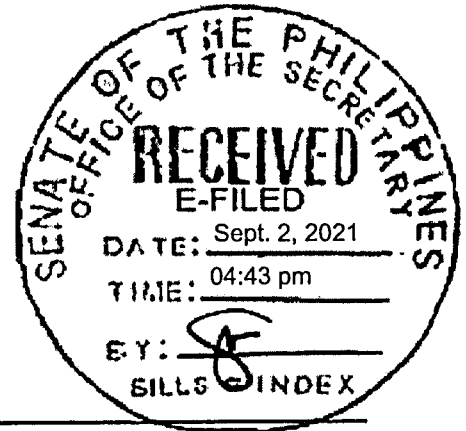


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

SENATE

P.S. Res. No. 886



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Introduced by SENATOR LEILA M. DE LIMA

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**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT**  
**AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED**  
**DEFICIENCIES FLAGGED BY THE COMMISSION ON AUDIT (COA) IN**  
**ITS 2020 AUDIT REPORT ON THE TECHNICAL EDUCATION AND**  
**SKILLS DEVELOPMENT AUTHORITY (TESDA), PARTICULARLY IN ITS**  
**UTILIZATION OF ITS COVID-19 FUNDS AND ITS DISBURSEMENT OF**  
**₱160 MILLION TO THE NATIONAL TASK FORCE TO END LOCAL**  
**COMMUNIST ARMED CONFLICT (NTF-ELCAC), AMONG OTHER**  
**IRREGULARITIES**

1           WHEREAS, the Commission on Audit (COA) published the 2020 Audit report  
2 on Technical Education and Skills Development Authority (TESDA) on the COA  
3 website. In the report, the COA noted that despite lacking authority, the TESDA  
4 transferred ₱160 million to the National Task Force to End Local Communist Armed  
5 Conflict (NTF-ELCAC) in 2020;<sup>1</sup>

6           WHEREAS, the audit report did not provide a breakdown of what kind of  
7 activities were undertaken, but listed which regional offices the money went to. The  
8 vocational training agency's office in the Davao region reportedly received the biggest  
9 chunk at ₱41.95 million. The second biggest share went to SOCCSKSARGEN at ₱23.7  
10 million, and the third biggest to CARAGA region at ₱13.8 million;<sup>2</sup>

11           WHEREAS, the COA noted that “[f]und transfers amounting to  
12 ₱160,083,401.61 are highly questionable for lack of proper authority/legal basis and

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<sup>1</sup> Buan, L. (2021). *TESDA's release of P160 million to NTF-ELCAC 'highly questionable' – auditors. Rappler.* Retrieved 30 August 2021, from <https://www.rappler.com/nation/tesda-release-millions-ntf-elcac-highly-questionable-coa-report-2020>  
<sup>2</sup> *Ibid.*

1 the absence of appropriate guidelines as to how this fund shall be utilized, likewise  
2 exposing these funds to possible misuse or misappropriation”;<sup>3</sup>

3 WHEREAS, Executive Order (E.O.) No. 70, which established the NTF-  
4 ELCAC, does not vest agencies with sole discretion to distribute funds in the absence  
5 of implementing rules;<sup>4</sup>

6 WHEREAS, COA argued that Section 9 of E.O. No. 70 cannot be used as a  
7 basis because an executive order cannot grant agencies the authority to spend the  
8 Congress-approved money for NTF-ELCAC initiatives, particularly when there is no  
9 well-defined approved program of activities and no instructions for its  
10 implementation;<sup>5</sup>

11 WHEREAS, the COA highlighted that the activities authorized by E.O. No. 70  
12 were not included among the “specified supported programs/projects in TESDA's  
13 current fiscal year allotment” and that the Department of Budget and Management  
14 (DBM) issued no Special Allotment Release Order (SARO) to enable the financial  
15 transfers;<sup>6</sup>

16 WHEREAS, in the same Report, the COA flagged “disparities” in the TESDA’s  
17 use of ₱768.53 million in COVID-19 funds, noting that its utilization rate of funds  
18 transferred to regional offices did not match with the low rate of enrolled scholars  
19 and the actual number of graduates;<sup>7</sup>

20 WHEREAS, the COA stated that the vast quantity of monies sent to TESDA’s  
21 regional offices for COVID-19 interventions do not line up with its stated outcomes.  
22 TESDA reportedly obligated ₱739.94 million (96%) of its ₱768.55 million funds but  
23 only disbursed ₱492.02 million (74%) of its downloaded funds, leaving ₱276.53  
24 million in unobligated allotments and unpaid obligations. This led to underwhelming  
25 results, with the TESDA Scholarship Management Division reporting only 33,555  
26 enrolled scholars (59% of the 57,000 slots), and 3,139 graduates (9% of total enrolled  
27 scholars);<sup>8</sup>

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<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

<sup>7</sup> Aurelio, J. M. (2021, August 18). *COA finds inconsistencies in Tesda use of P 768-M COVID funds*. Retrieved 30 August 2021, from <https://newsinfo.inquirer.net/1475124/coa-finds-inconsistencies-in-tesda-use-of-p-768-m-covid-funds>

<sup>8</sup> *Ibid.*

1           WHEREAS, the COA maintains that TESDA's audit report is questionable as it  
2 does not provide a proper itemization of the activities the allocated funds were used  
3 for. The unauthorized fund transfer and the absence of appropriate guidelines for  
4 how these funds shall be utilized exposes these funds to possible misuse or  
5 misappropriation;

6           WHEREAS, with the power vested upon Commission on Audit to serve as a  
7 robust check-and-balance on the power to disburse and use public funds and  
8 properties, the Commission has the sole duty to ensure that effective controls are in  
9 place to protect government financial assets and properties, improve effectiveness  
10 and efficiency, and be a vital instrument against corruption and misuse of public  
11 funds and properties;

12           WHEREAS, TESDA should provide legal authority or justification for the  
13 financial transfer since this could serve as a pretext for technical misappropriation of  
14 public funds which is punishable under the Revised Penal Code;

15           WHEREAS, given that the TESDA appropriation for CY 2020 was intended  
16 for the implementation of the Agency's programs/projects following its mandate, the  
17 funds should have been used accordingly;

18           WHEREAS, it is necessary to investigate these issues and determine once and  
19 for all whether the transfer of funds is viable and what impact it will have on the  
20 utilization of public funds;

21           NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the  
22 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the  
23 reported deficiencies flagged by the COA in its 2020 audit report on the TESDA,  
24 particularly in its utilization of its COVID-19 funds and its disbursement of P160  
25 million to the NTF-ELCAC, among other irregularities.

*Adopted,*

  
**LEILA M. DE LIMA**