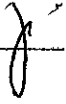


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SENATE  
P. S. R. No. 1360

RECEIVED BY: 

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Introduced by Senator Miriam Defensor Santiago

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1 RESOLUTION

2 DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID  
3 OF LEGISLATION, ON THE COMMISSION ON AUDIT REPORT THAT THE  
4 SECURITIES AND EXCHANGE COMMISSION SPENT SOME ₱241.5 MILLION ON  
5 ILLEGAL SALARY INCREASES AND UNAUTHORIZED HIRING IN 2013

6 WHEREAS, the Constitution, Article 2, Section 27 provides: “The State shall maintain  
7 honesty and integrity in the public service and take positive and effective measures against graft  
8 and corruption”;

9 WHEREAS, the Constitution also provides in Article 2, Section 28: “Subject to  
10 reasonable conditions prescribed by law, the State adopts and implements a policy of full public  
11 disclosure of all its transactions involving public interest”;

12 WHEREAS, the *Philippine Daily Inquirer* on 10 May 2015 reported that the Securities  
13 and Exchange Commission (SEC) spent some ₱241.5 million on illegal salary increases for its  
14 personnel and on the unauthorized hiring of additional employees in 2013;

15 WHEREAS, quoting state auditors, the report said the SEC should have sought  
16 Malacañang approval for additional wages for its officials and employees and for the creation of  
17 61 new plantilla positions;

18 WHEREAS, the Commission on Audit (COA) also allegedly said that the issue of  
19 unlawful salary increases of SEC personnel, which amounted to ₱174.3 million from January  
20 2012 to December 2013, was brought to the attention of the SEC in 2012 but was nonetheless  
21 continuously implemented, resulting in excessive payment of personal services for two years;

22 WHEREAS, the SEC also allegedly failed to secure the approval of the President on the  
23 compensation plan before implementing the salary increase;

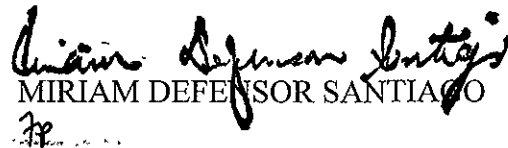
24 WHEREAS, the state auditors recommended that the SEC stop the salary increases  
25 without approval from the President, upon recommendation of the DBM;

26 WHEREAS, the government must ensure that public funds are used according to law,  
27 and for their intended purpose;

1           WHEREAS, Congress, alongside its exercise of the power of the purse, must review  
2 existing legislation on salaries of public officials and employees, including those in the payroll of  
3 government-owned and controlled corporations, to command strict adherence from agencies;

4           WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct  
5 the proper Senate committee to conduct an inquiry, in aid of legislation, on the Commission on  
6 Audit report that the Securities and Exchange Commission spent some P241.5 million on illegal  
7 salary increases and unauthorized hiring in 2013.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO  
SP

/lml