

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

6 JUL 1915

SENATE

Senate Bill No. 2288

INTRODUCED BY SEN. MANNY VILLAR

EXPLANATORY NOTE

There is an urgent and imperative necessity to formulate and implement a sound and effective solution to the problem of red tape in the government service. This problem is like a cancerous disease from which the government and our people have suffered for so long that sometimes it is beginning to look as if it were permanent condition of life in this part of the world and there is simply nothing that can be done about it except perhaps to resign ourselves to the tremendous waste of valuable economic resources and opportunities, to the corruption and injustice, to the sense of frustration, grief, anger and anxiety, and above all, to the national shame and disgrace that it has been causing to our people for many years. But then we realized that this problem called red tape, which refers to the unreasonable, oppressive and wasteful delays in the performance of official acts and duties and in the delivery of vital public services and which in the ultimate analysis is the matrix of graft and corruption and other chronic ills in the country's bureaucracy, is a very serious challenge to our sense of responsibility and honor and a mortal threat to our national existence because men cannot go on believing in a system that claims to be free and democratic while it permits the unscrupulous bureaucrats to run the government as if it were their own preserve.

This bill proceeds from the assumption that red tape and the various ills that it breeds are man-made problem that can be solved and licked, or at least reduced to manageable proportions and our people and the new leaders of the nation have the means, the capacity, the courage and the wisdom to overcome it. In fact, it is the objective of this proposed legislative measure to lay down the groundworks and pave the way towards the formulation and implementation of some solutions to the aforesaid problems that should be more effective and lasting than the palliatives and the ill-conceived remedies attempted in the past. In accordance with this purpose, it aims to give meaning and substance to the constitutional mandate enunciated under Section 27, Article II and Section 1, Article XI of the Constitution, which provides as follows:

"SECTION 27. The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption." (Section 27, Article II of the Constitution)

"SECTION 1. Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives." (Section 1, Article XI of the Constitution)

Conceptually, the provisions of this bill are structured in such a way that it would provide both immediate relief and long-ranged solutions to the problem of red tape and other pernicious practices in the public service. Thus, an examination of this proposed legislation would reveal that some of its provisions are designed to go into full operation as soon as it is enacted into law. However, the author of this bill has always been of the belief that to achieve an effective and enduring solution or solutions to these problems is a task that calls for a comprehensive, integrated and systematic approach, analysis and evaluation of the present situation in the government bureaucracy. For this reason, it is proposed under the provisions of this bill, among other things, that the Inter-departmental Executive Committee be created which would undertake the implementation of the significant components of this bill at the initial stage and at the same time serve as adequate and capable mechanism for preparing the blueprint and the essential foundations for significant and meaningful administrative reforms, changes, innovations, growth and development in the government services. The said Committee is intended to operate for one year and when it goes out of existence, the various agencies of the government whose functions and responsibilities are related to the needs and requirements of the government in the areas of management and general administration, particularly the Department of Budget and Management, the Civil Service Commission and the Commission on Audit with the participation of the Office of the Ombudsman, would continue where the Committee leaves off and provide, on a continuing and sustained basis a systematic and effective study and review of the systems, methods, operations, practices and procedures of the various government offices and agencies.

It is hoped that with the passage of this bill, the taxpayers and the entire citizenry in the country would ultimately be relieved of the disgusting problems and difficulties that they often encounter in the various government offices mainly because of red tape and other anomalous practices in government service and that its enactment would strengthen and enhance the faith of our people in the ideals and principles of freedom and democracy.

In view of the foregoing, the approval of this bill is earnestly recommended.



MANNY VILLAR

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES;
Second Regular Session

6 JUN -7 2007

RECEIVED BY

SENATE

Senate Bill No. 2288

INTRODUCED BY SEN. MANNY VILLAR

AN ACT
TO PREVENT, CURB AND ELIMINATE ALL FORMS OF UNREASONABLE AND
OPPRESSIVE DELAYS AND BUREAUCRATIC RED TAPE IN ALL GOVERNMENT
OFFICES, CREATING AN INTER-DEPARTMENTAL EXECUTIVE COMMITTEE ON
GOVERNMENT OPERATIONS MANUAL, AND PROVIDING FUNDS THEREFOR AND
FOR OTHER PURPOSES

Be^{it}_{enacted} by the Senate and House of Representatives of the Philippines in
Congress assembled:

SECTION 1. Title. - This Act shall be known and cited as the "Anti-Red Tape Act of 2006".

SECTION 2. Declaration of Policy. - It is hereby declared a policy of the State to formulate, adopt, and implement sound and effective measures to prevent, curb, and eradicate all forms of unreasonable, wasteful and oppressive delays and bureaucratic red tape in all government offices and agencies, in the performance of official acts, functions and duties, and in the conduct of government affairs; to eliminate practices and procedures in the public service which breed corruption and cause the loss of the people's trust and confidence in the government; and to ensure that all public officers and employees shall at all times serve the people with utmost responsibility, honesty, integrity, efficiency and loyalty, with a sense of justice and a firm commitment to the welfare and well-being of the nation.

SECTION 3. Operations Manual of Government Offices. - Within a period of six (6) months from the date of the effectivity of this Act, all departments, bureaus, offices, agencies, institutions and instrumentalities of the government, including government-owned and controlled corporations with original charters and local government units shall formulate, prepare and adopt their manuals of standard operating procedures in

accordance with the provisions of this Act and its implementing rules and regulations particularly for the purpose of achieving the highest level of efficiency and economy in their operations and activities, improving their management systems, methods and performance, and eliminating practices and procedures which tend to cause unreasonable, wasteful and oppressive delays in the delivery of vital public services, corruption, and other problems affecting the government and the people.

SECTION 4. *Form, Contents and Format of the Manual.* - The manual of standard operating procedures or operations of manual of government offices shall be in printed or typewritten form and shall have such format, divisions, parts and designs as may be prescribed under the implementing rules and regulations: *Provided*, That every manual shall contain and include the following:

- (a) Information detailing the functions and the services rendered by the agency or office concerned as well as the steps and procedures needed to avail of such services; the administrative structure and systems for processing requests, applications and inquiries for agency services and; a general timetable for processing such applications, request or inquiries.
- (b) An annex containing the following:
 - (i) A complete list of all the laws, orders, circulars, rules and regulations, official instructions and memoranda which directly affect the operations and activities of the particular department, bureau, office or agency, including the programs and projects, if any, which are undertaken pursuant to such laws;
 - (ii) Information and reference materials regarding the powers, functions, responsibilities, objectives and policies of a permanent nature; organization, management, administrative systems and relationships, plantilla and staffing pattern of officers and personnel, fiscal and financial programs and requirements, property, equipment and facilities, accounting and auditing rules and regulation, and office operating procedures; other vital aspects of the particular department, bureau, office or agency;

- (iii) The pertinent provisions of this Act, the Civil Service Law, the Anti-Graft and Corrupt Practices Act, and other legislations including executive orders, rules and regulations, which are intended to provide sound and effective solutions to the problems of graft and corruption, and other pernicious practices in the government service;
- (iv) Provisions covering the plan, designation, general arrangement, format, purpose and authority, and authentication of the manual, including the control of manual issuance, internal clearance procedures, editorial revision, the process of preparation, updating, and reproduction, and the use, filing care and custody of the manual.

SECTION 5. *Creation and Compensation of an Inter-Departmental Committee on Government Operations Manual and Defining its Powers, Functions and Responsibilities.* - Pursuant to the purposes and objectives of this Act, an inter-departmental executive committee, to be known as the Committee on Government Operations Manual and hereinafter referred to as the Committee, is hereby created composed of the Chairman of the Civil Service Commission as Chairman and representatives from the Commission on Audit, the Office of the Ombudsman, the Department of Budget and Management, and the Department of the Interior and Local Government as members.

The powers, functions and responsibilities of the Committee are as follows:

- (a) Formulate and prescribe the guidelines and the rules and regulations governing the preparation, adoption, publication and maintenance of the manuals of standard operating procedure or operations manual of the various departments, bureaus, offices, agencies, institutions and instrumentalities of the government, including government-owned and controlled corporations with the original charters and the local government units;
- (b) Direct, supervise and assist the aforesaid government offices and agencies in the preparation, adoption and submission of their manuals of standard operating procedures and provide them with such technical assistance, services and instructions as may be necessary to enable them to submit their

proposed manuals to the Committee within the period specified in Section 3 of this Act;

- (c) Adopt, implement and enforce in accordance with the existing laws and the rules and regulations of the government, such measures, actions and remedies as may be proper and necessary to carry out its functions and responsibilities and to ensure compliance with its rules and regulations, orders, instructions, guidelines, standards and requirements;
- (d) Prepare and submit to the Office of the President of the Philippines its recommendations relative to the implementation and enforcement of the provisions of this Act for the issuance and promulgation of the proper executive and administrative orders and instructions;
- (e) Review, analyze and evaluate the proposed manuals of standard operating procedures prepared and submitted to the Committee by the various government offices and agencies that are covered by the provisions of this Act, and approve or disapprove the same: *Provided*, That in case of disapproval, the office or agency concerned shall comply with requirements of the Committee within the period specified in Section 10 of this Act;
- (f) Conduct and undertake public consultations, conferences, seminars, workshop and other similar activities for the purpose of obtaining or securing information, comments, recommendations and proposals in relation to the issues, problems and subjects which the Committee may deem proper to consider and carry out research projects and studies particularly in the fields of public administration, management principles, administrative regulations and procedures and the civil service system;
- (g) Prepare and submit a report, together with its recommendations, to the President of the Philippines and to Congress, containing its accomplishments, a discussion of the problems encountered by the Committee in the course of its operations and proceedings and the proposed remedies or solutions thereto, its funds and disbursements, and such legislative proposals as the Committee may deem proper to submit for the enactment of appropriate legislations; and

(h) Perform and exercise all acts and function as may necessarily be inferred or implied from the powers, functions and responsibilities conferred to the Committee in this section and in other provisions of this Act.

SECTION 6. *Operations, Funds and Duration of the Committee.* - Immediately after the date of the effectivity of this Act, the Chairman shall convene the Committee in an organizational meeting with written notice to all the members thereof stating the date, time and place of the meeting and the matters to be discussed therein which shall include the administrative arrangements and procedures of the Committee, its internal rules and regulations, and its plans and work programs. The Committee shall be under the control and supervision of the Chairman and shall meet everyday except on Sundays and official holidays. The Chairman shall be authorized to decide and resolve all issues pending before the Committee in consultation with the members thereof and to issue such orders and instructions as may be proper to enforce and implement the decisions of the Committee. The office of the Committee shall be located at the Civil Service Commission unless the Committee shall fix its location in another place.

SECTION 7. *The Secretariat.* - The Committee shall have a Secretariat which shall be under the control and supervision of the Chairman and shall be headed by the representative of the Department of Budget and Management. The Secretariat shall provide the Committee with such assistance and support services as may be necessary for its operations and activities and the proper performance of its functions and responsibilities, including administrative personnel, equipment and facilities. The Secretariat shall take charge of the proper implementation and enforcement of the decisions and resolutions of the Committee, including the orders and instructions of the Chairman, and shall be responsible for the care, preservation and custody of the records, papers, documents, information materials and references of the Committee and shall perform such other functions as may be directed by the Committee.

SECTION 8. *Provisions on Allowances, Detail of Personnel and Employment of Consultants.* - The Chairman and the members of the Committee shall not receive salaries from the funds of the Committee as compensation for their services therein, but shall be entitled to transportation and representation allowances every month based on the rates given to Cabinet Officials under existing laws, rules and regulations, and they

shall also be entitled *per diems* for every meeting of the Committee which they have actually attended at such rates determined under existing laws and regulations.

Upon request by the Committee through its Chairman, the Secretary of the Department of Budget and Management shall assign on detail any employee or personnel of his department to the Committee and if necessary for its manpower and operational requirements the Committee shall send similar requests to other government offices and agencies for the temporary assignment of employees and personnel to the Committee and such request shall be acted upon by the head of the office or agency concerned within forty-eight (48) hours from receipt thereof. The detail or temporary assignment of government employees or personnel to the Committee therein authorized shall be exempted from the requirements and restrictions prescribed under the existing laws, rules and regulations: *Provided*, That the period of the detail or temporary assignment in any case shall be limited to the period within which the Committee shall operate and any employee or personnel assigned to the Committee shall not be recalled without its approval. Any government employee or personnel assigned on the detail to the Committee shall continue to receive his or her salary and other benefits from the office or agency where he or she is employed and shall not be paid any salary from the funds of the Committee but shall be granted transportation and representation allowances at such rates as may be fixed under existing laws and regulations. The Committee shall not employ any person who is entering the government service for the first time whether as a permanent or regular employee or on a casual basis but it shall be authorized to avail of the services of experts and consultants on a contractual basis under such terms and conditions as the Committee may determine in the exercise of its sound discretion: *Provided*, That the period of the contract of employment shall be limited to the period within which the Committee shall operate pursuant to the provisions of this Act and such contract of employment shall be exempted from the requirements and restrictions prescribed under the existing laws, rules and regulations governing contractual employment in the government service.

SECTION 9. *Expiration of the Term of the Committee.* - Upon the expiration of the term of the Committee, the records, papers, documents, information materials and references of the Committee shall be transferred by the Secretariat to the Department of

Budget and Management and the Civil Service Commission with the proper inventory and receipt. The office supplies, equipment and facilities of the Committee, the ownership of which has been acquired by the Committee through purchase or otherwise shall be turned over by the Secretariat to the Office of the President with proper inventory and receipt for disposition in accordance with existing laws, rules and regulations. The Committee, through the Chairman and with the assistance of the Secretariat, shall prepare and submit its reports as required in Section 5, paragraph (g) of this Act, to the President of the Philippines and to Congress not later than thirty (30) days from the date of the termination of its existence.

SECTION 10. *Preparation and Submission of the Manual.* - The head of the office concerned shall be directly responsible for the preparation and submission to the Committee of the manual of operating procedures of his office in accordance with the provisions of this Act and the guidelines, regulations, and requirements of the Committee. The manual shall be prepared with such number of copies as may be required by the Committee and shall be approved by the head of the office before it shall be submitted to the Committee for its consideration and approval. In case the office concerned has a governing body, the manual shall be submitted to the governing body for its consideration and approval and upon its approval, it shall be submitted by the head of the office to the Committee. The manual submitted to the Committee shall be acted upon immediately and the same shall either be approved or disapproved by the Committee within ten (10) calendar days from receipt thereof provided that in case the proposed manual is disapproved, the Committee shall immediately notify the office where the aforesaid manual originated, specifying the reasons therefor and the corrections, changes or modifications to be made in the manual in order that the same can be approved by the Committee, and the office concerned shall comply with the instructions and requirements of the Committee within five (5) calendar days from receipt of the notice. As used in this section, the term "head of the office" means the highest executive official in the office or organization as determined by the law of its creation and the term "office" means any office or organizational unit of the government that has a separate and distinct organizational identity, including a department, a bureau, an

agency, a board, a commission, a corporation, the local government units, and other similar organizations in the government service.

SECTION 11. *Implementation, Enforcement and Modifications of the Manual.* -

The head of the office, as this term is defined in Section 10 of this Act, shall be directly responsible for the proper implementation and enforcement of the manual of standard operating procedures approved by the Committee. The provisions of the manual shall be binding on all officers and employees of the office who shall individually be furnished, free of charge, a copy of the manual with the proper acknowledgement of the receipt thereof. The manual shall be reproduced in such number of copies as may be necessary to ensure that the office shall have at all times a sufficient number of copies available for distribution and dissemination and the cost of the reproduction shall always be included in the annual budget of the office. Any person, firm or entity may secure a copy of the manual by submitting a written request for the purpose to the head of the office and upon payment of a reasonable fee. Each of the following offices shall be furnished free of charge with at least (2) copies of the manual: the Office of the President of the Philippines; the Office of the Ombudsman; the Office of the Chairman of the Civil Service Commission; the Office of the Chairman of the Commission on Audit; the Office of the Secretary of the Department of Budget and Management; the Library of the Senate; the Library of the House of Representatives; the Library of the University of the Philippines and the National Library. Any modifications, changes, corrections, revisions or improvements to be made in the manual or any parts thereof shall be effected in accordance with the provisions of this Act and its implementing rules and regulations and with the guidelines, regulations and requirements prescribed by the Committee. As a part of the implementation and enforcement process, the head of the office shall formulate, adopt and carry out appropriate measures designed to provide the office with the sound, effective and systematic study and review of the manual, including the issues and problems which may arise from the implementation and enforcement of its provisions, and in accordance with this purpose the office shall conduct periodically a seminar, workshop or similar types of activity in order that the officers and employees shall be provided with an adequate knowledge, information and understanding of the provisions of the manual.

SECTION 12. *Program of Continuing Study and Review of the Management and Operating Procedures of Government Offices.* - Upon the termination of the existence of the Committee, the Civil Service Commission, in consultation with the Department of Budget and Management and the Commission on Audit, shall prepare, formulate, adopt and implement a comprehensive and integrated program designed to provide a continuing, systematic and effective study and review of the management and operating procedures of government offices and to achieve the following objectives and purposes:

- (a) To improve and upgrade the management systems, practices, methods, strategies, techniques and the operating procedures of the office;
- (b) To eliminate the problems of delay and other deleterious practices in connection with the performance of official acts and duties and in the delivery of public services particularly where the legal rights of persons, both natural and juridical, are adversely affected;
- (c) To raise the level of efficiency and performance of the office particularly in terms of operating costs, the production and productivity rates of the officers and employees, revenues, or income generated, and the relations of the office with the general public;
- (d) To formulate and adopt valid and effective criteria, standards and guidelines for management and performance analysis and evaluation;
- (e) To provide government offices with sound and effective management advice, instructions and guidance; and
- (f) To enable government offices to participate more effectively and efficiently in the implementation of the national policies and programs geared towards the country's social and economic growth and development. As a part of the aforesaid program, the Committee shall prepare and submit to the President of the Philippines such recommendation as it may deem proper or necessary to institute vital reforms, innovations, changes or modifications in the management and operating procedures of government offices in order that the proper orders and instructions may be issued and promulgated by the said official in relation to the aforementioned purposes.

SECTION 13. *Rules On Government Operations and Transactions.* - Any provisions of law, executive orders, rules and regulations to the contrary notwithstanding, the operations and transactions in government offices shall be governed by the following rules:

(1) All documents, papers, records, reports, request, applications, representations, letters, correspondences and other communications filed in the office, the subject matter of which is, by the terms of the law or laws, rules and regulations governing them, not within the jurisdiction of the office, shall be acted upon within one (1) working day from the date when they are filed by referring, forwarding, endorsing or transmitting them to the person, official or office to which they should have been addressed. In accordance with rule herein stated, the head of the office shall issue the proper office orders, memoranda or instructions designating the officers or employees in the proper office who shall act on the aforesaid matters and stating or otherwise indicating the action or actions to be taken thereon and the procedures to be followed in relation thereto particularly within the period herein specified. Under the provisions of this section, a document or communication is deemed to have been filed in the office on the date when it is actually received in the office, or when it is sent by mail, on the date of its actual receipt in the office.

(2) In case where the subject matter of a given document, paper, report, record, report, request, application, representation, letter, correspondence or communication that has been filed in the office is within the jurisdiction of the office and it is required that administrative or ministerial action thereon shall be performed or exercised by the head of the office or by the governing body, as the case may be, in accordance with law or laws, rules and regulations governing the same, the head of the office or the governing body shall act on the matter within one (1) working day from the date when it is filed in the office: *Provided*, That all the supporting papers, documents and requirements prescribed under the pertinent laws, rules and regulations have been submitted or complied with: *Provided, Further*, That in case the document,

paper, report, record, request, application, representation, letter, correspondence or communication is sent to the office by mail, it shall be deemed to have been filed from the date of the actual receipt thereof in the office concerned: *Provided, Finally,* That if the head of the office or the governing body cannot act on the aforesaid subject matter for the reason that the necessary supporting papers, documents, and requirements have not been submitted or complied with, the head of the office shall immediately notify the person, firm or entity concerned of such fact and the aforesaid matter shall be acted upon by the head of the office or the governing body within one (1) working day from the date when necessary supporting papers, document and requirements have been submitted or complied with.

- (3) In cases where the subject matter of a given document, paper, report, record, request, application, representation, letter, correspondence or communication is within the jurisdiction of the office and it is required that administrative or ministerial action thereon shall be performed or exercised by a subordinate officer or employee in the office, in accordance with the pertinent law or laws, rules and regulations, the same shall be acted upon by the subordinate officer or employee within one (1) working day from the date when it is filed with or received in the office: *Provided,* That all the necessary supporting papers, documents and requirements prescribed under the pertinent law or laws, rules and regulations have been submitted or complied: *Provided, Further,* That in case the document, paper, report, record, request, application, representation, letter, correspondence or communication is sent to the office by mail, it shall be deemed to have been filed or received from the date of its actual receipt in the office: *Provided, Finally,* That if the subordinate officer or employee cannot act on the aforesaid matter for the reason that the necessary supporting papers or documents prescribed under the pertinent law or laws, rules and regulations have not been submitted or complied with, the said officer or employee shall immediately notify the person, firm or entity concerned of such fact and the said officer or employee shall act on the aforesaid matter within one (1) working day from the date

when the supporting papers, documents and requirements are submitted or complied with.

(4) Any application for a license, permit, privilege, grant, concession, franchise and the like, which by the terms of the pertinent law or laws, rules and regulations is within the jurisdiction of the office and the action thereon is required to be performed or exercised by the head of the office or by a governing body, shall be acted upon within four (4) working days from the date when the application is filed in the office: *Provided*, That all the necessary supporting papers, documents and requirements prescribed under the pertinent law or laws, rules and regulations have been submitted or complied with by the applicant: *Provided, Further*, That in case the application, together with the supporting papers, documents requirements, is sent to the office by mail, it shall be deemed to have been filed from the date of its actual receipt in the office: *Provided, Still Further*, That if the head of the office or the governing body cannot act on the application for the reason that the applicant has not submitted the necessary supporting papers, documents and requirements, the head of the office shall immediately notify the applicant of such fact and the application shall be acted upon by the head of the office or by the governing body within four (4) working days from the date when the applicant has submitted the necessary supporting papers and documents and has complied with the requirements prescribed under the pertinent law or laws, rules and regulations: *Provided, Finally*, That in the event that the application is denied or disapproved, the applicant may avail of the remedies provided under existing laws, rules and regulations. The rules herein stated shall be applied if the purpose of the application is for the renewal or extension of the license, permit, privilege, grant, concession, franchise and the like, and in case the application for renewal or extension is denied or disapproved, the applicant may avail of the remedies provided under existing laws, rules and regulations.

(5) It shall be the duty and the responsibility of the head of the office, to prepare and make available to the general public and particularly to every person,

whether natural or juridical, who is transacting business with the office, a complete list of the requirements that are involved in the various operations, activities, proceedings and transactions in the office together with a set of *adequate and accurate instructions* regarding the procedures to be followed to ensure compliance with the requirements. The said list of requirements and instructions shall be prepared in printed or typewritten form and shall be *subject to the approval of the proper authorities in accordance with the existing laws, rules and regulations*. Copies of the aforesaid list of requirements and instructions shall be posted at all times in the bulletin board or boards which shall be located in a *conspicuous place in the office and in other places which are readily accessible to the general public in the community where the office is situated*. It shall be the duty and the responsibility of the head of the office to ensure that the office shall at all times be provided with the following information materials and devices:

- (a) The table of organization or Organizational Chart of the Office, showing the basic organizational structure of the office;
 - (b) A Functional Chart, showing the various functions, duties and responsibilities of the officers and employees in the office; and
 - (c) A Communication Flow Chart, showing the flow of all incoming and outgoing communications in the office and the line of actions on these communications. The aforesaid shall be posted at all times in a conspicuous place or location in the office for the benefit of the officers and employees and of the general public.
- (6) Every document, paper, record, report, representation, request, application, letter, correspondence or communication filed or received in the office shall be stamped or marked showing the name of the officer or employee who received it and the date and time of the receipt and the same shall be registered in a Log Book or Record Book in the office showing the full name of the sender, the date and time of the receipt, and a brief description of the subject matter contained therein. Whenever possible, a File Copy of the aforesaid document, paper or communication shall be retained and preserved

in the office for information and reference. The said Log Book or Record Book shall be used exclusively for all incoming communications and a separate Log Book or Record Book for all outgoing communications shall be set up and maintained in the office. Additional rules on the recording and custody of incoming communications and the rules of procedure or procedures to be followed in connection with the recording and release of any outgoing communications in the office shall be prescribed in an appropriate office order, memorandum, rules or regulations, to be issued by the head of the office particularly indicating the date and time of the release and the person, firm or entity to which it is addressed.

(7) It shall be the duty and the responsibility of the head of the office to prepare, formulate, adopt and implement a program designed to provide the office with a sound and effective system of study and review of the management, policies, practices and performance, methods, strategies and techniques, and of the operating procedures in the office, and to prepare and submit appropriate reports and recommendations to the proper authorities in accordance with the existing laws, rules and regulations particularly based on the findings and results of the program.

(8) The terms "head of the office" and "office" used in the provisions of this section shall have the same definitions as the aforesaid terms defined in Section 10 of this Act. The provisions of this section shall be included in the manual of operating procedures of all government offices.

SECTION 14. *Exempting Provisions.* - This Act shall not apply to the following:

1. The President and Vice-President of the Philippines;
2. Senators and Congressman;
3. Members of the Judiciary and Officials with quasi-judicial power in the exercise of their discretionary functions;
4. Cabinet Secretaries and Officials in the Office of the President of the Philippines with Cabinet rank in the exercise of their discretionary functions;
5. Governors, Mayors, Councilors and Barangay Captains.

SECTION 15. *Penalties.* - Any government official or employee who violates the provisions of this Act shall be punished with a fine in the amount of not less than One Thousand Pesos (P1,000.00) or more than Five Thousand Pesos (P5,000.00) or with imprisonment of not less than one (1) month or more than one (1) year; in the discretion of the court. In addition, the offender shall be subject to disciplinary action prescribed under the Civil Service Law, Rules and Regulations. The enforcement of the provisions of this Section shall be held in abeyance for a period of six (6) months from the date of the effectivity of this Act and after the lapse of the aforesaid period of six (6) months the restriction herein stated shall automatically be lifted and the provisions of this section shall operate with full force and effect.

SECTION 16. *Implementing Rules and Regulations.* - The Civil Service Commission in consultation with the Department of Budget and Management shall issue and promulgate the implementing rules and regulations covering the provisions of this Act.

SECTION 17. *Funding.* - The sum of Ten Million Pesos (P10,000,000.00) is authorized to be appropriated out of any available funds in the National Treasury not otherwise appropriated to defray the expenses and financial requirements of the Committee and all expenditures and disbursements of the Committee shall be subject to existing accounting and auditing laws, rules and regulations.

The Committee shall be in operation for a period of one (1) years.

SECTION 18. *Separability Clause.* - In the event that any provision or part of this Act shall be declared unconstitutional by the courts, the remaining provisions shall remain valid and in full force and effect.

SECTION 19. *Repealing Clause.* - All laws, orders, rules and regulations or part thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 20. *Date of Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,