

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

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 19



Introduced by HON. MARIA LEONOR G. ROBREDO

EXPLANATORY NOTE

The Constitutionally enshrined state policy of full disclosure of all government transactions involving public interest seeks to encourage good governance. Good governance begins with transparency, after all.

With this, there is a need for a law that specifically identifies documents and information that the government should disclose fully even without anyone requesting.

The Full Disclosure Bill seeks to be this necessary law. The proposed law obliges all government agencies—from the executive, legislative, and judicial branches—and its instrumentalities to conspicuously disclose their budget and financial transactions instead of merely issuing a statement of income and expenses, as prescribed by related provisions.

It is important to know how government funds are managed, disbursed, and used, recognizing the fact that the funds are the hard-earned money of the people that should be spent judiciously and only for the common good.

This proposed law not only ensures transparency but, by imposing penalties for non-compliance, also deters public officials from committing graft and corruption and other acts unbecoming of servant leaders.

A brief history of endeavors in transparency and accountability will shed light on the ongoing diaspora of these principles:

The effort on disclosure was imbibed in the Department of the Interior and Local Government's (DILG) Memorandum Circular No. 2010-83 issued by then Secretary Jesse Robredo in August 2010 ordering LGUs and DILG regional offices to report their finances as well as bids and public offerings.

Versions of this bill were also filed by Senator Franklin Drilon and former Representative Joseph Emilio Abaya in January 2011 and August 2012, respectively.

Other initiatives also include National Budget Circular 542 issued by the Department of Budget and Management (DBM) under the leadership of Secretary Florencio Abad. The circular reiterates compliance to the provision on the Transparency Seal where agencies are mandated to maintain the seal on their official websites. The seal would lead to a section where the government entities' budgets, programs, and projects are published and updated.

Hence, the passage of this bill is an urgent call especially in light of the intensified campaign for citizen empowerment.

This measure will augment our people's efforts in creating a more transparent and accountable government. Information will empower our citizenry, and their empowerment will help bring about good governance toward a more progressive society.

On this note, the immediate passage of this bill is sincerely sought.


MARIA LEONOR G. ROBREDO

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Sixteenth Congress
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INTRODUCED BY HON. MARIA LEONOR G. ROBREDO

**AN ACT REQUIRING FULL DISCLOSURE OF ALL INFORMATION ON FISCAL
MANAGEMENT FROM ALL NATIONAL GOVERNMENT DEPARTMENTS, BUREAUS,
AGENCIES AND OTHER INSTRUMENTALITIES, INCLUDING GOVERNMENT-
OWNED OR CONTROLLED CORPORATIONS, AND THEIR SUBSIDIARIES, AND
LOCAL GOVERNMENTS, AND PROVIDING PENALTIES FOR VIOLATIONS
THEREOF AND FOR OTHER PURPOSES**

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

1 **Section 1. Short Title.** This Act shall be known as "Full Disclosure Act of 2013".

2 **Section 2. Declaration of Policy.** It is hereby declared the policy of the State to
3 ensure transparency and accountability in public service among its officers and
4 employees. Likewise, the State recognizes and upholds public office as a public trust.
5 Towards this end, the State shall maintain honesty and integrity in the public service
6 and take positive and effective measures against graft and corruption; and adopt
7 and implement a policy of public disclosure especially with regard to fiscal
8 management.

9 **Section 3. Definition of Terms.** For the purpose of this Act, the following terms
10 shall be defined as follows:

- 11 (a) *Approved Annual Budget* refers to details pertaining to personnel services,
12 maintenance and other operating expenses and capital outlay of the
13 programs and projects per individual office;
- 14 (b) *Annual Budget Execution Plan* refers to details including, but not limited
15 to, intended outputs, obligation program, performance targets and
16 indicators, expected income and expenditures ;

- 1 (c) Annual Financial Statements pertain to the Balance Sheet, Statement of
2 Income and Expenses, and Statement of Cash Flows;
- 3 (d) *Annual Procurement Plan* refers to details including, but not limited to,
4 the name of the program/activity/project and a brief description thereof,
5 mode of procurement, procurement schedule, source of funds and the
6 estimated budget;
- 7 (e) *Budget Accountability Report* refers to details, including but not limited to,
8 the actual accomplishments relative to performance measures
9 determined at the start of execution as well as income earned and
10 obligations incurred;
- 11 (f) *Conspicuous places* refer to areas that are easy to notice and are
12 accessible to the public;
- 13 (g) *Disclosure* refers to the act of publishing and making public relevant
14 information and documents pertaining to budget, finances, and bids and
15 public offerings, for purposes of transparency and accountability;
- 16 (h) *Gender and Development Fund* refer to an allocation equivalent to 5% of
17 the total budget of local government units, government agencies and
18 instrumentalities over a given period of time to address the gender
19 issues and concerns in their respective sectors and constituencies.
- 20 (i) *Invitation to Bid* refers, but is not limited, to a brief description of the
21 subject matter of Procurement, a general statement on the criteria to be
22 used for the eligibility check, the shortlist of prospective bidders, the
23 examination, evaluation and post-qualification of bids, the date, time,
24 and place of the deadline for the submission & receipt of the eligibility
25 requirements, the pre-bid conference if any, the opening of bids,
26 approved budget for the contract, the source of funds, period of
27 availability of the documents, the place where these may be secured, as
28 well as the contract duration.
- 29 (j) *Local Development Fund* refers to the amount equivalent to 20% of the
30 local government unit's internal revenue allocation intended for
31 development projects.
- 32 (k) *Local Disaster Risk Reduction Management Fund* refers to the amount not
33 less than five percent (5%) of the estimated revenue from regular
34 sources set aside to support disaster risk reduction and management
35 activities;
- 36 (l) *Special Education Fund* pertains to funds constituted from the proceeds
37 of additional estate taxes and certain portion of the taxes on Virginia-

1 type cigarettes and duties on imported leaf tobacco to be appropriated
2 for education activities as provided for under R.A. No. 5447;

3 (m) *Trust Fund* refers to funds administered separately from other funds for
4 specified purposes;

5 **Section 4. Coverage.** This Act shall cover all National Government departments,
6 bureaus, agencies and other instrumentalities, including government-owned or
7 controlled corporations, and their subsidiaries, and local governments.

8 **Section 5. Disclosure of Public Documents.**

9 (a) All National Government departments, bureaus, agencies and all other
10 instrumentalities are hereby mandated to disclose the following documents
11 and information:

- 12 (i) The mandates and functions of the agencies, offices and
13 instrumentalities covered by this Act.
- 14 (ii) Approved annual budget
- 15 (iii) Budget Execution Documents
- 16 (iv) Budget Accountability Reports
- 17 (v) *Annual Procurement Plan*
- 18 (vi) Invitation to Bid
- 19 (vii) Annual Financial Statements
- 20 (viii) Consolidated bi-annual financial and narrative accomplishment
21 reports
- 22 (ix) All other documents and information required to be made available
23 to the public by law, agency issuances and local ordinances.

24 (b) All Local Governments are hereby mandated to disclose the following
25 documents and information:

- 26 (i) Approved Annual Budget
- 27 (ii) *Utilization of the Special Education Fund*
- 28 (iii) *Utilization of the Local Disaster Risk Reduction Management Fund*
- 29 (iv) *Utilization of the Local Development Fund*
- 30 (v) *Utilization of the Gender and Development Fund*
- 31 (vi) *Utilization of the Trust Fund*
- 32 (vii) Annual Financial Statements
- 33 (viii) Bi-annual financial and narrative accomplishment reports

1 this Act, shall be posted in conspicuous places within public buildings, print media
2 of general circulation, and in the official websites of the agencies, offices and
3 instrumentalities covered by this Act.

5 **Section 7. Penalty.** All heads of the departments, bureaus, agencies, and local chief
6 executives covered by Section 4 of this Act shall be held accountable for non-
7 compliance. Violation of this Act shall be penalized by a fine amounting to five
8 hundred thousand pesos (Php 500,000.00).

9 **Section 8. Oversight Committee.** The oversight committee, tasked to supervise and
10 monitor the adherence to the provisions herein of those covered by this Act, shall be
11 composed of: the Secretary of the Department of Budget and Management (DBM);
12 the Secretary of the Department of Interior and Local Government (DILG); and the
13 Secretary of the Department of Finance (DOF).

14 **Section 9. Implementing Rules and Regulations.** Within sixty (60) days from the
15 effectivity of this Act, the necessary rules and regulations, shall be formulated and
16 promulgated by the Oversight Committee.

17 **Section 10. Separability Clause.** If any provision of this Act or the application of
18 such provision to any person or circumstance is declared invalid or unconstitutional,
19 the remainder of the Act or the application of such provision to other persons or
20 circumstances shall remain valid and subsisting.

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

25 **Section 12. Effectivity.** This Act shall take effect fifteen (15) days after its complete
26 publication in at least two (2) newspapers of general circulation.

27 Approved.