

EXECUTIVE SUMMARY

A. Introduction

The Senate of the Philippines (Senate) was created by virtue of Section 1, Article VI (The Legislative Department) of the 1987 Constitution. As the upper chamber of the bicameral Congress of the Philippines, it is vested with authority to legislate laws; give or withhold its consent or concurrence to treaties or international agreements executed by the government with other states; and conduct inquiries in aid of legislation in accordance with its published rules of procedures. The present Senate is composed of 24 Senators who were elected at large for a term of six years.

The 18th Congress adjourned on July 25, 2022, while the 19th Congress begun its first regular session on the same day with Senator Juan Miguel F. Zubiri as the elected Senate President.

The Senate has 1,972 personnel complement for Calendar Year (CY) 2022 consisting of the following:

Particulars	Permanent	Casual	Contractual	Co-Terminus	Elected	Total
Secretariat	743	226	27	27	2	1,025
Senate Proper	0	0	0	923	24	947
Total	743	226	27	950	26	1,972

The Senate Secretariat provides legislative and administrative support to the Senate Proper and the Senate President. It is headed by Atty. Renato N. Bantug Jr. as Secretary. The Secretary exercises supervision and control over the Secretariat offices and personnel with the assistance and support of the following officials:

Name of Officials	Position/Office
Lt. Gen. Roberto T. Ancan PA (Ret.)	Sergeant-At-Arms
Atty. Edwin B. Bellen	Deputy Secretary for Legislation
Atty. Arnel Jose S. Bañas	Deputy Secretary for Administrative and Financial Services
Enrique Luis D. Papa	Deputy Secretary for External Affairs and Relations
Atty. Maria Valentina S. Santana-Cruz	Senate Legal Counsel
Eireen R. Palanca	Director General, Legislative Budget Research and Monitoring Office
Atty. Rodelio T. Dascil, MNSA	Director General, Senate Tax Study and Research Office
Antonio G. De Guzman, Jr.	Director General, Office of the International Relations and Protocol
Atty. Rodolfo Noel S. Quimbo	Director General, Blue Ribbon

Name of Officials	Position/Office
	Oversight Office Management
Ronald R. Golding	Director General, Senate Economic Planning Office
Lino S. Ong	Director General, Senate Public Assistance Office

B. Accomplishments

Calendar Year 2022 was an election year and as a result, there were significantly less session days compared to non-election years. Notwithstanding the foregoing, a total of 296 Republic Acts were passed, 56 Resolutions were adopted, and two treaties were concurred in by the Philippine Senate for the year 2022.

Aside from franchise and local bills, the following notable laws were passed in 2022 during the 18th Congress and part of the 19th Congress.

1. Public Service Act
2. Foundling Recognition and Protection Act
3. Philippine Digital Workforce Competitiveness Act
4. Extended Producer Responsibility Act of 2022
5. Anti-Online Sexual Abuse or Exploitation of Children and Anti-Child Sexual Abuse or Exploitation Materials
6. Amendments to the Foreign Investment Act of 1991
7. Separate Facility for Heinous Crimes Act
8. Increasing the Social Pension for Indigent Senior Citizens
9. Increasing the Age Covered by the Statutory Rape Law
10. Public Health Emergency Benefits and Allowances for Health Care Workers Act
11. The Second Congressional Commission on Education (EDCOM II) Act
12. Permanent Validity of the Certificates of Live Birth, Death, and Marriage Act
13. Instituting a Policy of Inclusion and Services for Learners with Disabilities in Support of Inclusive Education Act
14. Marawi Siege Victims Compensation Act of 2022
15. Electric Vehicle Industry Development Act
16. Parent Effectiveness Service Program
17. SIM Registration Act

Together with the House of Representatives, the Senate convened as a National Board of Canvassers for the May 2022 Presidential and Vice-Presidential Elections.

C. Financial Highlights

The financial position, financial performance and the sources and application of funds of the Senate for CY 2022 with the corresponding figures for CY 2021, are shown as follows:

Particulars	2022	2021 (As Restated)	Increase/ (Decrease)
	<i>(In Philippine Peso)</i>		
A. Financial Position			
Assets	8,341,082,208.63	7,511,549,530.59	829,532,678.04
Liabilities	732,622,857.64	40,794,181.38	691,828,676.26
Net Assets/Equity	7,608,459,350.99	7,470,755,349.21	137,704,001.78
B. Financial Performance			
Revenue	5,259,736.24	1,498,429.44	3,761,306.80
Personnel Services	2,922,159,453.01	2,630,568,507.12	291,590,945.89
Maintenance and Other Operating Expenses	2,627,801,923.55	2,370,487,538.87	257,314,384.68
Non-Cash Expenses	36,735,613.25	38,158,817.49	(1,423,204.24)
Net Financial Assistance/Subsidy	5,740,527,665.01	9,608,680,071.69	(3,868,152,406.68)
Gains	50,291.64	0.00	50,291.64
Losses	(1,960,446.17)	(106,060.56)	(1,854,385.61)
Surplus (Deficit) for the period	157,180,256.91	4,570,857,577.09	(4,413,677,320.18)
C. Sources and Application of Funds			
Total Appropriations	12,175,806,670.05	14,489,385,149.26	(2,313,578,479.21)
Allotment Received	12,175,806,670.05	14,489,385,149.26	(2,313,578,479.21)
Obligations Incurred	10,642,411,554.66	9,625,411,493.48	1,017,000,061.18
Unexpended Balance	1,533,395,115.39	4,863,973,655.78	(3,330,578,540.39)

The Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) for the year ended December 31, 2022 is shown in **Annex A** of this report.

D. Scope and Objectives of Audit

The audit covered, on a sampling basis, the accounts and operations of the Senate for CY 2022. It aimed to: a) verify the level of assurance that may be placed on Management's assertions on the financial statements; b) recommend agency's improvement opportunities; c) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; and d) determine the extent of implementation of prior years' audit recommendations.

Moreover, the audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

E. Independent Auditor's Report on the Financial Statements

The Auditor rendered an unqualified opinion on the fairness of presentation of the Senate's financial statements as at December 31, 2022.

F. Observations and Recommendations

Among the audit observations and corresponding recommendations discussed in Part II of this report, the significant observations are summarized as follows:

1. The reliability and accuracy of balances of Property, Plant and Equipment (PPE) accounts amounting to ₱244.194 million as at December 31, 2022 could not be ascertained due to unreconciled difference of ₱42.275 million between accounting and property records. (*Observation No. 2*)

We recommended and Management agreed to instruct the Chiefs of LAS and PPS to:

- a. Exhaust all possible means to reconcile the accounting and property records to establish the correct PPE balances of the Senate as at December 31, 2022; and
 - b. Implement the guidelines and procedures on inventory taking, recognition of those found at station and disposition for non-existing/missing PPE items for the one-time cleansing of PPE accounts under COA Circular No. 2020-006 dated January 31, 2020.
2. Fourteen stale checks amounting to ₱0.523 million were not cancelled. Moreover, the cancelled stale checks amounting to ₱2.452 million were recorded directly to *Subsidy from National Government* account instead of the *Cash – Modified Disbursement System (MDS), Regular* account, contrary to Sections 44 and 45, Chapter 6 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume 1. (*Observation No. 1*)

We recommended and Management agreed to instruct:

- a. The Chief of LAS to make the necessary adjustments in the books to correct the affected accounts of the non-cancellation of stale checks as at December 31, 2022, as follows:

<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
Accumulated Surplus/(Deficit)	522,925.87	
Payable Accounts		522,925.87
To recognize the cancellation of stale/voided/spoiled MDS checks.		

- b. The Chief of LCMS to regularly monitor the unreleased checks and notify the payees to claim the check before it becomes stale; and observe the correct use of accounts in the cancellation of stale checks by debiting *Cash-MDS, Regular* and crediting *Accounts Payable*.
3. Delivered supplies, materials, property and equipment totaling ₱28.452 million were accepted before inspection, contrary to Section 15, Chapter 8 and Section 44, Chapter 10 of GAM for NGAS Volume I. (*Observation No. 3*)

We recommended and Management agreed to instruct the Chief of PPS and the Inspection Officers to comply with the existing procedures in the inspection and acceptance of procured and delivered supplies, materials, property and equipment pursuant to Section 15, Chapter 8 and Section 44, Chapter 10 of GAM for NGAs Volume I, to avoid acceptance of deliveries not conforming with specifications.

The above findings and recommendations contained in the report were discussed during the exit conference with concerned officials of the agency held on March 28, 2023. Management's views and comments were considered in the report, where appropriate.

G. Status of Audit Suspensions, Disallowances and Charges

No audit suspension, disallowance or charge was issued to the Senate for CY 2022 and there were no unsettled audit suspensions, disallowances and/or charges in prior years.

H. Status of Implementation of Prior Years' Audit Recommendations

Of the 18 prior years' audit recommendations, 11 were implemented and seven were not implemented as at December 31, 2022.