

THIRTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

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SENATE

RECEIVED BY: *dm*

S. No. 763

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INTRODUCED BY HON. MANUEL B. VILLAR JR.

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#### EXPLANATORY NOTE

Government accountants play a vital role in the operation of the National Government, its subdivisions, agencies, and instrumentalities, including government-owned and controlled corporations. They are instrumental in recording disbursement, revenues and collections as well as in the preparation of financial statements or reports regularly submitted to Congress, the Commission on Audit, the Department of Budget and Management, the National Treasury, and other authorities concerned. Thus, in the performance of such given tasks, they are obliged to render accounting service beyond office hours to complete the preparation of financial reports in order to analyze and determine the actual cash position and funds of the government.

In recognition of their important functions, this bill declares all employees holding permanent positions in various government agencies performing accounting, budgeting, internal audit and other related government accounting functions as protector and vanguard of financial and material resources of the Government. As such, this proposed measure seeks to improve and promote their social and economic status, living and working conditions, terms of employment, professional growth and career advancement.

Among the provisions of the proposed bill is the exemption of government accountants from the provisions of R.A. No. 6758, otherwise known as the "Compensation and Position Classification Act of 1989," particularly Section 12 thereof, by providing them additional compensation and incentives such as subsistence allowance, longevity pay, and compensation for injuries. Moreover, the proposed legislation recognizes the following rights of government accountants, namely: the right to self-organization, the right to attend periodic workshops, dialogues, conferences, seminars and conventions, the right to security of tenure, and the right to due process.

In view of the necessity to compensate the daily tremendous workload of government accountants, the early passage of this bill is earnestly requested.

  
MANUEL B. VILLAR, JR.

SENATE  
OFFICE OF THE SECRETARY

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**AN ACT PROVIDING FOR A MAGNA CARTA OF GOVERNMENT ACCOUNTANTS**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. Title. - This Act shall be known as the "Magna Carta of Government Accountants."

SECTION 2. Declaration of Policy. - The State shall maintain honesty and integrity in the public service and take positive and effective measures to develop and install a sound and effective government accounting system consistent with the requirements of public accountability and transparency. The State hereby declares the Government Accountants as protector and vanguard of financial and material resources of the Government. To this end, the State shall endeavor to improve and promote their social and economic status, living and working conditions, terms of employment, professional growth, and career advancement.

SECTION 3. Definition of Terms. - As used in this Act, the following terms shall be construed to mean as follows:

a) *Government Accounting* - refers to the whole system of recording, classifying and summarizing financial transactions, the establishment of adequate accounting and financial information system, the establishment of sound and integrated system of internal financial and administrative controls, and such other related functions aimed towards improving fiscal controls and management;

b) Government Accountant - refers to any government employee holding position belonging to any level of the career service and performing function and/or works pertaining to government accounting;

c) Government Accounting Staff - refers to a group of government accountants assigned in a particular organizational unit which includes, but not limited to, an office, division, section or equivalent, performing government accounting functions;

d) Certified Public Accountant (CPA) - refers to one who has passed the licensure examination given by the Board of Accountancy of the Professional Regulations Commission, has taken his oath and possesses no disqualification to practice his profession;

e) Head of Agency - refers to the chief operating officer of a department, office, agency, bureau, state university and/or college, local government unit, government-owned and controlled corporation and such other governmental instrumentalities;

f) CSC - refers to the Civil Service Commission;

g) COA - refers to the Commission on Audit;

h) DBM - refers to the Department of Budget and Management;

i) AGAP - refers to the Association of Government Accountants of the Philippines, Inc.;

j) Geographical Reassignment - refers to the movement of official station from one geographical location to another;

k) Compulsory Retirement - refers to the cessation and/or termination of service by the Government Accountant with the Government in accordance with law or as may be provided under this Act;

l) Overloading - refers to a condition when a Government Accountant is assigned tasks/works above normal workload level;

m) Understaffing - refers to a condition when a number of authorized positions in an organizational unit performing government accounting function is less than the required number of positions.

SECTION 4. Coverage. - This Act shall cover all officials and employees holding permanent positions in the Government, its subdivisions, agencies, and instrumentalities, including government-owned and controlled corporations performing accounting, budgeting, internal audit and other related government accounting functions.

SECTION 5. Recruitment and Qualification. - The selection and appointment of Government Accountants shall be strictly in accordance with the merit and fitness principle and the minimum qualification requirements as may now or thereafter be prescribed by the CSC: Provided, That the CSC may develop and administer specialized examination for purposes of providing appropriate eligibilities to positions not requiring a certified public accountant eligibility.

SECTION 6. Performance Evaluation and Merit Promotion. - Heads of agencies shall prepare a uniform Career and Personnel Development Plan applicable to all Government Accountants in their respective agencies. Such Career and Personnel Development Plan shall include provisions on merit promotion, performance evaluation, in service training, grants and incentive award system.

The Performance Evaluation Plan shall consider foremost the improvement of individual employees efficiency and organization effectiveness: Provided, That each employee shall be informed regularly of his performance evaluation.

The merit promotion plan shall be in consonance with the rules of the CSC.

SECTION 7. Transfer or Geographical Reassignment of Government Accountants. - Government Accountants shall not be transferred or reassigned except, when made in the interest of public service, in which case, the employee concerned shall be informed of the reasons therefor in writing. If the Government Accountant believes that there is no valid ground for the transfer or

reassignment, he may appeal the order to the CSC; and pending appeal, such transfer or reassignment shall be held in abeyance: Provided, That no transfer or reassignment whatsoever shall be made three (3) months before any local or national elections: Provided, further, That Government shall pay for the necessary expenses of the transfer or reassignment of the Government Accountant and his immediate family.

SECTION 8. Security of Tenure. - Government accountants holding permanent positions shall not be terminated except for cause as may be provided by law and after due process: Provided, That any government accountant found by the CSC to be unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and to backwages with twelve (12%) percent interest computed from the time the compensation was withheld up to the time of reinstatement.

SECTION 9. Discrimination Prohibited. - A Government Accountant shall not be discriminated against with regard to gender, civil status, creed, religious or political beliefs, and ethnic groupings in the exercise of his profession.

SECTION 10. No Understaffing/Overloading of Government Accounting Staff. There shall be no understaffing or overloading of Government Accountants. A Standard Staffing Pattern for government accounting staff shall be established, taking into consideration the total appropriation, number of funds, number of agencies/units with individual sets of books of accounts, organization's manpower force, and such other factors as may be determined by the DBM, CSC and COA.

In line with the above policy, substitute officers or employees shall be provided in place of officers or employees who are on leave for over three (3) months.

SECTION 11. Safeguards and Disciplinary Procedures. - In every disciplinary proceeding, a Government Accountant shall be accorded the following rights:

a) The right to be informed in writing of the charges against him;

- b) The right to full access to evidence;
- c) The right to defend by himself or by counsel of his own choice and/or his organization;
- d) The right to confront witnesses presented against him and summon witnesses in his behalf;
- e) The right to appeal to designated authorities;
- f) Such other rights as will ensure fairness and impartiality during proceedings.

In case the Government Accountant is exonerated or the charge against him is dismissed, he shall be entitled to reimbursement of reasonable expenses incurred in his defense.

SECTION 12. Overtime Work. - Where the exigencies of the service so require, any Government Accountant maybe required to render service beyond the normal eight (8) hours a day, including Saturdays, Sundays or non-working holidays. In such case, the Government Accountant shall be paid an additional compensation in accordance with existing laws.

SECTION 13. Night Shift Differential. - Any Government Accountant who is required to work on a shift with working hours going beyond ten (10) o'clock in the evening up to six (6) o'clock in the morning shall be entitled to a night shift differential pay of ten percent (10%) of the regular wage for each hour performed during the night shift.

SECTION 14. Salaries. - The salary scale of Government Accountants shall be in accordance with the provision of Joint Resolution No. 1, and shall progress whenever there is a salary increase or across the board adjustment granted by the National Government: Provided, That the salary of the highest government accountant position shall be equal to the salary of the third ranking official of any government agency: Provided, further, That the salary grade intervals down the rank shall not be more than two (2) salary grades.

SECTION 15. Additional Compensation and Incentives. - Notwithstanding Section 12 of Republic Act No. 6758, otherwise known as the "Compensation and Position Classification Act of 1989," Government Accountants shall receive the following allowances:

a) Subsistence allowance which may be computed in accordance with prevailing circumstances as may be determined by and in consultation with AGAP;

b) Longevity pay which shall be equivalent to five percent (5%) of the monthly basic pay for every five (5) years of continuous, efficient and meritorious services rendered as certified by the Head of Agency commencing with the service after the approval of this Act.

c) Laundry Allowance shall be granted to those who are required to wear uniform regularly at the rate of Three Hundred Pesos (P300.00) per month: Provided, That this rate shall be reviewed periodically and increased accordingly by the Secretary of Budget and Management in consultation with the appropriate government agencies concerned.

d) Remote Assignment Allowance shall be extended to those who accept assignment in remote areas or isolated stations, which for reasons of far distance or hard accessibility, such positions had not been filled for the last two (2) years prior to the approval of this Act, equivalent to fifty percent (50%) of their basic pay inclusive of the reimburseable cost of reasonable transportation to and from such remote post or station, upon assuming or leaving such position and during official trips: Provided, That tour of duties in remote areas shall not exceed two (2) years for their transfer, or they prefer to stay in such post in excess of two (2) years.

e) Medical Examination - shall be provided compulsorily free of charge upon entry in the government service and every year thereafter during his tenure of employment: Provided, That where medical examination shows that medical treatment and/or hospitalization is necessary, medicines shall also be provided free by the Agency, regardless of whether the Government Accountant is confined in government or private hospital: Provided, further, That the cost of such medical examination and treatment shall be included as automatic appropriation in the Agency's annual budget.

f) Compensation for Injuries - Government Accountants shall be protected against the consequences of employment injuries in accordance with existing laws. Injuries incurred while doing overtime work shall be presumed work-connected.

g) As withholding and collecting agent of BIR, GSIS, HMDC, a Government Accountant shall be allowed honorarium as remitting officer.

SECTION 16. Automatic Salary Adjustment. - Government Accountants who are Certified Public Accountants and enjoying permanent status, shall be granted an automatic five percent (5%) increase in his basic salary upon approval of this Act: Provided, That those who passed the CPA Licensure Examination or who have completed post graduate studies after the approval of this Act, shall also be entitled to the five percent (5%) automatic adjustment in basic pay.

SECTION 17. Highest Basic Salary Upon Retirement. - Three (3) months prior to compulsory retirement, a Government Accountant shall automatically be granted salary increase to the next higher salary grade but in no case shall the salary difference be less than Five Hundred Pesos (P500.00): Provided, further, That compulsory retirement shall include staff members who died by reason of work connected sickness or accident or declared total permanent disability prior to compulsory retirement age irrespective of length of services provided that the services rendered were satisfactory.

SECTION 18. Right to Self-Organization. - Government Accountants shall have the right to freely form their own organization, to affiliate with or assist other organizations or government workers for purposes not contrary to law, in order to defend and protect their mutual interests and to obtain redress of their grievances through peaceful concerted activities: Provided, That under no circumstances shall they be allowed to declare, stage or join any strike or cessation of services,

SECTION 19. The Right to Attend Periodic Workshops, Dialogues, Conferences, Seminars and Conventions. - Government Accountants being instrument of management of the various government agencies in graphing or directing the proper course of action towards the attainment



of their respective plans and projects have the right to be properly updated of the continuing plans and strategies in maximizing the resources of government to obtain the best results at minimum costs. Heads of Agencies shall allow Government Accountants to attend training workshops, dialogues-conferences or seminars and conventions on official business. They shall also have the right to be informed periodically of the Agency's plans, programs and strategies.

SECTION 20. Freedom from Interference or Coercion. - Government Accountants shall be guaranteed from interference and coercion from authorities outside his agency.

SECTION 21. Human Resource Development/Management Study. - The CSC in coordination with the Association of Government Accountants of the Philippines shall conduct periodic human resource development/management study along the following areas:

- a) Adequacy of modern and updated facilities and supplies to render quality, timely and reliable financial reports;
- b) Opportunity for government accountant staff to grow and develop their potentials and to, attain a sense of ' worth and dignity of their work;
- c) Staffing patterns and standards of accounting offices or units attuned to contemporary requirements and 30 trends;
- d) Ways and means of enabling the government accountants to avail themselves of educational opportunities for personal growth and development;
- e) Upgrading of working conditions, reclassification of position and salaries to correct disparity vis-a-vis other professions.

SECTION 22. Prohibition Against Elimination and/or Diminution of Benefits. Nothing in this Act shall be construed to eliminate or in any way diminish benefits being enjoyed by government accountants of the time of the effectivity of this. Act.

SECTION 23. Prohibition Against Double Recovery of Benefits. - Whenever other laws provide for the same benefits covered by this Act, the Government Accountant shall have the option to choose which benefits will be paid to him except when such benefit is considered part of an incentive package extended for the extra effort and/or time devoted by the Government Accountant.

SECTION 24. Appropriations. - The amount necessary to implement the provision of this Act is hereby authorized to be appropriated out of any funds not otherwise appropriated. Thereafter, such sums shall be included in the General Appropriation of the government agencies or instrumentalities concerned.

SECTION 25. Rules and Regulations. - The Civil Service Commission (CSC), in consultation with the Association of Government Accountants of the Philippines (AGAP), Inc. and such other professional organizations of government accountants, shall promulgate necessary rules and regulations to implement the provisions of this Act.

SECTION 26. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the remainder thereof not affected thereby shall continue to be in full force and effect.

SECTION 27. Repealing Clause. - All laws, decrees, orders, rules and regulations or other issuance or parts thereof inconsistent with the provision of this Act are hereby repealed, amended or modified accordingly.

SECTION 28. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,