

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL No. **3912**



Introduced by **BAYAN MUNA** Representative **CARLOS ISAGANI T. ZARATE**

AN ACT
CREATING THE CONGRESSIONAL OVERSIGHT COMMITTEE ON THE
NATIONAL BUDGET

EXPLANATORY NOTE

The delineation of powers of the legislative and executive branches of the government in the national budget is clearly defined in the different provisions of the 1987 Constitution. Section 22, Article VII said that the President shall submit to the Congress the proposed budget, Section 24 Article VI gave to Congress the power of the purse with “all appropriation, revenue or tariff bills bills authorizing increase of the public debt, bills of local application, and private bills to originate exclusively in the House of Representatives” and “the Senate may propose or concur with amendments.”

Further, the Executive Branch is tasked with the implementation of the appropriation law passed by Congress, through Section 17, Article VII that said, “The President shall have control of all the executive departments, bureaus, and offices. He shall ensure that the laws be faithfully executed.”

Aside from these, several provisions for checks and balances for the three branches of the government are in place in the Constitution. Rules for national government budgeting were further provided in Book VI of the Administrative Code of 1987 or Executive Order No 292.

RA 10155 or the General Appropriations Act of 2012, Section 94 provided for the creation of Joint Congressional Oversight Committee on Public Expenditures “which shall primarily monitor that the government funds are spent in accordance with the law”¹. The Committee which shall be co-chaired by the Senate Chairperson of Finance and the House of Representatives Committee on Appropriations was last chaired by Senator Francis Escudero².

President Aquino’s veto message for RA 10155 dated December 15, 2011, citing the Supreme Court ruling in the case *ABAKADA Guro Party List et. Al. vs. Cesar V. Purisima et. al* (562 SCRA 287) said that the post enactment measures such as the Committee formation shall be confined to: “(i) scrutiny based primarily on Congress’ power of appropriation, its power to ask heads of departments to appear before and be heard by either of its Houses and in any matter pertaining to their departments, and its power of confirmation; and (ii) investigation and monitoring of the implementation of laws pursuant to the power of the Congress to conduct inquiries in aid of legislation.”³

¹ Section 94, General Provisions, Republic Act No 10155 GAA 2012, Official Gazette, Vol 107, No 1, p.1594.

² Congressional Oversight, Ad hoc Committees, 16th Congress (as of May 2015), http://www.senate.gov.ph/committee/oversight_mem.pdf

³ President’s Veto Message, December 15, 2011, Republic Act No 10155 GAA 2012, Official Gazette, Vol 107, No 1, p. 1612

Despite all these, the issues of pork barrel, priority development assistance fund, and Disbursement Acceleration Program (DAP) exposed the problems and weaknesses in the actual budget process. PDAF, DAP and other similar discretionary funds did not only contravened the law but more importantly took away huge amount of public funds intended for social services for the people and realigned to projects, programs, activities and areas upon the individual discretion of selected government officials.

The Supreme Court not only declared DAP and PDAF as against the constitution but pointed out the excesses of the executive branch in realigning the budget for DAP. Budget Secretary Benjamin Diokno in 2012 said that "Congress has surrendered its power of the purse, allowing the President to slowly but steadily expand executive control of the budget process."⁴

While the executive reports to Congress during the budget deliberations and before the budget approval, information on how they implement the budget approved by Congress is difficult to come by once the budget is approved.

Congress needs to strengthen its oversight function in the budget process to enhance the effectiveness of the national budget towards the country's development goals and people's well-being. Instead of an Ad Hoc Committee created in every GAA we need a strong, permanent, Congressional oversight committee with defined powers.

This bill proposes the creation of the permanent Congressional Oversight Committee on the National Budget and defines the functions of the Committee to help stamp out corruption and ensure effective delivery of services to the people. Congress has all the right to perform its oversight function on laws it has passed including the appropriation law it passes every year.

In view of the forgoing, the immediate passage of this bill is earnestly sought.

Approved,


Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-List

⁴ Diokno, Benjamin E: Giving back to Congress the power of the Purse, Sep 29, 2012, <http://www.econ.upd.edu.ph/perse/?p=1605>

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

SECTION 1. Declaration of Policy. It is hereby declared the policy of the State to formulate and implement a National Budget that is an instrument of national development, reflective of national objectives, strategies and plans. Public funds must be effectively and efficiently allocated for the actual needs of the people. The Congress which approves the budget must exercise its mandate to ensure that the appropriation law it passed shall be effectively implemented and faithfully executed according to the General Appropriations Act it approved.

SECTION 2. Creation of the Congressional Oversight Committee on the National Budget. There is hereby created a Congressional Oversight Committee on the National Budget. The committee will replace the Joint Congressional Oversight Committee on Public Expenditures.

SECTION 3. Composition. The Congressional Oversight Committee on the National Budget shall be co-chaired by the Chairperson of the Committee on Finance of the Senate and the Chairperson of the Committee on Appropriations of the House of Representatives. The President of the Senate and the Speaker of the House of Representatives shall each designate seven (7) Senators and seven (7) Members of the House of Representatives as members of the Congressional Oversight Committee on the National Budget.

Provided, that the minority shall have one (1) seat each from the Senate and the House of Representatives.

SECTION 4. Functions. The Congressional Oversight Committee on the National Budget shall have the following functions:

- a. Conduct hearing and investigations in aid of legislation on post budget enactment matters pertaining to the national budget;
- b. Require reports from government agencies on budget implementation;
- c. Summon implementors of the programs, activities and projects (PAPs) included in the general appropriation acts;
- d. Recommend prosecution of erring government officials;
- e. Come out with studies to improve the budget process; and
- f. Subpoena and contempt powers.

SECTION 5. *Repealing Clause.* – All laws, executive and administrative orders or parts thereof, inconsistent with any provision of this Act, including Section 94 of Republic Act no 10155, are hereby repealed or modified accordingly.

SECTION 6. *Effectivity.* This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette.

Approved,