



15 JUL 15 P3:13

SENATE  
P. S. R. No. 1437

RECEIVED BY: \_\_\_\_\_

Introduced by Senator Miriam Defensor Santiago

RESOLUTION  
DIRECTING THE PROPER SENATE COMMITTEE  
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,  
ON THE RECENT COMMISSION ON AUDIT REPORT THAT THE FOOD AND  
NUTRITION RESEARCH INSTITUTE FAILED TO FULLY IMPLEMENT THREE MAJOR  
PROJECTS, RESULTING IN THE REVERSION OF ITS  
CASH ALLOCATIONS AMOUNTING TO ₱133.48 MILLION  
TO THE NATIONAL TREASURY

1 WHEREAS, the Constitution, Article 2, Section 28 states: "Subject to reasonable  
2 conditions prescribed by law, the State adopts and implements a policy of full public disclosure  
3 of all its transactions involving public interest";

4 WHEREAS, according to the 2014 Commission on Audit (COA) report, the Food and  
5 Nutrition Research Institute (FNRI), an attached agency of the Department of Science and  
6 Technology, failed to fully implement three major locally-funded projects, resulting in the  
7 reversion of its cash allocations amounting to ₱133,478,988.38 to the National Treasury;

8 WHEREAS, the report stated that the funds reverted represent 38.57 percent of the total  
9 Notices of Cash Allocation (NCAs) that the FNRI received in 2014;

10 WHEREAS, according to report, FNRI failed to finish the following projects:

- 11 1. Updating of the Nutritional Status of Filipino Population
- 12 2. Conduct of 8th NNS, Data Organization, Analysis and Dissemination
- 13 3. Upgrading of FNRI Building Phase IV

14 WHEREAS, the state auditors discovered that the first project was not fully implemented  
15 because the Philippine Statistical Authority did not submit the master sample that would be used  
16 in the survey on Nutritional Status of Filipino Population, while the analysis and processing of  
17 samples in the second project was still on-going;

18 WHEREAS, the report showed that the implementation of the third project was delayed  
19 because the procurement process for the upgrading of the FNRI building was completed but the  
20 contract was perfected only on 23 December 2014, thus, although obligated, there was no  
21 mobilization cost or accomplishment to be paid;

1           WHEREAS, the COA report revealed that another reason for the huge reversal of NCAs  
2 to the National Treasury was because the total NCAs that FNRI received was ₱30,557,000 more  
3 than the cash program of the agency totaling ₱312,354,000 for the whole year;

4           WHEREAS, the state auditors recommended that in order to prevent reversion of NCAs,  
5 the FNRI should ensure that funded projects are implemented as planned and programmed  
6 disbursements are also reasonably met;

7           WHEREAS, from 2011 to 2014, the government's underspending reached some ₱594  
8 billion. Of the ₱2.284.3-trillion national budget for 2014, Budget Secretary Florencio Abad said  
9 that the government only spent ₱1.981 trillion, which left a ₱303-billion underspent budget;


10          WHEREAS, based on news reports, Secretary Abad explained that when government  
11 departments and agencies do not spend efficiently, economic growth would be slower and there  
12 would also be potential delays in the delivery of public goods and services;

13          WHEREAS, in the exercise of its power of the purse, the Congress should consider the  
14 absorptive capacity of government agencies or the ability of each agency to implement its  
15 proposed projects and utilize its allotments;

16          WHEREAS, in the case of NCAs that were issued in excess of the submitted cash  
17 program, the Congress should consider drafting a legislative measure that would deter the excess  
18 releases of NCAs;

19          WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct  
20 the proper Senate committee to conduct an inquiry, in aid of legislation, on the recent  
21 Commission on Audit report that the Food and Nutrition Research Institute failed to fully  
22 implement three major projects, resulting in the reversion of its cash allocations amounting to  
23 ₱133.48 million to the National Treasury;

Adopted,

  
MIRIAM DEFENSOR SANTIAAGO  
7P

/fldp10july2015