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MANILA

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BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 251

**FURTHER DEFINING THE SUPERVISION AND COORDINATION OF  
POLICIES, PLANS AND PROGRAMS BY THE DEPARTMENT OF  
FINANCE OVER CERTAIN GOVERNMENT FINANCIAL INSTITUTIONS**

**WHEREAS**, Executive Order No. 211 s. 2000 "Transferring Supervision of Certain Government Financial Institutions from the Office of the President to the Department of Finance" transferred the Development Bank of the Philippines, Government Service Insurance System, Land Bank of the Philippines and Social Security System, hereinafter referred to as the GFIs, from the Office of the President to the Department of Finance for administrative supervision and program coordination;

**WHEREAS**, it is proper and desirable to further define the administrative relationship between the Department of Finance and these GFIs in accordance with the provisions of Section 38, Chapter 7, Book IV, of the Administrative Code of 1987;

**NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**Section 1. Administrative Relationship.** The Department of Finance shall have administrative supervision over the GFIs. The Department shall likewise review and coordinate the policies, plans and programs of government financial institutions in the manner provided in this Order.

**Section 2. Administrative Supervision.** (a) The Department of Finance shall have the authority: (1) to oversee the general operations of the GFIs and to ensure that they are managed effectively, efficiently and economically but without interference with day-to-day activities; (2) to conduct management audit, performance evaluation and inspection to determine compliance with policies, standards and guidelines of the Department of Finance; (3) to take such action as may be necessary for the proper performance of official functions, including rectification of violations, abuses and other forms of maladministration; and, (4) to



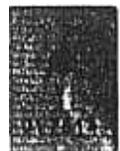
review and pass upon budget proposals of the GFIs but may not increase or add to them;

(b) The authority of the Department shall not extend to: (1) appointments and other personnel actions; (2) loans and contracts entered into by the GFIs in the pursuit of their objectives, the review of which and other procedures related thereto shall be governed by appropriate laws, rules and regulations; and (3) the power to review, reverse, revise or modify the decisions of the GFIs done in the exercise of their regulatory or quasi-judicial functions.

**Section 3. Policy, Plans and Program Coordination.** (a) The Department of Finance shall have the authority to review and coordinate the policies, plans and programs of government financial institutions and thereafter, consistent with the lateral relationship to the GFIs vested with the Department of Finance, provide the general policies through its representative, if there is one, to the board of the GFIs, or if the Department of Finance has no representative, provide such policies directly to the board of the GFIs. In case of the latter GFIs, the Secretary of Finance may send an observer at the board or board committee meetings of these GFIs; provided, that henceforth, as soon as a vacancy occurs, a representative from the Department of Finance to be recommended by the Secretary of Finance shall be appointed as a member of the board of directors of the Development Bank of the Philippines. The general policies provided by the Department of Finance shall serve as the framework for the internal policies of the GFIs. The Department of Finance is also authorized to require the GFIs to comply with a system of periodic reporting which shall reflect the progress of programs and projects. In the event that the Department of Finance and the head of the board or the attached agency or corporation strongly disagree on the interpretation and application of policies, and the Department of Finance is unable to resolve the disagreement, the Department of Finance shall bring the matter to the President for resolution and direction;

(b) The foregoing policy, plans and program coordination functions shall not extend to the day-to-day administration or all those pertaining to internal operations of the GFI, which shall be left to the discretion or judgment of the executive officer of the GFI concerned.

**Section 4. Reporting Requirements.** All reports concerning the operations of the GFIs required under the respective charters of the GFIs to be submitted to the President shall be submitted through the Department of Finance, which shall then submit its recommendations to the President in regard to such reports.



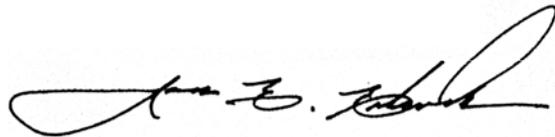
**Section 5. Implementing Rules.** The Secretary of Finance shall, from time to time, promulgate or issue such rules, regulations, orders, circulars, or memoranda as may be necessary to implement this Order.

**Section 6. GFI Monitoring Office.** The GFI Monitoring Office is hereby created, which shall be under the Office of the Secretary of Finance. For this purpose, the Department of Finance in coordination with the Department of Budget and Management shall realign or transfer existing and vacant plantilla positions from the various groups of the Department proper or from the GFIs. In addition, and upon request by the Department of Finance, the Department of Budget and Management shall create and fund not more than fifteen (15) new plantilla positions for the GFI Monitoring Office within sixty (60) days of receipt of such request, with such salary grades as may be requested by the Department of Finance.

**Section 7. Repealing Clause.** This Order shall supplement Executive Order No. 211 s. 2000. All other executive orders, rules and regulations, and other issuances or parts thereof that are inconsistent with the provisions of this Order, are hereby revoked or modified accordingly.

**Section 8. Effectivity.** This Order shall take effect immediately.

**DONE** in the City of Manila, this 25<sup>th</sup> day of May in the year of our Lord, Two Thousand.



By the President



**RONALDO B. ZAMORA**  
Executive Secretary

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JUN 01 2000 *JP*

Date

