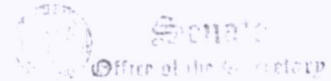


SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
Second Regular Session



SENATE

P.S. Res. No. 547

'17 NOV 20 P 4:12

Introduced by Senator Poe

RECEIVED BY

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE COMMISSION ON AUDIT REPORT THAT GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS (GOCCs) GRANTED EXCESSIVE BONUSES AND PERKS TO THEIR OFFICIALS AND EMPLOYEES WITHOUT SUFFICIENT LEGAL BASIS AMOUNTING TO PHP 620 MILLION IN 2016, WITH THE END IN VIEW OF INITIATING A MAJOR REVIEW OF REPUBLIC ACT NO. 10149 OR THE GOCC GOVERNANCE ACT OF 2011 AND PLUGGING LOOPHOLES IN THE LAW

WHEREAS, Section 1, Article 11 of the 1987 Constitution provides that a “Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives”;

WHEREAS, pursuant to this constitutional mandate, Republic Act (RA) No. 6713 or The Code of Conduct and Ethical Standards for Public Officials and Employees directs all public officials and employees to uphold public interest over personal interest and to use government resources and the powers of their offices efficiently, effectively, honestly and economically to avoid wastage of government resources;

WHEREAS, Republic Act No. 10149 or the GOCC Governance Act was enacted in 2011 to institute reforms among government-owned or controlled corporations (GOCC) and in response to the prevailing abusive practices of the governing boards and executives of state-run enterprises who granted themselves excessive, unwarranted, and unconscionable benefits;

WHEREAS, the law mandates “reasonable, justifiable and appropriate remuneration schemes... for the directors/trustees, officers and employees of GOCCs and their subsidiaries to prevent or deter the granting of unconscionable and excessive remuneration packages”;

WHEREAS, the law was put in place to promote financial viability and fiscal discipline among state-owned firms and to ensure that “government assets and

resources are used efficiently and the government exposure to all forms of liabilities including subsidies is warranted and incurred through prudent means”;

WHEREAS, RA 10149 created the Governance Commission for GOCCs tasked with implementing sweeping reforms in the state corporate sector, including establishing performance evaluation systems and conducting compensation studies;

WHEREAS, however, the abusive practice of GOCCs in granting excessive perks continue unabated six years after the law was passed;

WHEREAS, in its 2016 Annual Financial Report on GOCCs released on October 26, the Commission on Audit (COA) said eight state-owned firms granted a total of Php 619.711 million in compensation, additional compensation, bonuses and other incentives to the members of their board of trustees, board of directors, officers, employees, management committees, hired employees under contract of services and even those under job orders;

WHEREAS, the Philippine Charity Sweepstakes Office reportedly topped the list with Php 518.31 million in unauthorized compensation and allowances, followed by the Small Business Corp., an attached agency of the Department of Trade and Industry, with Php 46.45 million and the National Electrification Administration, an attached agency of the Department of Energy, with Php 23.68 million;

WHEREAS, the Philippine Coconut Authority and the National Food Authority, both attached agencies of the Department of Agriculture, granted its employees Php 11.46 million and Php 10.1 million in bonuses, respectively, while the APO Production Unit, an attached agency of the Presidential Communications Operations Office, Human Settlements Development Corp., and Intercontinental Broadcasting Corp. or IBC-13 separately granted Php 7.45 million, Php 2.1 million and Php 219,000 in bonuses;

WHEREAS, the COA noted that the payment of such remuneration “were without bases” and “contrary to existing laws, rules and regulations,” citing in particular Executive Order No. 181 issued in 2015 prescribing the grant of productivity enhancement incentives to government employees for fiscal year 2015, EO No. 248 issued in 1995 and EO No. 298 issued in 2004 prescribing rules and regulations and new rates of allowances for official local and foreign travels of government personnel;

WHEREAS, the grant of multimillion compensation and allowances was a blatant violation of RA 10149 and such practice should not continue while the government finds sources of money in implementing critical programs for the greater benefit of the public;

WHEREAS, the amount could have been used to supplement worthwhile government programs and projects, like additional capital outlay for 60 public hospitals, additional subsidy for the public-utility vehicle modernization project or additional funding for the feeding program for schoolchildren;

WHEREAS, the aggregate bonuses of these GOCCs is already three times larger than the First 1,000 Days program which was allocated a measly Php 269 million budget;

WHEREAS, GOCCs exercise greater flexibility and the compensation of their governing boards, officials and employees are generally comparable with those in the private sector in order to attract, retain, and motivate competent civil servants, but such flexibility should nevertheless be consistent with the precept of public accountability;

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, to direct the proper Senate committees to conduct an inquiry, in aid of legislation, on the Commission on Audit report that government-owned or controlled corporations granted excessive bonuses and perks to their officials and employees without sufficient legal basis amounting to Php 620 million in 2016, with the end in view of initiating a major review of Republic Act No. 10149 or the GOCC Governance Act of 2011 and plugging loopholes in the law.

Adopted,


GRACE POE