

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



Senate  
Office of the Secretary

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SENATE  
P. S. R. No. 1691

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

**RESOLUTION**  
**DIRECTING THE PROPER SENATE COMMITTEE**  
**TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,**  
**ON THE REPORT THAT THE DEPARTMENT OF BUDGET AND MANAGEMENT**  
**CONTINUED USING THE PRIORITY DEVELOPMENT ASSISTANCE FUND IN 2014**  
**DESPITE THE SUPREME COURT DECISION THAT DECLARED THE ALLOCATIONS**  
**UNCONSTITUTIONAL**

1 WHEREAS, the Constitution, Section 27, Article 2 provides: "The State shall maintain  
2 honesty and integrity in the public service and take positive and effective measures against graft  
3 and corruption";

4 WHEREAS, the *Philippine Star* on 31 October 2015 reported that according to the  
5 recently released Commission on Audit (COA) report, the Department of Budget and  
6 Management (DBM) continued to release and spend money from the Priority Development  
7 Assistance Fund (PDAF) in 2013 despite the Supreme Court decision that the PDAF is  
8 unconstitutional;

9 WHEREAS, the use of PDAF was allegedly continued through the re-issuance of notices  
10 of cash allocations (NCA) to replace those already lapsed;

11 WHEREAS, the COA claimed that that the DBM released NCAs totaling ₱67.3 million  
12 from September to December 2013, with some ₱15 million released after the issuance of the  
13 Supreme Court decision, dated 19 November, 2013;

14 WHEREAS, state auditors claimed that the NCAs were released for indigent patients in  
15 hospitals, scholarships, and the construction of an academic building at the Abra State Institute  
16 of Sciences and Technology (ASIST);

17 WHEREAS, these NCAs had allegedly already lapsed and should not have been released  
18 by the DBM since these were for payments of PDAF projects;

19 WHEREAS, state auditors reportedly found out that the DBM on 31 December 2013  
20 sought clarification from the Supreme Court on the proper implementation of its ruling for

1 already issued but lapsed NCAs, but nonetheless proceeded with the re-issuance of NCAs  
2 pending the clarification;

3 WHEREAS, the decision on the prayer to allow the reissuance of NCAs issued prior to  
4 the promulgation of the Supreme Court decision was later reportedly denied for lack of merit;

5 WHEREAS, in a letter addressed to the COA, DBM officials reportedly claimed good  
6 faith as the re-issuance of the NCAs was done while waiting for the decision on the motion for  
7 clarification;

8 WHEREAS, the COA however argued that when the Supreme Court declared PDAF as  
9 unconstitutional, all releases, whether for obligational and disbursement authority, must have  
10 ceased;

11 WHEREAS, Congress, through relevant legislation, must ensure that government  
12 agencies are prevented from defying Supreme Court decisions on the disbursement of public  
13 funds;

14 WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct  
15 the proper Senate committee to conduct an inquiry, in aid of legislation, on the report that the  
16 Department of Budget and Management continued using the Priority Development Assistance  
17 Fund in 2014 despite the Supreme Court decision that declared the allocations unconstitutional.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO  
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