

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

Twentieth Congress
First Regular Session

HOUSE BILL NO. **6778**



Introduced by **Representative RAYMOND ADRIAN SALCEDA**

AN ACT
MANDATING THE FULL DISCLOSURE OF GOVERNMENT TRANSACTIONS
THROUGH THE ESTABLISHMENT OF A DIGITAL BUDGET PORTAL TO
ENHANCE TRANSPARENCY, ACCOUNTABILITY, AND PUBLIC PARTICIPATION
IN THE PHILIPPINE BUDGET PROCESS, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Transparency in public expenditures is one of the strongest guarantees of accountability in a democratic state. While the government has made progress in publishing budgets, procurement information, and audit reports, these efforts remain fragmented across agencies and uneven in format and quality. Citizens, researchers, civil society organizations, and even government offices continue to encounter difficulties in tracing how appropriations move through releases, obligations, procurements, payments, and audit action. The absence of a unified system for recording and presenting expenditure information creates opportunities for error, inefficiency, and opacity.

This bill seeks to address these gaps by establishing the Expenditure Transparency and Accountability System, a government-wide platform that consolidates, standardizes, and publishes expenditure information across all stages of the spending cycle. The System is anchored on the Unified Accounts Code Structure, which already serves as the backbone of government financial reporting. By strengthening the transaction trail and requiring complete, validated, and tamper-evident records, the bill ensures that every peso of public funds can be followed from appropriation to audit.

The bill embraces modern tools that can enhance transparency, including blockchain technologies, but does so through a technology-neutral framework to avoid locking the government into any single proprietary or premature solution. While other recent measures have placed undue emphasis on blockchain alone, this bill grounds itself firmly in the principles of

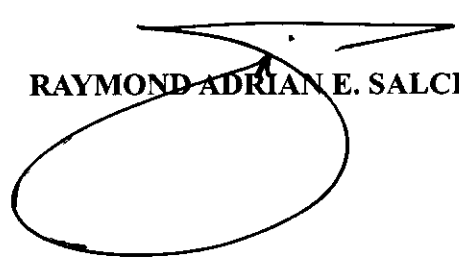
public financial management. Blockchain is treated as a possible tool, not a substitute for data integrity, internal control, or the discipline required of all agencies in recording their financial actions. Transparency cannot rest on a single technology. It must be built on clear standards, consistent classification, accuracy of records, interoperability of systems, and an unbroken audit trail. In this way, the bill subtly corrects earlier attempts at transparency that mistook a single technological feature for a full reform agenda.

A key innovation of this bill is its insistence that transparency must be understandable. Information must be presented not only in machine-readable formats but also in forms that citizens, civil society organizations, and local governments can actually use. Low bandwidth environments, small offices, and barangay governments should not be excluded from reform merely because systems were designed without their realities in mind. This measure therefore requires simplicity of use, offline preparation options, intuitive interfaces, and accessible templates for all agencies, including the smallest units of government.

Civil society participation is likewise strengthened. Under this bill, transparency is not a one-way publication of data. It is an ongoing dialogue between the State and the public. The annual report to Congress must be presented in a public hearing at which civil society, academia, and other stakeholders may offer their own analyses, verify published information, and present independent assessments. Transparency is enriched when government and society share responsibility for oversight.

Finally, the bill provides safeguards to ensure the completeness, accuracy, and integrity of expenditure information. Records cannot be overwritten or deleted. All versions must be preserved. Every action must have a timestamp, a responsible office, and a proper classification. Agencies must reconcile their data across systems and across fiscal actors. These safeguards create a durable foundation for trust in public fiscal management.

In view of the foregoing, the approval of this bill is earnestly sought.



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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 “Transparency and Accountability of Expenditures Act” or the “TRACE Act.”

SEC. 2. *Declaration of Policy.* — It is the policy of the State to strengthen transparency and accountability in the use of public funds by ensuring the completeness, accuracy, human readability, and accessibility of information across all stages of the expenditure cycle. Toward this end:

- (a) The State shall promote open, timely, and reliable reporting of appropriations, releases, obligations, procurements, disbursements, and audit findings.
- (b) The State shall adopt uniform data standards and classifications, including the Unified Accounts Code Structure, to ensure comparability, consistency, and clarity across agencies.
- (c) The State shall strengthen interoperability among public financial management systems to support end-to-end digital processing, traceability, and public oversight.
- (d) The State shall enhance the integrity of expenditure information through digital documentation, standardized audit trails, and secure data management practices.
- (e) The State shall ensure that expenditure information is published in formats that are both machine-readable and human-readable.
- (f) The State shall uphold technology neutrality by ensuring that no single proprietary platform or predetermined technology is mandated.

(g) The State shall affirm the constitutional principles of transparency, accountability, and responsible stewardship of public resources.

SEC. 3. *Definition of Terms.* — For purposes of this Act, the following terms shall mean:

(a) “Expenditure Information” refers to all records relating to appropriations, releases, allotments, obligations, procurement actions, disbursements, contract implementation, completion, and audit findings.

(b) “Public Financial Management Systems” refers to government information systems used for budgeting, treasury operations, accounting, procurement, and auditing, including the Budget and Treasury Management System, the Government Integrated Financial Management Information System, and systems of the Commission on Audit.

(c) “Unified Accounts Code Structure” or “UACS” refers to the government-wide coding structure that classifies organizations, funding sources, programs, activities, projects, locations, and objects of expenditure.

(d) “Transaction Trail” refers to the complete sequence of expenditure-related actions that occur from appropriation through audit, including validation and timestamp information.

(e) “Interoperability” refers to the ability of systems and datasets across agencies to exchange, validate, and use information consistently through shared standards.

(f) “Digital Audit Trail” refers to the electronic record of timestamps, user identifiers, actions taken, validation markers, and references to earlier and subsequent steps in the transaction trail.

(g) “Machine-Readable Format” refers to formats such as CSV, JSON, or XML that can be processed by computers without manual re-entry.

(h) “Human-Readable Format” refers to formats designed to be easily understood by the public, including labeled tables, explanatory summaries, and clear visual presentation of data.

(i) “Technology Neutrality” refers to the principle that no specific proprietary platform or predetermined technology shall be required, ensuring that agencies remain free from vendor lock-in and may adopt any solution that meets the standards set under this Act.

(j) “Tamper-Evident Mechanism” refers to any digital method by which unauthorized or unrecorded alterations can be detected through logs or verification markers.

(k) “Implementing Agencies” refers to all departments, bureaus, offices, and instrumentalities of the government required to submit, validate, or publish expenditure information under this Act.

(l) “Public Portal” refers to the online platform through which expenditure information is published for public access.

SEC. 4. *Establishment of the Expenditure Transparency and Accountability System.* — There is hereby established an Expenditure Transparency and Accountability System that shall consolidate, standardize, and publish expenditure information across the expenditure cycle. The System shall embody the following principles:

- (a) Immutability of records through secure and tamper-evident documentation.
- (b) Traceability of actions through standardized timestamps and digital logs.
- (c) Multi-agency verifiability through interoperable platforms.
- (d) Redundancy and resilience through secure storage mechanisms.
- (e) Transparency through public access to expenditure information.
- (f) Technology neutrality in achieving these principles.

The System shall integrate public financial management platforms, ensure compliance with data standards, maintain secure audit trails, and publish expenditure information in accessible formats subject to applicable laws.

SEC. 5. *Functions of the System.* — The Expenditure Transparency and Accountability System shall:

- (a) Capture and consolidate expenditure information across all stages of the expenditure cycle.
- (b) Maintain secure and tamper-evident digital audit trails for every action in the transaction trail.
- (c) Enable verification of records across agencies.
- (d) Publish expenditure information in machine-readable and human-readable formats.
- (e) Apply uniform data standards including the Unified Accounts Code Structure.
- (f) Support redundancy and resilience of records through secure storage.
- (g) Operate in a technology-neutral manner.

SEC. 6. *Roles of Implementing Agencies.* — The following agencies shall perform the duties indicated:

- (a) The Department of Budget and Management shall lead implementation, enforce data standards, integrate budgeting and allotment platforms, and ensure completeness of submissions.
- (b) The Bureau of the Treasury shall integrate cash management and disbursement data, maintain secure audit trails, and reconcile treasury information.
- (c) The Commission on Audit shall ensure integrity of expenditure information through audit procedures and verify system-generated records.
- (d) The Department of Information and Communications Technology shall set interoperability and cybersecurity standards and certify compliance.
- (e) Implementing agencies shall encode, validate, and transmit accurate expenditure records.

SEC. 7. *Data Standards and Interoperability.* — To ensure consistency and reliability:

- (a) All expenditure records shall use the Unified Accounts Code Structure and common data dictionaries.
- (b) Public financial management systems shall be interoperable and capable of exchanging validated data across government.
- (c) System logs shall use standardized timestamps, identifiers, and audit trail formats.
- (d) Data shall be stored and transmitted through tamper-evident mechanisms.
- (e) Records shall be provided in machine-readable and human-readable formats.
- (f) Formats that impede interoperability are prohibited.
- (g) The Department of Information and Communications Technology, in coordination with other agencies, shall issue technical standards.

SEC. 8. *Unified Accounts Code Structure and Transaction Trail Integration.* — The Unified Accounts Code Structure shall be the mandatory coding framework for all expenditure records. Toward this end:

- (a) All expenditure information shall use complete and standardized Unified Accounts Code Structure elements.
- (b) Each record shall contain a full transaction trail covering appropriation, allotment, release of authority to disburse, obligation, procurement, disbursement, contract completion, and audit findings.
- (c) The System shall validate Unified Accounts Code Structure classifications at every stage.
- (d) All public financial management systems shall adopt the Unified Accounts Code Structure as their primary coding structure.
- (e) Each digital record shall include standardized timestamps, validation identifiers, origin markers, and references to related actions.
- (f) The Department of Budget and Management, the Bureau of the Treasury, and the Commission on Audit shall maintain and update the Unified Accounts Code Structure Manual.
- (g) No agency may adopt coding structures that undermine the Unified Accounts Code Structure.

SEC. 9. *Safeguards on Accuracy, Completeness, and Integrity of Expenditure Records.* — To preserve reliability:

- (a) Expenditure records shall be complete and validated before publication.
- (b) Each action shall contain a standardized timestamp, unique identifier, responsible office, and Unified Accounts Code Structure classification.
- (c) Historical versions of records shall be preserved and shall not be deleted.
- (d) Automated validation routines shall verify completeness and consistency.
- (e) Periodic reconciliation shall be conducted across implementing agencies.
- (f) Logs of access, submissions, and modifications shall form part of the audit trail.
- (g) Published records shall show validation status and date of last verification.
- (h) Retention schedules shall be established for records and logs.

SEC. 10. *Public Access and Transparency.* — The System shall ensure public access to expenditure information. Toward this end:

- (a) The public portal shall present expenditure information clearly and accessibly.
- (b) The System shall allow search, filtering, and download of datasets.
- (c) The System shall disclose validation indicators for all published records.
- (d) Records shall be accessible at multiple levels of detail.
- (e) Stakeholders may submit requests for clarification or correction.
- (f) No fees shall be charged for access or downloads except as provided by law.

SEC. 11. *Accessibility and Usability for Government Agencies.* — The System shall be designed for ease of access and use by all levels of government. Toward this end:

- (a) The System shall provide simple and intuitive user interfaces.
- (b) Standardized forms and templates shall guide submissions.
- (c) The System shall function effectively over low bandwidth and support offline preparation.
- (d) Automated prompts and validation messages shall assist users.
- (e) Role-based access shall enable participation by local government units and barangays.
- (f) Agencies may request technical assistance.
- (g) Assisted encoding features shall be available.
- (h) Minimum access requirements shall be reasonable for all levels of government.

SEC. 12. *Access for Civil Society and the Public.* — Civil society organizations, research institutions, media entities, academic institutions, and other members of the public shall have meaningful access to expenditure information published under this Act. Toward this end:

- (a) The public portal shall provide clear and organized information with options to download machine-readable datasets.
- (b) Civil society and academic institutions may submit requests for clarification, correction, or completion of data.
- (c) The System shall display indicators of completeness, validation status, and date of last verification.
- (d) Users may track expenditure information at multiple levels of detail.
- (e) Agencies may convene consultations or capacity-building activities with civil society and academic institutions.
- (f) No fees shall be charged for access or download except as provided by law.

SEC. 13. *Reporting to Congress.* — The Department of Budget and Management, the Bureau of the Treasury, the Commission on Audit, and the Department of Information and Communications Technology shall submit an annual report on the implementation of this Act. The report shall be presented in a joint public hearing of the appropriate committees of Congress, during which civil society, academia, and stakeholders may present their own reports or assessments.

SEC. 14. *Implementing Rules and Regulations.* — Within ninety days from the effectivity of this Act, the agencies responsible shall jointly promulgate the rules necessary for its implementation.

SEC. 15. *Separability Clause.* — If any provision of this Act is declared unconstitutional, the other provisions not affected shall remain in full force and effect.

SEC. 16. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,