



15 SEP 28 P3:49

SENATE  
P. S. R. No. 1597

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 INEFFICIENCIES IN  
PROCUREMENT PROCESSES IN THE INFORMATION AND COMMUNICATIONS  
TECHNOLOGY OFFICE RESULTED IN ₱827.6 MILLION IN UNSPENT FUNDS IN 2014

- 1 WHEREAS, the Constitution, Article 14, Section 10 provides:
- 2 Section 10. Science and technology are essential for national development  
3 and progress. The State shall give priority to research and development, invention,  
4 innovation, and their utilization; and to science and technology education,  
5 training, and services....
- 6 WHEREAS, the Information and Communications Technology Office (ICTO), an agency  
7 attached to the Office of the President, is mandated to lead government efforts on the information  
8 and communications technology front, including industry development, policy formulation,  
9 infrastructure development, research, capacity building for the public sector, and administration  
10 of the e-Governance Fund;
- 11 WHEREAS, state auditors found that of the ₱892.8 million in e-Government funds  
12 programmed in 2014, the ICTO used only ₱65.2 million, leaving ₱827.6 million unspent;
- 13 WHEREAS, the recently released Commission on Audit (COA) report on the ICTO  
14 showed that, of the unutilized budget, ₱774.5 million was for the purchase of equipment and  
15 supplies for e-Government funded projects, including:
- 16 • the Integrated Government Philippines (iGovPhil) Project, aimed at setting up a  
17 government-shared network that will facilitate deployment and integration of  
18 government offices delivering common services;
  - 19 • the Philippine Community eCenter (CeC) Program, which seeks to establish new  
20 community e-centers in areas without shared Internet access facilities; and
  - 21 • the Medium-term Information and Communications Technology Harmonization  
22 Initiative (MITHI), which is part of the e-Government Master Plan that will ensure

1 interoperability among ICT-related resources, programs, and projects across the  
2 government;

3 WHEREAS, the COA alleged that the underutilization of funds was the result of  
4 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 ₱827.6 million in unspent funds in 2014.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO  
RP

/kmp