



THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
*Second Regular Session* )

6 MAR -8 P1:00

SENATE  
S. No. 2222

RECEIVED BY: \_\_\_\_\_

---

Introduced by **Senator Richard J. Gordon**

---

**AN ACT TO ENSURE THE ACCOUNTABILITY OF GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, GOVERNMENT FINANCIAL INSTITUTIONS, STATE-OWNED UNIVERSITIES, AND OTHER SIMILAR AGENCIES IN THE PUBLIC SECTOR BY REQUIRING THESE ENTITIES TO BE EVALUATED AND SUBJECTED TO THE TEST OF ECONOMIC AND FINANCIAL VIABILITY, CREATING A CONGRESSIONAL OVERSIGHT COMMITTEE THEREFOR, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1           SECTION 1. *Short Title.* – This Act shall be known as the "Government-Owned or  
2   Controlled Corporations (GOCCs) Accountability Act of 2006."

3           Sec. 2. *Policy.* – It is the policy of the State to create or establish Government-  
4   Owned or Controlled Corporations only in the interest of the common good and subject to  
5   the test of economic and financial viability.

6           Every Government-Owned or Controlled Corporation must be free from fraud, abuse,  
7   and wastage, and must be made accountable through effective monitoring and oversight by  
8   Congress for the benefit of the people.

9           Sec. 3. *Government-Owned or Controlled Corporation Defined.* – For purposes of  
10   this Act, "Government-Owned or Controlled Corporation" or "GOCC" refers to a stock or  
11   non-stock corporation, performing governmental or proprietary functions directly chartered  
12   by special law or, if otherwise formed, is owned or controlled by the Government directly or  
13   indirectly through a parent or subsidiary corporation. It includes Government Financial  
14   Institutions, state-owned universities, and other similar agencies in the public sector.

15          Sec. 4. *Submission of Reports.* – Every GOCC is required to submit quarterly and  
16   consolidated annual reports to Congress.

17          Each quarterly report, to be submitted within thirty (30) days from the end of each  
18   calendar quarter, shall be in the form of an executive summary concerning the finances and  
19   operations of the GOCC and shall indicate any achievement and major projects. It shall

1 include all financial reports and minutes of directors' and shareholders' meetings for the  
2 subject quarter.

3 Each annual report, to be submitted within sixty (60) days from the end of each  
4 calendar or fiscal year as may be applicable, shall include the following:

- 5 (1) A consolidated executive summary;
- 6 (2) A list of directors and officers;
- 7 (3) A summary of the remuneration paid to directors and officers over the last year;
- 8 (4) The Commission on Audit report for the last year; and
- 9 (5) *The audited financial statement for the last year.*

10 *Sec. 5. Mandatory Publication.* – Every GOCC is required to disclose and publish in  
11 at least one (1) newspaper of general circulation within thirty (30) days from the end of each  
12 calendar or fiscal year as may be applicable the following information:

- 13 (1) Travel and hospitality expenses for directors and officers; and
- 14 (2) Contracts for goods and services over five hundred thousand pesos  
15 (PhP500,000).

16 *Sec. 6. Creation of a Congressional Oversight Committee for GOCCs.* – There is  
17 hereby created a Congressional Oversight Committee for GOCCs to be composed of six (6)  
18 members, with three (3) representatives each from the Senate and the House of  
19 Representatives, and co-chaired by the Chairpersons of the Senate Committee on  
20 Government Corporations and Public Enterprises and the House Committee on  
21 Government Enterprises and Privatization.

22 The Congressional Oversight Committee for GOCCs shall receive and evaluate the  
23 reports submitted by the GOCCs to Congress. It shall be the principal legislative monitoring  
24 arm and policy recommending body for all GOCCs.

25 *Sec. 7. Powers and Functions of the Congressional Oversight Committee for*  
26 *GOCCs.* – The Congressional Oversight Committee for GOCCs shall have the following  
27 powers and functions:

- 28 (1) Prescribe and adopt guidelines that will govern its work;
- 29 (2) Hold hearings, receive testimonies and reports pertinent to its specified concerns;
- 30 (3) Secure from any department, bureau, office, agency, or instrumentality of the  
31 Government such assistance as may be needed, including technical information  
32 preparation and production of reports and submission of recommendations or  
33 plans as it may require;

1 (4) Summon by subpoena *ad testificandum* any public or private citizen to testify  
2 before it, or require by subpoena *duces tecum* to produce before it such records,  
3 reports or other documents as may be necessary in the performance of its  
4 functions;

5 (5) Use resource persons from the public and private sectors as may be needed;

6 (6) Approve the budget for the Congressional Oversight Committee for GOCCs and  
7 all disbursements therefrom, including compensation of all personnel;

8 (7) Organize its staff and hire and appoint such employees and personnel, whether  
9 temporary or contractual, subject to applicable laws; and

10 (8) Exercise all other powers necessary to attain its purposes.

11 Sec. 8. *Conduct of Review.* – The Congressional Oversight Committee for GOCCs  
12 shall review the quarterly and annual reports submitted by the GOCCs to Congress.

13 The Congressional Oversight Committee for GOCCs may require the submission of  
14 additional pertinent corporate and commercial documents and/or the revelation of all  
15 relevant data as may be deemed necessary for the conduct of such review. Failure to  
16 submit any of the required documents or to reveal any required data shall subject the  
17 directors and officers of the concerned GOCC to appropriate administrative, civil, and  
18 criminal liability.

19 The Congressional Oversight Committee for GOCCs shall review the reports,  
20 documents, and data submitted by each GOCC and shall be authorized to conduct  
21 investigations in furtherance of such review. The scope of review shall include the  
22 following:

23 (1) Accomplishment of the set goals as may be set forth in their respective charters  
24 or otherwise;

25 (2) Allocation of resources of each GOCC;

26 (3) Instances of duplication of functions;

27 (4) Financial and social investment rate of returns and productivity; and

28 (5) Interest of the common good.

29 Sec. 9. *Submission of Recommendations.* – The Congressional Oversight  
30 Committee on GOCCs shall submit its recommendations to the Senate and the House of  
31 Representatives, copy furnished to the Office of the President, for appropriate action. The  
32 recommendations may include the following:

33 (1) Continued existence of and corresponding budgetary allocation for each GOCC;

- 1 (2) Termination of the existence of or budget allocation for the GOCC by either
- 2 privatization or dissolution;
- 3 (3) Merger or consolidation of GOCCs performing similar or overlapping functions;
- 4 (4) Restructure of the GOCCs in the Executive branch;
- 5 (5) Adjustment of compensation packages for directors, officers, and employees;
- 6 (6) Filing of appropriate civil, criminal, or administrative charges;
- 7 (7) Contract review or renegotiation as may be appropriate; and
- 8 (8) Other recommendations as may be deemed appropriate.

9 Sec. 10. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or  
10 other issuances or parts thereof inconsistent with the provisions of this Act are hereby  
11 repealed or modified accordingly.

12 Sec. 11. *Appropriation.* – In order to carry out this Act, an amount of Twenty Million  
13 Pesos (PhP20,000,000) is hereby appropriated for the Congressional Oversight Committee  
14 on GOCCs for its initial operations.

15 Sec. 12. *Separability Clause.* – If any portion or provision of this Act is declared  
16 unconstitutional, the remainder of this Act or any provisions not affected thereby shall  
17 remain in force and effect.

18 Sec. 13. *Effectivity.* – This Act shall take effect after fifteen (15) days following the  
19 completion of its publication either in the Official Gazette or in a newspaper of general  
20 circulation in the Philippines.

21 Approved,