

10 JUL -7 PM '90

SENATE

Senate Bill No. 768

RECEIVED BY: fs

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Article II, Section 28 of the 1987 Philippine Constitution in no uncertain terms declares that the State adopts and implements a policy of full public disclosure of all its transactions involving public interests. Article XI, Section 1 of the 1987 Philippine Constitution further provides that public officers and employees must at all times be accountable to the people, serve them with utmost responsibility and lead modest lives.

Unfortunately, even as the present administration has been charged with allegations of corruption in the form of overpricing, disadvantageous government contracts and spurious transactions such as that of the fertilizer fund scam and the ZTE-NBN deal, several high ranking officials of the Philippine National Police were caught by Russian officials carrying an undeclared amount of 106,000 Euros allegedly for the purchase of intelligence equipment. This brought international fame, or rather infamy, to our country highlighting the system of corruption and extravagant use of taxpayer's money which has become so deeply ingrained in our present government. Further, the so-called "Euro Generals Scandal" has introduced a different avenue of misappropriating public funds - under the guise of official travel/contingency funds, or as intelligence and confidential funds.

It is conceded that the provision of funds for foreign or local travel of government officials or employees is a necessary government expense. However, the Euro Generals scandal shows that there is a compelling need to establish safeguard measures that will ensure transparency and accountability in disbursement, as well as appropriate use of public funds, in relation to official travels of government officials and employees. Thus, this proposed measure defines the parameters of authorized travel of government officials or employees and defines the allowable travel expenses for such trip. Further, the disclosure of the full amount of foreign currency brought into or out of the country in the course of the official travel is made mandatory by this proposed measure. Moreover, a completion report of the official business attended together with an accounting and liquidation of the funds used for the official trip is mandated to be completed within a period of 60 days from the time that the concerned government official or employee reports back to work. Finally, penalties are prescribed for failure to comply with the obligation to disclose the amount of foreign currency carried and for non-compliance with the reportorial and accounting and liquidation requirements.

Unfortunately, despite the clear constitutional mandates of upholding public trust, full fidelity in the use of public funds seems to remain unlikely. Thus, necessary steps that will eventually reverse the culture of corruption and inculcate accountability in public office in its place have to be taken with utmost urgency. Such is the intention of this proposed measure.

In view of the foregoing, early passage of this bill is earnestly requested.



JINGGOY EJERCITO ESTRADA
Senator

10 JUL -7 15:00

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Senate Bill No. 768

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT
REGULATING OFFICIAL LOCAL AND FOREIGN TRAVELS OF
GOVERNMENT OFFICIALS AND EMPLOYEES TO ENSURE
TRANSPARENCY AND ACCOUNTABILITY IN THE USE OF FUNDS
REQUESTED FOR THE PURPOSE, DEFINING PENALTIES FOR
NONCOMPLIANCE WITH DISCLOSURE, ACCOUNTING, LIQUIDATION AND
REPORTING REQUIREMENTS, AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as the "**Government
Employees Official Travel Accountability Act of 2010.**"

SEC. 2. *Coverage.* - All government officials and employees, both
national and local, including personnel of government owned and/or controlled
corporations and government financial institutions shall be covered by the
provisions of this Act.

SEC. 3. *Authorized Travel.* - Only local and/or foreign travel which are
urgent and extremely necessary, will involve the minimum expenditure for the
government, and are expected to bring direct gain and immediate benefit to the
agency concerned or the country shall be authorized.

Chapter 1 - Official Local Travel of Government Personnel

SEC. 4. *Approval of Travel* - All travels of officials and employees of
National Government Agencies shall be approved by the head of office/bureau or
its equivalent: *Provided that* travels that will last thirty (30) days or more are
subject to the approval of the Department Secretary or his equivalent.

Approval of travel of officials and employees of government-owned and/or
controlled corporations and financial institution that will last for not more than one
(1) calendar month shall be subject to the policies, rules and regulations adopted
by their respective governing Boards.

SEC. 5 . *Allowable Travel Expenses.* - The amount of allowable local
travel expenses shall be determined by the Department head concerned, taking
into consideration the daily subsistence requirements and other reasonable
expenses that may be incurred in the course of the official travel, subject to the
approval of the Secretary of the Department of Budget and Management. Claims

for reimbursement of actual travel expenses in excess of the travel expenses authorized by the Department head may be allowed upon certification of the head of agency concerned that the incurred expense is absolutely necessary in the performance of an assignment and submission of receipts.

Chapter 2 - Official Foreign Travel of Government Personnel

SEC. 6. *Nature of Travel.* - Only foreign travels and assignments under the category of conferences, special missions and other non-study trips shall be authorized such as those undertaken for the following purposes:

a. To attend conferences or seminars sponsored by foreign governments or international government organization to which the Philippine government is committed or invited to send representatives or participants;

b. To attend conferences or seminars sponsored by private organizations, whether international or not, invitations to which have been sent through their respective governments;

c. To conduct examinations of investigations of Philippine government agencies or affairs; and

d. To undertake any other official missions which cannot be assigned to any other Philippine government official already abroad.

SEC.7. *Approving Authority* - All government officials and employees seeking authority to travel to a foreign country shall secure prior approval from their respective heads of departments or agencies or their equivalent, regardless of the duration of their travel, and the number of delegates concerned; *Provided* that all official travels abroad of Department Secretaries, Undersecretaries, Assistant Secretaries, heads, senior assistant heads and assistant heads of government owned and/or controlled corporations and financial institutions, and heads of local government units and other officials of equivalent rank shall be subject to the prior approval of the President.

SEC.8 . *Allowable Travel Expenses.* - Government officers or employees duly authorized to travel abroad shall be entitled to the Daily Subsistence Allowance (DSA) as provided under the United National Development Program Index, which shall be apportioned as follows unless otherwise stated in the UNDP Index: (a) fifty percent (50%) for hotel/lodging; (b) thirty percent (30%) for meals; and (c) twenty percent (20%) for incidental expenses, When the country of destination is not listed in the said Index, the DSA for the nearest country shall be adopted. Claims for reimbursement of actual travel expenses in excess of the DSA may be allowed upon certification by the head of the agency as absolutely necessary in the performance of an assignment and presentation of receipts, subject to the approval of the President.

SEC.9 . *Restrictions on Foreign Travel.* - No government official or employee who is due to retire within one (1) year from the commencement of the official trip for which authority to travel is requested shall be authorized to travel to a foreign country as an official representative to attend trainings, conferences or other international commitments.

In the event that there are several qualified prospective participants to international trainings, conferences or study trips, the approving authority shall give priority to those who are forty-five (45) years old and younger.

SEC. 10. *Mandatory Disclosure.* - Any government official or employee authorized to travel to a foreign country who brings into or out of the Philippines foreign currency as well as other foreign exchange-denominated bearer monetary instruments in excess of US\$10,000 or its equivalent regardless of source is required to declare the same in writing and to furnish information on the source and purpose of carrying and transporting such amount of foreign currency.

For purposes of this Act, "*other foreign exchange-denominated bearer instruments*" shall refer to the following foreign exchange-denominated instruments in bearer form whereby title thereto passes to another by endorsement, assignment or delivery: traveler's checks, drafts, notes, money orders, bonds, deposit certificates, securities, commercial papers, trust certificates, custodial receipts, deposit substitute instruments, trading orders, transaction tickets and confirmation of sale/investment.

Chapter 3 - Common Provisions

SEC. 11. *Supporting Documents.* - All requests for cash advances and the corresponding cash advance vouchers for local and foreign travel shall be supported by the following: (a) travel order properly approved; (b) itinerary of travel; and (c) details of transportation and travel expenses to be incurred.

SEC. 12 . *Accounting and Liquidation of Cash Advances.* - The cash advance for the official travel shall be duly liquidated and accounted for by the official or employee concerned strictly in accordance with the rules and regulations promulgated by the Commission on Audit for the purpose within sixty (60) days after his return to the Philippines, in case of official travel abroad, or within thirty (30) days of his return to his official station in case of official local travel. Non-compliance with the mandatory period for liquidation and accounting shall be a cause for suspension of other benefits and emoluments received by such official or employee until such time as he complies therewith.

SEC. 13. *Reportorial Requirements.* - Every official or employee assigned or authorized to travel in accordance with the provisions of this Act shall, within sixty (60) days after his return to his permanent official station, submit a report with his recommendations, if any, on the conference or seminar attended, examination or investigation conducted, or mission undertaken, to the head of his office. In case the participation is in an international conference or convention abroad in which the Philippines is represented by a delegation, a report of the delegation shall be submitted to the Secretary of the Department or the Office of the President, in the event that the Department Secretary is himself authorized to travel not later than thirty (30) days after the closing of the conference or convention.

All national government agencies and government-owned and controlled corporations and government financial institutions shall submit, on or before the last day of February of the year, a financial and accomplishment report of all the authorized local and foreign travel undertaken by any of its personnel the previous fiscal year, to the Senate Committee on Finance and House of Representatives Committee on Appropriations. Congress may further require the

submission of additional data, documents and information as it may deem necessary to clarify and/or justify the expenses incurred by any government official or employee in the course of an authorized local or foreign travel.

SEC. 14. Penalties. - Failure to comply with the foreign currency disclosure requirement under Section 10 of this Act shall be punishable with imprisonment of six (6) years and one (1) day to twelve (12) years and a fine ranging from Three Hundred Thousand Pesos (Php 300,000.00) to Five Hundred Thousand Pesos.(Php 500,000.00), without prejudice to the application of other criminal, civil and/or administrative sanctions provided for under other existing laws, rules and regulations.

Violation of the provisions of Sections 12 and 13 of this Act shall be punishable with imprisonment of one (1) year and one (1) day to five (5) years and a fine ranging from One Hundred Thousand Pesos (P100,000.00) to Three Hundred Thousand Pesos (P300,000.00) without prejudice to the application of other criminal, civil and/or administrative sanctions provided for under existing laws, rules and regulations.

SEC. 15. Separability Clause. -If, for any reason, any part or provision of this Act is held unconstitutional or invalid, other parts or provisions thereof, which are not affected, shall continue to remain in full force and effect.

SEC. 16. Repealing Clause. - All laws, decrees, executive orders, proclamations and administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SEC. 17. Effectivity Clause. - This Act shall take effect immediately after its publication in at least two national newspapers of general circulation.

Approved,