

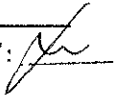


SENATE  
S.B. No. 2655

'11 JAN 25 P2:44

---

Introduced by Senator Franklin M. Drilon

RECEIVED BY: 

---

EXPLANATORY NOTE

This legislative measure seeks to give full emphasis and thrust to the time honored principle that PUBLIC OFFICE IS A PUBLIC TRUST, and PUBLIC MONEY MUST BE FULLY ACCOUNTED FOR by the responsible public officer and employees. Public accountability of all funds and properties of the government, therefore, becomes a legal and mandated duty as it is the focal point of good governance.

To be known as the "Disclosure Act on Local Transactions", the proposed bill amends Section 352 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991.

The amendment introduced other items of expenditure and disbursement for posting, instead of a mere statement of income and expense being required to be posted. Thus, local transactions mandated to be posted or published include Annual Budget, Quarterly Statement of Cash Flows, Statement of Receipts and Expenditures, Trust Fund (PDAF) Utilization, Special Education Fund Utilization, 20% Component of the IRA Utilization, Gender and Development Fund Utilization, Statement of Debt Service, Annual Procurement Plan or Procurement List, Items to Bid, Bid Results on Civil Works, Goods and Services, and Abstract of Bids as Calculated.

The timely and regular disclosure of local fiscal matters ensures the public that the public money is well spent on public service. Transparency reduces unfounded and biased criticisms by skeptics, and gradually builds and strengthens public trust and confidence by the people to their local leaders, an essential centerpiece of good governance.

In view of the foregoing the urgent passage of the proposed measure is earnestly sought.

  
FRANKLIN M. DRILON  
Senator

---

Introduced by Senator Franklin M. Drilon

RECEIVED BY: 

---

AN ACT MANDATING THE FULL DISCLOSURE BY THE LOCAL GOVERNMENT UNIT OF LOCAL BUDGET AND FINANCES, INCLUDING BIDS AND PUBLIC OFFERINGS, AMENDING SECTION 352 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991" AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1 **Section 1. Short Title.** This Act shall be known as the "*Disclosure of Local Financial Transactions Act of*  
2 *2011*"

3 **Section 2. Declaration of Policy.** To uphold the time-honored principle that *public office is a public trust*,  
4 local government officials and employees must at all times be accountable to the people, and shall  
5 perform their duties with responsibility, integrity, loyalty, efficiency and competence, for public interest  
6 must prevail over personal interest.

7 **Section 3.** Section 352 is hereby amended and shall read as follows:

8 Section 352. **(A) FULL DISCLOSURE AND MANDATORY POSTING OF LOCAL BUDGET AND**  
9 **FINANCES, EXPENDITURES, DISBURSEMENTS, FUNDS UTILIZATION, BIDS AND PUBLIC**  
10 **OFFERINGS. ALL PROVINCIAL GOVERNORS, CITY MAYORS AND MUNICIPAL MAYORS SHALL**  
11 **MAKE A FULL DISCLOSURE AND CAUSE THE POSTING OF THE FOLLOWING FISCAL ITEMS:**

- 12 I. ANNUAL BUDGET  
13 II. QUARTERLY STATEMENT OF CASH FLOWS  
14 III. STATEMENT OF RECEIPTS AND EXPENDITURES  
15 IV. TRUST FUND (PDAF) UTILIZATION  
16 V. SPECIAL EDUCATION FUND UTILIZATION

- 1 VI. 20% COMPONENT OF THE IRA UTILIZATION.
- 2 VII. GENDER AND DEVELOPMENT FUND UTILIZATION
- 3 VIII. STATEMENT OF DEBT SERVICE
- 4 IX. ANNUAL PROCUREMENT PLAN OR PROCUREMENT LIST
- 5 X. ITEMS TO BID
- 6 XI. BID RESULTS ON CIVIL WORKS, GOODS AND SERVICES
- 7 XII. ABSTRACT OF BIDS AS CALCULATED

8 (B) LOCAL TREASURERS, ACCOUNTANTS, BUDGET OFFICERS AND OTHER ACCOUNTABLE  
9 OFFICERS SHALL, WITHIN THIRTY (30) DAYS FROM THE COMPLETION OF THE PREPARATION  
10 OF THE ABOVE FISCAL ITEMS IN ACCORDANCE WITH THE FORMS, PROCEDURES, AND  
11 SCHEDULES PRESCRIBED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THOSE  
12 THAT MAY BE JOINTLY ISSUED WITH THE COMMISSION ON AUDIT AND OTHER  
13 RESPONSIBLE AGENCIES, POST THE SAME IN THREE (3) PUBLICLY ACCESSIBLE AND  
14 CONSPICUOUS PLACES THE LOCALITY, AND IN ADDITION, IN ANY ONE OF THE MEANS  
15 PROVIDED HEREIN:

16 I. OFFICIAL WEBSITE OF THE CONCERNED LOCAL GOVERNMENT UNIT, OR IF THERE BE NONE  
17 AVAILABLE, THE OFFICIAL WEBSITE OF THE PROVINCE HAVING TERRITORIAL JURISDICTION  
18 OVER THE SAID LOCAL GOVERNMENT UNIT;

19 II. PUBLICATION IN A NATIONAL NEWSPAPER OF GENERAL CIRCULATION. THE POSTING  
20 REQUIREMENT IN PUBLIC PLACES AND IN THE OFFICIAL WEBSITE SHALL BE CONTINUOUS  
21 UNTIL THE NEXT REPORTORIAL UPDATE, WHENEVER APPLICABLE, IS ACCOMPLISHED AND  
22 PREPARED FOR POSTING.

23 (C) ALL PROCUREMENT-RELATED ACTIVITIES AND REQUIREMENT OF THE CONCERNED LOCAL  
24 GOVERNMENT UNIT, SUCH AS THE INVITATION TO BID, NOTICE OF AWARD, NOTICE TO

1 PROCEED, AND APPROVED CONTRACT IN PROCURING ENTITY'S PREMISES, SHALL  
2 STRICTLY COMPLY WITH THE POSTING AND PUBLICATION REQUIREMENTS UNDER  
3 REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS THE GOVERNMENT PROCUREMENT  
4 REFORM ACT, WHEREIN POSTING AND PUBLICATION SHALL BE MADE IN A NEWSPAPER OF  
5 GENERAL CIRCULATION AND IN THE WEBSITE OF THE PROCURING ENTITY.

6 **Section 4. Criminal Liability and Administrative Liability.** The penalty of imprisonment of not less than  
7 one (1) month but not more than six (6) months, and/or fine not exceeding the equivalent of six (6)  
8 months' salary or suspension not exceeding one (1) year, shall be imposed, in addition to the imposition  
9 of administrative sanctions, upon any public officer or employee who shall violate any of the provisions  
10 of this Act.

11 **Section 5. Separability Clause.** If any provision of this Act is declared unconstitutional or invalid, such  
12 sections or parts not affected thereby shall remain valid and subsisting.

13 **Section 6. Repealing Clause.** All decrees, executive orders, proclamations, rules and regulations, or  
14 parts thereof, inconsistent herewith are hereby repealed or modified accordingly.

15 **Section 7. Effectivity Clause.** This Act take effect fifteen (15) days after its complete publication in at  
16 least two (2) national newspapers of general circulation.

17 Approved,