



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

June 25, 1999

ADMINISTRATIVE ORDER
No. 20-F, s. 1999

SUBJECT: Guidelines for the Release and Utilization of Integrated Community Health Services Project (ICHSP) Funds to the Regional Health Office

RATIONALE

The Integrated Community Health Services Project (ICHSP) is a foreign-assisted project of the Department of Health funded out of a loan from the Asian Development Bank (ADB), a grant from the Australian Agency for International Development (AusAID) and a counterpart of the Philippine government. This Project is aimed to improve capabilities of LGUs, communities and NGOs to plan, manage, monitor and finance health programs, to develop provincial health sub-systems (health services planning, health care financing, human resource development, hospital regulations and management) for efficient local management and delivery of health services and to strengthen DOH capability to implement and support the sub-systems. The Project is implemented in six pilot provinces namely Apayao, Kalinga, Guimaras, Palawan, South Cotabato and Surigao del Norte. ICSHP has three components namely, the Community Health Delivery System, the Provincial Health Delivery Support and the DOH and RFO Capability Strengthening.

The recently concluded Joint Donor Supervision Mission pointed out the need to involve the DOH Regional Health Offices in the overall Project implementation given a milieu that the re-structured Department of Health defines a stronger Regional Health Office. As a precursor to putting on board the participation of the Regional Health Office in the overall frame of ICHSP implementation, the Project is supportive of the thrust to strengthen this organizational unit in the Department. The RFO is envisioned to be the operations center or unit of the Department at the periphery that will implement comprehensive technical assistance to local government units as well as collaborate with other stakeholders and partners in the delivery of health services namely - community organizations, non—government organizations and private sector.

It is in this context that ICHSP is providing funding assistance to the Regional Health Offices of CAR, IV, VI, XI and Caraga in order to (i) support the implementation of activities that will enhance the capability of RHO personnel in project and program development and management, (ii) ensure that the RHO point persons will be able to anchor the implementation of the different health management sub-systems in the Project provinces and (iii) ensure that the RHO will be able to play a lead role in the replication of the Project in the other provinces.

This Guidelines is issued to prescribe standard operating procedures for the releases, utilization and reporting of ICHSP funds (MOOE only) from the Department of Health Central Office pursuant to the Joint Circular No. 2-96 dated November 29, 1996 of the Department of Budget and Management and the National Economic and Development Authority providing for the release and utilization of funds under the LGEF.

GENERAL GUIDELINES

1. The Regional Health Offices at the start of each year shall prepare the Work and Financial Plan for the implementation of ICHSP at the regional level, for approval of the Regional Director.
2. The Central Office Finance Service (CO-FS) shall release the Comprehensive Sub-allotment Advise (SAA) to the Regional Health Offices.
3. The funding checks equivalent to three-months for both the loan proceeds (LP) and peso counterpart (GOP) shall be initially released to the RHO subject to replenishment on a monthly basis.
4. The following financing ratio shall be observed:



PROCEDURAL GUIDELINES

1. The Central Project Management Office shall:
 - 1.1 At the start of each year, consolidate the Work and Financial Plan submitted by the Regional Health Offices for approval of the Project Directorate.
 - 1.2 Inform the concerned RHO of the approval of Work and Financial Plan or any revisions thereof.
 - 1.3 Consolidate all Statement of Expenditures (SOB) and the replenishment application with ADB every month.
 - 1.4 Advise the Finance Service on the replenishment of the RHO accounts.
2. The Central Office Finance Service shall:
 - 2.1 At the start of the year, release the Comprehensive Sub-Allotment Advise (SAA) to the Regional Health Office based on the approved Work and Financial Plan. The SAA will fund all activities to be undertaken by the RHO under the project. The SAA shall indicate the amount of

funds according to source and fund allocation whether loan proceed (LP) or peso counterpart (GOP) to guide the RHO on the percentage of financing of the particular activity.

2.2 Issue funding checks equivalent to three-month requirement for both LP and GOP in the name of the RHO through the Regional Director subject to replenishment on a monthly basis.

2.3 Replenish the funds within five working days after receipt of the Statement of Expenditures (SOE) and Financial Report from the RHO through the Project Management Office.

2.4 Maintain separate books of accounts where all the transactions pertaining to ICHSP shall be recorded.

2.5 Reconcile the books of accounts, Statement of Expenditures (SOE), Financial Reports with the RHO on a quarterly basis.

3. The Regional Health Office shall:

3.1 At the start of the year, prepare the ICHSP Work and Financial Plan for submission to the Project Management Office.

3.2 Open a checking account for ICSHP.

3.3 Prepare one voucher for each transaction but clearly indicating the financing ratio of the loan proceed (LP) and peso counterpart (GOP) using the financing ratio in item 4 of the General Guidelines.

3.4 Prepare the Statement of Expenditures (SOE) and Financial Report at the end of each month for submission to the Central Office through the Project Management Office together with the photocopy of the ICSHP bank statement. The said report shall serve as the RHO partial liquidation of the funds received and shall also be the basis for the replenishment by the Central Office Finance Service.

3.5 Retain the original copies of the supporting documents such as disbursement voucher, contracts or purchase orders, invoices etc. for submission to the Resident Auditor.

3.6 Maintain separate books of accounts where all the transactions pertaining to ICSHP shall be recorded.

3.7 Prepare monthly Trial Balance for ICSHP and submit the same to the Central Office Finance Service for consolidation.

4. Accounting Entries:

4.1 The accounting entries relative hereto shall be as prescribed under COA Circular No. 94-013

dated December 13, 1994.

5. Effectivity:

This Order shall take effect immediately after its approval and shall remain effective and binding until such time that provisions related hereto are amended, Project funds are no longer available and/or the Project is terminated.

ALBERTO G. ROMUALDEZ, JR., MD
Secretary of Health