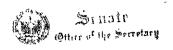
SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



15 SEP 28 P3:49

SENATE P. S. R. No. **1597**



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 INEFFICIENCIES IN
PROCUREMENT PROCESSES IN THE INFORMATION AND COMMUNICATIONS
TECHNOLOGY OFFICE RESULTED IN \$27.6 MILLION IN UNSPENT FUNDS IN 2014

WHEREAS, the Constitution, Article 14, Section 10 provides:

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Section 10. Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services....

WHEREAS, the Information and Communications Technology Office (ICTO), an agency attached to the Office of the President, is mandated to lead government efforts on the information and communications technology front, including industry development, policy formulation, infrastructure development, research, capacity building for the public sector, and administration of the e-Governance Fund;

WHEREAS, state auditors found that of the ₱892.8 million in e-Government funds programmed in 2014, the ICTO used only ₱65.2 million, leaving ₱827.6 million unspent;

WHEREAS, the recently released Commission on Audit (COA) report on the ICTO showed that, of the unutilized budget, \$\mathbb{P}774.5\$ million was for the purchase of equipment and supplies for e-Government funded projects, including:

- the Integrated Government Philippines (iGovPhil) Project, aimed at setting up a government-shared network that will facilitate deployment and integration of government offices delivering common services;
- the Philippine Community eCenter (CeC) Program, which seeks to establish new community e-centers in areas without shared Internet access facilities; and
- the Medium-term Information and Communications Technology Harmonization Initiative (MITHI), which is part of the e-Government Master Plan that will ensure

1 2	interoperability among ICT-related resources, programs, and projects across the government;
3	WHEREAS, the COA alleged that the underutilization of funds was the result of procurement delays in the implementation of the iGovPhil and PhilCeC projects;
5	WHEREAS, state auditors further claimed that the unspent funds and implementation
6	delays led to government failure to achieve project goals;
7	WHEREAS, a total of ₽186.7 million in project and maintenance and operating expenses
8	funds of the ICTO also allegedly reverted to the national treasury;
9	WHEREAS, the COA interpreted the significant reversion as an indication of the ICTO's
10	unrealistic monthly cash program, lack of procurement planning, and weak composition of the
11	bids and awards committee;
12	WHEREAS, besides flagging the underutilization of funds, state auditors also said that
13	the ICTO failed to demand liquidation reports for funds transferred to national government
14	agencies (₱264 million) and government-owned and -controlled corporations (₱261.9 million);
15	WHEREAS, the COA likewise criticized the ICTO for being lax in collecting a total of
16	₽176.1 million in receivables that have been dormant for more than five years;
17	WHEREAS, the government must ensure that efforts to improve the information and
18	communications technology infrastructure in the country are thoroughly planned and efficiently
19	implemented;
20	WHEREAS, the Congress, in reviewing the budget of the ICTO and all other agencies,
21	must ensure that targets for all programmed funds are realistic, in order to minimize government
22	underspending and avert its economic repercussions;
23	WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct
24	the proper Senate committee to conduct an inquiry, in aid of legislation, on the recent
25	Commission on Audit report that inefficiencies in procurement processes in the Information and
26	Communications Technology Office resulted in \$27.6 million in unspent funds in 2014.
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Adopted,

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