

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

SENATE
P. S. R. No. _____

Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE COMMITTEE ON SOCIAL JUSTICE, WELFARE, AND
RURAL DEVELOPMENT TO CONDUCT AN INQUIRY, IN AID OF
LEGISLATION, ON THE RECENT COA AUDIT REPORT THAT THE DSWD
CONDITIONAL CASH TRANSFER PROGRAM INVOLVING ₱5 BILLION
APPEARS TO HAVE BEEN PLUNDERED, AND REQUIRING DSWD
SECRETARY CORAZON SOLIMAN TO RENDER A FULL REPORT ON
THIS AMOUNT

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, Section 28 of the Constitution also states: “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, the *Philippine Daily Inquirer*, in its 3 September 2014 issue, reported that the Philippine Postal Corp. (Philpost) has accumulated ₱5 billion in unliquidated cash advances from the Department of Social Welfare and Development (DSWD), funds that were meant for distribution to a million beneficiaries of the conditional cash transfer (CCT) program in 9,657 municipalities;

WHEREAS, Philpost is one of the monetary conduits used by the DSWD for the CCT component of its Pantawid Pamilyang Pilipino Program (4Ps) which provides cash incentives to marginalized families to encourage them to send their children to school and get regular maternal checkups;

WHEREAS, it was reported that the DSWD primarily sends out its monthly dole-outs through Landbank branches nationwide and to complement the Landbank distribution system, the DSWD tapped Philposts' mail stations in Ilocos Sur, Davao del Sur, Cavite, Ilocos Norte, Palawan, Rizal, La Union, Benguet, and Mt. Province as payout centers;

WHEREAS, the Commission on Audit (COA), on its latest annual audit report, said that the ₱4.936 billion in Philpost unliquidated advances were 1,000 percent more than the ₱449.841 million unliquidated balance that the agency incurred in 2012;

WHEREAS, the COA report stated that these unliquidated funds in the hands of payout and cluster head postmasters exposed these funds to malversation, theft, or other risks;

WHEREAS, according to the report, Philpost said that it failed to account for the roughly ₱5 billion CCT funds it received from the DSWD because of serious glitches in the CCT computerized system of the Landbank that have led to errors and duplication of work in uploading payroll records; thus, postmasters were given additional work with no additional staff, and the increase in volume of CCT transactions was unexpected and abrupt;

WHEREAS, according to the *Inquirer* report, the DSWD has long been criticized for getting massive funding increases for its CCT program in the past four years despite its sorely limited capacity to deploy such huge amounts to millions of beneficiaries over a thousand municipalities and ensure no leakages or pilferage;

WHEREAS, the COA itself noted that the shortcomings in the implementation of the CCT program was a contributing factor in the rise of unliquidated advances in the program's conduits like the Philpost;

WHEREAS, the audit reportedly said that Philpost's postmasters have yet to receive the DSWD advice on the date of distribution to beneficiaries;

WHEREAS, according to the COA report, Philpost spent an additional ₱13.532 million to cover for losses arising from robberies and cases of “hold-up” of personnel carrying out the CCT program;

WHEREAS, the COA observed that the weak or even seemingly lack of processing, internal accounting and reporting controls in the implementation and operations of the CCT program, if not addressed immediately, would further result in the unmanageable proportion of unliquidated cash advances;

WHEREAS, the COA also noted that a memorandum of agreement between the DSWD and Philpost on the CCT distribution exempted Philpost and the Landbank from any liabilities arising from loss or damage in the course of their duty;

WHEREAS, according to the *Inquirer*, the Philpost management, led by Postmaster General Josefina de la Cruz, provided COA with a liquidation report on ₱2.282 billion of CCT funds in the agency’s hands last July 2014; however, the COA noted that the reports were stated in lump-sum amounts without details or a breakdown that could be matched with individual certification of liquidation by the DSWD;

WHEREAS, aside from concerns on the CCT’s operations, the COA also criticized Philpost management for the following:

- giving gifts, making donations and sponsoring church and school events;
 - for approving ₱1.085 million in excess per diems for committee meetings;
 - increasing the postmaster general and her assistant’s salary by ₱1.68 million without the President’s approval;
 - unauthorized payment of ₱1.596 million performance-based incentive to its directors;
 - ₱1.79 million in illegal subsidies to car loans of officers and directors;
- and

- doubling the number of consultants to 36 which cost ₱10 million in additional fees from the previous year;

WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct the Committee on Social Justice, Welfare, and Rural Development to conduct an inquiry, in aid of legislation, on the recent COA audit report that the DSWD Conditional Cash Transfer program involving ₱5 billion appears to have been plundered; and requiring DSWD Secretary Corazon Soliman to render a full report on this amount.

Adopted,

MIRIAM DEFENSOR SANTIAGO