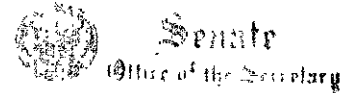


SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



13 AUG 29 P5:27

SENATE  
P. S. R. No. 222

RECEIVED BY: *ja*

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Introduced by Senator Miriam Defensor Santiago

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RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALARMING TREND IN LOCAL GOVERNMENTS WHERE THE LOCAL GOVERNMENTS SUFFER FROM FINANCIAL SHORTFALL AND BUDGET DEFICITS AFTER THE PREVIOUS ADMINISTRATION LEAVES THEIR POSTS AFTER THE ELECTIONS

WHEREAS, the *Philippine Star* in its 5 August 2013 issue reported that key cities and provinces in the country face liquidity problems because former local officials who left their posts after the 2013 local elections left empty coffers;

WHEREAS, the report said that Misamis Oriental Commission on the Commission on Audit (COA) found that the former provincial administration of Misamis Oriental incurred a Php 506 million budget deficit for the local government unit, and left only a little over Php 90 million in cash available for the province;

WHEREAS, according to the COA audit for Misamis Oriental cited in the news report, it was found that the cash intended for payment of statutory and other obligations to national government agencies, local governments and government owned/controlled corporations were used for some other purposes, resulting in unpaid amount of nearly Php 597 million as of 30 June 2013;

WHEREAS, the report also said that COA report for Misamis Oriental found that the provincial government has no sufficient funds to pay creditors since it incurred more obligations than revenues it actually collected per accounting records, resulting to a shortfall of nearly Php 17 million;

WHEREAS, due to this dire financial straits, current Misamis Oriental Gov. Yevgeny Vicente Emano reportedly issued an executive order directing the reduction in use of the 2013 provincial budget at 70 percent and adopting austerity measures for operations of the provincial government from July to December 2013;

WHEREAS, Gov. Emano also reportedly urged department heads to submit revenue-generating plans and programs;

WHEREAS, the *Philippine Star* also reported that that Manila Mayor Joseph Ejercito Estrada called on the previous city administration to account for Php 3.5 billion in debt owed by the city government, and that the lack of funds prompted the previous administration to veto the purchase of Php 240 million worth of equipment for the city's hospitals;


WHEREAS, according to the report, Cebu Gov. Hilario Davide III claimed that the former administration of the provincial government left around Php 788 million in debt, and that most of the payables have no supporting documents such as vouchers or contracts for services or projects not ratified by the provincial board;

WHEREAS, Congress, in coordination with agencies such as the COA, the Departments of Finance, Budget and Management, and of Interior and Local Government, should come up with safeguards to protect local governments from suffering from the errors of previous administrations in handling public funds especially right before transitioning to a new administration after elections;

WHEREAS, Congress and concerned government agencies should also formulate policy to remedy the financial straits local governments suffer at the hands of possible financial mismanagement from previous administrations, in addition to the prospect of going after erring officials if they are found to be guilty of malversation of public funds;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate committee, to conduct an inquiry in aid of legislation, on the alarming trend in local governments where the local governments suffer from financial shortfall and budget deficits after the previous administration leaves their posts after the elections.

Adopted,

*acw*  
  
MIRIAM DEFENSOR SANTIAGO

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