

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

EIGHTEENTH CONGRESS
1st Regular Session

House Bill No. 4397



Introduced by Hon. Francis Gerald Aguinaldo Abaya

EXPLANATORY NOTE


Article II, Section 28 of the 1987 Philippine Constitution provides that the State adopts and implements a policy of full public disclosure of all its transactions involving public interest. This constitutionally enshrined state policy is the foundation of this proposed bill. As part of good governance, it is imperative that government transactions involving public interests are accessible to the general public. After all, good governance begins with transparency.

Notwithstanding the constitutional provision on full disclosure, there are some information that cannot be divulged to the general public such as those involving national security and privileged communication. It is therefore important to have a law which identifies governmental documents and information that can be fully disclosed and readily accessible even without anyone requesting.

This proposed measure seeks to be this necessary law by obliging all government agencies from the executive, legislative and judicial branches and their instrumentalities to properly disclose their budgetary and financial transactions instead of merely issuing a statement of income and expenses.

It is important that the public knows how the budget allocated to these agencies are being utilized and if they are used according to the programs and projects for which they are intended. In this way, the public can also monitor the absorptive capacity of these government agencies and their overall performance. This bill would hopefully raise awareness to the citizens by encouraging them to check governmental transactions and demand better service from the agencies. This proposed measure also imposes penalties for non-compliant officials and employees in order to give teeth to the law and deter public officials from committing graft and corruption and other acts unbecoming of servant leaders.

For the foregoing reasons, the approval of this bill is earnestly sought.


FRANCIS GERALD AGUINALDO ABAYA
Representative, First District Cavite

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session
4397

House Bill No. _____

Introduced by Hon. Francis Gerald Aguinaldo Abaya

**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 House of Representatives of the Philippines in
Congress assembled:

1 **SECTION 1. *Short Title*** – This Act shall be known as "Full Disclosure Act of
2 2019".

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

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

12 (a) *Approved Annual Budget* refers to details pertaining to personnel
13 services, maintenance and other operating expenses and capital outlay of
14 the programs and projects per individual office;

15 (b) *Annual Budget Execution Plan* refers to details including, but not limited
16 to, intended outputs, obligation program, performance targets and
17 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
8 to, 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%
17 of the total budget of local government units, government agencies and
18 instrumentalities over a given period of time to address the gender issues
19 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, and
24 place of the deadline for the submission & receipt of the eligibility
25 requirements, the pre-bid conference if any, the opening of bids, approved
26 budget for the contract, the source of funds, period of availability of the
27 documents, the place where these may be secured, as well as the contract
28 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
33 not less than five percent (5%) of the estimated revenue from regular
34 sources set aside to support disaster risk reduction and management

activities;

(l) *Special Education Fund* pertains to funds constituted from the proceeds of additional estate taxes and certain portion of the taxes on Virginia type cigarettes and duties on imported leaf tobacco to be appropriated for education activities as provided for under R.A. No. 5447;

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

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

SECTION 5. Disclosure of Public Documents –

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

(i) The mandates and functions of the agencies, offices and instrumentalities covered by this Act.

(ii) Approved annual budget

(iii) Budget Execution Documents

(iv) Budget Accountability Reports

(v) Annual Procurement Plan

(vi) Invitation to Bid

(vii) Annual Financial Statements

(viii) Consolidated bi-annual financial and narrative accomplishment reports

(ix) All other documents and information required to be made available to the public by law, agency issuances and local ordinances.

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

(i) Approved Annual Budget

(ii) Utilization of the Special Education Fund

(iii) Utilization of the Local Disaster Risk Reduction Management Fund

- (iv) Utilization of the Local Development Fund
- (v) Utilization of the Gender and Development Fund
- (vi) Utilization of the Trust Fund
- (vii) Annual Financial Statements
- (viii) Bi-annual financial and narrative accomplishment reports

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

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

SECTION 7. *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 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).

SECTION 8. *Implementing Rules and Regulations* – Within sixty (60) days from the effectivity of this Act, the necessary rules and regulations, shall be formulated and promulgated by the Oversight Committee.

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

SECTION 10. *Repealing Clause* – All laws, presidential decrees or issuances, executive orders, letters of instruction, administrative orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. *Effectivity* – This Act shall take effect fifteen (15) days after its com publication in at least two (2) newspapers of general circulation,

Approved,