



Republic of the Philippines

Department of Budget and Management

# MANAGING THE NATIONAL BUDGET TO ACHIEVE INCLUSIVE DEVELOPMENT

# 2014

## ANNUAL REPORT

**Paggugol na Matuwid:  
Daan sa Kasaganaan**

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Department of Budget and Management

2014 Annual Report

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## 2014 Annual Report

# MANAGING THE NATIONAL BUDGET TO ACHIEVE INCLUSIVE DEVELOPMENT

*Paggugol na Matuwid: Daan sa Kasaganaan*

## Introduction: The Role of DBM in the Nation's Quest for Prosperity

*"Sa pamamagitan ng paggugol na matuwid, patuloy nating tatahakin ang daan sa kasaganaan ng lahat."*  
– 2014 President's Budget Message

Good governance creates an inclusive economy that benefits all. Because the government built a stable business environment and delivered crucial programs and projects, the Philippine economy has grown dramatically, averaging 6.3 percent annually from 2010 to 2014. Because more opportunities have been created, unemployment went down from 7.5 percent in 2009 to 6.8 percent in 2014. Through the delivery of basic social services, poverty incidence decreased from 28.4 percent in the first semester of 2009 to 25.8 percent in the same period of 2014.

Since the Aquino administration assumed office, it considered the budget process as a primary arena for the pursuit of inclusive growth through good governance.

With this, the Department of Budget and Management (DBM) has been leading reforms to ensure that the government spends within its means, invests in the right priorities, and delivers measurable results. It spearheaded game-changing reforms, like the GAA-as-Release Document and Performance Informed Budgeting, that enabled government agencies to deliver services efficiently, with quantifiable benefits to the people.

Anchoring on President Aquino's principle that the people are his bosses, the DBM introduced reforms that empower citizens through greater transparency,

accountability, and public participation in budget management. For instance, it implemented the award-winning Bottom-Up Budgeting process with key departments to give grassroots communities and civil society organizations a stronger voice in the budget process.

The DBM played a crucial role in the Aquino administration's good governance agenda by performing its mandate: to promote the efficient management and effective use of government resources to achieve national socioeconomic development goals. In addition, DBM heads or is a member of key inter-government mechanisms that promote good governance (*see box*). Its advocacy for good governance extends abroad, as it represents the Philippines in the Steering Committee of the Open Government Partnership and serves as a lead steward of the Global Initiative for Fiscal Transparency.

### DBM Leadership Roles and Collaborative Relationships

#### As Chair

Public Financial Management Committee  
Development Budget Coordination Committee (DBCC)  
AO 25 Inter-Agency Task Force (Performance-Based Incentive System)

#### As Member

Open Government Partnership Steering Committee (Philippine Representative)  
Global Initiative for Fiscal Transparency (Lead Steward)  
Human Development and Poverty Reduction Cabinet Cluster  
Economic Development Cabinet Cluster  
Bottom-Up Budgeting Steering Committee  
Governance Commission for GOCCs  
Public-Private Partnership Governing Board

#### As Secretariat

Good Governance and Anti-Corruption Cabinet Cluster

This report discusses the progress of key reforms and various initiatives implemented by DBM in 2014, and shows how these actions contribute to the country's quest for inclusive development.



## DBM STRATEGIC OBJECTIVES

### MANDATE

The Department of Budget and Management, created under Executive Order No. 25 dated April 25, 1936, as amended, is mandated to promote the efficient and effective management and use of government resources (i.e., technological, manpower, physical, and financial) as instruments in the socioeconomic and political development goals.

### VISION

By 2016, the Department of Budget and Management envisions to be:

- A champion of results-oriented budget and management policies and practices that enable the government to steer the country towards meaningful development, empowering the poor and marginalized;
- An implementer of world-class budget and management systems that enhance transparency, accountability, and public participation in governance; and
- An institution composed of highly competent and motivated public servants who observe the highest standards of professionalism and integrity.

### MISSION

The Department of Budget and Management shall lead public expenditure management to ensure the equitable, prudent, transparent, and accountable allocation and use of public resources, to improve the quality of life of every Filipino.

### KEY RESULT AREAS



Transparent, Accountable  
& Participatory Governance



Poverty Reduction and  
Empowerment of the  
Poor and Vulnerable



Rapid, Inclusive and Sustained  
Economic Growth

### SECTOR OUTCOMES



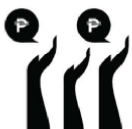
Fiscal Strength



Good Governance

## ORGANIZATIONAL OUTCOMES

## 1. EMPOWERMENT THROUGH THE BUDGET

*Sustaining Public Trust in the Budget*

1. Improve fiscal transparency
2. Widen participation in the budget process

## 2. EFFICIENT GOVERNMENT OPERATIONS

*Spending with Maximum Impact*

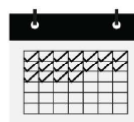
1. Improve delivery of public services
2. Improve government-wide public financial management

## 3. EFFECTIVE RESOURCE ALLOCATION

*Spending on the right things*

Focus the budget on the five (5) Key Results Areas (KRAs) of the Social Contract & the Philippine Development Plan (PDP).

## 4. FISCAL DISCIPLINE

*Living within our means*

1. Formulate the annual budget in the context of a multi-year fiscal plan.
2. Maximize expenditures to levels allowed by fiscal resources

## MAJOR FINAL OUTPUTS



1. Budget Policy Advisory Services



2. Budget Management Services



3. Organizational Productivity Enhancement Services



4. Performance Review & Evaluation Services

## I. Empowerment Through the Budget

DBM pursued groundbreaking reforms to empower citizens in the budget process through greater transparency and participation.

**Fiscal Transparency.** Transparency enables the citizenry to hold public institutions and officials accountable, especially in how they use public funds. In 2014, the DBM escalated initiatives that promote greater fiscal transparency and provide citizens with greater access to information on public financial management.

### a) Transparency Seal

First introduced under the 2011 General Appropriations Act (GAA), the Transparency Seal mandates all government agencies to disclose key information through their respective websites, such as their mandates and functions, budgets and financial reports, status of major programs and projects, procurement activities, and contact information (*see box*).



#### **Transparency Seal Requirements (2014 GAA)**

- i) Agency's mandates and functions, names of officials with their positions and designations, and contact information
- ii) Physical and financial accountability reports
- iii) Approved budgets and corresponding targets
- iv) Major programs and projects categorized in accordance with the five key results areas of the Aquino Social Contract
- v) Program and project beneficiaries
- vi) Status of implementation of such programs and projects, as well as evaluation and/or assessment reports
- vii) Annual procurement plans, contracts awarded, and name of contractors.

In 2012, the Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems<sup>1</sup> required government agencies to comply with the Transparency Seal as among the good governance conditions<sup>2</sup> for the grant

of Performance-Based Bonuses (PBB). The DBM, with the support of the Development Academy of the Philippines (DAP), validates the compliance of national government agencies (NGAs), state universities and colleges (SUCs), government-owned and controlled corporations (GOCCs), and, for the first time in 2014, the ARMM Office of the Regional Governor and its agencies, and the local water districts (LWDs).

In 2014, around 98 percent of all Departments, NGAs, SUCs, and GOCCs have complied with the requirements of the Transparency Seal, sustaining their past performances (*see table*).

Type of Institution	FY 2012	FY 2013	FY 2014
Departments	22	23	23
Other Executive Offices	29	32	36
Constitutional Offices	2	4	5
GOCCs covered by DBM	10	13	14
SUCs	97	97	108
Total	160 out of 184	169 out of 189	186 out of 190
<b>Percentage</b>	<b>87%</b>	<b>89%</b>	<b>98%</b>

### b) Improved Budget Reporting

The DBM, together with the Development Budget Coordination Committee (DBCC)<sup>3</sup>, has been pursuing initiatives to improve fiscal transparency in the Philippines in line with global benchmarks.

For one, the DBM enriched the information presented in the Proposed National Budget for 2015. For the first time, it produced the Technical Notes on the Proposed 2015 National Budget, which provided substantial narrative discussions and key details of the proposed fiscal program and expenditure priorities. Moreover, it presented new or additional information in the 2015 Budget of Expenditures and Sources of Financing (BESF), particularly:

- Medium-term fiscal parameters (BESF Table A.2), which now show important details on the financing program and the projections on infrastructure spending over a three-year horizon;

<sup>1</sup> Created through Administrative Order No. 25 s. 2011. Subsequently, the President issued Executive Order No. 80 s. 2012 which provides for the implementation of the Performance-Based Incentive System and mandates the IATF to set good governance conditions that agencies must meet to qualify for performance-based bonuses.

<sup>2</sup> For the grant of PBB starting FY 2012.

<sup>3</sup> DBCC is composed of the Secretary of Budget and Management as chair, the Secretary of the Department of Finance, the Director-General of the National Economic and Development Authority, and a representative of the Office of the President; with the Governor of the Bangko Sentral ng Pilipinas serving as resource person.

- Multi-year projections of tax and non-tax revenues up to 2017 (BESF Tables C.1 to C.4), consistent with international standards;
- For the first time, a disclosure of the tax incentives granted to private investors registered with different investment promotion agencies (Tables B.20 and B.21). These new tables reflect the amount of tax expenditures by type of incentive and by investment promotion agency for 2012 (actual) as well as multi-year projections for 2013-2015.

DBCC also sustained the publication of the Year-End Report (YER) and the Mid-Year Report (MYR)<sup>4</sup> that discuss macroeconomic and fiscal performance, along with results delivered by key programs and projects. Other essential budget documents that the DBM and DBCC published in 2014 include: i) the Budget Priorities Framework (BPF) for FY 2015; ii) the Fiscal Risks Statement for FY 2014; iii) the People's Budget series (*see next subsection*).

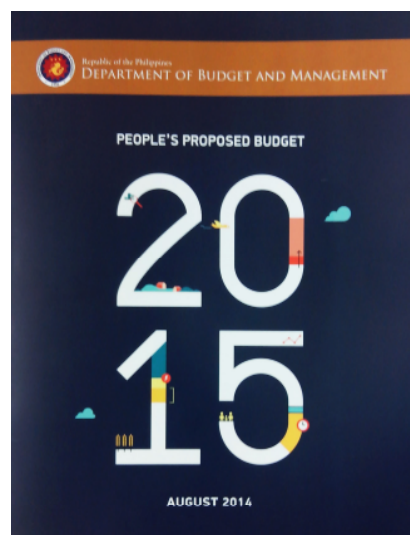
Through these initiatives, the Philippines improved its performance in response to international fiscal transparency standards. Example, in the recently-completed Open Budget Survey (OBS)<sup>5</sup> of the International Budget Partnership as well as in its monthly OBS Tracker,<sup>6</sup> they reported that the Philippines now publishes all eight essential budget documents. This is a significant improvement from the Philippines' performance in the 2012 OBS, which reported that the country only published four budget documents<sup>7</sup>. Given these, a significant improvement in the Philippines' score in the Open Budget Index (OBI)<sup>8</sup> is expected in 2015, from 48 in the 2012 OBI.

The International Monetary Fund (IMF) Fiscal Affairs Department also sent a mission to the Philippines in 2014 to gauge its performance against the revised IMF Fiscal Transparency Code. The recently-released report of the Fiscal Transparency Evaluation (FTE)<sup>9</sup> shows that the country's fiscal transparency practices are broadly favorable, exhibiting several areas of good and advanced practice. Of the 36 indicators of the FTE, the Philippines scored "advanced" in seven and "good" in 16. These validate the positive impact

of reforms so far introduced under the Aquino administration.

#### c) The People's Budget

The DBM has been producing People's Budget publications since 2011 to provide citizens with accessible summaries of the annual Budget. In 2014, it further improved the contents and design of the flagship People's Budget 2015 (based on the enacted Budget) and the 2015 People's Proposed Budget (formerly the Proposed Budget in Brief) after surveying stakeholders to solicit their feedback and inputs on the publications. The DBM also published the 2014 People's Budget in Filipino and Bisaya to reach more audiences. Aside from releasing the People's Budget publications in print and online, DBM also produced audio-visual presentations and quick-glance editions, developed collaterals on key budget reforms and issues, and intensified its social media engagement activities.



#### d) Open Budget Data

Launched on January 16, 2014 during the Good Governance Summit, Open Data Philippines sought to proactively release public sector datasets and generate an ecosystem for its use and reuse by the public. The program was launched to improve access to public sector information, strengthen data-driven governance, support public engagement,

<sup>4</sup> DBCC published the 2013 YER in December 2014 and the 2014 MYR in September 2013.

<sup>5</sup> The OBS measures the availability and comprehensiveness of eight essential budget documents: Pre-Budget Statement (PBS), Executive's Proposed Budget (EBP), Enacted Budget (EB), In-Year Reports (IYRs), MYR, YER, and Audit Report. The 2015 OBS covers budget documents published in 2013 to mid-2014.

<sup>6</sup> IBP introduced the OBS Tracker to measure the availability of all eight essential budget documents on a monthly basis. The results are published on [www.obstracker.org](http://www.obstracker.org).

<sup>7</sup> The EBP, EB, IYRs, and Audit Report.

<sup>8</sup> The 2015 OBS and OBI are scheduled for official release in September 2015.

<sup>9</sup> <http://www.imf.org/external/pubs/ft/scr/2015/cr15156.pdf>

and nurture practical innovation. Through data.gov.ph, the government supplies datasets in open and machine-readable formats. So far, at least 1,200 data sets have been released through data.gov.ph, including those on the annual proposed and enacted Budgets as well as information on procurement activities.

The initiative is led by the Open Data Philippines Task Force comprised of the Office of the Presidential Spokesperson (OPS), DBM, and the Presidential Communications Development and Strategic Planning Office (PCDSPO). Aside from the launch of data.gov.ph, the Task Force was able to pursue the following other initiatives:

- An open government data provision was adopted in the 2015 GAA. This provision mandates agencies to adopt a policy of openness to their datasets and this means that their datasets must be in open and machine-readable formats, released with open licenses.
- Open data provisions were adopted in the proposed Freedom of Information bill. These provisions are akin to the one adopted in the 2015 GAA with additional details, such as the frequency of updating datasets and the “release to one, release to all” provision.
- The following specialized portals were also launched:
  - *openreconstruction.gov.ph* - a budget tracking system for the government’s Build Back Better program.
  - *openbub.gov.ph* - a transparency, monitoring, and evaluation portal for the Bottom-Up Budgeting program, and;
  - *Extractive Industries Transparency Initiative (EITI) Contracts Dashboard (data.gov.ph/eiti)* – a project led by the Department of Finance (DoF) and the Multi-Stakeholder Group of the Philippines EITI, which catalogues around 40 mining and oil and gas contracts.

Aside from technology and policy reform initiatives to promote open data, the Task Force pursued capacity-building and stakeholder engagement activities. These includes open data master classes and data skills trainings for government personnel, civil society organizations (CSOs), and journalists; “hackathons,” where developers used government data to produce technological applications, and;

dialogues with various stakeholders, including CSOs and entrepreneurs, on leveraging open data.

**Citizen’s Participation.** Ultimately, governance reforms and better access to information should enable citizens to engage actively in the budget process. The DBM, in collaboration with other government departments, sustained the Bottom-Up Budgeting (BUB) and Budget Partnership Agreements (BPAs), and pursued endeavors such as the Good Governance Dialogues.

#### a) Bottom-Up Budgeting

The BUB program, formerly known as Grassroots Participatory Budgeting, is dramatically transforming the way the National Budget is formulated and implemented. What used to be a highly exclusive process is now being opened up to the very people it is meant to benefit—ordinary citizens in the grassroots, civil society organizations, and local governments units.



**Philippines**

“Grassroots Participatory Budgeting”

Source: Open Government Partnership website

In 2014, the government further expanded BUB by allotting P20.9 billion in the 2015 Budget to fund 14,300 local poverty reduction projects in 1,590 municipalities and cities. So far, BUB is succeeding in increasing participation from local government, according to an assessment by the Philippine Institute of Development Studies (PIDS)<sup>10</sup>. BuB has also received international recognition after being awarded with a Gold Award in the inaugural Open Government Partnership (OGP) Awards last September 24, 2014 at the United Nations Headquarters in New York City. Along with Denmark and Montenegro, this was one of the three gold awards given out to recognize innovative and citizen-driven initiatives in designing and implementing public policy.

<sup>10</sup> Manasan, Rosario G. (2015). Assessment of the Bottom-Up Budgeting Process FY 2015. Discussion Paper Series No. 2015-25. Philippine Institute for Development Studies.



b) Budget Partnership Agreements

Introduced by DBM in 2011<sup>11</sup>, Budget Partnership Agreements (BPAs) established a mechanism that promotes evidence-based constructive engagement of civil society organizations (CSOs) in budget preparation and execution. In 2013, a total of 77 BPAs have been entered into by six NGAs and two GOCCs with CSOs. Aside from department central offices, the regional offices of DOLE and DSWD signed BPAs with CSOs from their respective regions.

BPA	FY 2012	FY 2013	FY 2014	FY 2015
Budget Preparation	60	75	16	20
Budget Execution	3	4	2	2
<b>TOTAL BPA*</b>	<b>63</b>	<b>77</b>	<b>16</b>	<b>20</b>

\*Note: Figures refer to total BPA documents. Some BPAs incorporate both budget preparation and budget execution as one document. For purposes of tallying, such BPAs were counted separately under budget preparation and execution.

In crafting the 2014 Budget, two (2) NGAs and two (2) GOCCs engaged in BPAs with CSOs. The CSO recommendations generally revolved around program priorities and geographical focus, while the rest related to improving implementation of specific programs and projects of delivery inputs. The Budget proposals of some agencies, like the DENR and DPWH, had specified budget recommendations from the discussions with their CSO BPA partners.

To date, 128 CSOs assisted 15 NGAs and GOCCs in developing their Budgets and monitoring the projects and programs funded. In 2014, 11 NGAs and five GOCCs held consultations with CSOs in crafting the 2015 Budget. Through the CSO Desk, the number of consultations held had steadily increased over the years, from 13 in crafting the 2013 Budget, 18 for the 2014 Budget, and 39 for the 2015 Budget.

**PERFORMANCE INFORMATION**

Outcomes and Key Strategies	Targets	Accomplishments
<b>Outcome 1: EMPOWERMENT THROUGH THE BUDGET (Sustaining Public Trust in the Budget)</b>		
<ul style="list-style-type: none"> <li>Improve fiscal transparency</li> </ul>		
Ensure that budget information is more accessible to the public	Publish the People's NEP	NEP published
	Publish the People's Budget	People's Budget published
Enhance openness and transparency in the budget process	Improve Open Budget Index (OBI) Score from 48 to 60 by 2015	All OBI-prescribed budget documents published (OBI score released on Sept 2015)
<ul style="list-style-type: none"> <li>Widen participation in the budget process</li> </ul>		
Engage civil society organizations (CSOs) and other stakeholders in the budget process through budget partnership agreements	Expand consultation to NGAs from 12 to 18 and GOCCs from 6 to 9	NGAs, 11; GOCCs 5 held consultations with CSOs in crafting the 2015 Budget
Institutionalizing Bottom-Up Budgeting (BuB)	Expand coverage from 609 to 1,233 cities and municipalities in 2014	Coverage expanded to 1,590 cities and municipalities
	Increase budget allocation for BuB Projects from P8 Billion to P20 Billion in 2014	Budget allocation for BuB Projects increased to P20.9 Billion

<sup>11</sup> Through National Budget Memorandum No. 109, "Guidelines on Partnership and Participation of Civil Society Organizations and Other Stakeholders in the Preparation of Agency Budget Proposals", BPAs in budget preparation were subsequently improved in National Budget Circular No. 536, and BPAs were expanded to budget execution under National Budget Circular No. 539.

## II. Efficient Government Operations: Spending with Measurable Results

In 2014, DBM escalated its reforms to ensure faster and efficient budget execution and strengthen performance budgeting. These endeavors ensured that each peso spent is in line with approved appropriations and leading to measurable results.

### Faster and Efficient Budget Execution

#### a) GAA-as-Release Document to ensure fast and efficient budget execution

First implemented through the 2014 Budget, the GAA-as-Release-Documents policy enabled the government to streamline budget release processes. It enabled the enacted Budget to serve as the allotment release document for the respective appropriations of agencies, except for those which are in the negative list. Agencies were thus enabled to enter into contracts and obligate funds—without needing to secure Special Allotment Release Orders—on the first working day of the fiscal year.

As of December 31, 2014, almost 90 percent, or P1.023 trillion, of the P1.151 trillion program appropriations for departments were comprehensively released. Including Special Purpose Funds and automatic appropriations, total releases amounted to P1.761 trillion out of the total expenditure program of P2.265 trillion, representing about 78 percent. (*see table*)

**Program vs. For Comprehensive Release  
FY 2014  
(In Thousand Pesos)**

PARTICULARS	2014 (Year-end)		
	PROGRAM	For Comprehensive Release	%
GAA (Dept. and SPFs)	1,468,599,325	1,038,595,388	70.7
Department	1,150,692,033	1,022,738,692	88.9
PS	459,854,052	451,487,925	98.2
MOOE	324,377,401	302,590,475	93.3
FinEx	1,352,436	1,352,436	100
CO	365,108,144	267,307,856	73.2
SPFs-PGF	317,907,292	15,856,696	5.0
AUTOMATIC (IRA, RLIP & Pension of Ex-Pres. Wives)	796,029,175	721,912,521	90.7
Total Expenditure Program	2,264,628,500	1,760,507,909	77.7

#### b) Disaggregation of Lump Sum Funds to curb bottlenecks and leakages

In 2014, the DBM continued to implement its policy against lump-sum funds in order to make the budget execution process more efficient, eliminate avenues for abuse, and boost fiscal transparency. During the crafting of the 2015 National Expenditure Program (NEP), a total of P330.5 billion in Special Purpose Funds were disaggregated into specific recipient agencies, programs and projects. These covered the Budgetary Support to Government Corporations, the budget for the Metropolitan Manila Development Authority under the Allocations to LGUs, the E-Government Fund, the International Commitments Funds, the Miscellaneous Personnel Benefits Fund, and the Pension and Gratuity Fund.

#### c) Strengthening Procurement

In 2012, the Government Procurement Policy Board (GPPB) adopted the Agency Procurement Compliance and Performance Indicators (APCPI) system to standardize procurement monitoring, assessment and evaluation. It identified procurement strengths and weaknesses of agencies, and formulated a reasonable action plan.

To improve the APCPI rating of major departments and further address bottlenecks in government procurement, the Bids and Awards Committees (BAC), including its secretariat, were strengthened in 2014. The DBM, through the GPPB-Technical Support Office (TSO), conducted focus group discussions (FGDs) with NGAs and GOCCs in August 2014 to identify and validate the causes of delays in procurement<sup>12</sup>. This was intended to attract more bona fide contractors and suppliers, and reduce the occurrence of failed biddings.

Based on the FGD results, the major causes of delays in government are the following: poor planning; low number of bidders; professionalization of the BAC and its secretariat and technical support staff; varying interpretation of the rules; leadership issues; approval and review process problems; and incompetence of procurement personnel.

<sup>12</sup> The following NGAs/GOCCs were invited in the FGD: Department of Agriculture; Department of Education; Department of Environment and Natural Resources; Department of Interior and Local Government; Department of National Defense; Department of Health; Department of Transportation and Communications; Department of Public Works and Highways; National Power Corporation; National Irrigation Administration; National Electrification Administration; Department of Social Welfare and Development.



These results were considered in introducing measures to address procurement bottlenecks, including the creation of more BACs in key departments, the hiring of personnel to support BACs, and continued training for procurement staff.

d) Implementation of the Unified Accounts Code Structure to harmonize financial reporting among DBM, DoF, and Commission on Audit (CoA)

The Unified Accounts Code System (UACS) is a government-wide harmonized budgetary, treasury and accounting code classification framework which facilitates reporting of all financial transactions of agencies including revenue reporting. It enables the timely and accurate preparation of the financial, management and economic documents and reports, eliminating the problems being encountered from the previous coding structure.

In July 2014, UACS was already incorporated in the Budget Execution Systems of oversight agencies. A UACS Help Desk (telephone number 791-3002; email uacs@dbm.gov.ph) also became operational on September 22, 2014 to address questions from implementing agencies on the application of UACS during the budget execution process.

In crafting the 2015 NEP, the internationally-recognized Classifications of Functions of Government (COFOG)<sup>13</sup> was adopted to the UACS code structure to help identify what government is spending on. Likewise, the 2015 GAA already employs UACS codes up to the regional level.

### **Stronger Performance Management**

a) Adoption of PIB and shift to outcomes

The DBM first introduced the Performance-Informed Budget (PIB) under the 2014 Budget to tighten the alignment of spending with desired socioeconomic outcomes and measurable outputs. The PIB was built upon prior reform initiatives such as the harmonization of performance management systems in government and the review of the Major Final Outputs (MFOs) and performance targets of agencies under the Organizational Performance Indicator Framework (OPIF).

To further enhance the current PIB structure, the DBM shifted to Outcome-Based PIB which was adopted in the preparation of the FY 2015 Budget. The DBM provided technical assistance to all

NGAs, SUCs and GOCCs receiving budgetary support through briefings and Outcome-Based PIB done from February 2014 to March 2014. The result of this was an enhanced set of organizational outcomes for each of the agencies, indicative of the more informed resource allocation and management approach adopted in budget preparation.

This is reflected in the FY 2015 NEP and subsequently the GAA which features Section 4 presenting the refined set of organizational outcomes. The MFOs will explain what departments and agencies produce for their external clients while the organizational outcomes (OO) will represent the results that departments and agencies aim to achieve for their external clients with the MFOs they deliver using the resources appropriated to them by Congress.

The refinement of the organizational outcome of agencies and the attribution of performance indicators provided a clearer picture of the short- to medium-term benefits of the agencies' delivery of mandated outputs. This exercise also established and strengthened the linkages among organizational outcomes of the agencies with the sectoral outcomes, the key results areas (KRAs) and the societal goals in the latest update of the Philippine Development Plan Results Matrices (PDP-RM). This extended further the government's results chain and reinforced the link between planning and budgeting.

b) Towards Program Expenditure Classification

The Program Expenditure Classification (PREXC) is a logical continuation of the PIB. Through this reform, the agencies' budget items—their programs, projects and activities—are aligned in a clearer manner with the organizational objectives they contribute to. This will facilitate the evaluation of the cost and effectiveness of agencies' programs and sub-programs and help agency leaders better manage the results their agencies deliver. It will help to clarify the accountability of department and agency managers as it provides a clearer presentation of budget structure of agency programs, their intended outcomes, groupings and linkages, and performance indicators and targets.

PREXC was introduced in December 2014 to six (6) pilot departments: DSWD, DoT, DILG-OSEC, DENR, DFA and NKTl. Technical assistance was provided to these pilot departments through a

<sup>13</sup> COFOG is a functional classification that organizes activities according to their purposes. It allows comparisons and reporting along international standards such as the Government Finance Statistics.

series of briefings and hand holding workshops. Briefings were also conducted for DBM's Budget Management Bureaus and its other offices to increase their capacity to assist their covered agencies in piloting PREXC. To date, the pilot departments, with the assistance of DBM, are in the final stages of refining their PREXC structures and program performance information.

The DBM seeks to secure the buy-in of Congress for the full-scale adoption of PREXC in the preparation of the 2017 Proposed Budget. The full roll out of the PREXC to all NGAs is also ongoing through briefings and workshops.

### c) Performance-Based Incentive System

The implementation of the Performance-Based Incentive System (PBIS) seeks to nurture a culture of performance in the bureaucracy. PBIS goes beyond the grant of performance-based bonuses (PBB) to public servants who meet or even surpass their performance targets. It enables a better understanding of employees' roles in achieving the goals of their agencies.

The participation of agencies in PBIS has increased from 96 percent since it started in 2012, to 98 percent in 2013, and 99 percent in 2014, as shown in the following table:

FY 2012		FY 2013		FY 2014	
96%		98%		99%	
184 out of 191 agencies		189 out of 192 agencies		190 out of 192 agencies	
Constitutional Offices	2	CO	4	CO	5
Departments	23	Departments	23	Departments	23
OEOs	36	OEOs	36	OEOs	36
GOCC <sup>14</sup>	13	GOCCs	15	GOCCs	15
SUCs	110	SUCs	111	SUCs	111

Agencies' compliance with good governance conditions has increased from 88 percent in 2012 to 94 percent in 2013, and almost full compliance at 98 percent in 2014 (*see table below*).

Good Governance Conditions	FY 2012	FY 2013	FY 2014
Transparency Seal	87%	89%	98%
PhilGEPS	79%	90%	95%
Citizen's Charter	94%	96%	99%
Aging of Cash Advances	91%	97%	100%
SALN <sup>15</sup>	N/A	96%	96%
<b>OVERALL</b>	<b>88%</b>	<b>94%</b>	<b>98%</b>

Meanwhile, the proportion of agencies which have become eligible for the grant of the PBB has also increased from 79 percent to 81 percent in the same timeframe (*see table below*). The assessment of agencies' eligibility for the grant of PBB in 2014 is currently being finalized.

Type of Institution	FY 2012	FY 2013
Departments	22	21
Other Executive Offices	31	29
Constitutional Offices	2	4
GOCCs covered by DBM	10	12
SUCs	80	87
<b>Total</b>	<b>145 out of 184</b>	<b>153 out of 189</b>
<b>Percentage</b>	<b>78%</b>	<b>81%</b>

Meanwhile, the rates of accomplishment of physical targets have also increased (*see table*):

Type of Institution	FY 2012	FY 2013
Departments	117%	212%
Other Executive Offices	150%	152%
Constitutional Offices	128%	131%
GOCCs covered by DBM	106%	158%
SUCs	107%	197%
<b>Total</b>	<b>122%</b>	<b>170%</b>

The PBIS for FY 2014 has undergone several changes in terms of eligibility requirements as well as agency coverage. For one, local water districts (LWDs) have already been included in the PBIS, in collaboration with the Local Water Utilities Administration (LWUA). In terms of requirements, the IATF has introduced the following changes:

- *GAA-based targets*, i.e., all MFO indicators and targets reflected in the 2014 Budget approved by Congress, as well as common Support to Operations (STO) and General Administration and Support Services (GASS) indicators and targets. The approved targets are updated in cases where the agency has achieved a higher accomplishment in FY 2013.
- *Establishment of ISO-aligned Quality Management System*. For STO, the common target is the establishment of a QMS aligned with ISO standards or the continuing certification of one front line service.
- *New GASS Indicators*. The budget utilization rate (BUR) now consists of two measures: (1) the obligation-based budget utilization rate

<sup>14</sup>GOCCs covered by DBM

<sup>15</sup>Submission of the Statement of Assets and Liabilities (SALN) is required starting FY 2013

(BUR), which is computed based on obligations against allotments issued in FY 2014, including releases from special purpose funds, and; (2) the disbursement-based BUR as provided for in the FY 2013 PBB guidelines.

- *Additional targets of department heads.* The FY 2014 commitments of the agency head approved by the President as reflected in the OP Planning Tool Form I are treated as additional accomplishments which could qualify the agency to a higher percentage of distribution in the ranking of delivery units.

- *The Ease of Doing Business targets* set by the National Competitiveness Council is also added to the targets of agencies concerned under Form B<sup>16</sup>.

Coming from the experience of granting the FY 2013 PBB, where the evaluation and validation process took an average of 128 days before an agency could be cleared for the grant of the PBB, the IATF imposed stricter deadlines and streamlined the review and validation process to determine the eligibility of an agency as well as to release the PBB payout early.

#### PERFORMANCE INFORMATION

Outcomes and Key Strategies	Targets	Accomplishments
<b>Outcome 2: EFFICIENT GOVERNMENT OPERATIONS (Spenidng with Maximum Impact)</b>		
* Improve delivery of public services		
Promote collaboration and convergence in the implementation of major priority programs and projects by agencies	Deepen Program Budgeting approach in the preparation and execution of the national budget	PREXC, an improvement of the Program Budgeting approach, introduced in December 1, 2014
Streamline government procurement processes	Improve Agency Procurement Compliance and Performance Indicator (APCPI) rating of 21 agencies at the Central Office by 2014	FGD with NGAs and GOCCs conducted to identify bottlenecks and propose interventions
Intensify monitoring of agency physical and financial performance	Publish agencies year-end accomplishment/ performance report	Inclusion of agency year-end accomplishment (physical and financial) report in the Transparency Seal provision – as required under Section 91 on Official Website and Transparency Seal of the General Provisions of the FY 2014 GAA (RA 10633)
* Improve government-wide public financial management		
Set up the Government Integrated Financial Management Information System (GIFMIS) for a more accurate, reliable and real time generation of financial and physical performance reports	Commence systems development of the GIFMIS in 2014	3 were hired for GIFMIS functional team and 3 were hired for CHRIS functional team, 1 was hired for CHRIS through secondment
	Complete development of the GIFMIS for pilot testing by 2015	Contract not awarded; Budget and Treasury Management System (BTMS), an enhancement of GIFMIS, introduced to improve government's budget execution and budget accountability
Enhance and improve utilization of the Philippine Government Electronic Procurement System (PhilGEPS) for a more transparent and efficient procurement activities	Roll-out e-bidding and online payment across government agencies by 2014	e-bidding and e-payment functionalities already gave green light to conduct e-bidding functionality
Adopt GAA as release document	Start implementation in 2014	Implemented in 2014

<sup>16</sup>Agency Performance Measures

### III. Effective Resource Allocation: Spending on the Right Priorities

The DBM reshaped the Budget to support Inclusive Development. In crafting the proposed Budget for 2015, the DBM enabled the government to increase the combined share of social and economic services to 64 percent from merely 45.3 percent in 2005. Through the 2015 Budget Priorities Framework, government intensified the focus of resources not only on the priority goals spelled out in the Aquino Social Contract but also in the poorest and most vulnerable localities.

#### Budget Focused on Inclusive Development

First introduced in the FY 2014 budget preparation process, the Budget Priorities Framework (BPF) guides the departments and agencies in determining the priority sectors to be supported in the National Budget. It is essentially a blueprint for the government's goal of establishing inclusive development. An updated BPF was issued for the FY 2015 budget preparation process<sup>17</sup> to focus agencies' budget proposals on strategies that create quality jobs and livelihood for the poor, underemployed, and the unemployed.

The 2015 proposed national budget was crafted following the objectives outlined in the 2015 BPF:

- Accelerate poverty reduction, aligned with the country's Millennium Development Goal of reducing poverty incidence to 16 percent, by expanding key social protection and social services like universal healthcare, education, and socialized housing.
- Sustain the country's robust economic performance and facilitate the creation of more jobs, by investing in strategic transport infrastructure, bolstering agricultural productivity, reviving the manufacturing sector, and maximizing the tourism sector.
- Manage disaster risks, by investing in a countrywide climate change adaptation and risk resiliency program; and build back better the communities ravaged by recent calamities by strengthening rehabilitation and reconstruction efforts.
- Establish an enabling environment for inclusive development, by pursuing just and lasting peace and upholding the rule of law; and, at the heart of all efforts, by enshrining good governance.

<sup>17</sup>NBM No. 119, December 27, 2013.

<sup>18</sup>Motor Vehicle User's Charge

#### Evaluated government programs to ensure allocative efficiency

The DBM evaluated government programs to ensure allocative efficiency. Through the continued implementation of the zero-based budgeting (ZBB) approach, the DBM determined the relevance and effectiveness of ongoing programs and projects.

For four consecutive years, the DBM implemented ZBB through conducting program reviews and evaluations, in partnership with the Philippine Institute for Development Studies. For 2014, the funding source came entirely from the regular budget. The seven (7) studies were as follows:

- *Assessment of Shared Facilities*: whether to expand or maintain status quo in terms of its impact on micro, small and medium enterprises;
- *Assessment of the impact of R&D* as source of productivity in the Philippines;
- *Review and assessment of programs offered by State Universities and Colleges* in terms of providing requirements on manpower and skills/training within the regional level;
- *Revisit and assess the MVUC<sup>18</sup> Road Users' Tax* and see how the use of the Fund can be rationalized;
- *Evaluation of DSWD's Sustainable Livelihood Micro-Enterprise or Self-employment Assistance – Kaunlaran (SEA-K) Program Phase 1*;
- *Process Evaluation of the School Health and Nutrition Program* of the Department of Education (DepEd), and;
- *Assessment of the planning and programming for capital projects* at the national and agency levels.

The key sources of program issues included observations from COA audit reports as well as studies conducted by multilateral organizations like the IMF, WB, and ADB, among others.

The impact of the studies has been varied over the years. There were some recommendations which had immediate and direct impact such as when the DepEd Food-for-School Program was discontinued and its allocation was redirected to the Pantawid Pamilyang Pilipino Program. Others have manifested results in the form of policies to

improve the process of teacher deployment in the DepEd and on the implementation of the Household Electrification Program by the Department of Energy through Department Circular No. 2014-09-0018 issued on September 29, 2014.

## PERFORMANCE INFORMATION

Outcomes and Key Strategies	Targets	Accomplishments
<b>Outcome 3: EFFECTIVE RESOURCE ALLOCATION</b> <b>(Spending on the right things)</b>		
* Focus the budget on the five (5) Key Result Areas (KRAs) of the President's Social Contract and the Philippine Development Plan (PDP) with greater emphasis on economic expansion and inclusive growth		
Expand investments and reforms in Good Governance and Anti-Corruption; Human Development; and Poverty Reduction; Economic Development; Security, Justice and Peace; and Climate Change Adaptation and Mitigation	Increase proportion of the budget submitted to Congress for priority programs	The 2015 proposed budget, through the BPF, focused limited government resources to government priority programs

#### IV. Fiscal Discipline: Spending Within Means

The DBM—together with DOF and NEDA—ensured the health of government's finances, which in turn ensured maximum impact on the country's economic stability and growth.

##### Fiscal Consolidation

With revenues growing faster than disbursements, the 2014 deficit was recorded at P73.1 billion. This is 55.4 percent lower than the P164.1 billion budget gap for 2013. This outturn was equivalent to 0.6 percent of GDP, below the deficit target of 2.0 percent of GDP for the year.

For 2014, revenue collections reached P1,908.5 billion, a double-digit increase of 11.2 percent from the previous year's collection of P1,716.1 billion. Almost 70 percent of the total revenues was collected by the BIR, amounting to P1,334.8 billion, while 19.3 percent or P369.3 billion was contributed by the BoC.

Meanwhile, total government spending closed at P1,981.6 billion as of end-2014, up by 5.4 percent from the 2013 level of P1,880.2 billion. The year-on-year upswing in disbursements was essentially driven by the increase in subsidies to GOCCs. These included the following: (1) the P35.3 billion subsidy for the health insurance premiums of 14.7 million poor and near-poor families to be covered under the National Health Insurance Program of the PHIC;

(2) the higher Internal Revenue Allotment (IRA) of LGUs due to larger tax base; (3) expansion of tax expenditure subsidies for GOCCs and NGAs, and; (4) the combined growth in productive spending such as Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) at a respectable pace of 7.3 percent.

However, relative to program, the low disbursement outturn was partly attributed to savings in interest payments and net lending; delays introduced by the additional procedures required by the FY 2014 GAA for transparency and accountability; additional restrictions on the use of savings and realignments as an impact of the Supreme Court (SC) ruling on the Disbursement Acceleration Program (DAP); transitioning to better planning, procurement and payment procedures; as well as other reasons that are said to be beyond the control of the departments/agencies (e.g., unforeseen circumstances, unfavorable weather conditions, and peace and order situation).

Details for the major expenditure items are as follows:

- *Personnel Services (PS)* grew by P21.9 billion or 3.8 percent year-on-year largely on account of the increase in requirements of DepEd, corresponding to the annualized salaries and benefits of the 58,734 teaching positions created in 2013, as well as the funding requirements for another 33,006 positions created in 2014 of which 29,776 positions were filled as of year-end. In addition, funding for

**National Government Disbursement Performance**  
**January to December 2014**  
(in billion pesos)

in billion pesos)

PARTICULARS	January - December				As % of Full-Year Program
	2013	2014	Increase/(Decrease)		
			Amount	Percent	
REVENUES	1,716.1	1,908.5	192.4	11.2	94.6
DISBURSEMENTS	1,880.2	1,981.6	101.5	5.4	86.7
CURRENT OPERATING EXPENDITURES	1,519.2	1,616.7	97.5	6.4	89.8
Personnel Services	581.7	603.6	21.9	3.8	91.2
Maintenance and Other Operating Exp.	282.9	308.7	25.8	9.1	82.4
Subsidy	66.3	80.4	14.1	21.3	73.8
Allotment to LGUs	241.8	273.2	31.4	13.0	100.0
Interest Payments	323.4	321.2	(2.2)	(0.7)	91.1
Tax Expenditure	23.0	29.5	6.5	28.3	98.8
CAPITAL OUTLAYS	344.3	351.5	7.2	2.1	76.7
Infrastructure/Other Capital Outlays	261.8	276.0	14.1	5.4	75.6
Equity	11.5	1.7	(9.7)	(84.8)	52.6
Capital Transfers to LGUs	71.0	73.8	2.8	3.9	86.9
NET LENDING	16.6	13.4	(3.2)	(19.4)	53.7
SURPLUS/(DEFICIT)	(164.1)	(73.1)	91.0	55.4	27.5

the creation and requirement of 13,000 Police Officer I positions and 1,200 Fire Officer I positions were provided in 2014, along with the P4.6 billion in retirement/separation incentives and benefits for rationalized personnel under DAR, DA and DENR.

- *Maintenance spending* reached P308.7 billion, higher by P25.8 billion or 9.1 percent from the 2013's level of P282.9 billion. This was essentially driven by the increased investments in major social protection services, particularly DSWD's Pantawid Pamilyang Pilipino Program (4Ps). The program was expanded by 41.3 percent to cover 4,309,769 households under the regular conditional cash transfer (CCT) program from 3,809,769 beneficiaries in 2013, additional 509,366 children beneficiaries aged 15-18 years old and 131,963 homeless families. Other programs of the DSWD that were expanded in 2014 were: (1) the Supplemental Feeding Program (from P3.0 billion in 2013 to P4.2 billion in 2014) which provides food to targeted children-beneficiaries, and; (2) the Social Pension (SP) for Indigent Filipino Senior Citizens (from P1.5 billion in 2013 to P3.1 billion in 2014) which entitles poor senior citizens to a monthly pension of P500 to augment their daily subsistence and medical needs. On top of this is the P4.3 billion released to the DSWD for the Emergency Shelter Assistance of LGUs in Yolanda-affected areas. This program provides cash assistance to families whose houses were either totally or partially destroyed/damaged by Typhoon Yolanda, and have no permanent source of income or whose income is below the poverty threshold.

Other contributing factors to the increase in MOOE were the higher requirements allotted to DOH for the operation of special hospitals, medical centers and activities for Disease Prevention Control, as well as the P3.2 billion Medical Assistance Program for indigent patients either confined or seeking outpatient services in government hospitals

- Notwithstanding the higher funding requirements for infrastructure projects of DPWH, DA, DepEd, DOH and DOTC, disbursements under CO increased by only P14.1 billion or 5.4 percent to P276.0 billion in 2014. This was mostly on account of the higher releases for the infrastructure development programs of the DOTC (P11.4 billion in 2014 NCA releases compared to P4.6 billion in 2013), and the P4.9 billion

allocation for DND to cover the requirements of the Fighter/Surface Attack/Lead-in Fighter Trainer (F/SA/LIFT) aircraft acquisition project, including the purchase of communications security equipment and buyer-enhanced furnished equipment under the Revised AFP Modernization Program.

- *Tax expenditure subsidies* paid by national government agencies and GOCCs to BIR and BOC rose to P29.5 billion, P6.5 billion or 28.3 percent more than the 2013 actual level. This was brought about by two factors: (1) the combined impact of the smaller allocation for the PDIC, given that its 5-year entitlement to tax subsidy expired in June 2014 in accordance with R.A. No. 9576 (PDIC Charter), and; (2) the increase in tax subsidies to NFA which amounted to almost P11.0 billion in 2014 corresponding to the importation of 1.3 million metric tons of rice that year.

The country's gains in lowering its budget deficit have been recognized by international credit rating agencies such as Standards and Poor's, Moody's, and Fitch. In July 2014, Japan-based R&I upgraded the rating of the Philippines from BBB- status to BBB because of growing investor confidence in the country's creditworthiness and industry potential. Likewise, Moody's Investor Service hiked its creditworthiness rating for the country from Baa3 to Baa2, citing improvements in fiscal management and the implementation of reform policies under the Aquino administration. The R&I and Moody's upgrades improved the total credit rating upgrade that the Philippines has received to 20 as 2014 closed.

### Medium-Term Expenditure Framework

In March 2014, the DBM requested technical assistance from the International Monetary Fund (IMF) Fiscal Affairs Department where a panel of Public Financial Management (PFM) experts visited the country to assess our existing budgeting practices and make recommendations for improvement. The two main objectives of the mission included presenting the significance of Medium-Term Budget Framework (MTBF) in the annual budget process, and reviewing the methodology on Forward Estimates (FEs) while identifying areas or processes that could be delegated to line agencies. At the end of the mission, the IMF would recommend key strategies to tighten the linkages between planning, budgeting and standard practices to improve and closely integrate the FE process in the budget cycle.



Focus group discussions were conducted with DBM to contextualize the annual budget preparation, existing macro-fiscal forecasting and medium-term expenditure frameworks, and the role of the DBCC in the budget process. The IMF mission also met with other oversight agencies - DOF, NEDA, Congress, and implementing agencies - DPWH, DepEd and DOH as well as donor partners, to situate their responsibilities and involvement in the budget process and in the implementation of expenditure reforms.

The two-week mission was concluded through a plenary presentation of the experts' findings and recommendations. The mission acknowledged the government's progress in the implementation of expenditure reforms and putting budgeting systems and processes in place. The experts however noted that the challenge of providing a medium-term perspective in the budget cycle remains. The mission emphasized that FEs needs to be credible baseline budgets and that expenditures have to be strategically prioritized. This is summed up into three major recommendations: (1) the formulation of FEs be moved to line agencies; (2) ceilings and budget strategies be discussed in the Cabinet, and; (3) discussions of ongoing programs be separated with new spending proposals.

As a response to the recommendations, the DBM adopted strategies that improved the formulation of FEs and the adoption of the Two-Tier Budgeting Approach (2TBA). The budget preparation guidelines on the formulation of the 2016-2018 FEs were simplified in an effort to facilitate the process and in anticipation of the eventual formulation of line agencies. The DBM also began implementing the 2TBA in crafting the 2016 Budget, where clear and separate deliberations were held on the ongoing/existing programs/projects and new spending proposals<sup>19</sup>. This paves the way for a credible and strategic budgeting exercise.

## V. Conclusion: Irreversibility of *Paggugol na Matuwid*

For the past four years, the Administration, through the DBM, spearheaded and executed critical budget reforms to ensure *paggugol na matuwid*. These have contributed significantly in the numerous achievements of the country since 2010, such as its steady rise in the international competitiveness and creditworthiness rankings.

But while the foundation has been laid, it needs to be strengthened, and more importantly, sustained. Thus, the challenge for the next years is to transform more stakeholders into reform champions to ensure continuity and success. The Public Financial Accountability Act being pursued in Congress, which consolidates the rules and processes of the Philippine public finances, will make this a reality. As an organic budget act and a public financial management law, it shall fill the gap in the country's PFM system, streamline all policies and rules, auditing and accounting, and processes in the budget.

### Annexes

- a) *Financial Statements*
- b) *Statement of Allotment, Obligations, and Balances*
- c) *Physical Report of Operation*

<sup>19</sup>Including expansion of ongoing/existing programs/projects

ANNEX A:

## **2014 FINANCIAL STATEMENTS**

- 1) Consolidated Statements of  
Financial Position
- 2) Consolidated Post-Closing  
Trial Balance



Department of Budget and Management  
General Solano St., San Miguel, Manila  
Consolidated Statement of Financial Position  
For the Fiscal Year Ended December 31, 2014

**Regular Agency Fund**

Account Title	CONSOLIDATED AMOUNT
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Cash Equivalents</b>	
Cash on Hand	
Cash - Collecting Officer	42,386.60
Petty Cash	68,132.35
Cash in Bank - Local Currency	
Cash in Bank - Local Currency, Current Account	315,947.72
Treasury/Agency Cash Accounts	
Cash - Treasury/Agency Deposit, Trust	1,792,701.07
Cash - Modified Disbursement System (MDS), Regular	7,581,145.15
<b>Total</b>	<b>9,800,312.89</b>
<b>Receivables</b>	
Loans and Receivable Accounts	
Accounts Receivable	14,508.33
Inter-Agency Receivables	
Due from National Government Agencies	533,424,002.95
Due from Local Government Units	4,966,670.00
Other Receivables	
Receivables - Disallowances/Charges	4,877,216.91
Due from Officers and Employees	902,313.35
Other Receivables	23,095.04
<b>Total</b>	<b>544,207,806.58</b>
<b>Inventories</b>	
Inventory Held for Consumption	
Office Supplies Inventory	4,922,006.78
Accountable Forms, Plates and Stickers Inventory	357.00
Other Supplies and Materials Inventory	137,214.52
<b>Total</b>	<b>5,059,578.30</b>
<b>Other Assets</b>	
Advances	
Advances to Officers and Employees	213,377.77
Prepayments	
Advances to Contractors	28,818,067.76
Prepaid Insurance	128,703.42
Other Prepayments	900.00
Deposits	
Guaranty Deposits	141,045.00
Other Deposits	556.62
Other Assets	
Other Assets	87,599,386.91
<b>Total</b>	<b>116,902,037.48</b>
<b>Total Current Assets</b>	<b>675,969,735.25</b>
<b>Non - Current Assets</b>	
<b>Investments</b>	
Financial Assets - Others	
Other Investments	1,000.00
<b>Total</b>	<b>1,000.00</b>



Department of Budget and Management  
General Solano St., San Miguel, Manila  
Consolidated Statement of Financial Position  
For the Fiscal Year Ended December 31, 2014

**Regular Agency Fund**

Account Title	CONSOLIDATED AMOUNT
<b>Property, Plant and Equipment</b>	
Land	
Land	47,454,282.62
Land Improvements	
Other Land Improvements	31,993,586.13
Accumulated Depreciation - Other Land Improvements	(20,850,433.09)
Buildings and Other Structures	
Buildings	284,528,575.20
Accumulated Depreciation - Buildings	(118,445,205.56)
Other Structures	13,968,848.07
Accumulated Depreciation - Other Structures	(2,861,571.61)
Machinery and Equipment	
Machinery	317,680.00
Accumulated Depreciation - Machinery	(57,182.40)
Office Equipment	46,763,796.39
Accumulated Depreciation - Office Equipment	(31,751,602.71)
Information and Communication Technology Equipment	243,152,557.85
Accumulated Depreciation - Information and Communication Technology Equipment	(168,957,550.92)
Communication Equipment	20,597,588.99
Accumulated Depreciation - Communication Equipment	(7,857,666.82)
Disaster Response and Rescue Equipment	5,255,883.48
Accumulated Depreciation - Disaster Response and Rescue Equipment	(2,730,303.03)
Military, Police and Security Equipment	27,245.00
Accumulated Depreciation - Military, Police and Security Equipment	(24,520.50)
Medical Equipment	16,030.00
Accumulated Depreciation - Medical Equipment	(7,690.98)
Sports Equipment	1,292,407.94
Accumulated Depreciation - Sports Equipment	(462,023.00)
Other Machinery and Equipment	4,164,482.92
Accumulated Depreciation - Other Machinery and Equipment	(1,240,398.65)
Transportation Equipment	
Motor Vehicles	104,635,681.32
Accumulated Depreciation - Motor Vehicles	(58,983,266.74)
Furniture, Fixtures and Books	
Furniture and Fixtures	90,488,177.65
Accumulated Depreciation - Furniture and Fixtures	(36,447,673.31)
Books	566,604.77
Accumulated Depreciation - Books	(355,714.03)



Department of Budget and Management  
General Solano St., San Miguel, Manila  
Consolidated Statement of Financial Position  
For the Fiscal Year Ended December 31, 2014

**Regular Agency Fund**

Account Title	CONSOLIDATED AMOUNT
<b>Leased Assets Improvements</b>	
Leased Assets Improvements, Buildings	3,702,277.74
Accumulated Depreciation - Leased Assets Improvements, Buildings	(1,058,031.04)
Other Leased Assets Improvements	277,344.85
<b>Construction in Progress</b>	
Construction in Progress - Buildings and Other Structures	650,022,498.73
<b>Other Property, Plant and Equipment</b>	
Other Property, Plant and Equipment	19,818,211.09
Accumulated Depreciation - Other Property, Plant and Equipment	(10,604,944.58)
<b>Total</b>	<b>1,106,347,981.77</b>
<b>Intangible Assets</b>	
Intangible Assets	
Computer Software	133,244,796.13
Accumulated Amortization - Computer Software	(117,179,933.48)
<b>Total</b>	<b>16,064,862.65</b>
<b>Total Non-Current Assets</b>	<b>1,122,413,844.42</b>
<b>TOTAL ASSETS</b>	<b>1,798,383,579.67</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
<b>Financial Liabilities</b>	
Payables	
Accounts Payable	57,425,478.21
Due to Officers and Employees	3,235,920.85
<b>Total</b>	<b>60,661,399.06</b>
<b>Inter-Agency Payables</b>	
Inter-Agency Payables	
Due to BIR	2,417,713.57
Due to GSIS	179,213.89
Due to Pag-IBIG	11,450.90
Due to PhilHealth	2,013.05
Due to NGAs	485,748,196.00
Due to LGUs	747,817,333.38
<b>Total</b>	<b>1,236,175,920.79</b>
<b>Trust Liabilities</b>	
Trust Liabilities	
Guaranty/Security Deposits Payable	3,932,617.54
<b>Total</b>	<b>3,932,617.54</b>
<b>Deferred Credits/Unearned Income</b>	
Deferred Credits	
Other Deferred Credits	10,400.00
<b>Total</b>	<b>10,400.00</b>



Department of Budget and Management  
General Solano St., San Miguel, Manila  
Consolidated Statement of Financial Position  
For the Fiscal Year Ended December 31, 2014

**Regular Agency Fund**

Account Title	CONSOLIDATED AMOUNT
<b>Other Payables</b>	
Other Payables	
Other Payables	1,027,156.61
<b>Total</b>	<b>1,027,156.61</b>
<b>TOTAL LIABILITIES</b>	<b>1,301,807,494.00</b>
<b>EQUITY</b>	
<b>Government Equity</b>	
Government Equity	
Accumulated Surplus/(Deficit)	496,576,085.67
<b>Total</b>	<b>496,576,085.67</b>
<b>TOTAL EQUITY</b>	<b>496,576,085.67</b>
<b>TOTAL LIABILITIES AND NET ASSET/EQUITY</b>	<b>1,798,383,579.67</b>



Department of Budget and Management  
General Solano St., San Miguel, Manila  
Consolidated Statement of Financial Position  
For the Fiscal Year Ended December 31, 2014

Regular Agency Fund

Account Title	Account Code	CONSOLIDATED AMOUNT	
		Debit	Credit
Cash - Collecting Officer	10101010	42,386.60	-
Petty Cash	10101020	68,132.60	0.25
Cash in Bank - Local Currency, Current Account	10102020	315,947.72	-
Cash - Treasury/Agency Deposit, Trust	10104030	1,792,701.07	-
Cash - Modified Disbursement System (MDS), Regular	10104040	7,581,145.15	-
Other Investments	10203990	1,000.00	-
Accounts Receivable	10301010	14,508.33	-
Due from National Government Agencies	10303010	533,424,002.95	-
Due from Local Government Units	10303030	4,966,670.00	-
Receivables - Disallowances/Charges	10305010	4,877,216.91	-
Due from Officers and Employees	10305020	902,313.35	-
Other Receivables	10305990	23,095.04	-
Office Supplies Inventory	10404010	4,922,006.78	-
Accountable Forms, Plates and Stickers	10404020	357.00	-
Other Supplies and Materials Inventory	10404990	137,214.52	-
Land	10601010	47,454,282.62	-
Other Land Improvements	10602990	31,993,586.13	-
Accumulated Depreciation - Other Land Improvements	10602991	-	20,850,433.09
Buildings	10604010	284,528,575.20	-
Accumulated Depreciation - Buildings	10604011	-	118,445,205.56
Other Structures	10604990	13,968,848.07	-
Accumulated Depreciation - Other Structures	10604991	-	2,861,571.61
Machinery	10605010	317,680.00	-
Accumulated Depreciation - Machinery	10605011	-	57,182.40
Office Equipment	10605020	46,763,796.39	-
Accumulated Depreciation - Office Equipment	10605021	-	31,751,602.71
Information and Communication Technology Equipment	10605030	243,152,557.85	-
Accumulated Depreciation - Information and Communication Technology Equipment	10605031	-	168,957,550.92
Communication Equipment	10605070	20,597,588.99	-
Accumulated Depreciation - Communication Equipment	10605071	-	7,857,666.82
Disaster Response and Rescue Equipment	10605090	5,255,883.48	-
Accumulated Depreciation - Disaster Response and Rescue Equipment	10605091	-	2,730,303.03
Military, Police and Security Equipment	10605100	27,245.00	-
Accumulated Depreciation - Military, Police and Security Equipment	10605101	-	24,520.50
Medical Equipment	10605110	16,030.00	-
Accumulated Depreciation - Medical Equipment	10605111	-	7,690.98
Sports Equipment	10605130	1,292,407.94	-
Accumulated Depreciation - Sports Equipment	10605131	-	462,023.00
Other Machinery and Equipment	10605990	4,164,482.92	-
Accumulated Depreciation - Other Machinery and Equipment	10605991	-	1,240,398.65
Motor Vehicles	10606010	104,635,681.32	-
Accumulated Depreciation - Motor Vehicles	10606011	-	58,983,266.74
Furniture and Fixtures	10607010	90,488,177.65	-
Accumulated Depreciation - Furniture and Fixtures	10607011	-	36,447,673.31
Books	10607020	566,604.77	-
Accumulated Depreciation - Books	10607021	-	355,714.03
Leased Assets Improvements, Buildings	10609020	3,702,277.74	-
Accumulated Depreciation - Leased Assets Improvements, Buildings	10609021	-	1,058,031.04
Other Leased Assets Improvements	10609990	277,344.85	-
Construction in Progress - Buildings and Other Structures	10610030	650,022,498.73	-
Other Property, Plant and Equipment	10699990	19,818,211.09	-
Accumulated Depreciation - Other Property, Plant and Equipment	10699991	-	10,604,944.58
Computer Software	10801020	133,244,796.13	-
Accumulated Amortization - Computer Software	10801021	-	117,179,933.48
Advances to Officers and Employees	19901040	213,377.77	-
Advances to Contractors	19902010	28,818,067.76	-
Prepaid Insurance	19902050	128,703.42	-



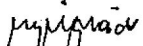


Department of Budget and Management  
General Solano St., San Miguel, Manila  
Consolidated Statement of Financial Position  
For the Fiscal Year Ended December 31, 2014

Regular Agency Fund

Account Title	Account Code	CONSOLIDATED AMOUNT	
		Debit	Credit
Other Pre-payments	19902990	900.00	-
Guaranty Deposits	19903020	141,045.00	-
Other Deposits	19903990	556.62	-
Other Assets	19999990	87,599,386.91	-
Accounts Payable	20101010	-	57,425,478.21
Due to Officers and Employees	20101020	0.01	3,235,920.86
Due to BIR	20201010	-	2,417,713.57
Due to GSIS	20201020	0.02	179,213.91
Due to Pag-IBIG	20201030	-	11,450.90
Due to PhilHealth	20201040	-	2,013.05
Due to NGAs	20201050	-	485,748,196.00
Due to LGUs	20201070	-	747,817,333.38
Guaranty/Security Deposits Payable	20401040	-	3,932,617.54
Other Deferred Credits	20501990	-	10,400.00
Other Payables	29999990	-	1,027,156.61
Accumulated Surplus/(Deficit)	30101010	779,873,309.11	1,276,449,394.78
<b>TOTAL</b>		<b>3,158,132,601.51</b>	<b>3,158,132,601.51</b>

Certified Correct:

  
Esperanza Q. Ignacio  
Chief Accountant  
Accounting Division

ANNEX B:

**STATEMENT OF ALLOTMENT,  
OBLIGATIONS AND BALANCES**

**STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES**  
**As of DECEMBER 31, 2014**  
**In Pesos**

Department : Department of Budget and Management  
Agency/OU : Office of the Secretary - CONSOLIDATED  
Fund : 101

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred		Unobligated Balance of Allotment	Remarks
		This Report	To Date		
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)
<b>CURRENT YEAR BUDGET</b>					
PERSONNEL SERVICES	417,845,000.00	42,641,494.16	416,041,521.23	1,803,478.77	
Salaries and Wages	296,504,026.00	13,878,784.75	295,737,067.94	766,958.06	
Basic Salaries - Civilian	272,302,223.00	11,414,351.86	271,535,290.76	766,932.24	
Salaries and Wages - Contractual	24,201,803.00	2,464,432.89	24,201,777.18	25.82	
Salaries	17,568,256.00	1,911,933.75	17,568,231.46	24.54	
Personnel Economic Relief Allowance (PERA)	1,481,000.00	150,090.91	1,480,999.97	0.03	
Representation Allowance (RA)	96,355.00	18,500.00	96,354.83	0.17	
Transportation Allowance (TA)	96,355.00	18,500.00	96,354.83	0.17	
Clothing/Uniform Allowance	345,000.00	90,000.00	345,000.00	-	
Productivity Incentive Allowance	80,000.00	-	80,000.00	-	
Overtime and Night Pay	2,265,344.00	180,746.46	2,265,343.82	0.18	
Year End Bonus	1,547,743.00	-	1,547,743.00	-	
Cash Gift	351,000.00	1,500.00	351,000.00	-	
Collective Negotiation Agreement Incentive	-	-	-	-	
Productivity Enhancement Incentive	-	-	-	-	
Performance-Based Bonus	-	-	-	-	
Pag-I.B.I.G. Contributions	73,900.00	7,300.00	73,900.00	-	
PhilHealth Contributions	155,363.00	16,275.00	155,362.50	0.50	
Employees Compensation Insurance Premium	74,300.00	7,400.00	74,300.00	-	
Terminal Leave Benefits	62,187.00	62,186.77	62,186.77	0.23	
Other Personnel Benefits	5,000.00	-	5,000.00	-	
Loyalty Award	5,000.00	-	5,000.00	-	
Monetization of Leave Credits	-	-	-	-	
Other Compensation:	113,667,802.00	28,048,976.08	112,682,546.45	985,255.55	
Personnel Economic Relief Allowance (PERA)	17,850,347.00	1,362,552.68	17,761,387.80	88,959.20	
Representation Allowance (RA)	12,853,337.00	434,500.00	12,740,875.00	112,462.00	
Transportation Allowance (TA)	9,081,684.00	359,250.00	8,742,920.46	338,763.54	
Clothing/Uniform Allowance	3,800,000.00	10,000.00	3,780,000.00	20,000.00	
Productivity Incentive Allowance	1,506,130.00	2,000.00	1,502,000.00	4,130.00	
Honoraria	5,098,028.00	4,264,634.30	5,098,016.08	11.92	
Longevity Pay	-	-	-	-	
Overtime and Night Pay	14,814,359.00	1,707,277.82	14,814,335.64	23.36	
Year End Bonus	24,882,842.00	54,136.28	24,645,561.47	237,280.53	
Cash Gift	3,774,825.00	4,625.00	3,741,200.00	33,625.00	
Special Counsel Allowance	1,250.00	-	1,250.00	-	
Collective Negotiation Agreement Incentive	20,000,000.00	19,850,000.00	19,850,000.00	150,000.00	
Productivity Enhancement Incentive	5,000.00	-	5,000.00	-	
Performance-Based Bonus	-	-	-	-	
Personnel Benefit Contributions	4,297,174.00	331,636.25	4,245,922.50	51,251.50	
Pag-I.B.I.G. Contributions	902,864.00	69,290.00	890,400.00	12,464.00	
PhilHealth Contributions	2,489,610.00	189,856.25	2,462,022.50	27,587.50	
Employees Compensation Insurance Premium	904,700.00	72,490.00	893,500.00	11,200.00	
Other Personnel Benefits	3,375,998.00	382,097.08	3,375,984.34	13.66	
Terminal Leave Benefits	702,636.00	223,949.01	702,630.64	5.36	
Other Personnel Benefits	2,673,362.00	158,148.07	2,673,353.70	8.30	
Loyalty Award	907,000.00	30,000.00	907,000.00	-	
Monetization of Leave Credits	1,700,362.00	128,148.07	1,700,353.70	8.30	
Retirement Award	66,000.00	-	66,000.00	-	
MAINTENANCE AND OTHER OPERATING EXPENSES	487,063,413.00	81,067,742.71	380,559,954.96	106,503,458.04	
Travelling Expenses					
Local Travel	24,053,880.00	2,499,990.56	19,223,438.65	4,830,441.35	
Foreign Travel	2,544,000.00	670,856.56	2,474,806.02	69,193.98	
Training and Scholarship Expenses					
Training and Seminar Expenses	17,877,370.00	3,892,591.94	11,109,025.81	6,768,344.19	
Scholarship Expenses	4,000,000.00	-	-	4,000,000.00	

## STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES

As of DECEMBER 31, 2014

In Pesos

Department : Department of Budget and Management  
 Agency/OU : Office of the Secretary - CONSOLIDATED  
 Fund : 101

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred		Unobligated Balance of Allotment	Remarks
		This Report	To Date		
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)
Supplies and Materials Expenses	-	-	-	-	
Office Supplies Expenses	19,374,683.00	2,042,061.80	15,794,629.72	3,580,053.28	
Accountable Forms Expenses	234,740.00	1,250.00	234,740.00	-	
Fuel, Oil and Lubricant Expenses	7,444,258.00	129,771.16	3,017,243.06	4,427,014.94	
Textbook & Instructional Materials	14,524.00	14,523.30	14,523.30	0.70	
Other Supplies and Materials Expenses	6,050,330.00	1,452,914.18	5,932,053.79	118,276.21	
Utility Expenses	-	-	-	-	
Water Expenses	3,161,878.00	400,485.38	2,576,178.33	585,699.67	
Electricity Expenses	38,084,541.00	4,756,468.81	35,037,925.91	3,046,615.09	
Communication Expenses	-	-	-	-	
Postage and Courier Services	3,735,340.00	1,866,381.09	3,564,317.13	171,022.87	
Telephone Expenses-Mobile	3,891,665.00	92,521.44	2,941,952.21	949,712.79	
Telephone Expenses-Landline	3,936,229.00	443,712.24	3,300,325.00	635,904.00	
Internet Subscription Expenses	17,289,383.00	413,911.25	4,865,513.01	12,423,869.99	
Cable, Satellite, Telegraph & Radio Expenses	72,940.00	8,080.00	72,938.31	1.69	
Survey Expenses	720,000.00	-	720,000.00	-	
Confidential, Intelligence and Extraordinary Expenses	-	-	-	-	
Extraordinary and Miscellaneous Expenses	5,434,400.00	497,023.00	5,286,170.00	148,230.00	
Professional Services	-	-	-	-	
Legal Services	20,988.00	1,000.00	20,987.50	0.50	
Auditing Services	397,282.00	-	387,781.19	9,500.81	
Consultancy Services	175,164,059.00	35,274,620.00	126,516,127.00	48,647,932.00	
Other Professional Services	29,638,139.00	2,685,400.35	22,889,652.66	6,748,486.34	
General Services	-	-	-	-	
Janitorial Services	18,032,684.00	834,932.27	17,394,620.85	638,063.15	
Security Services	19,217,584.00	1,167,450.02	18,205,212.71	1,012,371.29	
Other General Services	2,556,177.00	190,021.93	2,055,081.00	501,096.00	
Repairs and Maintenance	-	-	-	-	
Buildings	5,114,894.00	816,328.95	4,157,898.17	956,995.83	
Other Structures	32,604.00	-	32,604.00	-	
Machinery and Equipment	-	-	-	-	
Office Equipment	2,392,037.00	114,821.36	2,121,640.73	270,396.27	
ICT Equipment	5,089,182.00	39,360.00	3,392,324.00	1,696,858.00	
Communication Equipment	1,600.00	-	1,600.00	-	
Printing Equipment	-	-	-	-	
Sports Equipment	36,200.00	-	36,200.00	-	
Other Machinery & Equipment	58,570.00	10,720.00	51,159.50	7,410.50	
Transportation Equipment	3,669,992.00	381,760.77	2,639,842.99	1,030,149.01	
Furniture and Fixtures	291,646.00	76,167.25	241,672.25	49,973.75	
Other Property, Plant and Equipment	125,710.00	-	125,660.98	49.02	
Taxes, Insurance Premiums and Other Fees	-	-	-	-	
Taxes, Duties and Licenses	213,698.00	2,429.06	179,873.30	33,824.70	
Fidelity Bond Premiums	1,321,756.00	11,250.00	976,866.19	344,889.81	
Insurance Expenses	6,843,769.00	143,762.28	6,189,259.84	654,509.16	
Other Maintenance and Operating Expenses	-	-	-	-	
Advertising Expenses	4,108,847.00	776,363.20	4,108,846.30	0.70	
Printing and Publication Expenses	18,932,875.00	6,245,424.00	18,932,874.30	0.70	
Representation Expenses	15,788,631.00	3,319,673.65	13,984,109.87	1,804,521.13	
Transportation and Delivery Expenses	186,990.00	9,574.00	186,986.42	3.58	
Rents-Buildings	4,128,198.00	196,981.21	4,128,197.72	0.28	
Rents-Equipment	11,802,095.00	7,979,915.01	11,514,829.72	287,265.28	
Membership Dues and Contributions to Organizations	33,190.00	-	33,190.00	-	
Subscription Expenses	628,069.00	24,509.30	573,290.13	54,778.87	
Other Maintenance and Operating Expenses	3,315,786.00	1,582,735.39	3,315,785.39	0.61	
FINANCIAL EXPENSES	100,000.00	(1,550.00)	23,536.00	76,464.00	
Bank Charges	100,000.00	(1,550.00)	23,536.00	76,464.00	

**STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES**  
**As of DECEMBER 31, 2014**  
**In Pesos**

Department : Department of Budget and Management  
Agency/OU : Office of the Secretary - CONSOLIDATED  
Fund : 101

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred		Unobligated Balance of Allotment	Remarks
		This Report	To Date		
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)
<b>CAPITAL OUTLAYS</b>	51,883,993.00	9,456,928.48	32,971,410.88	18,912,582.12	
Buildings and Other Structures	20,741,993.00	4,058,588.08	8,997,612.00	11,744,381.00	
Building	20,741,993.00	4,058,588.08	8,997,612.00	11,744,381.00	
Machinery and Equipment	14,289,140.00	1,242,108.40	10,300,868.64	3,988,271.36	
Office Equipment	4,331,675.00	127,039.00	940,243.94	3,391,431.06	
Information and Communication Technology Equipment	8,834,839.00	960,319.40	8,541,972.20	292,866.80	
Communication Equipment	695,126.00	-	663,902.50	31,223.50	
Disaster Response & Rescue Equipment	277,500.00	113,950.00	113,950.00	163,550.00	
Sports Equipment	120,000.00	20,000.00	20,000.00	100,000.00	
Other Machinery and Equipment	30,000.00	20,800.00	20,800.00	9,200.00	
Transportation Equipment	13,493,850.00	3,466,000.00	11,207,850.00	2,286,000.00	
Motor Vehicles	13,493,850.00	3,466,000.00	11,207,850.00	2,286,000.00	
Furniture, Fixtures and Books	2,199,454.00	677,802.00	1,341,630.15	857,823.85	
Furniture and Fixtures	2,101,082.00	677,802.00	1,243,259.10	857,822.90	
Books	98,372.00	-	98,371.05	0.95	
Other Property, Plant and Equipment	939,556.00	12,430.00	903,450.25	36,105.75	
Other Property, Plant and Equipment	939,556.00	12,430.00	903,450.25	36,105.75	
Intangible Assets	220,000.00	-	219,999.84	0.16	
Computer Software	217,500.00	-	217,500.00	-	
Other Intangible Assets	2,500.00	-	2,499.84	0.16	
<b>Total- Regular Appropriations</b>	<b>956,892,406.00</b>	<b>133,164,615.35</b>	<b>829,596,423.07</b>	<b>127,295,982.93</b>	
<b>SPECIAL PURPOSE FUNDS</b>					
Miscellaneous Personnel Benefits Fund (MPBF)	34,046,393.00	17,831,774.28	33,995,389.17	51,003.83	
<b>PERSONNEL SERVICES</b>	<b>34,046,393.00</b>	<b>17,831,774.28</b>	<b>33,995,389.17</b>	<b>51,003.83</b>	
Salaries and Wages	21,993,985.00	13,813,493.23	21,953,173.07	40,811.93	
Basic Salaries - Civilian	21,993,985.00	13,813,493.23	21,953,173.07	40,811.93	
Other Compensation:	12,038,894.00	4,010,454.55	12,028,752.10	10,141.90	
Personnel Economic Relief Allowance (PERA)	72,000.00	52,000.00	72,000.00	-	
Representation Allowance (RA)	109,500.00	56,000.00	109,500.00	-	
Transportation Allowance (TA)	94,500.00	50,454.55	94,409.10	90.90	
Year End Bonus	104,894.00	-	104,843.00	51.00	
Cash Gift	15,000.00	-	15,000.00	-	
Productivity Enhancement Incentive	4,077,500.00	3,802,000.00	4,067,500.00	10,000.00	
Performance Based Bonus	7,565,500.00	50,000.00	7,565,500.00	-	
Personnel Benefit Contributions	13,514.00	7,826.50	13,464.00	50.00	
Pag-I.B.I.G. Contributions	2,800.00	1,400.00	2,800.00	-	
PhilHealth Contributions	7,864.00	5,026.50	7,864.00	-	
Employees Compensation Insurance Premium	2,850.00	1,400.00	2,800.00	50.00	
Retirement Benefits Fund					
(Pension and Gratuity Fund (PGF))	27,753,925.00	1,679,668.43	27,610,111.36	143,813.64	
<b>PERSONNEL SERVICES</b>	<b>27,753,925.00</b>	<b>1,679,668.43</b>	<b>27,610,111.36</b>	<b>143,813.64</b>	
<b>Other Personnel Benefits</b>	<b>27,753,925.00</b>	<b>1,679,668.43</b>	<b>27,610,111.36</b>	<b>143,813.64</b>	
Retirement Gratuity	5,009,470.00	1,536,097.00	5,009,469.08	0.92	
Terminal Leave Benefits	3,224,237.00	-	3,224,231.43	5.57	
Other Personnel Benefits	19,520,218.00	143,571.43	19,376,410.85	143,807.15	
Monetization of Leave Credits	19,159,325.00	143,571.43	19,015,518.18	143,806.82	
Monetization of Leave Credits-Contractuals	360,893.00	-	360,892.67	0.33	

**STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES**  
**As of DECEMBER 31, 2014**  
**In Pesos**

Department : Department of Budget and Management  
Agency/OU : Office of the Secretary - CONSOLIDATED  
Fund : 101

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred		Unobligated Balance of Allotment	Remarks
		This Report	To Date		
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)
<b>E-GOVERNMENT FUND</b>					
Government Integrated Financial Management Information System					
- GIFMIS					
<b>MAINTENANCE AND OTHER OPERATING EXPENSES</b>	481,750,000.00	-	-	481,750,000.00	
Professional Services					
Consultancy Services	481,750,000.00		-	481,750,000.00	
<b>CAPITAL OUTLAYS</b>	118,250,000.00	-	-	118,250,000.00	
Office Equipment, Furniture and Fixtures				-	
IT Equipment and Software	118,250,000.00		-	118,250,000.00	
<b>Total-EGOV</b>	600,000,000.00	-	-	600,000,000.00	
<b>Total Special Purpose Funds</b>	661,800,318.00	19,511,442.71	61,605,500.53	600,194,817.47	
<b>Total-GAA</b>	1,618,692,724.00	152,676,058.06	891,201,923.60	727,490,800.40	
<b>AUTOMATIC APPROPRIATIONS</b>					
<b>PERSONAL SERVICES</b>	38,114,272.00	3,198,837.29	37,146,311.78	967,960.22	
Retirement and Life Insurance Premiums	38,114,272.00	3,198,837.29	37,146,311.78	967,960.22	
Support to the Local Government Units for More Effective and Accountable Public Financial Management (LGU PFM 2 Project)					
Customs Duties and Taxes, Including Expenditures	2,384,122.00	573,916.00	2,384,122.00	-	
<b>MAINTENANCE AND OTHER OPERATING EXPENSES</b>	2,384,122.00	573,916.00	2,384,122.00	-	
Taxes, Insurance Premiums and Other Fees					
Taxes, Duties and Licenses	2,384,122.00	573,916.00	2,384,122.00	-	
<b>Total Automatic Appropriation</b>	40,498,394.00	3,772,753.29	39,530,433.78	967,960.22	
<b>TOTAL- CURRENT APPROPRIATION</b>	1,659,191,118.00	156,448,811.35	930,732,357.38	728,458,760.62	
<b>II. PRIOR YEAR's BUDGET/CONTINUING APPROPRIATION</b>					
<b>MAINTENANCE AND OTHER OPERATING EXPENSES</b>	35,042,391.95	6,339,303.84	31,668,900.81	3,373,491.14	
Travelling Expenses				-	
Local Travel	652,597.74	31,537.76	623,559.17	29,038.57	
Foreign Travel	1,438,315.54	-	1,438,313.80	1.74	
Training and Scholarship Expenses	-	-	-	-	
Training and Seminar Expenses	4,110,000.21	(2,549.78)	4,021,470.59	88,529.62	
Supplies and Materials Expenses	-	-	-	-	
Office Supplies Expenses	4,725,328.60	175.01	4,410,251.18	315,077.42	
Accountable Forms Expenses	820,000.00	-	820,000.00	-	
Fuel, Oil and Lubricant Expenses	412,170.88	(495.09)	147,277.75	264,893.13	
Other Supplies and Materials Expenses	394,230.67	4,188.73	235,372.90	158,857.77	
Utility Expenses	-	-	-	-	
Water Expenses	559,806.72	4,880.86	426,902.98	132,903.74	
Electricity Expenses	1,803,328.70	-	1,763,870.56	39,458.14	
Communication Expenses	-	-	-	-	
Postage and Courier Services	903,648.35	-	875,861.95	27,786.40	
Telephone Expenses - Mobile	246,084.98	499.00	225,425.39	20,659.59	
Telephone Expenses - Landline	211,910.53	31,754.36	188,800.51	23,110.02	
Internet Subscription Expenses	401,779.88	26,084.45	202,929.96	198,849.92	
Cable, Satellite, Telegraph & Radio Expenses	96,001.83	-	-	96,001.83	
Confidential, Intelligence and Extraordinary Expenses				-	
Extraordinary and Miscellaneous Expenses	109,950.26	31,315.80	109,920.81	29.45	

**STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES**  
**As of DECEMBER 31, 2014**  
**In Pesos**

Department : Department of Budget and Management  
Agency/OU : Office of the Secretary - CONSOLIDATED  
Fund : 101

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred		Unobligated Balance of Allotment	Remarks
		This Report	To Date		
(1)	(2)	(3)	(4)	(5)=(2)-(4)	(6)
Professional Services	-	-	-	-	
Legal Services	1,300.00	-	1,200.00	100.00	
Auditing Services	1.13	-	-	1.13	
Consultancy Services	10,284,577.51	5,536,576.00	10,261,997.55	22,579.96	
Other Professional Services	82,279.17	-	69,441.20	12,837.97	
General Services	-	-	-	-	
Janitorial Services	761,991.45	101,205.15	533,938.63	228,052.82	
Security Services	869,327.73	38,953.08	815,160.63	54,167.10	
Other General Services	231,986.01	-	92,463.89	139,522.12	
Repairs and Maintenance	-	-	-	-	
Buildings	426,976.59	219,544.12	370,604.12	56,372.47	
Machinery and Equipment	-	-	-	-	
Office Equipment	154,794.20	14,105.00	72,646.05	82,148.15	
ICT Equipment	22.69	-	22.00	0.69	
Transportation Equipment	1,372,074.37	130,380.55	950,544.38	421,529.99	
Furniture and Fixtures	1.00	-	-	1.00	
Other Property, Plant and Equipment	0.98	-	-	0.98	
Taxes, Insurance Premiums and Other Fees	-	-	-	-	
Taxes, Duties and Licenses	18,542.94	(2,429.06)	4,989.06	13,553.88	
Fidelity Bond Premiums	135,762.11	6,525.00	34,684.50	101,077.61	
Insurance Expenses	226,601.78	-	150,469.18	76,132.60	
Other Maintenance and Operating Expenses	-	-	-	-	
Advertising Expenses	0.70	-	-	0.70	
Printing and Publication Expenses	2,227,087.42	110,896.80	2,221,183.80	5,903.62	
Representation Expenses	1,083,300.83	56,156.10	373,132.84	710,167.99	
Transportation and Delivery Expenses	46,297.44	-	-	46,297.44	
Rents - Buildings	208,571.62	-	208,571.04	0.58	
Rents - Equipment	8,252.18	-	5,531.39	2,720.79	
Subscription Expenses	17,486.66	-	12,363.00	5,123.66	
Donations	0.55	-	-	0.55	
FINANCIAL EXPENSES	30.00	-	-	30.00	
Bank Charges	30.00	-	-	30.00	
CAPITAL OUTLAYS	1,970,109.81	89,051.00	1,292,748.05	677,361.76	
Land Improvements	80.40	-	-	80.40	
Other Land Improvement	80.40	-	-	80.40	
Buildings and Other Structures	1,289,439.56	13,750.00	1,029,582.70	259,856.86	
Building	1,289,439.56	13,750.00	1,029,582.70	259,856.86	
Machinery and Equipment	608,871.16	20,801.00	205,165.35	403,705.81	
Office Equipment	116,293.31	4,804.50	86,012.50	30,280.81	
Information and Communication Technology Equipment	492,522.85	15,996.50	119,152.85	373,370.00	
Communication Equipment	50.00	-	-	50.00	
Sports Equipment	5.00	-	-	5.00	
Furniture, Fixtures and Books	39,562.07	31,000.00	31,000.00	8,562.07	
Furniture and Fixtures	26,801.07	20,000.00	20,000.00	6,801.07	
Books	12,761.00	11,000.00	11,000.00	1,761.00	
Other Property, Plant and Equipment	32,156.62	23,500.00	27,000.00	5,156.62	
Other Property, Plant and Equipment	32,156.62	23,500.00	27,000.00	5,156.62	
Total Continuing Appropriation	37,012,531.76	6,428,354.84	32,961,648.86	4,050,882.90	
Total Fund	1,696,203,649.76	162,877,166.19	963,694,006.25	732,509,643.51	
			963,694,006.25		

Prepared by:

*Jeanne V. Importante*  
**JEANNE TERESITA V. IMPORTANTE**  
Supervising Administrative Officer

Certified Correct:

*ED Pangilinan*  
**EDEN D. PANGILINAN**  
Chief Administrative Officer  
3/21/2015



ANNEX C:

**PHYSICAL REPORT  
OF OPERATION**

QUARTERLY PHYSICAL REPORT OF OPERATION  
As of December 31, 2014

Department : DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)  
Agency : Office of the Secretary (OSEC)  
Operating Unit :  
Organization Code (UACS) :

x

Current Year Appropriations  
Supplemental Appropriations  
Continuing Appropriations  
Off-Budget Account

Particulars	Data Source	CY 2014 PHYSICAL TARGETS (per GAA)	Updated PHYSICAL TARGETS (per PBB)	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of December 31, 2014	Remarks/ Reason for Under/Over Performance (Variance)	
					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total			
Part A																	
I. OPERATIONS																	
MFO 1 Budget Policy Advisory Services					300000000												
	Number of <b>policy</b> advisories submitted	Fiscal Planning Bureau (FPB)	7	7		1	1	3	2	7	3	4	3	4	14	7	The policy advisories submitted are as follows: - <b>Seven (7)</b> new or additional policies based on recent economic and fiscal developments for the 1st and 2nd quarter of CY 2014. - Recommendation to the Investment Coordination Committee on the Ad Referendum for Approval of the Proposed Additional Scope and Loan Reallocation of the Road Upgrading and Preservation Project (RUPP) - Recommendation to the DBCC on the Ad Referendum for Approval by the DBCC of the Fiscal Risks Statement (FRS) for the FY 2014 Budget - Recommendation to the Investment Coordination Committee on the Ad Referendum for Approval of the Balog-Balog Multipurpose Project Phase II (BBMP II)
	Percentage of policy advisories rated by client as satisfactory or better	Fiscal Planning Bureau (FPB)	80%	98%		98%	98%	98%	98%	98%	100%	100%	100%	100%	100%	2%	Actual Accomplishment is based on the over-performance due to the additional policies formulated based on recent economic and fiscal developments for the 1st and 2nd quarters of CY 2014. Moreover, the rest of the policy recommendations were accepted by DBCC and rated as satisfactory or better.
	Percentage of policy advisories that are provided at least 24 hours before the deadline	Fiscal Planning Bureau (FPB)	80%	100%		100%	100%	100%	100%	100%	100%	100%	93%	100%	98%	-2%	Actual Accomplishment is based on the timely submission of the additional policies formulated based on recent economic and fiscal developments for the 1st and 2nd quarters of CY 2014. Moreover, <b>for</b> RUPP, this Ad Ref was prepared in July 22, 2014 and was approved by SFBA on August 11, 2014. Next is that for FRS, Ad Ref was prepared in June 26, 2014 and was received by DOF on July 28, 2014. The comments submitted by DOF on September 23, 2014 <b>were</b> incorporated to the revised 2014 FRS which was sent to DOF for SCVIP's approval on October 1, 2014. Also, for BBMP II, the Ad Ref was prepared in August 14, 2014 and was approved by SFBA on September 1, 2014.
MFO 2 Budget Management Services					302000000												
Budget Preparation																	
	Number of budget documents submitted	Total	7	6		-	2	4	-	6	-	-	6	0	6	0	There are 6 budget documents (4 volumes of the NEP, Staffing Summary, and the President's Budget Message) submitted instead of 7 due to the report by BTS that this decrease is due to the incorporation of the Details of the Budget in the NEP, thus the 2015 NEP consists of 4 volumes.
		BTS	3	2		-	-	2	-	2	-	-	2	-	2	0	The decrease in the number of budget documents submitted to the President/Congress is due to the incorporation of the Details of the Budget in the NEP, thus the 2015 NEP consists of 4 volumes.
		OPCCB	1	1		0	0	1	0	1	0	0	1	0	1	0	The Staffing Summary is submitted to Congress on the 3rd quarter.
		TIS	1	1		0	1	0	0	1	0	0	1	0	1	0	Inputs to the President's Budget Message (PBM) was submitted in July.
		OSEC-PIU/TIS	1	1		0	1	0	0	1	0	0	1	0	1	0	President's Budget Message (PBM) was submitted in July together with other budget documents.
		OSEC-PIU	1	1		0	0	1	0	1	0	0	1	0	1	0	

QUARTERLY PHYSICAL REPORT OF OPERATION  
As of December 31, 2014

Department : DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)  
Agency : Office of the Secretary (OSEC)  
Operating Unit :  
Organization Code (UACS) :

☒ x Current Year Appropriations  
☐ Supplemental Appropriations  
☐ Continuing Appropriations  
☐ Off-Budget Account

Particulars		Data Source	CY 2014 PHYSICAL TARGETS (per GAA)	Updated PHYSICAL TARGETS (per PBB)	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of <u>December</u> <u>31, 2014</u>	Remarks/ Reason for Under/Over Performance (Variance)
						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	Percentage of agencies whose budgets are amended by Congress during budget legislation	Total	10%	10%		-	-	-	10%	10%	-	-	-	20%	20%	10%	The report on the percentage of agencies whose budget were amended by Congress are as follows: BMB-A - 21% amended (4/19); BMB-B - 29% amended (12/41); BMB-C - 4% amended (2/51); BMB-D - 30% amended (14/47); BMB-E - 4% amended (2/45); and BMB-F - 29% amended (10/34)
		BMB - A	10%	10%		-	-	-	10%	10%	-	-	-	21%	21%	11%	4 out of 19 agencies' budgets were amended by Congress.
		BMB - B	10%	10%		-	-	-	10%	10%	-	-	-	29%	29%	19%	12 out of 41 agencies' budgets were amended by Congress
		BMB - C	10%	10%		-	-	-	10%	10%	-	-	-	4%	4%	-6%	2 out of 51 agencies' budgets were amended by Congress
		BMB - D	10%	10%		-	-	-	10%	10%	-	-	-	30%	30%	20%	14 out of 47 agencies' budgets were amended by Congress.
		BMB - E	10%	10%		-	-	-	10%	10%	-	-	-	4%	4%	-6%	Out of 45 agencies under BMB-E coverage, budgets of two (2) agencies particularly DA-Osec and DENR-Osec were amended by Congress.
		BMB - F	10%	10%		-	-	-	10%	10%	-	-	-	29%	29%	19%	2 GOCCs without proposals were included under BSGC and changes were made by Congress on the budgets of GOCCs that historically were not changed.
	Number of days submitted to the President prior to his submission to Congress	Total	2	2		-	-	2	-	2	-	-	5	-	5	3	The increase in the number of days is due to the early submission to the President, i.e., July 25, 2014 (5 days before the President submit the documents to Congress, i.e., July 30, 2014).
		BTS	2	2		-	-	2	-	2	-	-	5	-	5	3	The increase in the number of days is due to the early submission to the President, i.e., July 25, 2014 (5 days before the President submit the documents to Congress, i.e., July 30, 2014).
	Directives																
	Number of directives and guidelines issued	Total	15	21		2	3	10	6	21	10	10	12	8	40	19	As of the 4th quarter, there are 40 directives and guidelines issued due to the following reasons: - increase due to adjustment In the implementation process of certain budget reforms starting in 2014 - directives and guidelines issued which are the IRR for Credit Support Fund and IRR on the Sin Tax Reform Law - increase in the number of guidelines on the grant of PBB to LWDs due to adjustment of its implementation in 2014. - increase of directives/guidelines due to the need to: (i) effect the adjustments in the IRA levels for 2014; (ii) facilitate the release of the shares of local government units from ECOZONES; (iii) provide guidelines in the tagging/tracking climate changes expenditures in the local budget. - Joint Circular DBM-PCFC Implementing Guidelines of the Expanded Agricultural Microfinance Program - increase in the number of issuances versus the target is the result of additional issuance of 6 advisories for budget preparation and <b>execution</b> ; issuances made to clarify the circular on the Expanded MDPS issued last 2013 and issuances on the updates on UACS, BFARs, and BEDs. - 3 additional guidelines/issuances of BMB-G for LGU matters in the 4th quarter
		BTS	13	15		1	3	6	5	15	9	8	5	6	28	13	The increase in the number of issuances versus the target is the result of additional issuance of 6 advisories for budget preparation and <b>execution</b> ; issuances made to clarify the circular on the Expanded MDPS issued last 2013 and issuances on the updates on UACS, BFARs, and BEDs.
		BMB-F	2	2		1	0	0	1	2	1	2	1	1	5	3	5 Guidelines Issued for the year as follows: - Circular on Budget Forum (Q1) - IRR for Credit Support Fund and IRR on the Sin Tax Reform Law (Q2) - Guidelines on the Grant of PBB to LWDs for 2014 (Q3) - Joint Circular DBM-PCFC Implementing Guidelines of the Expanded Agricultural Microfinance Program (Q4)

QUARTERLY PHYSICAL REPORT OF OPERATION  
As of December 31, 2014

Department : DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)  
Agency : Office of the Secretary (OSEC)  
Operating Unit :  
Organization Code (UACS) :

- ☐ x
- ☐
- ☐
- ☐
- Current Year Appropriations
- Supplemental Appropriations
- Continuing Appropriations
- Off-Budget Account

Particulars				Data Source	CY 2014 PHYSICAL TARGETS (per GAA)	Updated PHYSICAL TARGETS (per PBB)	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of <u>December</u> <u>31, 2014</u>	Remarks/ Reason for Under/Over Performance (Variance)
								1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
				BMB-G		4				4		4			6	1	7	3	List of directives/issuances for CY 2014: 1. Local Budget Memorandum No. 67 re: FY 2014 Adjusted Internal Revenue Allotment Shares of Local Government Units 2. Local Budget Circular No. 104 re: Guidelines on the Release and Utilization of Funds Chargeable Against the Local Government Support Fun for CY 2014 3. Local Budget Memorandum No. 68 re: CY 2015 Internal Revenue Allotment Level and Other Local Budget Preparation Matters 4. DBM-CCC-DILG JMC No 2014-01 re: tagging/tracking Climate Change Expenditures in the Local Budget 5. DBM-DOF Joint Circular No. 2 re: Guidelines and Procedures on the Release of the Shares of Local Government Units from the Gross Income Earned by all Businesses within Cagayan Special Economic Zone for CY 2012 and subsequent years 6. DBM-DOF Joint Circular (Guidelines and Procedures on the Release of the Shares of the Local Government Units from the Gross Income Tax paid by all businesses within the Subic Bay and Clark Special Economic Zones) 7. Local Budget Circular No. 105 re: Amending LBC No. 104 entitled "Guidelines on the Release and Utilization of Funds Chargeable against the Local Government Support Fund for CY 2014"
			Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better	Total	85%	99%		99%	98%	98%	99%	99%	50%	50%	-	97%	98%	-1%	There is a 98% accomplishment computed based on the average of report of the following: - BTS reported a 98% accomplishment based on the survey they conducted. - BMB-F stated that 40 GOCCs are expected to ask for budgetary support and have submitted their proposals; hence completion of 100%. - BMB-G reported that the timing of dissemination of questionnaires scheduled parallel to the LGUs budget preparation on July to October of the current year, accounting to 95%.
				BTS	85%	98%		98%	98%	98%	98%	98%	-	-	-	98%	98%	0%	Based on the survey conducted by BTS.
				BMB-F	85%	100%		100%	-	-	-	100%	50%	50%	-	-	100%	0%	No variance. 40 GOCCs are expected to ask for budgetary support and have submitted their proposals; hence completion of 100%.
				BMB-G	85%	100%		-	-	-	100%	100%	-	-	-	95%	95%	-5%	The timing of dissemination of questionnaires scheduled parallel to the LGUs budget preparation on July to October of the current year.
			Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better	Total	80%	92%		93%	85%	85%	88%	92%	50%	50%	-	96%	97%	5%	There is a 97% accomplishment computed based on the average of report of the following: - BTS reported a 92% accomplishment based on the survey they conducted. - BMB-F stated that all 40 GOCCs expected to ask for budgetary support were submitted on the deadline - BMB-G reported that the timing of dissemination of questionnaires scheduled parallel to the LGUs budget preparation on July to October of the current year, accounting to 100%.
				BTS	80%	85%		85%	85%	85%	85%	85%	-	-	-	92%	92%	7%	Based on the survey conducted by BTS.
				BMB-F	80%	100%		100%	-	-	-	100%	50%	50%	-	-	100%	0%	All 40 GOCCs budget proposals expected were submitted on the prescribed deadline.
				BMB-G	80%	90%		-	-	-	90%	90%	-	-	-	100%	100%	10%	

QUARTERLY PHYSICAL REPORT OF OPERATION  
As of December 31, 2014

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Current Year Appropriations  
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Particulars		Data Source	CY 2014 PHYSICAL TARGETS (per GAA)	Updated PHYSICAL TARGETS (per PBB)	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of <u>December</u> <u>31, 2014</u>	Remarks/ Reason for Under/Over Performance (Variance)
						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
	Budget Execution																
		Percentage of request for budget variation or authorization acted upon	Total	85%	97%		97%	97%	97%	97%	94%	92%	95%	96%	95%	-2%	95% total average accomplishment computed as follows: BMB-A - 95% (1,224/1,293 requests) BMB-B - 93% (699/755 requests) BMB-C - 98% (2,006/2,044 requests) BMB-D - 97% (4,295/4,448 request) BMB-E - 94% (6,433/6,856 requests)
			BMB-A	85%	95%		95%	95%	95%	95%	89%	86%	96%	100%	95%	0%	95% computed based on 1,224 out of 1,293 requests for budget variation or authorization acted upon.
			BMB-B	85%	97%		97%	97%	97%	97%	97%	97%	97%	93%	93%	-4%	699 out of 755 requests. The requests received with complete documents were acted upon appropriately.
			BMB-C	85%	97%		97%	97%	97%	97%	92%	93%	96%	98%	98%	1%	98% computed based on 2,006 out of 2,044 requests for budget variation or authorization acted upon.
			BMB-D	85%	97%		97%	97%	97%	97%	98%	96%	96%	97%	97%	0%	4,295 over 4,448 requests for budget variation or authorization were acted upon.
			BMB-E	85%	97%		97%	97%	97%	97%	95%	90%	89%	93%	94%	-3%	94% is based on 6, 856 requests, 6, 433 acted upon by the office.
		Variance of actual obligations to budget program	Total	0-10%	0-10%		0-10%	0-10%	0-10%	0-10%	10%	3%	22%	13%	11%	1%	
			BMB-A	0-10%	0-10%		10%	10%	10%	10%	8%	-11%	27%	19%	9%	-1%	
			BMB-B	0-10%	0-10%		10%	10%	10%	10%	14%	9%	21%	13%	13%	3%	
			BMB-C	0-10%	0-10%		0-10%	0-10%	0-10%	0-10%	8%	10%	35%	9%	9%	-1%	
			BMB-D	0-10%	0-10%		0-10%	0-10%	0-10%	0-10%	10%	5%	6%	4%	6%	-4%	
			BMB-E	0-10%	0-10%		0-10%	0-10%	0-10%	0-10%	-	-	-	19%	19%	9%	
		Percentage of request for budget variation or authorization acted upon within 15 working days upon receipt of complete documents	Total	85%	91%		91%	91%	91%	91%	90%	81%	87%	89%	90%	-1%	There is a 91% total average accomplishment for this PI, as follows: BMB-A has 93% accomplishment vis-à-vis 93% target (1,200/1,293 requests) BMB-B has 87% accomplishment vis-à-vis 91% target (659/755 requests) BMB-C has 96% accomplishment vis-à-vis 91% target (1,967/2,044 requests) BMB-D has 94% accomplishment vis-à-vis 95% target (1,029/1,097 requests) BMB-E has 81% accomplishment vis-à-vis 85% target (5,576/6,856 requests)
			BMB-A	85%	93%		93%	93%	93%	93%	87%	85%	94%	100%	93%	0%	93% is based on 1,200 out of 1,293 requests were acted upon within 15 working days upon receipt of complete documents.
			BMB-B	85%	91%		91%	91%	91%	91%	92%	92%	90%	87%	87%	-4%	87% is based on 659 out of 755 requests. The requests received with complete documents were acted upon appropriately within the 15-working day period thus, resulting over-variance as against projections.

QUARTERLY PHYSICAL REPORT OF OPERATION  
As of December 31, 2014

Department : DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)  
Agency : Office of the Secretary (OSEC)  
Operating Unit :  
Organization Code (UACS) :

x

Current Year Appropriations  
Supplemental Appropriations  
Continuing Appropriations  
Off-Budget Account

Particulars				Data Source	CY 2014 PHYSICAL TARGETS (per GAA)	Updated PHYSICAL TARGETS (per PBB)	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of <u>December</u> <u>31, 2014</u>	Remarks/ Reason for Under/Over Performance (Variance)	
								1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total			
				BMB-C	85%	91%		91%	91%	91%	91%	86%	89%	95%	96%	96%	5%	96% is based on 1,967 out of 2,044 requests.		
				BMB-D	85%	95%		95%	95%	95%	95%	93%	92%	95%	93%	94%	-1%	There are 1,029 of the 1,097 requests for budget variation or authorization acted upon within 15 days.		
				BMB-E	85%	85%		85%	85%	85%	85%	91%	48%	59%	68%	81%	-4%	Computed based on 5,576 of the 6,856 requests for budget variation or authorization acted upon within 15 days.		
For GOCCs Execution																			Actual number of COBs reviewed exceeded the target, since review and approval of the GOCC COB was an input under the GOCC-GASS indicator Budget Utilization Rate. 12 (1st); 28 (2nd); 17 (3rd); and 18 (4th) = 75  Only 10 GOCCs requested reconsideration of the DBM approved COB level. (CITEM, NFA, NTA, PCA, TPB, HGC, ZCSEZA, MWASS-Co, PPA, and LCP) = 65/75 = 87% (4th)  COBs reviewed within the prescribed period; technical staff became more cautious of the prescriptive period in reviewing COBs. 12/72 = 17% (1st) 28/72 = 39% (2nd) 17/72 = 24% (3rd) 18/72 = 25% (4th)	
			Number of GOCC corporate operating budget reviewed	BMB-F	72	72		3	10	30	29	72	12	28	17	18	75	3		
			Percentage of GOCC corporate operating budget reviewed rated satisfactory or better	BMB-F	70%	94%		94%	94%	94%	94%	100%	100%	100%	87%	97%	3%			
			Percentage of GOCC corporate operating budget reviews completed within 15 working days of receipt of complete documents	BMB-F	100%	100%		4%	14%	42%	40%	100%	17%	39%	24%	25%	105%	5%		
For LGUs																			Accomplishment vis-a-vis targets for the year is as follows: Target AB SB Total AB SB Total Accomplishment Accomplishment Total 119 134 253 119 182 295	
			Number of LGU budgets reviewed	Total	253	253		88	64	58	43	253	121	68	55	51	295	42		
			NCR	17	17		8	8	1	0	17	9	7	-	-	16	-1			
			RO I	5	5		2	3	0	-	5	3	2	-	-	5	0	Target: ABs - 5 Accomplishments: ABs - 5  3 Annual Budgets reviewed during the 1st quarter while 2 Annual Budgets during the 2nd quarter.		
			CAR	22	22		7	7	4	4	22	7	1	14	8	30	8	Target: ABs - 7, SBs - 15 Accomplishments: ABs - 7, SBs - 23  The review done was for the 7 Annual Budgets, 16 Supplemental Budgets, and 7 Local Economic Enterprises.		

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							1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
			RO II	6	6		2	2	2	-	6	2	2	2	-	6	0	Target: ABs - 6 Accomplishments: ABs - 6  6 Annual Budgets were reviewed within 75 days.
			RO III	27	27		7	2	9	9	27	4	8	12	15	39	12	Target: ABs - 9 and SBs - 18 Accomplishments: ABs - 9 and SBs - 30  9 Annual Budgets and 30 Supplemental Budgets have been reviewed and already received by the LGU concerned in less than 75 days.
			RO IV-A	16	16		5	4	3	4	16	8	3	5	6	22	6	Target: ABs - 6 and SBs - 10 Accomplishments: ABs - 6 and SBs - 16  6 Annual Budgets and 16 Supplemental Budgets were received and reviewed within 75 days.
			RO IV-B	18	18		6	5	4	3	18	8	7	4	5	24	6	Target: ABs - 6 and SBs - 12 Accomplishments: ABs - 6 and SBs - 18  Submission of number of supplemental budget is dependent on the need of concerned LGUs, and thus the over-performance due to 6 supplemental budgets.
			RO V	9	9		2	4	3	0	9	4	3	2	3	12	3	Target: ABs - 7 and SBs - 2 Accomplishments: ABs - 7 and SBs - 5  7 Annual Budgets and 5 Supplemental Budgets were received and reviewed for the year.
			RO VI	8	8		5	2	0	1	8	3	4	0	1	8	0	Target: ABs - 8 Accomplishments: ABs - 8  There are 8 Annual Budgets reviewed for the year. Moreover, there are 12 SBs reviewed - Guimaras (4), Aklan (2), Antique (1), Iloilo (1), Iloilo City (3), and Bacolod City (1).
			RO VII	63	63		23	2	22	16	63	38	17	3	5	63	0	Target: ABs - 7 and SBs - 56 Accomplishments: ABs - 7 and SBs - 56  7 Annual Budgets and 56 Supplemental Budgets received and reviewed for the year.
			RO VIII	8	8		0	8	0	-	8	4	2	2	0	8	0	Target: ABs - 8 Accomplishments: ABs - 8  8 Annual Budgets received and reviewed in less than 75 days.
			RO IX	7	7		2	2	2	1	7	5	2	-	-	7	0	Target: ABs - 7 Accomplishments: ABs - 7 and SBs - 17  7 Annual Budgets and 17 Supplemental Budgets reviewed for the year.
			RO X	28	28		8	7	8	5	28	9	8	11	8	36	8	Target: ABs - 7 and SBs - 21 Accomplishments: ABs - 12 (GF - 7 and Special Account Eco. Ent. - 5) and SBs - 24 (including CY 2013 SBs - 1 in Qtr 1)  12 Annual <b>Budgets</b> and 24 <b>Supplemental</b> Budgets. Overperformance is due to the 1 FY 2013 Supplemental Budget review done, and per representation of Region 10 Technical Division, there are separate ordinances for Annual Budget for the province/highly urbanized <b>city</b> for General Fund and Local Economic Enterprises (LEE). Thus the Annual Budget of a province/highly urbanized city could be more than one (1).

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								1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
				RO XI	5	5		2	3	0	-	5	4	1	0	0	5	0	Target: ABs - 5 Accomplishments: ABs - 5  5 Annual Budgets and 5 Supplemental Budgets were submitted and reviewed.
				RO XII	8	8		6	2	0		8	8	0	0	0	8	0	Target: ABs - 8 Accomplishments: ABs - 8  8 Annual Budgets - 6 provinces and 2 cities are the LGU budgets reviewed
				RO XIII	6	6		3	3	0	-	6	5	1	-	-	6	0	Target: ABs - 6 Accomplishments: ABs - 6 and SBs - 15  6 Annual Budgets and 15 Supplemental Budgets were reviewed.
			Percentage of LGUs annual budgets reviewed rated satisfactory or better	Total	95%	96%		96%	96%	96%	96%	96%	98%	100%	100%	100%	99%	3%	
				NCR	95%	96%		96%	96%	96%	-	96%	100%	100%	-	-	100%	4%	Of the 16 Annual Budgets <b>received</b> and reviewed, all were rated as satisfactory or better.
				RO I	95%	96%		96%	96%	-	-	96%	100%	100%	-	-	100%	4%	All of the 5 Annual Budgets are rated as satisfactory or better.
				CAR	96%	96%		96%	96%	96%	96%	96%	75%	100%	100%	-	86%	4%	6 Annual Budgets were rated as satisfactory or better, except 1 which is the provincial government of Ifugao which gave a "Fair" rating. <b>Thus, a</b> total rating of 86% = 6/7.
				RO II	95%	96%		96%	96%	96%	-	96%	100%	100%	100%	-	100%	4%	All 6 Annual Budgets reviewed by RO II were rated satisfactory or better by the LGUs.
				RO III	95%	96%		96%	96%	96%	96%	96%	100%	100%	100%	-	100%	4%	All of the 9 Annual Budgets reviewed were rated satisfactory or better.
				RO IV-A	96%	96%		96%	96%	96%	96%	96%	100%	100%	100%	-	100%	4%	6 Annual Budgets were submitted and reviewed within the 1st to 3rd quarter of FY 2014.
				RO IV-B	96%	96%		96%	96%	96%	96%	96%	-	100%	-	-	100%	4%	Survey forms for the review of all the 6 Annual Budgets were received during the 2nd quarter, and all of these were rated as satisfactory or better.
				RO V	95%	96%		96%	96%	96%	-	96%	-	100%	-	-	100%	4%	All of the 7 Annual Budgets were rated satisfactory or better. Supplemental Budgets were also subjected to survey questionnaire.
				RO VI	95%	96%		96%	96%	-	96%	96%	100%	100%	-	100%	100%	4%	All 6 Annual Budgets reviewed by RO VI were rated satisfactory or better by the LGUs.
				RO VII	96%	96%		96%	96%	96%	96%	96%	-	100%	-	-	100%	4%	All 7 Annual Budgets received and reviewed were rated as satisfactory or better.



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								1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total					
					RO VIII	96%	96%				96%	96%	96%	96%	96%	-	100%	100%	-	100%	4%	There are 8 Annual Budgets received and reviewed were given a Very Satisfactory rating.
					RO IX	95%	96%				96%	96%	96%	96%	96%	-	100%		-	100%	4%	9 out of 9 Annual Budgets were rated satisfactory or better by the LGUs covered by RO IX.
					RO X	96%	96%				96%	96%	96%	96%	96%	100%	-	-	100%	100%	4%	Submitted Annual Budgets (12 out of 12) are all compliant with RA 7160 and all are rated satisfactory or better.
					RO XI	95%	96%				96%	96%	-	-	96%	100%	100%	-	-	100%	4%	4 LGUs Annual Budgets were rated Very Satisfactory and 1 LGU Annual Budget was rated Outstanding.
					RO XII	95%	96%				96%	96%	-	-	96%	-	100%	-	-	100%	4%	The survey results received includes the submission from 8 LGUs (8 out of 8 Annual Budgets) from Cotabato City, General Santos City, Cotabato Province, Lanao del Sur Province, Maguindanao Province, Sarangani Province, South Cotabato Province, and the Sultan Kudarat Province.
					RO XIII	95%	96%				96%	96%	-	-	96%	100%	100%	-	-	100%	4%	All 6 Annual Budgets were already reviewed and rated VS and above by the LGUs (Butuan City, Agusan del Norte, Agusan del Sur, Surigao del Sur, and Dinagat Islands = for the 1st quarter; and Surigao del Norte = for the 2nd quarter) = 100% accomplishment.
					Percentage of LGUs budget submitted with complete documentation reviewed within 75 days	Total	95%	95%			95%	95%	95%	95%	95%	99%	100%	100%	100%	100%	5%	All Regional Offices reported a 100% accomplishment (percentage of LGUs budget submitted with complete documentation reviewed within 75 days).
					NCR	95%	95%				95%	95%	95%	-	95%	89%	100%	-	-	94%	-1%	15 out of 16 LGUs Annual Budgets submitted with complete documentation were reviewed within 75 days. The processing coincided with the many demands of budget execution work during the period. However, the review of said one (1) LGU budget while outside of the 75 days was still within the reglementary period of 90 days.
					RO I	95%	95%				95%	95%	-	-	95%	100%	100%	-	-	100%	5%	All targets for the year were accomplished in the 1st and 2nd quarters and review actions were made in less than 75 days.
					CAR	95%	95%				95%	95%	95%	95%	95%	100%	100%	100%	100%	100%	5%	All LGU budgets submitted with complete documentation were reviewed within 75 calendar days.
					RO II	95%	95%				95%	95%	95%	-	95%	100%	100%	100%	-	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
					RO III	95%	95%				95%	95%	95%	95%	95%	100%	100%	100%	100%	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
					RO IV-A	95%	95%				95%	95%	95%	95%	95%	100%	100%	100%	100%	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
					RO IV-B	95%	95%				95%	95%	95%	95%	95%	100%	100%	100%	100%	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
					RO V	95%	95%				95%	95%	95%	95%	95%	100%	100%	100%	-	100%	5%	All review actions were made in less than 75 days.
					RO VI	95%	95%				95%	95%	-	95%	95%	100%	100%	-	100%	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
					RO VII	95%	95%				95%	95%	95%	95%	95%	100%	100%	100%	100%	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.

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						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
		RO VIII	95%	95%		95%	95%	95%	95%	95%	100%	100%	100%	-	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
		RO IX	95%	95%		95%	95%	95%	95%	95%	100%	100%	100%	-	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
		RO X	95%	95%		95%	95%	95%	95%	95%	100%	100%	100%	100%	100%	5%	All LGU Budgets submitted with complete documentation were reviewed within 75 days.
		RO XI	95%	95%		95%	95%	-	-	95%	100%	100%	-	-	100%	5%	All LGUs Budgets were reviewed and released in less than 75 days.
		RO XII	95%	95%		95%	95%	-	-	95%	100%	100%	-	-	100%	5%	All LGUs Budget submitted with complete documentation were reviewed within 75 days.
		RO XIII	95%	95%		95%	95%	-	-	95%	100%	100%	-	-	100%	5%	All LGUs budget submitted with complete documentation were reviewed within 75 days.
MFO 3 Organizational Productivity Enhancement Services					303000000												
	Percentage of proposals for organization, staffing, compensation, and position classification review completed	OPCCB	85%	87%		87%	87%	87%	87%	87%	53%	59%	76%	79%	94%	7%	The total actual number of organization, staffing, compensation, and position classification acted upon is 131 out of 140 proposals or 93.57% as of December 31, 2014.
	Percentage of agencies reviewed which rate the quality of review as satisfactory or better	Total	70%	89%		89%	89%	89%	89%	89%	99%	97%	100%	97%	98%	9%	The total accomplishment of OPCCB is 98% when out of 140 OSSP requests, only 2 was with reconsideration. Moreover, SPIB accomplished 98% as it made 33 out of 34 OSSP requests.
		OPCCB	60%	98%		98%	98%	98%	98%	98%	97%	100%	100%	94%	98%	0%	The total accomplishment is 98%, based on the survey questionnaires and/or logbook record. OPCCB received the following number of Organizational Structure and Staffing Pattern (OSSP request):  20 - 1st quarter; 29 - 2nd quarter; 49 - 3rd quarter; 33 - 4th quarter
		SPIB	80%	80%		80%	80%	80%	80%	80%	100%	94%	100%	100%	98%	18%	This refers to 33 out of 34 organizational and staffing-related proposals of agencies concerned that were acted upon by the SPIB during 2014.
	Percentage of reviews completed within 60 days	Total	65%	85%		85%	85%	85%	85%	85%	80%	85%	95%	95%	88%	3%	OPCCB has a 86% accomplishment computed as out of the 131 OSSP acted upon by OPCCB, 113 reviews are completed within 60 days. Meanwhile, SPIB has a 90% accomplishment computed since it refers to 64 out of 70 agency proposals that were acted upon by the SPIB within 60 days the whole year. Thus, the average of 89% total accomplishment.
		OPCCB	50%	70%		70%	70%	70%	70%	70%	79%	89%	90%	94%	86%	16%	Out of the 131 OSSP acted upon by OPCCB, 113 reviews are completed within 60 days.
		SPIB	80%	100%		100%	100%	100%	100%	100%	80%	81%	100%	97%	90%	-10%	Refers to 64 out of 70 agency proposals that were acted upon by the SPIB within 60 days the whole year.

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						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
	Directives and Policies																
	Number of policy guidelines and directives issued	Total	15	19		3	3	3	10	19	3	3	3	6	15	-4	There are 15 policy guidelines and directives issued in FY 2014
		OPCCB	12	16		3	3	3	7	16	3	3	3	3	12	-4	Memorandum to BMB and RO Directors re: GMIS Advisory No. 1 on the Uploading of the PSIPOP in the DBM Data Base; Memorandum for the Secretary re: Joint Memorandum Circular 2014-1 on the Implementing Guidelines for the Establishment of Local Disaster Risk Reduction Management; and draft GMIS Advisory No. 2 re: NOSCA Program; Memorandum to all BMB and RO Directors re: Enhancement of the Government Information System; DBM - DOH Joint Circular No. 1 series 2014 re: Standard on Organizational Structure and Staffing Pattern of Treatment and Rehabilitation Center; GMIS Advisory re: Modification of the Notice of Organization and Staffing Action; Memorandum Circular No. 2014-02 on the Guidelines on the Grant of the Performance-Based Bonus for FY 2014 to water districts units; Memorandum to the Office of the President on the increase in the employees' Compensation Benefits for the private and public sectors; Memorandum for the Office of the President on the proposal to increase the Productivity Enhancement Incentive; Budget Circular 2014-03 re: Guidelines on the Grant of the Productivity Enhancement Incentive to Government Employees; Budget Circular 2014-02 re: Guidelines on the Grant of Collective Negotiation Agreement Incentive for 2014; Ao 25 IATF Memorandum Circular 2014-3 re: Clarification on the Provision on the Nine-Month Service Requirement
		SPIB	3	3		-	-	-	3	3	-	-	-	3	3	0	Refers to the following policy guidelines/directives which were drafted by this Bureau:  1) Strengthening of the existing organizational structure/staffing complement of the Procurement Units of nine (9) priority Departments thru the creation of additional positions for their respective Bids and Awards Committee, as indicated in an SPIB Memorandum dated October 2, 2014 which was approved by the DBM Secretary;  2) Guidelines in the Conduct of the DBM ISO 9001:2008 QMS Management Review, as provided under DBM Office Order No. 2014-557 dated October 15, 2014; and  3) Guidelines in the Preparation for the DBM ISO 9001:2008 Quality Management System Initial Certification - Stage 2: On-site Audit, as provided in a Memorandum of Assistant Secretary Myrna S. Chua, the Department's Over-all Quality Management Representative (QMR), for DBM Senior Officials and Directors/Officers-in-Charge of DBM Bureaus/Services/Offices dated December 12, 2014.

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						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
	Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better	OPCCB	60%	83%		83%	83%	83%	83%	83%	91%	83%	89%	86%	87%	4%	87% total accomplishment is computed as 124 out of 143 were completed reviews within 60 days. 30/33 referrals were acted upon (1st quarter) 29/35 referrals were acted upon (2nd quarter) 16/18 referrals were acted upon (3rd quarter) 49/57 referrals were acted upon (4th quarter)
	Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better	OPCCB	60%	60%		60%	60%	60%	60%	60%	60%	100%	100%	100%	90%	30%	This refers to the Generic Manuals on Controls in the Human Resource Management System, Quality Management System, and the Risk Management System targeted and issued out for 2014 (3 out 3 during 2nd to 4th quarter).
MFO 4 Review and Evaluation Services					304000000												
	Number of agencies' performance reviewed and evaluated	BMBs:	203	203		203	203	203	203	203	198	203	203	203	203	0	All BMBs accomplished their targeted number of agencies' performance reviewed and evaluated. Meanwhile, BMB-D accomplished a lesser number of agencies' performance reviewed and evaluated for the 1st quarter, of which the average of 46 as computed during 2014.
		BMB - A	19	19		19	19	19	19	19	19	19	19	19	19	0	All 19 agencies' performance were reviewed and evaluated.
		BMB - B	40	40		40	40	40	40	40	40	40	40	40	40	0	
		BMB - C	52	52		52	52	52	52	52	52	52	52	52	52	0	
		BMB - D	47	47		47	47	47	47	47	42	47	47	47	47	0	Average of 46 agencies' performance were reviewed and evaluated.
		BMB - E	45	45		45	45	45	45	45	45	45	45	45	45	0	
	Percentage change in the average utilization rate of agencies	BMBs:	2%	2%		2%	2%	2%	2%	2%	-	-	-	2%	2%	0%	The data for this PI set is on an annual basis which is to be further computed by BTS per 2014 Parameters/Assumptions/Methodology.
		BMB - A	2%	2%		2%	2%	2%	2%	2%	-	-	-	2%	2%	0%	
		BMB - B	2%	2%		2%	2%	2%	2%	2%	-	-	-	2%	2%	0%	
		BMB - C	2%	2%		2%	2%	2%	2%	2%	-	-	-	2%	2%	0%	
		BMB - D	2%	2%		2%	2%	2%	2%	2%	-	-	-	2%	2%	0%	
		BMB - E	2%	2%		2%	2%	2%	2%	2%	-	-	-	2%	2%	0%	
	Percentage of agencies reviewed and evaluated in the prescribed period	BMBs:	100%	100%		100%	100%	100%	100%	100%	98%	100%	100%	100%	99%	-1%	The total accomplishment is 99%. This is because BMB-D accomplished a lesser number of agencies' performance reviewed and evaluated during the 1st quarter (97%). All the rest achieved 100% on all quarters.
		BMB - A	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	
		BMB - B	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	
		BMB - C	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	
		BMB - D	100%	100%		100%	100%	100%	100%	100%	89%	100%	100%	100%	97%	-3%	
		BMB - E	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	
Part B																	
Major Programs/Projects					400000000												
KRA No. 1 - Anti-Corruption, Transparent, Accountable and Participatory Governance																	
Program Budgeting:																	
Performance-Based Incentive System																	
Electronic Transactions/ Better than Cash Alliance (BTCA)		OCIO															

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					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
1. Cashless Purchase Card	OCIO		Pilot CPC in DBM and the DND													DBM-DND-AFP Joint Memorandum Circular No. 2014-1 providing for the Guidelines and Procedures on the Use of Cashless Purchase Card (CPC) System was signed on May 15, 2014.  AFP pilot implementation: Pilot implementation phase 1 for the 5 AFP units concluded in Oct. 15  DBM pilot implementation: DO 2014-15 on the procedures in the implementation of CPC issued in August 8, 2014. Currently, DBM-OSEC and the Administrative Service are using the cards to purchase authorized goods as listed in the JMC. These include office supplies, construction supplies, medicines and a list of foodstuff.
	OCIO		Generation of evaluation report on the use of the CPC System by DBM and DND										1	0	Publication of report by Citibank on project status, billing, and payments, and recommendations regarding DND Cashless Purchase Card implementation. Published October 16, 2014.	
2. Transform Landbank cards of DBM employees (Central Office only) from ATM cards to Visa Debit Cards by the 4th Quarter, CY 2014	OCIO		100%											100%	0%	
3. Checkless disbursements for prior year's accounts payable	OCIO		80%											71%	-9%	Checkless payment system (EMDPS) now covers 71% of payments
B.1 LOCALLY FUNDED PROJECTS																
GOVERNANCE																
GOVERNANCE AND ACCOUNTABILITY IMPROVEMENT																
BUDGET IMPROVEMENT PROJECT	OCIO/ICTSS			410060001												
Uniformed Personnel Pension Reform  PI - Submission by the TWG to the Principals of the draft bill	BMB-D											Draft bill on the Uniformed Pension Reform was submitted by the TWG to the Principal in October 2014.				
Network and Software Maintenance and Development Partners (NS-MDP)	OCIO/ICTSS									Desktop and Network Support=355 System Support=264	Desktop and Network Support=485 Software Support=576	Desktop and Network Support=690 Software Support=647	Desktop and Network Support=419 Software Support=772			Number of IT user-assistance
										First year of implementation, 100% completed		Ongoing. Now on the 2nd/final year for project completion by July 31, 2015 (41% completed)				First year implementation : August 2013 - July 2014 Second year implementation : August 2014 - July 2015
Government Integrated Financial Management Information System (GIFMIS)	OCIO/ICTSS						Hiring of 28 contractual positions for the Functional team					6 out of 28 positions hired				3 were hired for GIFMIS functional team and 3 were hired for CHRIS functional team, 1 was hired for CHRIS through secondment.
							Awarding of contract to winning bidder; Commence development of GIFMIS by winning service provider/consultant by October 2014					Contract not awarded; subject to approval of higher authority				

QUARTERLY PHYSICAL REPORT OF OPERATION  
As of December 31, 2014

Department : DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)  
Agency : Office of the Secretary (OSEC)  
Operating Unit :  
Organization Code (UACS) :

x

Current Year Appropriations  
Supplemental Appropriations  
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Off-Budget Account

Particulars	Data Source	CY 2014 PHYSICAL TARGETS (per GAA)	Updated PHYSICAL TARGETS (per PBB)	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of <u>December</u> <u>31, 2014</u>	Remarks/ Reason for Under/Over Performance (Variance)
					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
PhilGEPS-GIFMIS System Integration	OCIO															The hiring of a service provider for the conduct of security and performance/load test for the modernized PhilGEPS is dependent on the implementation of the modernized PhilGEPS. Assumes that there will be no delays in the delivery of the deliverables and implementation of the modernized PhilGEPS.
e-Mail Communication Service (Google Apps)	OCIO/ICTSS									Actual Users = 828	Actual Users = 858	Actual Users = 876	Actual Users = 897			First year implementation: April 2014 - March 2015 Second year implementation: April 2015 - March 2016 Total guaranteed users per contact=900
										Previous contract implementation, 100% completed.	Subscription of eMail Communication Service Implementation with 1000 users but using only the guaranteed 900 licenses  897 enrolled users as of December 2014  754 active users as of December 2014					
Maintenance of DBM Production Servers	OCIO/ICTSS									Two (2) visits and two (2) reports	Two (2) visits and two (2) reports	Three (3) visits and three (3) reports	Three (3) visits and three (3) reports			Jan-Feb 2014 is covered by the previous contract. June 2014 onwards is part of the current engagement.
										Previous contract implementation, 100% completed.	Maintenance of HP Servers Implementation, 2014-2015 (66% completed)  On-going engagement with regular/monthly site-visit and support					Contract implementation: June 2014 - May 2015
Multimedia Capacity (videos, open data development) for various civil society and transparency initiatives	OCIO															Funds realigned in favor of PBB/AO 25 Secretariat
Philippine Open Data Advocacy Development Initiative	OCIO				1	2	2	1	6	1	2	1	2	6	0	Number of events: Q1: Good Governance Summit Q2: Readysaster Hackathon, School of Data Skills Training Q3: Daylight Dialogue Q4: Procurement Hack, DBM Master Class
Telecommunication Services	OCIO/ICTSS									CO Avg Uptime Rate=100% RO Avg Uptime Rate=91.78%	CO Avg Uptime Rate=97.50% RO Avg Uptime Rate=92.46%	CO Avg Uptime Rate=98.22% RO Avg Uptime Rate=95.44%	CO Avg Uptime Rate=99.88% RO Avg Uptime Rate=97.67%			First year implementation: August 2013 - July 2014 Second year implementation: August 2014 - July 2015  Percentage (%) of uptime is derived from the submitted monthly reports.  Average uptime exceeds the 96% uptime target on Network and Application Systems per ICTSS-CPCR
										First year of implementation, 100% completed	On-going. Now on the 2nd/final year for project completion by July 31, 2015 (41% completed)  Functional except the implementation of SIP Trunking System					First year implementation: August 2013 - July 2014 Second year implementation: August 2014 - July 2015
Social Media Enhancement	OCIO						Hiring of firm/consultant to develop APIs for various data sets.					Firm hired through World Bank technical assistance; Procurement APIs developed				
Enterprise Linux Premium Subscription and On-line Support	ICTSS									Previous contract implementation, 100% completed.	One (1) annual license <b>subscription</b> .  Active Enterprise Linux Subscription September 2014-onwards (33% complete)					Contract <b>implementation</b> : September 2014 - August 2015  Engagement with Wizards Group on Subscription Only. Onsite support is being addressed by in-house experts.
Document Management System	ICTSS															
Firewall & License Renewal for Fortigate, Fortianalyzer and Fortimanager	ICTSS									Project completed and terminated, August 2014 (100%)						Contract expiration: December 2013. No new contract implementation from January 2014 onwards in view of the approval of Network Refresh Project in the 4th Quarter of 2014.  No new contract implementation August 2014 onwards
Oracle Partitioning Licenses Support	ICTSS															

QUARTERLY PHYSICAL REPORT OF OPERATION  
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					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
DBM Data Center Support Services	ICTSS												Three (3) visits		First year implementation: October 2014 - September 2015 Second year implementation: October 2015 - September 2016	
										No engagement nor previous contract implementation during this period.		Service Provider on board, conducted comprehensive assessment with remedial tasks of the DC to support the quarter 1 report (25% completed)				
DBM Network Refresh	ICTSS												Servers = 5 units Software, Media, License = 1 set Firewall Appliance = 5 units Routers = 3 units		One (1) time implementation only.  Set-up in CO completed (100%)  Implemented in Ros I, II, CAR, 4A, 4B, NCR as of December 2014.  Target deployment for all other Ros in the 1Q of 2015.	
										No engagement nor previous contract implementation during this period.			Set-up in CO completed, 100%			
MITHI	OCIO	Not part of 2014 GAA													terminated as line item in the BIP projects for 2014. Budget for capacity building activities (i.e. Plenary meetings and workshops) covered by the Multimedia Capacity for Various Civil Society Transparency Initiatives for 2014.	
Unified Accounts Code System (UACS)	OCIO				UACS incorporated in the Budget Execution Systems of oversight agencies by July 2014							DBM system-completed	UACS has been integrated with the BPMS making the Budget Execution System of DBM UACS-compliant.			
Cloud Infrastructure as a Service	ICTSS									55 agencies complied with online submission of budget proposal	252 agencies complied with online submission of budget proposal					
										Cloud infra as a Service Implementation (100% completed).						
Preparation of 250 Class Specifications Project	OPCCB														Project on hold; priority on Compensation survey for whole of government	
Government Quality Management Program (GQMP)	SPIB									Meeting between the GQMC members and the National Competitiveness Council Private Sector Co-Chairman on January 30, 2014.	Pursuit of DBM ISO 9001:2008 Quality Management System (QMS) Certification					
National Payroll System	OCIO						Bidding and awarding of CHRIS/NPS contract					Negotiation and Finalization of CHRIS Contract between DBM/PS and Highest Rated Bidder	Contract awarded			

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					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total		
Capacity Building of Internal Audit Service	IAS															
Philippine Government Internal Audit Manual (PGIAM) / National Guidelines on Internal Control System (NGICS)	SPIB															
Comprehensive Network Management Tool (Axence nVision)	ICTSS								Three (3) visits and three (3) reports	Three (3) visits and three (3) reports	Three (3) visits and three (3) reports	Three (3) visits and three (3) reports			First year implementation: July 15, 2013 - July 14, 2014 Second year implementation: July 15, 2014 -July 14, 2015	
									First year of implementation, 100% completed.		On-going engagement now on its 2nd/final year of implementation (41% completed)					
Special Purpose Fund (E-Government Fund)	OCIO															
Government Integrated Financial Management Information System (GIFMIS)	OCIO						Awarded of contract to winning bidder; Commence development of GIFMIS by winning service provider/installed by July 2014.				Contract not awarded; subject to approval of higher authority					
Phil. Gov't Electronic Procurement System (PhilGEPS)	OCIO						Additional functionalities for e-bidding and e-payment installed by July 2014				e-bidding and e-payment functionalities already gave green light to conduct e-bidding functionality					
Prepared By:		CERTIFIED CORRECT BY:			In coordination with:					Approved By:						
OIC-Director Vilma P. Gorospe, CPRS		Ms. Eden Pangilinan, Budget Division								Assistant Secretary Clare Cattleya G. Amador						
Date:		Date:								Date:						
Note:																
* - Variance shall be indicated upon the complete submission of the concerned delivery unit/s for the particular performance indicator.																
exclusive of reports from non-MFO-based delivery units/bureaus/offices																