

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

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SENATE
P.S. Res. No. **390**

RECEIVED BY: 

Introduced by Sen. Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE COMMITTEE ON FINANCE AND OTHER APPROPRIATE COMMITTEES OF THE SENATE, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE NEED REVIEW, REVISE AND/OR OVERHAUL EXISTING AUDITING LAWS, RULES AND REGULATIONS AS WELL AS PRACTICES AND PROCEDURES OF THE COMMISSION ON AUDIT IN VIEW OF THE ALLEGED INVOLVEMENT OF ITS HIGH-RANKING OFFICIALS AND AUDITORS OF THE COA IN COVERING UP THE MASSIVE CORRUPTION IN THE ARMED FORCES OF THE PHILIPPINES AND OTHER AGENCIES

WHEREAS, Section 2 (1) of Article IX on the Commission of Audit (COA) of the 1987 Philippine Constitution provides:

Section 2. (1) The Commission on Audit shall have the power, authority, and duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government, or any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations with original charters, and on a post-audit basis: (a) constitutional bodies, commissions and offices that have been granted fiscal autonomy under this Constitution; (b) autonomous state colleges and universities; (c) other government-owned or controlled corporations and their subsidiaries; and (d) such non-governmental entities receiving subsidy or equity, directly or indirectly, from or through the Government, which are required by law or the granting institution to submit to such audit as a condition of subsidy or equity. However, where the internal control system of the audited agencies is inadequate, the Commission may adopt such measures, including temporary or special pre-audit, as are necessary and appropriate to correct the deficiencies. It shall keep the general accounts of the Government and, for such period

as may be provided by law, preserve the vouchers and other supporting papers pertaining thereto.

WHEREAS, Section 2 of Presidential Decree No. 1445 or the *Government Auditing Code* of the Philippines provides that:

“[A]ll resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view of ensuring efficiency, economy and effectiveness in the operations of the government.”

WHEREAS, in the ongoing inquiry of the Senate Blue Ribbon Committee on the alleged wide-scale anomaly at the Armed Forces of the Philippines (AFP), former military AFP Budget Officer Lt. Col. George Rabusa alleged that former COA Commissioner Raul Flores and former Intelligence Service of the AFP (ISAFP) resident auditor Divina Cabrera received two percent (2%) of the total amounts of converted funds from erring officials of the AFP, apparently in exchange for their cooperation and/or connivance in the illicit practice;

WHEREAS, Rabusa likewise claimed that Divina Cabrera asked for his help in destroying the documents showing how funds for Personnel Service (PS) or salary of the ISAFP personnel was spent for other purposes fearing that it might “*overheat*” or be discovered;

WHEREAS, during the hearing of the Senate Blue Ribbon Committee last 7 February 2011, Cabrera admitted that she knows about the issue of conversion in the AFP but found nothing irregular in the book of accounts of the ISAFP, based on the documents that were submitted to her;

WHEREAS, Cabrera likewise admitted having stayed as resident auditor of the ISAFP for thirteen (13) years, from 1991 to 2005. This is highly irregular and anomalous because it clearly violated COA’s own Resolution No. 87-6 issued on 2 November 1987, which set forth the limit of stay of their auditors in a particular agency to a maximum of three (3) years only;

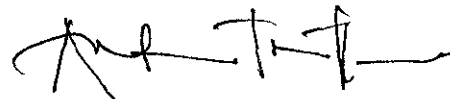
WHEREAS, COA Chairman Reynaldo Villar said his office is investigating Cabrera on her extended stay, and other auditors nationwide to check on how long they have been staying in their respective assigned agencies;

WHEREAS, in 2009, 26 auditors were either dismissed or suspended due to administrative cases, mostly because of irregularities in performing their duties, while 37 auditors have pending cases before the COA chairman’s office. Likewise, in 2010, 21 auditors were either dismissed or suspended, while 46 more have pending cases;

WHEREAS, in the light of all of these revelations of the alleged involvement of high-ranking officials and auditors of the COA in the massive anomalies at the AFP and elsewhere, there is an apparent need to review, revise and/or overhaul the existing auditing laws, rules and regulations as well as the practices and procedures of the Commission on Audit (COA) with the end in view of coming up with proposed legislation to address the obvious and apparent gaps in the current state of the law and relevant rules, regulations as well as COA practices and procedures;

NOW, THEREFORE, be it resolved, as it is hereby resolved, to direct the Committee on Finance and other appropriate committees of the Senate, to conduct an investigation in order to review and revisit existing auditing laws, rules and regulations as well as the practices and procedures of the COA particularly in view of the alleged involvement of the high-ranking officials and auditors of the Commission on Audit in covering up the massive corruption at the AFP and other agencies, with the end in view of coming up with proposed legislation to address the obvious and apparent gaps in the current state of the law as well as relevant rules and regulations and COA practices and procedures.

ADOPTED,

A handwritten signature in black ink, appearing to read 'Antonio F. Trillanes IV', with a stylized flourish at the end.

ANTONIO "SONNY" F. TRILLANES IV