



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACAÑANG, MANILA

**CIRCULAR LETTER**

No. 2014-5

JUNE 27, 2014

**TO :** All Heads of Departments, Agencies, State Universities and Colleges, Government-Owned and/or Controlled Corporations receiving Budgetary Support from the National Government; Heads of Budget and Accounting Units and All Others Concerned

**SUBJECT :** CREATION OF DEPARTMENT/AGENCY PUBLIC FINANCIAL MANAGEMENT (PFM) CORE TEAMS

- 1.0 The Public Financial Management (PFM) Reform Program aims to ensure the effective delivery of public services especially to the poor through improved efficiency, transparency and accountability in public fund use. The Program implements the key strategies of the Philippine PFM Reform Roadmap. Executive Order No. 55 signed by President Benigno S. Aquino on September 6, 2011 authorizes the PFM Committee composed of the Commission on Audit (COA), Department of Budget and Management (DBM), Department of Finance (DOF) and Bureau of Treasury (BTr) to oversee and coordinate the integration and automation of government financial systems, and the implementation of the PFM roadmap. The key projects under PFM reforms are the Budget Reporting and Performance Standards, Accounting and Auditing Reforms, Capacity Building, Government Integrated Financial Management Information System (GIFMIS), Improved Treasury Cash Management Operations and Liability Management.
- 2.0 The U-A-C-S, serving as the backbone of the PFM reform, is the government-wide harmonized budgetary, treasury and accounting code classification structure, aimed at enabling timely and accurate financial and performance reporting. Relative thereto, all are advised to be guided by the following provisions of COA-DBM-DOF Joint Circular No. 2013-1 dated August 6, 2013:
  - Adoption of UACS for the national government's financial transactions pertaining to budget preparation, legislation, executions and accountability, effective January 1, 2014
  - Reflection of UACS codes in all financial documents
  - **Responsibility of all Heads of departments/agencies and Chiefs for Financial and Management Services to report on the status of adoption of UACS in their respective units.**
- 3.0 To lead/oversee the implementation of PFM reforms, starting with the adoption of the UACS, in their respective units, all Heads of departments/agencies shall create their respective PFM Core Teams. The Team shall comprise both management and key financial personnel who will closely coordinate with DBM/PFM Project Management Office (PMO) on various activities concerning PFM reforms, to wit:

Chairperson	Undersecretary or Assistant Secretary for Finance
Co-Chairperson	Director for Finance
Members	Department/Agency Staff responsible for the Financial Management Systems, specifically <ul style="list-style-type: none"><li>• Accountants (2)</li><li>• Budget Officers (2)</li><li>• Information Technology Officer</li></ul>

4.0 The PFM Core Team roster shall be submitted to the Office of Undersecretary Richard E. Moya, Chair PFM Committee located at Department of Budget and Management (DBM) 2<sup>nd</sup> Floor, Boncodin Hall, General Solano St., San Miguel, Manila on or before **June 30, 2014** for purposes of later coordination re: PFM reforms, particularly in terms of reporting/monitoring/evaluation.

5.0 This circular shall take effect immediately.

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**FLORENCIO B. ABAD**  
Secretary

