

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

Office of the Secretary

16 JAN 14 P4:12

SENATE  
P. S. R. No. 1709

RECEIVED BY: )

Introduced by Senator Miriam Defensor Santiago

RESOLUTION  
DIRECTING THE PROPER SENATE COMMITTEE  
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,  
ON THE COMMISSION ON AUDIT REPORT THAT THE BUREAU OF TREASURY  
FAILED TO COLLECT ₱6.9 BILLION IN IDLE FUNDS IN 2014

1 WHEREAS, the Constitution, Article 2, Section 27, 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, *GMA News Online* on 16 December 2015 reported that the Commission on  
5 Audit (COA) said the government could have earned an additional ₱6.982 billion in 2014 had the  
6 Bureau of Treasury (BTr) been more zealous in its efforts to collect the idle funds of various  
7 national government agencies (NGAs);

8 WHEREAS, state auditors claimed that in 2013, cash balances were incurred by 295  
9 NGAs, a portion of which, involving the cash balances of 54 NGAs, had been identified as idle,  
10 and had been ordered remitted to the national treasury;

11 WHEREAS, the COA allegedly said that these idle funds included income from regular  
12 operations; interest income; performance and bidders' bond; dormant accounts; cash from  
13 unauthorized deposit accounts; unutilized project funds and balance of funds from terminated  
14 projects; deposits from letters of credit, unutilized notice of cash allowances; unused Priority  
15 Development Assistance Fund and Malampaya funds; unutilized fund transfers; unclaimed  
16 dividends; and other trust funds and donations;

17 WHEREAS, these idle funds were reportedly being used for purposes other than that for  
18 which they were intended, and some were being deposited in time deposits or other high yielding  
19 investments;

20 WHEREAS, records state auditors obtained from the National Cash Accounting Division  
21 of the BTr allegedly show that as of 14 May 2015 only a total of ₱1.4 billion have been remitted  
22 by the NGAs;

1           WHEREAS, the COA reminded the BTr that under Executive Order No. 338, Section 2,  
2 all government agencies are required to deposit their cash balances to the national treasury  
3 regardless of the source of the funds or income;

4           WHEREAS, the audit body further reportedly said that it is the function of the BTr, as an  
5 agency under the Department of Finance, to inform the department secretaries of the NGAs  
6 regarding the status of their cash balances and the accompanying recommendations;


7           WHEREAS, the COA allegedly said that without serious efforts on the part of the BTr as  
8 collecting agent for the government, unutilized cash balances will tend to accumulate every year  
9 rather than be used to augment government scarce resources to meet national expenditures;

10           WHEREAS, the Congress should scrutinize the collection process of the Bureau of  
11 Treasury to find out how the collection of idle funds are executed to determine the cause of  
12 inefficiency;

13           WHEREAS, the Congress must also investigate on the alleged misuse of cash balances of  
14 national government agencies;

15           WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct  
16 the proper senate committee to conduct an inquiry, in aid of legislation, on the Commission on  
17 Audit report that the Bureau of Treasury failed to collect ₱6.9 billion in idle funds in 2014.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO  
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Adr