

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



Senate  
Office of the Secretary

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SENATE  
P. S. R. No. 1193

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 (COA) REPORT ON  
DISCREPANCIES IN AT LEAST TWO ACCOUNTS OF THE PHILIPPINE ARMY  
TOTTALLING ₱40 BILLION IN 2013

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

WHEREAS, the Constitution also states in Article 2, Section 28: "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest";

WHEREAS, state auditors claimed that at least two accounts of the Philippine Army totalling some ₱40 billion are questionable due to discrepancies in the agency's records;

WHEREAS, in its 2013 report on the Philippine Army, the Commission on Audit (COA) doubted the accuracy and reliability of the property, plant, and equipment accounts with some ₱34.96 billion, and the inventory accounts totaling ₱5.1 billion;

WHEREAS, the COA found the following irregularities in the property, plant, and equipment account:

- unbooked property, plant and equipment amounts totaling ₱53.15 million;
- double recording of the cost of communication equipment of ₱432.26 million;
- unreconciled balances between accounting and property records showing a difference of ₱583.67 million;
- inclusion of military and police equipment amounting to ₱48.21 million intended for the AFP Modernization Act Trust Fund;
- the recording of steel cages and vari kernels totaling ₱308,000 as outright expense instead of expenses property, plant, and equipment; and
- failure to conduct physical count of property, plant, and equipment

WHEREAS, in the inventory accounts, the COA questioned the following:

- unrecorded issuances of supplies or inventories amounting to ₱19.52 million due to the absence or non-submission of report of supplies and materials issued;
- discrepancy of ₱391.78 million between the ledger balance and the balance per inventory report;
- non-maintenance of the supplies ledger cards and stock cards by the accounting office and the property office, respectively; and
- failure to conduct physical count of inventories;

WHEREAS, the Philippine Army, a key agency for national security, should be free from corruption;

WHEREAS, during investigations on the Priority Development Assistance Fund (PDAF) scam, it was claimed that alleged mastermind Janet Lim Napoles had been involved in several anomalous transactions with the Philippine Navy, which, along with the Philippine Army and the Philippine Air Force, comprise the Armed Forces of the Philippines;

WHEREAS, Congress, through relevant legislation must improve transparency and accountability in the Armed Forces;

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 recent Commission on Audit (COA) report on discrepancies in at least two accounts of the Philippine Army totalling ₱40 billion in 2013.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO  
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