

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
Second Regular Session

HOUSE BILL NO. 8912



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Introduced by Hon. Representatives Florida "Rida" P. Robes of the  
Lone District of the City of San Jose del Monte, Bulacan

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**Explanatory Note**

It is undeniable that the Philippines is now entering the age of digital transformation, and therefore, policy and governance must be adequate and more responsive to the needs of our society. There are myriad of audit activities and reporting among different government agencies across different jurisdictions. Auditing must be configured appropriately to enable the government to fulfil its mandate of accountability to the citizens and provide reasonable assurance that its objectives are met and carried out in an ethical manner.

It has been 50 years since PD 1445 or the Government Auditing Code of the Philippines took effect and the time the former President Ferdinand Marcos Sr. signed it into law. It was later amended by the Administrative Code of 1987, which came in the form of EO 292. Over the years, there have been profound and pervasive changes in the conduct of governance, management, and online business transactions and practices, including several laws and bills for restructuring different government institution electronically.

This Bill seeks to strengthen and upgrade the capabilities of the Commission on Audit (COA) as the key anti-corruption agency through digitalization. We need to put leverage and maximize technology to improve auditing techniques, regulation and procedures. It is the contemporary approach to achieve more efficiency in maintaining public trust and ensure transparency public services rendered by national and local governments in the most swift and secured manner.

COA is a critical part of the system that would uphold accountability in government, hence a stronger COA needs to be established as indispensable part of our anti-corruption strategy.

In view of the foregoing, the approval of the Bill is earnestly sought.

  
FLORIDA P. ROBES

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**AN ACT**  
**ADOPTING DIGITAL AND ELECTRONIC TECHNOLOGY IN**  
**PRESIDENTIAL DECREE 1445 OTHERWISE KNOWN AS**  
**GOVERNMENT AUDITING CODE OF THE PHILIPPINES AS AMENDED**  
**BY THE 1987 ADMINISTRATIVE CODE OF THE PHILIPPINES, AND**  
**APPROPRIATING FUNDS THEREFORE**

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 “*Digital Modernization of the Government Auditing Code of the Philippines*”.

***Section 2. Declaration of Policy.*** - Article 2, Section 27 of the 1987 Constitution provides that the “*The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption.*” The state hereby adopts a policy to create and sustain a digitally empowered and integrated technology government auditing system in order to fulfil its mandate to transform and elevate the standards and expectations of citizenry as regards the honest, quality, effectiveness, integrity and swiftness of public services rendered by national and local government.

***Section 3. Coverage.*** – All audit reports of the Government it subdivisions, agencies, and instrumentalities, including government-owned or controlled corporations, and non-governmental entities subject to audit of the Commission on Audit (The Commission).

***Section 4. The Digital Auditing Act.*** The Commission in consultation with the Department of Information and Communications Technology (DICT) together with its attached agencies - Cybercrime Investigation and Coordination Center (CICC) National Privacy Commission (NPC) National Telecommunications Commission (NTC) and Department of Interior and Local Government (DILG), and Governance Commission for Government-Owned or Controlled Corporations (GCG) shall provide measures to develop and

implement an integrated Digital Auditing system for all government agencies through the following:

1. Technology driven government accounting and reporting system compliant with international standards;
2. Introducing Electronic Audit (e-audit) system and mechanism for the prevention and disallowance of irregular, unnecessary, excessive, extravagant or unconscionable expenditures, or uses of government funds and properties;
3. Electronic submission and filing system of COA's annual reports to the Office of the President;
4. Digitized and automated audit techniques and procedures for e-collections and e-payments in the Government;
5. Electronic and Cyber Security system to detect fraudulent documents, transactions, and Reports and ensure its legitimacy through artificial intelligence or other similar technologies; and
6. Protection of vital and sensitive information made through electronic submissions and filing.

***Section 5. Migration, and Digitization of Existing Paper Audit Documents, Records and Reports*** – All paper-based audit documents, records and reports as far as practicable be digitalized and migrated to an integrated document online portal or system to serve as the COA's centralized national and internal auditing database.

***Section 6. Access to View Records of Auditing, Accounting, and Reports.*** All government agencies, offices and instrumentalities shall have access to their own electronic submissions and reports subject to the protection and privacy of Government transaction congruent to the right of the citizens to information.

***Section 7. Appropriation.*** The amount necessary for the initial implementation of this Act may be charged against the current appropriations of the Commission. Thereafter, such sums as may be necessary for the continued implementation of this Act must be included in the annual General Appropriations Act.

***Section 8. Report and Transparency.*** Upon effectivity of this Act, an Oversight Committee, hereafter referred to as System Implementation Committee (Committee) is hereby constituted. This Committee shall set the overall framework to review the implementation of this Act. It shall likewise determine unforeseen infirmities in the law and recommend necessary remedial legislations or executive measures if necessary.

The Committee shall be composed of six (6) members: from the Commission on Audit (COA), Department of Information and Communications Technology (DICT), Department of Interior and Local Government (DILG), Governance Commission for Government-Owned or Controlled Corporations (GCG) and two (2) members from each House, to be designated by the Speaker of the House of Representatives and Senate President, respectively.

For the purpose of remedial legislation, the Committee shall, after the effectivity of this Act, conduct a review that shall include a systematic evaluation of the impact of this Act, accomplishments, and the performance of its implementing agency.

***Section 9. Implementing Rules and Regulations.*** – Within fifteen (15) days from the effectivity of this Act, the Commission shall promulgate the rules and regulations for the effective implementation of this Act.

***Section 10. Separability Clause.*** – If any portion of provision of thus Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

***Section 11. Repealing Clause.*** – All other laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules, and regulations or parts thereof, which are contrary to and inconsistent with any provision of this Act, are hereby repealed, amended or modified accordingly,

***Section 12. Effectivity.*** – This Act shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation.

Approved,