

1 Republic of the Philippines
2 HOUSE OF REPRESENTATIVES
3 Quezon City, Metro Manila

4
5 FIFTEENTH CONGRESS
6 Third Regular Session

7 House Bill No. 6526



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11 Introduced by HON. JOSEPH EMILIO AGUINALDO ABAYA
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15 EXPLANATORY NOTE

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17 This legislative measure seeks to give full emphasis and thrust to
18 the time honored principle that PUBLIC OFFICE IS A PUBLIC
19 TRUST, and PUBLIC MONEY MUST BE FULLY ACCOUNTED FOR
20 by the responsible public officer and employees. Public accountability
21 of all funds and properties of the government, therefore, becomes a
22 legal and mandated duty as it is the focal point of good governance.

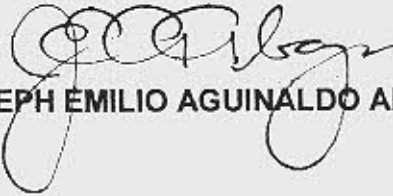
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24 To be known as the "Disclosure Act on Local Transactions", the
25 proposed bill amends Section 352 of Republic Act No. 7160,
26 otherwise known as the Local Government Code of 1991.

27
28 The amendment introduced other items of expenditure and
29 disbursement for posting, instead of a mere statement of income and
30 expense being required to be posted. Thus, local transactions
31 mandated to be posted or published include Annual Budget, Quarterly
32 Statement of Cash Flows, Statement of Receipts and Expenditures,
33 Trust Fund (PDAF) Utilization, Special Education Fund Utilization,
34 20% Component of the IRA Utilization, Gender and Development
35 Fund Utilization, Statement of Debt Service, Annual Procurement
36 Plan or Procurement List, Items to Bid, Bid Results on Civil
37 Works, Goods and Services, and Abstract of Bids as Calculated.

38
39 The timely and regular disclosure of local fiscal matters ensures the
40 public that the public money is well spent on public service.
41 Transparency reduces unfounded and biased criticisms by skeptics,
42 and gradually builds and strengthens public trust and confidence

1 by the people to their local leaders, an essential centerpiece of good
2 governance.

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4 In view of the foregoing the urgent passage of the proposed
5 measure is earnestly sought.

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9 **JOSEPH EMILIO AGUINALDO ABAYA**
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8 House Bill No. 6526
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15 AN ACT REQUIRING FULL DISCLOSURE OF PUBLIC
16 DOCUMENTS FROM ALL NATIONAL GOVERNMENT
17 DEPARTMENTS, BUREAUS, AGENCIES AND ALL OTHER
18 INSTRUMENTALITIES, INCLUDING GOVERNMENT-OWNED OR
19 CONTROLLED CORPORATIONS, AND THEIR SUBSIDIARIES, AND
20 LOCAL GOVERNMENTS, AND PROVIDING PENALTIES FOR
21 VIOLATIONS THEREOF AND FOR OTHER PURPOSES
22

23 *Be it enacted by the Senate and the House of Representatives of the*
24 *Philippines on Congress assembled:*
25

26
27 **Section 1. Short Title.** This Act shall be known as "Full Disclosure Act
28 of 2011".
29

30 **Section 2. Declaration of Policy.** It is hereby declared the policy of
31 the State to ensure transparency and accountability in public service
32 among its public officers and employees. Likewise, the State
33 recognizes and upholds public office as a public trust. Towards this
34 end, the State shall maintain honesty and integrity in the public service
35 and take positive and effective measures against graft and corruption;
36 and adopt and implement a policy of full public disclosure of all its
37 transactions involving public interest, subject to reasonable conditions
38 prescribed by law.
39

40 **Section 3. Definition of Terms.** For the purposes of this Act, the
41 following terms shall be defined as follows:
42

- 1 (a) *Abstract of Bids as Calculated* refers to information detail to the
2 level of project name, location, implementing office, approved
3 budget for the contract, quantity and items subject for bidding,
4 and bids of competing bidders, to be updated;
5
- 6 (b) *Annual Budget* refers to information detail to the level of
7 particulars of personal services, maintenance and other
8 operating expenses and capital outlay per individual offices;
9
- 10 (c) *Annual Procurement Plan or Procurement List* refers to
11 information detail to the level of name of project, individual item
12 or article and specification or description of goods and services,
13 procurement method, procuring office or fund source, unit price
14 or estimated cost or approved budget for the contract and
15 procurement schedule;
16
- 17 (d) *Bid Results on Civil Works, and Goods and Services* refers to
18 information detail to the level of project reference number, name
19 and location of project, name (company and proprietor) and
20 address of winning bidder, bid amount, approved budget for the
21 contract, bidding date, and contract duration, to be updated
22 quarterly;
23
- 24 (e) *Conspicuous places* refer to areas that are easy to notice and
25 are accessible to the public;
26
- 27 (f) *Disclosure* refers to the act of publishing relevant documents
28 pertaining to budget, finances, and bids and public offerings, for
29 purposes of transparency and accountability;
30
- 31 (g) *Items to Bid* refers to information detail to the level of individual
32 Invitation to Bid, containing information as prescribed in Section
33 21.1 of Republic Act No. 9184 or The Government Procurement
34 Reform Act, to be updated quarterly;
35
- 36 (h) *Special Education Fund Utilization* refers to information detail to
37 the level of particulars of object expenditures;
38
- 39 (i) *Statement of Debt Service* refers to information detail to the
40 level of name of creditor, purpose of loan, date contracted, term,
41 principal amount, previous payment made on the principal and
42 interest, amount due for the budget year and balance of the
43 principal;
44

- 1 (j) *Statement of Receipts and Expenditures* refers to information
2 detail to the level of particulars of beginning cash balance,
3 receipts or income on local sources (e.g., tax revenue, non-tax
4 revenue), external sources, and receipts from loans and
5 borrowings, surplus prior years, expenditures on general
6 services, economic services, social services and debt services,
7 and total expenditures;
8
9 (k) *Trust Fund (PDAF) Utilization* refers to information detail to the
10 level of particulars of object expenditures;
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12 (l) *20% Component of the IRA Utilization* refers to information
13 detail to the level of particulars of objects of expenditure on
14 social development, economic development and environmental
15 management;
16
17 (m) *Local Disaster Risk Reduction Management Fund* refers to the
18 amount not less than five percent (5%) of the estimated revenue
19 from regular sources, set aside to support disaster risk reduction
20 and management activities;
21
22 (n) *Trial Balance* refers to a document which shows the equality of
23 debit and credit balances of all general ledger accounts as of a
24 given period; and
25
26 (o) *Financial Statements* refers to the following: Balance Sheet,
27 Statement of Income and Expenses, and Statement of Cash
28 Flows.
29

30 **Section 4. Coverage.** This Act shall cover all National Government
31 departments, bureaus, agencies and all other instrumentalities,
32 including government-owned or controlled corporations, and their
33 subsidiaries, and local governments.
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37 **Section 5. Disclosure of Public Documents.**
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- 39 (a) All National Government departments, bureaus, agencies and
40 all other instrumentalities are hereby mandated to disclose
41 the following documents:
42 (i) Abstract of Bids as Calculated
43 (ii) Annual Budget
44 (iii) Annual Procurement Plan or Procurement List
45 (iv) Bid Results on Civil Works, and Goods and Services

(v) Items to Bid

(b) All Local Governments are hereby mandated to disclosure the following documents:

- (i) Abstract of Bids as Calculated
- (ii) Annual Budget
- (iii) Annual Procurement Plan or Procurement List
- (iv) Bid Results on Civil Works, and Goods and Services
- (v) Items to Bid
- (vi) Special Education Fund Utilization
- (vii) Statement of Debt Service
- (viii) Statement of Receipts and Expenditures
- (ix) Trust Fund (PDAF) Utilization
- (x) 20% Component of the IRA Utilization
- (xi) Local Disaster Risk Reduction and Management Fund
- (xii) Trial Balance
- (xiii) Financial Statements

(c) All Government Owned and Controlled Corporations are hereby mandated to disclosure all financial documents and transactions.

Section 6. Posting of Public Documents and Financial Transactions. All public documents and financial transactions, specified in Section 5 of this Act, shall be posted in conspicuous places within public buildings, print media of general circulation, and in websites.

Section 7. Frequency of Posting. All documents specified by Section 5 of this Act shall be posted on the dates hereunder.

Type of Report	Start of Posting	Frequency of Posting
A. Budget Reports		
1. Annual Budget Report	On or before January 20 of each year or not later than 20 days after the approval of the Local Sanggunian	Annual
2. Statement of Debt Service	20 days after the approval of Local Chief Executive (LCE) of the Statement of Debt Service Annual Report	Annual
3. Statement of Receipts and Expenditures	20 days after the approval of the Local Chief Executive of the Statement of Receipts and Expenditures Annual Report	Annual

4. Quarterly Statement of Cash Flow	Within 20 days after the end of every quarter	Quarterly
5. Trial Balance	On or before June 30 of each year	Annual
6. Financial Statement	On or before June 30 of each year	Annual
B. Procurement Reports		
1. Annual Procurement Plan or Procurement List	On or before January 31 of each year	Annual
2. Items to Bid	Within the prescribed period under the Government Procurement Reform Act and its IRR, and to be updated quarterly	Quarterly
3. Bid Results on Civil Works, Goods and Services, and Consulting Services	Within the prescribed period under the Government Procurement Reform Act and its IRR, and to be updated quarterly	Quarterly
4. Abstract of Bids as Calculated	Within the prescribed period under the Government Procurement Reform Act and its IRR, and to be updated quarterly	Quarterly
5. Supplemental Procurement Plan, if any	Not later than 20 days after the approval by the Head of Procuring Unit	Monthly
C. Special Purpose Fund Reports		
1. SEF Income and Expenditure Estimates	20 days after the approval by the Local School Board of the SEF Income and Expenditure Annual Report	Annual
2. Report of SEF Utilization	20 days after the end of each quarter	Quarterly
3. Annual GAD Accomplishment Report	Not later than the end of January of the ensuing year	Annual
4. Trust Fund (PDAF) Utilization	20 days after the end of each quarter	Quarterly
5. 20% Component of the IRA Utilization	20 days after the end of each quarter	Quarterly
6. Report of Local Disaster Risk Reduction and Management Fund (LDRRMF) Utilization	20 days after the end of each quarter	Quarterly

Section 8. Penalty. All heads of the departments, bureaus, agencies, and local chief executives covered by Section 4 of this Act shall be held accountable. Violation of this Act shall be penalized by a fine amounting to five hundred thousand pesos (Php 500, 000.00).

Section 9. Oversight Committee. The oversight committee, tasked to supervise and monitor the adherence to the provisions herein of those covered by this Act, shall be composed of: the Executive Secretary; the Secretary of the Department of Budget and Management (DBM); the Secretary of the Department of Interior and Local Government (DILG); and the Secretary of the Department of Finance (DOF).

1 **Section 10. Implementing Rules and Regulations.** Within sixty (60)
2 days from the effectivity of this Act, the necessary rules and
3 regulations, shall be formulated and promulgated by the Oversight
4 Committee.

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6 **Section 11. Separability Clause.** If any provision of this Act or the
7 application of such provision to any person or circumstance is declared
8 invalid or unconstitutional, the remainder of the Act or the application of
9 such provision to other persons or circumstances shall remain valid
10 and subsisting.

11
12 **Section 12. Repealing Clause.** All laws, presidential decrees or
13 issuances, executive orders, letters of instruction, administrative
14 orders, rules and regulations contrary to or inconsistent with the
15 provisions of this Act are hereby repealed or modified accordingly.

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17 **Section 13. Effectivity.** This Act shall take effect fifteen (15) days
18 after its complete publication in at least two (2) newspapers of general
19 circulation.

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21 Approved.
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