



'17 JUL 25 P2:25

SENATE
P.S. RES. No. **442**

RECEIVED BY: _____

Introduced by **SENATOR LACSON**

**RESOLUTION DIRECTING
THE SENATE COMMITTEE ON ACCOUNTS
TO INVESTIGATE WASTAGES OF SENATE RESOURCES CAUSED BY
OVERSTOCKING AND OBSOLESCENCE OF SUPPLIES AND
MATERIALS INVENTORIES PER COMMISSION ON AUDIT 2016
ANNUAL AUDIT REPORT**

Whereas, Section 1 of Article XI of the Constitution provides that “*Public funds are the property of the people and must be used prudently at all times with a view to prevent dissipation and waste.*”;

Whereas, the Code of Conduct and Ethical Standards for Public Officials and Employees provides that public officials and employees shall always uphold the public interest over and above personal interest and all government resources and powers of their respective offices must be employed and used efficiently, effectively, honestly and economically, particularly to avoid wastage in public funds and revenues;

Whereas, the Commission on Audit (COA) found in its 2016 Annual Audit Report that the Senate overstocked in its supplies and materials that led to obsolescence. The Report states:

“Wastage of government assets from overstocking and obsolescence of inventories could have been prevented had procurement of supplies and materials been properly planned and periodic assessment of inventory movements been undertaken to ascertain the required quantity of items for stocking. Out of the total inventories for CY 2016, excess stocks for 73 inventory items valued at P1.403 million was observed while 133 items

with carrying amount of P1.682 million were already obsolete and/or non-moving.”;

Whereas, despite the provision of Section 24 of the General Provisions of the General Appropriations Act for FY 2016 that inventory of supplies, materials, and equipment spare parts to be procured out of available funds shall not exceed the normal three-month requirement, the COA Report found that 73 inventory items were more than the three-month requirement by 17 to 17,750 units, with value ranging from P794.84 to P260,749.45, or a total of P1.403 million;

Whereas, some of the excess stocks are: 84 carts of Toner (13 items – Brother, HP, Samsung) amounting to P260,749.45; 381 carts of Ink (21 items – Brother and HP) with an amount of P257,586.32; Marker (3 items) numbering 14,120 sets/pieces with a total amount of P206,336.38; 7,138 packs of AA Batteries amounting to P152,058.17; Metal/Plastic Fasteners with excess quantity of 1,275 boxes with a total amount of P77,008.31; 500 cans of Insecticides amounting to P61,568.43; 400 reams of Copy/Bond (216x330) Legal with total amount of P53,237.07; 1,122 pads of Post it Note with an amount of P45,664.77; 17,750 pieces of Folders (2 items) with a total amount of P41,353.37; 1,432 rolls of Masking Tapes (4 items) with an amount of P37,835.04; and, 6,392 rolls of Toilet Tissue Papers with an amount of P37,075.92;

Whereas, caused by excessive procurement in prior years, the COA Report also found 113 inventory items with no issuance during the year and/or have been non-moving or dormant for over one to four years;

Whereas, the COA Report attributed the obsolescence of some items to fast emergence of new technologies and upgrades and the shift from manual to automated and paperless system. The Report also cited inadequate planning of procurement of supplies and materials and the absence of periodic assessment of inventory movements as reasons for overstocking;

Whereas, in view of the foregoing and in the interest of transparency and accountability, it is necessary that an investigation be conducted as to how the

funds of the Senate are being utilized so to prevent wastage and dissipation and check possible acts of graft and corruption;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the Committee on Accounts to conduct an investigation relating to the COA 2016 Annual Audit Report on Senate Funds and Properties, address audit observations, recommend policy measures and instill transparency and accountability in the utilization of Senate Funds.

Adopted,


PANFILO M. LACSON
Senator