exceeding P1,000;00 and, with the written approval of the President of the Philippines, he may likewise compromise or release any similar claim or liability not exceeding P10,000.00. The respective boards of directors of all government-owned or controlled corporations, including other self-governing boards, commissions and agencies, shall have the exclusive power to compromise or release any similar claim or liability in accordance with and as authorized by their respective charters, if in their judgment the interest of their respective corporations so requires."

SEC. 3. Any provision of law and executive orders to the contrary notwithstanding, all officials and employees of the General Auditing Office assigned to the various government agencies and instrumentalities, including all government-owned or controlled corporations, shall be subject to the Civil Service Law, rules and regulations and all their appointments shall be submitted to the Civil Service Commission for attestation. In the approval of the appointments of all officials and employees of the General Auditing Office in the said government-owned or controlled corporations and instrumentalities, the self-governing board, commission or agency of the Government shall strictly comply with and adhere to the pertinent provisions of the Civil Service Law, rules and regulations.

SEC. 4. Republic Act No. 2266 and Republic Act No. 2716, and all other acts, executive orders, administrative orders, proclamations, decrees, rules and regulations or part thereof "inconsistent with any of the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 5. This Decree shall take effect immediately: provided, That amendments, changes and modifications may be made by me and the same shall take effect after pronouncement thereon by me or by my duly designated representative.

Done in the City of Manila, this 20th day of November, in the year of Our Lord, nineteen hundred and seventy-two.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR

Executive Secretary

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