INSIGHT FROM A DBM JUNIOR LEADER

Less SPFs, More Accountability

Sarah Jane C. Abuel[1]

Less is more. When I joined the DBM in 2010, there were 13 Special Purpose Funds. This number was drastically reduced to five, and I would say that a reduction may not always mean less but can actually mean more.

The SPFs are items in the budget that provide funds for events or developments whose details are not yet ascertained in the budget proposals.

Consistent with the thrust for transparency and accountability in budgeting, the DBM had reduced the number of SPFs in the annual budget from 13 to five. The SPFs that remained were the National Disaster Risk Reduction and Management Fund (NDRRMF); the Contingent Fund; the Statutory Shares of LGUs; the Pension and Gratuity Fund (PGF) for terminal leave and retirement gratuity of optional retirees; and the Miscellaneous Personnel Benefits Fund (MPBF) for personnel-related expenses not integrated in the agency budget.

One of our division's functions is to serve as fund administrator of the multi-user SPFs. However, I will only focus on the reform relating to the PGF and the MPBF—the allocation for which have been reduced by the amount already integrated into the agency budget. Therefore, the lump sum integrated into the agency budget now includes the requirements for the retirement benefits for compulsory retirees, which was formerly under the PGF; and the creation/filling-up of positions and PS benefits, which was formerly lodged under the MPBF. To optimize the available funds, releases for these new integrations were initially charged against the lump sum provided in the agency-specific budgets, and so deficiencies emerged, necessitating the agencies to request for funding from either the PGF or the MPBF.

I admit the transition was a difficult one. We had to deal with issues that would crop up, such as those coming from the Regional Offices that would seek clarifications as to when a certain request should be charged against the agency-specific budget or the SPF. We would respond quickly, especially to issues that could be clearly addressed based on existing issuances. However, for cases that were not directly covered in the issuances, we discussed with, sought further clarification from, and coordinated with the DBM units concerned, particularly the OPCCB and the LS, to provide a basis for BTB responses through memoranda. For instance, a question was raised regarding the funding source for the terminal leave benefit of compulsory retirees not provided under the lump sum fund in the agency's specific budget. We resolved the issue as we prescribed to optimize the agency-specific budget first before requesting for funds from the PGF.

The integration of the funds for these benefits into the agency specific budgets likewise affected our reportorial function. Based on the Utilization Reports submitted to us by the bureaus and the Regional Offices, the charges against the particular purposes integrated in the agency budgets were lessened. Moreover, it simplified our monitoring work and gave us more time in doing other tasks.

This reform made the agencies more accountable for the MPBF allocations. The DBM's role is limited to fund release based on the agencies' validated requests, which eliminated the cloud of doubt on the manner by which DBM releases these funds. In addition, with the funds already in the agency-specific budget, the recipient personnel would have less waiting time to receive their pertinent personnel benefits, as opposed to having to wait for the DBM's evaluation and processing of agency requests.

Indeed, the reform of reducing lump-sum funds in the agency budget brought more efficiency and accountability in the government.

[1]As of this publication, Abuel is a Senior Budget and Management Specialist of the Budget Technical Bureau.

[2]A Brief on the Special Purpose Funds in the National Budget (Notes by Department of Budget and Management), October 2013.