



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

**SEVENTEENTH CONGRESS**  
First Regular Session

**House Bill No. 1395**

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

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Introduced by **Honorable ERLPE JOHN "PING" M. AMANTE**

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#### **EXPLANATORY NOTE**

This Bill seeks to prohibit all government entities including government-owned and controlled corporations and local government units to allocate from their respective budgets for the additional compensation, allowances, honoraria, bonuses and other emoluments of the Commission on Audit (COA) officials and personnel stationed in or assigned in their respective offices.

Section 18 of Republic Act No. 6758 or the Compensation and Position Classification Act of 1989 provided that COA officials and personnel are prohibited from receiving salaries, honoraria, bonuses, allowances or other emoluments from any government entity, local government unit, and government-owned or controlled corporations, and government financial institution, except those compensation paid directly by the COA out of its appropriations and contributions.

However, the enactment of the Local Government Code of 1991 created confusion whether the provision of LGC particularly authorizing the LGU's, subject to the condition that if their local finances allow, automatically and impliedly repeal the provision of RA 6758 on the prohibition on the COA officials and personnel to receive additional compensation from the LGUs.

In the case of Villarena Vs. COA, GR No. 145383-84 dated August 6, 2003, the Supreme Court decided that the apparent inconsistency with the two (2) laws should be reconciled by regarding the prohibition stated in Republic Act No. 6758 as an exception or limitation to the authority of local legislative bodies under Republic Act No. 7160.

Though there are existing ruling of the High Court and memorandum orders from the COA regarding this matter, there are still LGU's and

resident COA Auditors who are continuing this practice. In fact, there are still resident COA Auditors who present and defend their annual allocation from the LGU before the Sanggunian for the inclusion in the Annual LGU Budget. Through this, we can never discount and remove in the mind of our people that there are possibilities that they may be influenced by their benefactor LGU.

Through this measure, we can truly preserve the independence, morality and integrity of the Commission on Audit and the people are assured that there are concrete safeguards in the government spending of public funds.

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

  
**ERLPE JOHN "PING" M. AMANTE**



Republic of the Philippines  
**House of Representatives**  
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**SEVENTEENTH CONGRESS**  
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**1395**

**House Bill No.** \_\_\_\_\_

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Introduced by **Honorable ERLPE JOHN "PING" M. AMANTE**

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**AN ACT**  
**PROHIBITING GOVERNMENT ENTITIES INCLUDING GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS AND THE LOCAL GOVERNMENT UNITS, TO ALLOCATE FUNDS FOR THE ADDITIONAL COMPENSATION, ALLOWANCES, HONORARIA, BONUSES OR OTHER EMOLUMENTS TO THE OFFICIALS AND PERSONNEL OF THE COMMISSION ON AUDIT (COA) STATIONED IN OR ASSIGNED IN THEIR RESPECTIVE OFFICES THEREBY STRENGTHENING THE INDEPENDENCE, MORALITY AND INTEGRITY OF THE COMMISSION ON AUDIT AND FOR OTHER PURPOSES.**

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

**Section 1.** *Short Title.* This Act shall be known as the "Anti-Patronage in State Auditing Act of 2015"

**Section 2.** *Declaration of Policy.* It shall be declared the policy of the State that in order to carry out the constitutional mandate of the Commission on Audit and to preserve the independence, morality and integrity of the Commission, its officials and personnel must consciously isolate themselves with the enticing financial temptations given to them by other government entities including government-owned and controlled corporations and the local government units through allocation of funds for their additional compensation, allowances, honoraria, bonuses and other emoluments for their services rendered in line with the performance of their constitutional mandate.

**Section 3.** *Prohibition on COA Officials and Personnel.* It shall be unlawful and illegal for the officials and personnel of the Commission on Audit, especially those who are stationed in or assigned in the government entities including government-owned or controlled corporations, government financial institutions or local government units to receive all forms of

additional compensation, allowances, honoraria, bonuses and other emoluments for their services rendered in performing their official functions, except those compensations, allowances, honoraria, bonuses and other emoluments directly paid by the Commission on Audit out of its annual budget and appropriations.

**Section 4.** *Prohibition on Government Entities Including Government-Owned and Controlled Corporations and the Local Government Units.* It shall be unlawful and illegal for any government entities including government-owned or controlled corporations and the local government units to allocate funds from their respective office budget and appropriations, for the additional compensation, allowances, honoraria, bonuses and other emoluments for the services rendered by the resident COA Auditors and their personnel in performing their official functions.

**Section 5.** *Penalties.* (a) Any official or personnel of the Commission on Audit found to be violating the provisions of Section 3 of this Act shall, upon conviction, be punished with imprisonment of six months and one day to twelve years, perpetual disqualification from public office, and shall refund all those previously received additional compensation, allowances, honoraria, bonuses and other emoluments.

(b) Any officer of the government entities including government-owned or controlled corporations and the local government units who caused the release of any additional compensation, allowances, honoraria, bonuses and other emoluments to the officials and personnel of the Commission on Audit shall, upon conviction, be punished with imprisonment of six months and one day to twelve years and perpetual disqualification from public office.

**Section 6.** *Implementing Rules and Regulations.* For purposes of the implementation of this Act, the Chairman of the Commission on Audit, in coordination with the Department of Interior and Local Government and Governance Commission for Government-Owned or Controlled Corporations shall issue such rules and regulations as he may deem necessary and appropriate Department Orders for the effective implementation of this Act.

**Section 7.** *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

**Section 8.** *Separability Clause.* - If for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, all other parts or provisions not affected shall thereby continue to remain in full force and effect.

**Section 9.** *Effectivity.* - This act shall take effect fifteen days (15) after its publication in at least two (2) national newspapers of general circulation.

**Approved,**