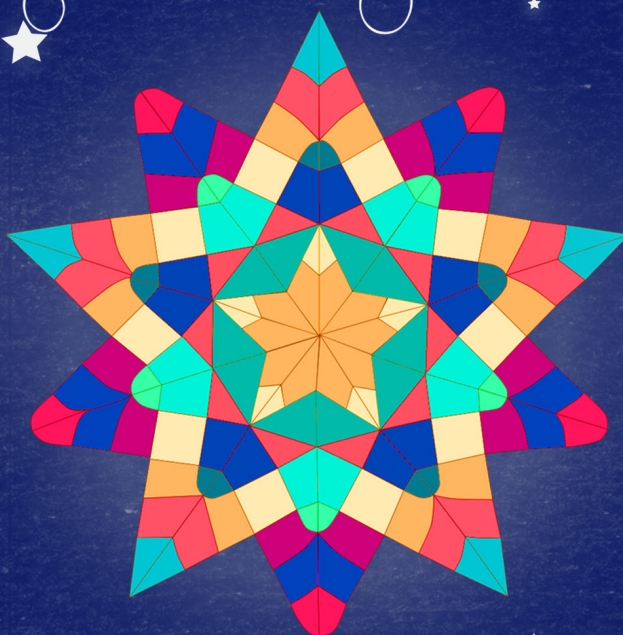
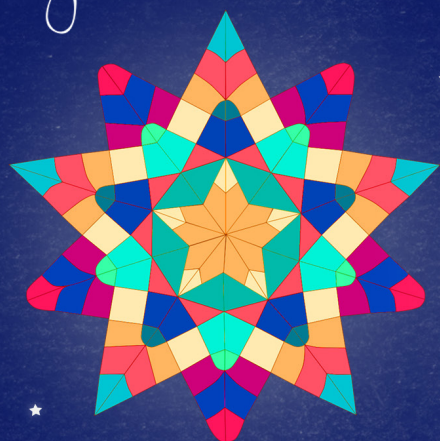


OCT-DEC 2017



# The DBM Bulletin

The Official Newsletter of the Department of Budget and Management



*Merry Christmas*  
*&*

A CARING AND GENEROUS  
NEW YEAR TO EVERYONE!

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# The Secretary's Christmas Message

Of the many traditions that Filipinos observe throughout each year, those that are part of the Yuletide celebration are the most memorable and meaningful.

The Christmas Season in the Philippines is known to be one of the longest in the world, ushered in with festive colors and melodies as soon as the “ber” months begin – more than a hundred days before the 25th of December. And the spirit lingers, flowing into the New Year with goodwill and good cheer.

As we celebrate this Season, we go back to our roots and relive the tradition of sharing and giving, something we Filipinos are fondly known for. In our own ways, we make sure this celebration becomes a “Season of Caring” – reaching deeper into our hearts and pockets for a little more for others.

It is in this light, and in the spirit of this celebration, that I wish to thank you – my DBM family – for the many ways you have been caring and generous as employees of the DBM. Care and generosity can be seen when we mentor our co-employees, when we provide assistance and information to other agencies and the general public, when we offer our ideas and inputs to our supervisors, when we render overtime services without any expectation of monetary reward.

Care is also reflected in the way we actively push for reforms to provide better services for the Filipino people. As we continue to push for better public financial management in our government bannered, among others, by the Budget Reform Bill and the Budget and Treasury Management System, we encountered challenges along the way, but we didn’t budge. We continue to move forward to realize the change we want to achieve.

After our early submission of the Budget to the Congress, finally the 2018 Budget has been approved by President Rodrigo Roa Duterte. This means we can now continue our efforts to expand our gains and achieve real, positive change for our country. This also means it is almost time for us to prepare a new one for 2019.

I hope you continue to serve the DBM with care and generosity, and, in that way, keep the spirit of the Season with you.

Finally, let us share our blessings with the least fortunate of our brothers and sisters, collectively or individually, no matter how big or small, so that they, too, will feel the true spirit of the Season.

**Merry Christmas and a Caring and Generous New Year to everyone!**



## Christmas in DBM





# DBM in 2017

## Milestones and Key Events

**Second Tranche of Compensation Adjustment Implemented.** The Department of Budget and Management (DBM) released on January 5, 2017 National Budget Circular No. 568. The Budget Circular prescribed the guidelines, rules, and regulations for the implementation of the second tranche of the compensation adjustment stipulated under Executive Order No. 201, s. 2016 (Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel).

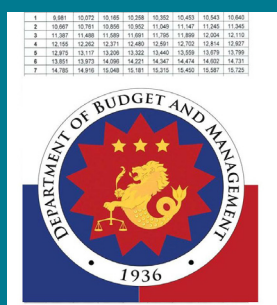
**DBM Turns 81.** The Department celebrated its 81st anniversary with week-long festivities which started on April 24, 2017. Among the activities undertaken were the Anniversary Bazaar, tours to the Malacañang Museum and Library, and an outreach program for the benefit of the Correctional Institution for Women in Mandaluyong City.

**Lactation Room and Day Care Facility Launched in DBM.** Providing a caring space for DBM mothers and their children, the Department inaugurated on May 8, 2017 the Lactation Room and the Day Care Facility, which are open from Monday to Friday, 8 a.m. to 5 p.m.

**National Government Rightsizing Program Bill Pursued.** Since the Program's endorsement to Congress in 2016, four (4) Senate Bills (SBs) and four (4) House Bills (HBs) on the implementation of the National Government Rightsizing Program had been filed as of April 30, 2017. Said HBs were consolidated into HB No. 5707 which was approved on third and final reading on July 26, 2017. On the other hand, the SBs were consolidated into SB No. 1395, which had its first plenary deliberation on May 23, 2017 and is currently under second reading in the Senate.

**Budget Reform Bill (BRB) Shepherded in Congress.** To institutionalize reforms in budgeting and to promote fiscal sustainability, the DBM shepherded the BRB in Congress. The Bill was filed on May 9 in the Lower House and on May 11 in the Senate by Representatives Karlo and Jericho Nograles and Senator Loren Legarda, respectively.

**BTMS on its 4<sup>th</sup> Phase.** With the successful implementation of the initial phases of the Budget and Treasury Management System



(BTMS), the DBM has proceeded with the Budget Management Phase, the 4th of the five phases of the BTMS, in June 2017. The first three phases are: (1) BTMS Portal; (2) Budget Execution; and (3) Treasury Management.

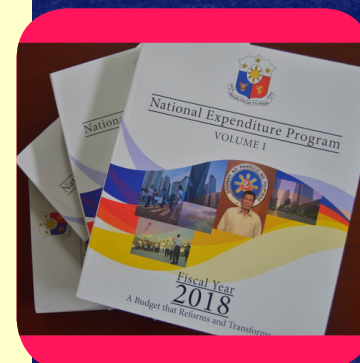
**Earliest Submission of the Budget.** The Executive Branch submitted to Congress the proposed Php3.767-trillion National Budget for 2018 on July 24, 2017, the earliest submission of a proposed budget since the Ramos Administration. The early submission will provide Congress with more time to scrutinize the details of the proposed Budget.

**First Market Opportunities Summit Conducted.** The Government Procurement Policy Board-Technical Support Office led the two-day Market Procurement Opportunities Summit last September 4-5, 2017 in Pasig City. The Summit brought together procurement practitioners from various government agencies and the private sector.

**First Library Exhibit Held.** On November 24, 2017, the DBM held its first-ever Library Exhibit in celebration of the National Book Week. The event showcased old budget documents from as far back as the Spanish era, in-house publications, books from international organizations and other government agencies, and the DBM Library's latest acquisitions. It likewise featured a brief lecture on government budgeting to students of various universities delivered by Assistant Secretary Amelita Castillo.

**DBM wins FOI Champion Award.** The DBM bagged the Freedom of Information (FOI) Champion – Department Award during recognition ceremonies held last December 4, 2017. The Department was cited for its significant contributions to the development and progress of the FOI campaign in the Executive Department. The DBM was among the first few agencies which submitted their FOI Manual during the FOI Program launching on November 25, 2016. It is also among the first five departments that successfully piloted the implementation of the eFOI portal in November 2016.

**2018 National Budget Signed into Law.** President Rodrigo Duterte signed into law the Php3.767-trillion National Budget for 2018 on December 19, 2017. Dubbed as a "Budget that Reforms and Transforms", it gives flesh and bone to the President's promise of real change by providing for infrastructure, human capital development, and peace and order, among others.





## BRIDGING 'SILOS' AT DBM's 1ST EXECUTIVE COURSE IN PFM

Public Financial Management (PFM) is a vast and dynamic field covering a wide array of interconnected functions, such as revenue collection, budgeting, procurement, cash management, accounting, and auditing. As such, PFM practitioners such as budget officers can be “siloed” in their work – the tendency to focus exclusively on a single or limited goal or point of view.

Such was underscored by Budget Secretary Benjamin E. Diokno during the closing program of the Executive Course in Public Financial Management on December 8, 2017, hosted by the Department of Budget and Management (DBM).

“Being in your respective units for a long time may have also given you a tunnel vision. We want you to be able to step back, see the links between different silos, and identify where improvements can be made on budgeting as a whole,” said Sec. Diokno.

He also highlighted the role of government executives, whom he called the “cadre of reformers,” in maintaining the stability of the bureaucracy.

“You bear the brunt of changes brought about by new policy directions and reform initiatives. You will be responsible for incubating these reforms, seeing them through from infancy to gestation to maturity,” he explained.

A total of 39 officials completed the Course, 27 of whom are from the DBM. The rest are from the Commission on Audit, Department of Finance, Department of Public Works and Highways, Department of Social Welfare and Development, and the National Economic and Development Authority.

Organized by the DBM Human Resource Development Division of the Administrative Service, the activity ran

for eight Fridays, from 9:00 am to 12:00 nn., which started on October 20 and ended on December 8.

The Course, which was conducted to strengthen the professional skills of government executives on PFM, was divided into nine sections, namely: 1) Frameworks of PFM; 2) The Budget Constraint; 3) Assessing PFM Systems: PEFA; 4) How Budgets and Accounts are Organized; 5) Principle of Cost and Costing; 6) Bookkeeping and the Bases of Accounting; 7) Financial Reporting; 8) Performance Budgeting; and 9) Reforming PFM. The Course was handled by Dr. Steve B. Peterson, a professor of Public Finance at the University of Melbourne in Australia, with more than 30 years of experience as PFM Reform Adviser in over 20 countries. He has delivered this Course at the Harvard Kennedy School for 25 years.

### Key Takeaways

Omar L. Castañar, Executive Assistant IV from the Office of Undersecretary Laura B. Pascua, shared that one of his major takeaways from the Course was realizing the essence of the national budget.

“The budget is a tool to influence the behavior of the government. Our budget policy should not be a policy that would suit the current behavior, rather it should be normative. It should speak about how we want the bureaucracy to behave so that it would deliver results for everyone.”

Director Greg L. Pineda from NEDA, on the other hand, shared how the Course would benefit his work.



“The lessons would help our agency in contextualizing budget proposal preparation, adopting internal policy strategies to enhance budget execution, and institutionalizing accountability in public spending,” he said.

Overall, most of the participants said that their expectations from the Course were adequately met and that this should be rolled out to all middle managers in the government.

### The Road Ahead

“If I have one goal in this Course, it is to build your confidence, so that when a consultant opens your door, whether local or foreign, you would listen, and you would know what to do,” said Peterson during the Course’s Commencement Exercise.

“Over the next month, please try to apply it in your work, whether it is a takeaway, even if it is a kernel of something you read. Hopefully, it would be a pleasant memory,” he added.

Given the Course’s importance in honing PFM executives, hopefully another batch of the Course can be conducted in 2018 to be handled by the Budget Information and Training Service (BITS).

“As we continue to pursue our package of reforms, we hope more PFM executives can attend this Course for a better understanding on where we are coming from in introducing the changes that we have lined up. And in the process, develop a cadre of reformers in the bureaucracy,” said Assistant Secretary Amelita D. Castillo, concurrent head of the BITS. (Emil John T. Manguerra)

*“You bear the brunt of changes brought about by new policy directions and reform initiatives. You will be responsible for incubating these reforms, seeing them through from infancy to gestation to maturity.”*

*– Sec. Benjamin E. Diokno*







## SCHOLAR'S CORNER

# Learning Out of the Box

More than just fully-funded scholarships, the Department of Budget and Management (DBM) seeks to provide its study program grantees with the opportunity to leverage their skills and knowledge through various lenses of learning. And the DBM hopes they recognize this and optimize the benefits from such opportunities made available to them.

Since 2015, 28 DBM employees have availed of various local and foreign scholarships, 23 of

them, or 82%, as scholars of the Australia Awards Scholarship (AAS) and three (3) as scholars under the Public Management Development Program (PMDP).

The Budget Information and Training Service (BITS) sought out and interviewed some of these scholars to get their insights, and possibly draw from them the inspiration for other DBM employees to avail of these life-changing opportunities.

## "360-Degree Learning"

For Kenneth Gerard Mallari, Administrative Officer IV of the Human Resource Development Division, Administrative Service (HRDD-AS), his scholarship experience in Australia was particularly remarkable because of the unique teaching approach introduced by the University of Newcastle, the learning institution which served as his home for a year and a half, from 2016 to 2017.

Mallari obtained his Master's degree in Human Resource Management, graduating with distinction.

"The use of andragogical approaches (adult learning) in teaching allowed us to understand the lectures at a more practical and applicable level, thereby encouraging increased retention of what we've learned," he explained.



Mallari's fellow scholar and classmate at AAS, and colleague at the HRDD, Melisa Eugenio, described her postgraduate experience as a "360-degree learning."

"We did not just gain academic knowledge, but most importantly, [we learned how] to live and manage to survive in an environment different from that which we are accustomed to," she recounted.

"We had successfully undergone a chapter [in] our lives where we had fed our minds with necessary learnings we need to effectively do our job, and filled our lives with experiences that can help us get through life's challenges," Eugenio added.

At the local front, Maria Cecilia Socorro Abogado, Supervising Budget and Management Specialist of the Budget and Management Bureau E, shared that teaching methods for their postgraduate degree included a 10-day immersion in rural communities. Abogado graduated with honors under the Public Management Development Program – Middle Managers Class (PMDP-MMC) Batch 2017 of the Development Academy of the Philippines.

"It was life-changing as we were asked to live with household beneficiaries of the government's Pantawid Pamilyang Pilipino Program," she said.



Meanwhile, Roderick Suarez, OIC-Division Chief in the Information and Communications Technology Systems Service, who completed the same Program as Abogado, stressed that learning under the PMDP was made more enjoyable by the strong camaraderie of their class.

"Our class was composed of middle-aged public servants fostering the spirit of kinship, moral support and harmony for a common goal," he said.



## Learning Never Stops

As scholars, the DBM post-graduate academic grantees are expected to apply the knowledge and experience derived from their respective academic institutions, in order to better understand and pursue the mission to help the organization sustain excellence in government service.

William Valencia, Administrative Officer IV of the Human Resource Management Division, who was among the latest graduates under the AAS Program, underscored the very visible value he observed from fellow international scholars – teamwork. He said it is a work ethic he wants to share with his DBM colleagues.

"The value of teamwork and setting aside of individual differences in achieving goals is true among Australian companies. I consider this as one of the main ingredients of their success," he stressed.

Meanwhile, Eugenio added that the strategies learned from studying abroad are what she would want to introduce to the AS.

"One aspect of focus is on effective performance management and provision of appropriate interventions such as crafting a Development Plan that is tailor-fit for each employee," she said.

On the other hand, Suarez shared that the scholarship made him realize that public service is more of a commitment than mere employment.

"It is not enough to do our best, it also entails knowledge in building high performing organizations like the DBM," he said.

## Drawing More Scholars

True to its commitment to "maintain highly competent and committed public servants" as stipulated in its Quality Policy Statement, the DBM powers up scholarships and training courses to build the capacity of its workforce towards improved public service. The DBM, through the HRDD, encourages its personnel to pursue higher degrees of learning and apply for available scholarships.

At present, seven scholarships are available for DBM employees: 1) Local Scholarship; 2) Leadership and Management Certification Program (C-Pro); 3) Australia Awards Scholarship; 4) Public Management Development Program; 5) Chevening Scholarship; 6) Project for Human Resource Development Scholarship by the Japanese Grant Aid (JDS); and 7) The Lee Kuan Yew School of Public Policy.

The AS-HRDD disseminates information on these scholarships through email to gather prospective applicants. Employees who wish to apply must secure a letter of intent and an endorsement letter from their respective Director.

The opportunity is within your reach. Be part of the DBM's growing number of scholars!

For questions and concerns on available scholarships, you may contact the HRDD via email (hrdd@dbm.gov.ph) or through its landline – 657-3300 loc. 3112/2664. (Emil John T. Manguerra with inputs from AS-HRDD)





## Query<sup>1</sup> on the Entitlement to Year-End Bonus (YEB) and Cash Gift (CG)

### ISSUE

Whether YEB and CG may be received by employees pending a Motion for Reconsideration from a finding of guilt by the Office of the Ombudsman for Simple Dishonesty

### DISCUSSION:

The Office of the Ombudsman found Mr. A and Ms. B, employees of Department C, liable for Simple Dishonesty. They were imposed the penalty of three (3) months suspension without pay in its Decision dated September 21, 2010. While a motion for reconsideration (MR) was duly filed relative to said Decision, Department C implemented the same and suspended Mr. A and Ms. B during its pendency. Mr. A and Ms. B then claimed for their YEB and CG during the pendency of their MR and in the year their suspension was implemented.

Item 6.11.1<sup>2</sup> of Budget Circular (BC) No. 2010-1 dated April 28, 2010<sup>3</sup> states that government personnel formally charged with administrative and/or criminal cases which are still pending resolution, shall be entitled to YEB and CG until found guilty and meted out a penalty. Accordingly, the YEB and CG may be granted to government employees with pending administrative

and/or criminal cases except in the year they are found guilty of the offense charged and meted with the corresponding penalty.

In this case, the decision was handed by the Office of the Ombudsman, where rulings on administrative cases are immediately executory pursuant to Section 7<sup>4</sup> of Administrative Order No. 07, s. 1990. Hence, the filing of an MR did not suspend nor stay the penalty already imposed, and justified the immediate execution thereof by Department C.

For this reason, Mr. A and Ms. B are not entitled to YEB and CG in the year that the penalty of suspension was meted out or implemented in accordance with Item 6.11.1 of BC No. 2010-1.

<sup>1</sup> Query lifted from Department of Budget and Management LS Memo dated January 25, 2012

<sup>2</sup> 6.11.1 Personnel formally charged administrative and/or criminal cases which are pending for resolution, shall be entitled to Year-End Bonus and Cash Gift until found guilty and meted penalty, subject to Item 6.11.2 hereof

<sup>3</sup> Rules and Regulations on the Grant of Year-End Bonus and Cash Gift for 2010 and Years Thereafter

<sup>4</sup> Rule III of the Rules of Procedures of the Office of the Ombudsman, as amended by Administrative Order No. 17, dated September 7, 2003  
Rule III, Rules of Procedure of the Ombudsman

**Section 7. Finality and Execution of decision-** Where the respondent is absolved of the charge, and in case of conviction where the penalty imposed is public censure or reprimand, suspension of not more than one month, or a fine equivalent to one month salary, the decision shall be final, executory and unappealable. In all other cases, the decision may be appealed to the Court of Appeals on a verified petition for review under Rule 43 of the Rules of Court, within fifteen (15) days from receipt of the written Notice of the Decision or Order denying the Motion for Reconsideration.

**An appeal shall not stop the decision from being executory.** In case the penalty is suspension or removal and the respondent wins such appeal, he shall be considered as having been under preventive suspension and shall be paid the salary and such other emoluments that he did not receive by reason of the suspension or removal.

**A decision of the Office of the Ombudsman in administrative cases shall be executed as a matter of course.** The Office of the Ombudsman shall ensure that the decision shall be strictly enforced and properly implemented. **The refusal or failure by any officer without just cause to comply with an order of the Office of the Ombudsman to remove, suspend, demote, fine, or censure shall be a ground for disciplinary action against said officer.**

## Issue: What is the difference between commutable and reimbursable Representation and Transportation Allowances (RATA)?



### DBM Response:

Section 7.1.1 of Department of Budget and Management National Budget Circular No. 548 provides that the incumbent to a position that is entitled to RATA will receive such allowances on a commutable basis.

However, a designated Officer-in-Charge to a position that is entitled to RATA may be given said allowances on a reimbursable basis, provided the receipt of the same is specifically stipulated in the agency's office order designating him/her as such.

Moreover, when the incumbent is already entitled to RATA in his/her current position, he/she shall only be entitled to the difference between the RATA appurtenant to his/her permanent position and the RATA corresponding to his/her designated position.

The payment of RATA on reimbursable basis requires the presentation of receipts or by a certificate to the effect that

the expenses had been incurred in accordance with the purpose for which RATA is granted.

Thus, the schedule of the payment of the two (2) types of RATA are invariably different. The amount of RATA to be received by the incumbent would, however, not be affected by the timing of payment.

### Scenario example:

A Regional Director (RD) occupying a Salary Grade 26 position was suspended for one (1) month, i.e., from May 13 to June 12, 2016, and subsequently tendered his resignation effective August 18, 2016. In his absence, a Division Chief (DC) was designated by the Head of the Agency as the OIC-RD.

How will the RATA of said officials be computed for the months of May, June and August 2016?

Inclusive Dates	Number of days of Actual Work Performance	RATA of the RD	RATA of the DC who was designated as the OIC-RD
<i>For the Month of May 2016</i>			
May 1-12	9	<b>Commutable RATA</b> RATA of RD = P17,000 6 to 11 days = 50% of the monthly RATA (P17,000 x 50% = <b>P8,500</b> )	<b>Commutable RATA</b> RATA of DC = <b>P10,000</b>
May 13-31	13	<i>Suspended</i>	<b>Reimbursable RATA</b> (P17,000 - 10,000 = P7,000) P7,000 x 75% = <b>P5,250</b>  <b>Total RATA for May = P15,250</b>
<i>For the Month of June 2016</i>			
June 1-12	8	<i>Suspended</i>	<b>Commutable RATA</b> RATA of DC = <b>P10,000</b>  <b>Reimbursable RATA</b> (P17,000 - 10,000 = P7,000) P7,000 x 50% = <b>P3,500</b>
June 13-30	14	<b>Commutable RATA</b> RATA of RD = P17,000 12 to 16 days = 75% of the monthly RATA (P17,000 x 75% = <b>P12,750</b> )  <b>Total RATA for June = P12,750</b>	<b>Total RATA for June = P13,500</b>
<i>For the Month of August</i>			
Aug 1-18	14	<b>Commutable RATA</b> RATA of RD = P17,000 12 to 16 days = 75% of the monthly RATA (P17,000 x 75% = <b>P12,750</b> )	<b>Commutable RATA</b> RATA of DC = <b>P10,000</b>
Aug 19-31	9	<i>Resigned</i>	<b>Reimbursable RATA</b> (P17,000 - 10,000 = P7,000) P7,000 x 50% = <b>P3,500</b>  <b>Total RATA for August = P12,750</b>
		<b>Total RATA for August = P12,750</b>	<b>Total RATA for August = P13,500</b>

Assumption: The former RD and the OIC-RD of subject agency were not assigned with service vehicles. Hence, they can both claim the aforementioned allowances.

Note: See NBC 548 for the RATA schedule.





## GAD CORNER

### DBM completes 17 GSTs for 2017



Ms. Cecilia Fantastico, the training's resource speaker

A total of 465 employees of the Department of Budget and Management (DBM), 30 of whom are senior officials, completed the 17 Gender Sensitivity Trainings (GSTs) organized by the Human Resource Development Division (HRDD) of the Administrative Service this 2017.

Of the 17 GSTs, 15 were two-day activities conducted from April to October. The other two were special batches of one-day GST for drivers held in December. Said GSTs were part of the gender mainstreaming efforts of the DBM, pursuant to the Magna Carta of Women.

In his welcome remarks delivered by Undersecretary Agnes Joyce G. Bailen during the first GST, Secretary Benjamin E. Diokno emphasized the importance of GST in the Department.

"If we want to create a workplace and a society that places equal value on all genders, we can start by taking small steps in learning about gender sensitivity. This special training course allows us to do so... and will help us appreciate how our gender shapes our contribution to our workplace and to society," he said.

Gender and Development (GAD) Specialist Cecilia Iguiron-Fantastico, who served as the resource speaker, supported this initiative and highlighted the critical role of the Department in addressing gender issues. Such a focus, she explained, ensures that the budgets of government agencies are attuned to gender issues and enhance gender sensitivity in the work place.

The GST is in line with the DBM's thrust to encourage its employees to become proactive agents of women empowerment and gender equality. Through this training, the Department aims to sensitize the participants to gender-related attitudes and behaviors that may cause offense to others. "This is achievable," Iguiron-Fantastico said. "The training helps increase employees' awareness and recognition of gender issues so they will be able to address them in their work," she added.

The program discussions covered: 1) GAD; 2) Gender-fair society; 3) Sex and gender; 4) Gender issues and gender inequalities; and 5) Commitments to help address gender issues relative to the Department's mandate.

The said activity was conducted in response to the results of the HRDD's GAD Training Needs Analysis completed last March, which revealed that 82.9 percent of the 245 employees surveyed had no knowledge of GAD mandates and policies, among others.

After the training, the overall degree of improved knowledge index on GAD among the participants posted a positive increase. Likewise, the overall program got a rating of "very satisfactory" from the participants, with some noting that the topics and shared personal experiences were very informative and beneficial in everyday life.

Meanwhile, in 2018, the HRDD plans to conduct a gender-responsive budgeting training for the officials and employees under the operations group. (*Crispin Mabrinon Abacan with reports from the HRDD-AS*)

## The DBM Bulletin

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