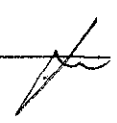


FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)

SENATE
OFFICE OF THE SECRETARY

9 MAY 18 P6:27

SENATE
Senate Bill No. **3257**

RECEIVED BY: 

Introduced by **SENATOR LACSON**

EXPLANATORY NOTE

The significant role played by the Commission on Audit is paramount in our quest to ensure that taxpayer's money are utilized properly and efficiently by the institutions and agencies to which said amounts are appropriated under the law. At the forefront of this battle are the auditors, whose main duty is to scrutinize the accounts of different government bodies in their effort to ensure that no anomalies or the like are being perpetuated to the detriment of the people. During budget deliberations, the reports submitted by the Commission serve as a yardstick for Congress in assessing the budget proposals of the different government agencies or bodies.

The confidential aspect of their work makes the employees and officials of the Commission on Audit easy targets of political pressure and influence. So much so that if not well-compensated, they might give into temptation and abandon their sworn duty to protect the government coffers.

An effective way to insulate the personnel of the Commission on Audit from unscrupulous individuals is to provide them with monetary incentives commensurate to the mandate of their office. This bill seeks to address this primary concern by granting the employees and officials of the Commission on Audit with special allowances *proportionate to their current salary grade*. By giving them an additional incentive, the government is thereby recognizing the importance of their profession and the value of their work in safeguarding the general welfare.

In view thereof, the early passage of this bill is earnestly recommended.


PANFILO M. LACSON
Senator

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SENATE
Senate Bill No. 3257

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AN ACT
GRANTING ADDITIONAL COMPENSATION IN THE FORM OF SPECIAL
ALLOWANCE FOR THE OFFICERS AND EMPLOYEES OF THE
COMMISSION ON AUDIT AND FOR OTHER PURPOSES

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

SECTION 1. Statement of Policy. – The function of the Commission on Audit (COA), which embraces all matters relating to auditing procedures, systems and controls, the maintenance of the general accounts of the government, the preservation and safekeeping of transaction vouchers relative to government endeavors, the examination and inspection of the books of accounts, records and relevant documents, the audit and settlement of funds and properties of all accountable officers, for purposes of safeguarding the government's coffers from wastage, is hereby affirmed and recognized.

SECTION 2. The Independence of COA – The ability of COA to effectively discharge its mandate depends largely on the degree of independence it enjoys. To be able to preserve its independence, the Commission has to be insulated from any form of control and unwarranted influence. Being a valuable partner in nation building, the Commission has to be free from any partisan influence and political pressure so that it can institute and enforce fiscal control within the overall framework of public fiscal administration towards the realization of government goals and objectives.

SECTION 3. Fiscal Autonomy – The General Appropriations Act authorized independent constitutional commissions and offices enjoying fiscal autonomy, such as the Commission on Audit, to fix and determine the salaries, allowances, and other benefits of their personnel within the limits of their respective appropriations, notwithstanding any provision of law to the contrary.

SECTION 4. Grant of Special Allowance – Pursuant to the declared policy of this Act and in order to maintain the Commission's independence, there is a need to keep a roster of efficient, dedicated and globally competitive State Auditors, by providing them with incentives commensurate to their positions and intricate functions.

Additionally, to give more meaning and recognition to the sensitive and peculiar nature of the functions of the Commission on Audit as the praetorian of the national treasury and in acknowledging its fiscal autonomy, all officials and employees of the COA shall be granted special allowances in amounts to be determined by the Secretary of the Department of Budget and Management (DBM) and the Chairman of the Commission.

The grant of the said special allowance shall not exceed one hundred percent (100%) of the basic salary proportionate to the salary grades of the officials and employees concerned as provided in Republic Act No. 6758, otherwise known as the Salary Standardization Law, as amended.

SECTION 5. Appropriations – The amount necessary for the initial implementation of this Act shall be charged against the current fiscal year's appropriations under the budget of the Commission. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 6. Additional Funding Source – The additional funding sources of the amount necessary to implement the additional compensation in the form of special allowances granted under this Act shall be as follows:

1. From savings generated by the COA in its operations;
2. From fees collected by COA in performing:
 - a. Audit and related services to government-owned and controlled corporations (GOCCs) and local government units (LGUs);
 - b. Services rendered to private entities audited in connection with their dealings with the government arising from subsidies, counterpart funding by the government, or where audited records become the basis for government levy and share; and
 - c. Audit and related services arising from contracts with government entities and international organizations;
3. From income sourced through the imposition of filing fees on cases filed before the COA in the exercise of its quasi-judicial function;
4. Collection through imposition of fines on administrative cases;
5. From income collected through the use of COA facilities such as dormitories, gym and training centers; *and*
6. From income sourced through the conduct of seminars and lectures.

The amounts collected pursuant to this section shall constitute and shall be deposited as a Special Trust Fund which shall be administered by the Chairman of the Commission to carry out the provisions of this Act.

SECTION 7. Effects of Subsequent Salary Increases. – In the event that subsequent increases in the salary rates provided under Republic Act No. 6758, as amended, is implemented and/or increases in salary rates is granted by the President of the Philippines, all special allowances granted under this Act to the officials and employees of the COA shall be considered as an implementation of the said salary increases as may be provided by law. The special allowance equivalent to the increase in the basic salary as may be provided by law shall be converted as part of the basic salary: *Provided*, that the amounts converted as basic salary shall be funded from the regular appropriations of the COA. Any excess in the special allowances granted under this Act not converted as basic salary shall continue to be granted as such and shall continue to be funded under Sections 5 and 6 of this Act.

SECTION 8. Implementing Rules and Regulations – The COA shall issue the necessary rules and regulations for the effective implementation of this Act not later than ninety (90) days from approval hereof.

SECTION 9. Separability Clause – If for any reason any section or provision of this Act is declared to be unconstitutional or invalid, the other sections or provisions thereof which are not affected thereby shall continue to be in full force and effect.

SECTION 10. Repealing Clause – All laws, decrees, orders, rules or regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 11. Effectivity – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in two (2) newspapers of general circulation, whichever comes earlier.

Approved,