

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

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 146**



---

**Introduced by Rep. Rodante D. Marcoleta**

---

**EXPLANATORY NOTE**

An agency's operational efficiency is best measured in the completion of its desired organizational goals or tasks on time. If targets are not time-bound, actual performance vis-à-vis organizational targets cannot be accurately gauged.

COA's practice of conducting post-audit many years after the grant of the fund to the implementing agencies (IAs) and NGO/PO partners does not sit well with the time-bound monitoring and inspection function of the audit. It is unfair to require agencies and offices to churn out documents for projects that have been implemented 5 to 10 years ago, when COA itself has miserably failed to conduct timely and/or visitorial audits.

There have been instances when parties, even if so willing, were unable to validate past projects with concerned agencies when confronted by COA auditors many years after the projects' implementation.

The longer it takes, the more cumbersome it will be to verify projects' outcome. Proponents may have moved to parts unknown and/or beneficiaries become less reliable due to fleeting memory. Basic records management showed that the records' shelf life cannot be guaranteed due to space constraints, not to mention the finite utility and data capacity of computers.

With its stale post-audit approach, COA can conveniently check on any project regardless of the period that lapsed from its completion. It can also take its sweet time when to file an audit report, or when to dispose or act on it when the same is appealed. This is tantamount to harassment, if not grave abuse of discretion.

To avoid this injustice, COA must be guided by a prescriptive period in the conduct of its audits.

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

  
**RODANTE D. MARCOLETA**

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

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 146**

---

**Introduced by Rep. Rodante D. Marcoleta**

---

**AN ACT**  
**PROVIDING FOR A PRESCRIPTIVE PERIOD FROM WHICH COA MAY**  
**CONDUCT AUDITS AND ISSUE A DECISION ON CASES, AMENDING THE**  
**STATE AUDIT CODE OF THE PHILIPPINES (P.D. 1445) FOR SUCH**  
**PURPOSES**

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

SECTION 1. Section 33 of the State Audit Code of the Philippines is hereby amended to read as follows:

“Section 33. Prevention of irregular, unnecessary, excessive or extravagant expenditures of funds or uses of property; power to disallow such expenditures. The Commission shall promulgate such auditing and accounting rules and regulations as shall prevent irregular, unnecessary, excessive, or extravagant expenditures or uses of government funds. **Towards this end, a prescriptive period of two (2) years shall be strictly observed to reflect the preventive nature of the Commission’s function in relation to Sections 29 and 43 hereof.**”

SEC. 2. Section 43 of the State Audit Code of the Philippines (PD 1445) is further amended to read as follows:



“Section 43. Powers, functions, and duties of the Commission.

- (1) xxx
- (2) xxx
- (3) xxx
- (4) xxx
- (5) **In the discharge of all the foregoing powers and functions, a prescriptive audit period of two (2) years shall be strictly observed from the completion of a project which financial transaction or undertaking is the subject matter of such audit.”**

SEC. 3. Section 48 of the State Audit Code of the Philippines is further amended to read as follows:

“Section 48. Appeal from decision of auditors. Any person aggrieved by the decision of an auditor of any government agency involving transactions specified under Sections 33 hereof, or in settlement of an account or claim may, within six months from receipt of a copy of the decision, appeal in writing to the Commission; **Provided that in the event that the decision of an auditor was received by the aggrieved party beyond the prescriptive period stipulated under Sections 33 or 43 hereof, the said decision shall be deemed without force and effect, such that the aggrieved party need not file an appeal.”**

SEC. 4. Section 49 of the State Audit Code of the Philippines is further amended to read as follows:

“Section 49. Period for rendering decisions of the Commission. The Commission, shall decide any case brought before it within sixty days from the date of

its submission for resolution, or shall be counted from the time the last comment necessary to render a proper decision is received, whichever is applicable; Provided, that in the event that the Commission fail to decide within said period, the case shall be deemed to have been dismissed without prejudice; Provided further, that all its subordinate offices shall decide any case within fifteen days.”

SEC. 5. This proposed measure, if enacted into law, shall likewise be retroactive in application and effect.

SEC. 6. If any part, section or provision of this Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 7. All laws, decrees, orders, rules regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 8. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,