

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

EIGHTEENTH CONGRESS
Third Regular Session



HOUSE RESOLUTION NO. 2147

Introduced by
REP. ARLENE D. BROSAS (Gabriela Women's Party);
REPS. CARLOS ISAGANI T. ZARATE, FERDINAND R. GAITE, EUFEMIA C. CULLAMAT
(Bayan Muna Partylist); REP. FRANCE L. CASTRO (ACT Teachers Partylist);
and REP. SARAH JANE I. ELAGO (Kabataan Partylist)

RESOLUTION DIRECTING THE HOUSE COMMITTEE ON PUBLIC ACCOUNTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE HIGHLY IRREGULAR FUND TRANSFERS WORTH P162.9 MILLION TO THE NATIONAL TASK FORCE TO END LOCAL COMMUNIST ARMED CONFLICT (NTF-ELCAC) FROM THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AND THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG) DURING 2020

WHEREAS, Section 25 (2), paragraph 5 of Article VI states that "No provision or enactment shall be embraced in the general appropriations bill unless it relates specifically to some particular appropriation therein. Any such provision or enactment shall be limited in its operation to the appropriation to which it relates";

WHEREAS, Section 4 of Presidential Decree 1445 states that "No money shall be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority";

WHEREAS, Executive Order No. 70 series of 2018 created the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC), with the President of the Republic of the Philippines as Chair;

WHEREAS, the Commission on Audit, in its annual audit report of national government agencies for FY 2020, revealed that funds were transferred or utilized for NTF-ELCAC activities without proper documentation or legal basis, pointing to possible misappropriation and technical malversation;

WHEREAS, COA flagged the questionable fund transfers from the TESDA Central Office to its regional offices for the implementation of EO No. 70 amounting to P160,083,401.61, as it lacks "proper authority/legal basis and the absence of appropriate guidelines as to how this fund shall be utilized, likewise exposing these funds to possible misuse or misappropriation";

WHEREAS, the funds transferred to NTF-ELCAC worth P160 million were sourced from TESDA Central Office's Scholarship Fund under FY 2020 General Appropriations Act;

WHEREAS, state auditors correctly pointed out that the activities of EO No. 70 were not among the identified funded programs/ projects in the 2020 appropriation of TESDA and no Special Allotment Release Order (SARO) from the

DBM was issued that authorized the reallocation of funds to cover the fund transfers, contravening Section 4 of PD No. 1445;

WHEREAS, COA's initial review of the P6-million fund augmentation for NTF-ELCAC activities in Region XII from the P160-million TESDA scholarship funds revealed that the funds were used for the conduct of Regional Task Force - ELCAC meetings (P1.7 million), hiring of 3 job order personnel (P900,000), advocacy campaign activities (P800,000), among other expenses that were not in line with original purpose of the appropriation under TESDA;

WHEREAS, the commission noted that such practice may amount to technical malversation without legal authority or basis for the fund transfers worth P160 million for the implementation of EO No. 70;

WHEREAS, COA also found out that there were unliquidated fund transfers from the Department of Interior and Local Government (DILG) Central Office to DILG Region XII field office for NTF-ELCAC activities amounting to P2,922,000.00;

WHEREAS, state auditors said that the amount is "73 percent or P1,232,000.00 more than the initial allocation to be downloaded to field offices to provide support for their operations on ELCAC activities, all of which remained unliquidated as to date," adding that the modification in the budget utilization was not supported with proper documentation;

WHEREAS, the decision to modify the utilization of the fund was allegedly due to the mandate of the DILG Central Office to allocate funds to NTF-ELCAC to support additional 40 barangays in the region. However, the DILG Central Office has no authority or power to modify the purpose by which an allotment must be utilized;

WHEREAS, the NTF-ELCAC cannot simply charge the expenses of its activities against existing appropriations of its member-agencies including TESDA and DILG, as this practice is in direct violation of Section 25 (2), paragraph 5 of Article VI of the 1987 Constitution and Section 4 of Presidential Decree 1445;

WHEREAS, the NTF-ELCAC must not be allowed to move around and source funds from its member-agencies for the implementation activities at its whim without any congressional authorization;

WHEREAS, the irregular fund transfers to NTF-ELCAC unveiled by the COA audit reports may be just the tip of the iceberg, as other member-agencies of the NTF-ELCAC may be employing the same scheme;

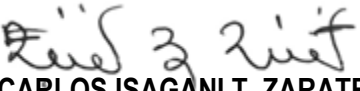
WHEREAS, there is an urgent need to expose and investigate NTF-ELCAC's devious practice of reallocating existing appropriations of its member-agencies, as this potentially constitutes technical malversation and misuse of public funds;

NOW THEREFORE BE IT RESOLVED, that the House Committee on Public Accounts conduct an inquiry, in aid of legislation, on the highly irregular fund transfers worth P162.9 million to the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) from the Technical Education and Skills Development Authority (TESDA) and the Department of Interior and Local Government (DILG) during 2020.

Adopted,



ARLENE D. BROSAS
Gabriela Women's Party



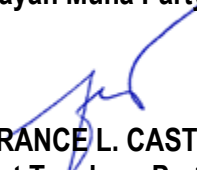
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