



Republic of the Philippines
Department of Budget and Management

2016 ANNUAL REPORT



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Leading Public Expenditure Management Reforms for Real Change

INTRODUCTION

The strength of an agency or institution lies as much in its ability to manage change as to introduce it; in its capacity to sustain progress as to achieve it; and in its resolve to ensure that change and progress yield the greatest good for the most number of people for the longest time.

This was the challenge for the Department of Budget and Management (DBM) in 2016 – a year that saw the turnover and transition between two administrations, both of which worked on and with a national budget intended to be an instrument for sustainable and inclusive socio-economic development.

For the DBM, such circumstance was an opportunity to highlight the principles that have guided the Department in its mission towards the effective and efficient management of public resources. These are the principles of transparency, diligence and discipline.

This report fleshes out said principles in a presentation of programs and processes that were introduced, initiated, pursued, and/or sustained by the DBM in 2016 to aid in better public

financial management that would achieve the goals of government and fulfill the aspirations of the people.

It is a summary of past performance and gains, an assessment of present opportunities and potentials, and an outline for the next moves forward.

SUSTAINING THE GAINS IN FISCAL TRANSPARENCY

Fiscal transparency is a critical factor in fiscal management and accountability. It enables citizens to hold their governments accountable and ensures that government decision makers have a good picture of their fiscal position, prospects and risks.

Fiscal transparency enables better management of public resources, thus, better government performance.¹ The Philippines continues to adhere to best practices in fiscal transparency by publishing the eight (8) essential budget documents regularly. Moreover, the government leveraged technology to improve the availability and accessibility of budget information to the public.

¹ *Kwento sa Bawat Kwenta. A Story of Budget and Management Reforms 2010-2016.* p. 189

Highest in Southeast Asia in Terms of Budget Transparency

The world's only independent, comparative measure of central government budget transparency is the Open Budget Index (OBI). It rates countries covered by the Open Budget Survey (OBS), based on a transparency score on a 100-point scale, using 109 of the 140 questions in the Survey.

In accordance with international good practice standards, the questions focus specifically on whether or not a government provides the public with timely access to comprehensive information contained in eight (8) key budget documents, namely: Pre-Budget Statement, Executive's Budget Proposal, Enacted Budget, Citizens' Budget, In-Year Reports, Mid-Year Report, Year-End Report, and Audit Report.






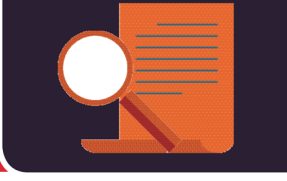
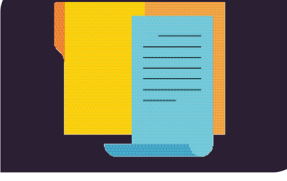

Each of the above-mentioned documents is critical for budget transparency, and

must meet the minimum standards on content, availability, and timeliness to be accepted by the OBS. The OBS further requires that these budget documents are: 1) published on the official website of the government body that produces them; 2) made available free of charge; and 3) published on time for the information they contain to be useful and relevant, both for the government itself and for the public.

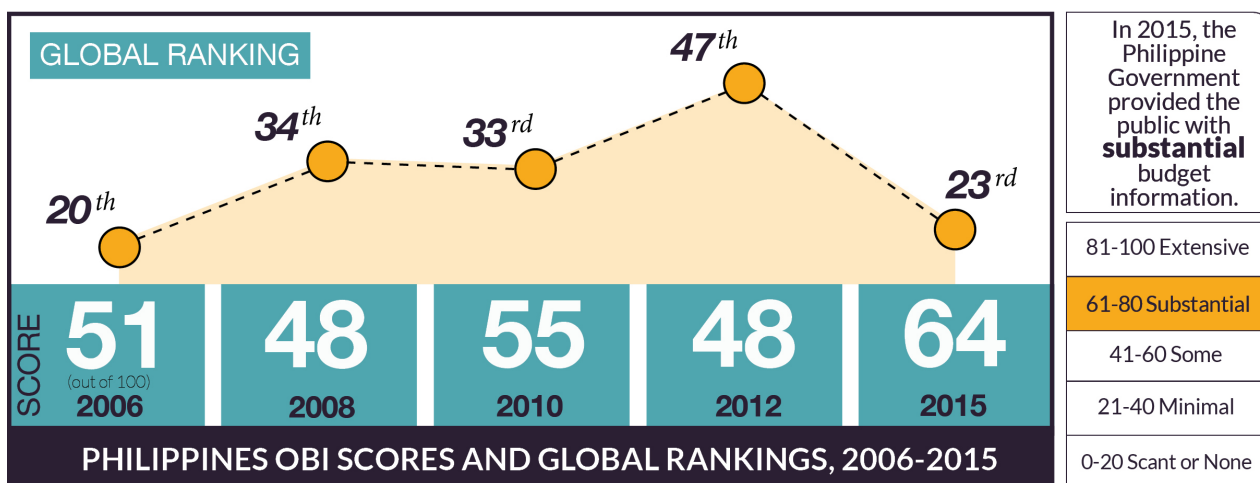
From 2006 to 2015, the Philippines maintained an average OBS score of 53/100, above the global average of 43, and well over the average of 39 in the East Asia and Pacific Region². The latest OBS of 2015 gave the Philippines the highest score for budget transparency in Southeast Asia, the 2nd highest in Asia, and the 23rd in the world for transparent and open budget management.

Notwithstanding this achievement, however, the DBM has sought to further

OPEN BUDGET SURVEY DOCUMENTS

Pre-Budget Statement	Executive's Budget Proposal	Enacted Budget	Citizens' Budget
			
In-Year Reports	Mid-Year Report	Year-End Report	Audit Report
			

² Ilagan, Karol. (2013). PH budget transparency score slips 7 pts; oversight improves. Open Budget Survey 2012. Philippine Center for Investigative Journalism. Retrieved from <http://pcij.org/stories/ph-budget-transparency-score-slips-7-pts-oversight-improves-2/>



Source: International Budget Partnership, accessed from <http://survey.internationalbudget.org/#timeline>

strengthen its efforts towards budget transparency. The expected outcome of this can only be a government budget that is responsive to the needs of the citizens.

Aiming to further improve the government's rating in the 2017 OBS³, the DBM ensured the regular publication and release of all OBS essential budget documents under its coverage. The Department likewise fulfilled its mandate to assure the timely passage and publication of the General Appropriations Act (GAA), associated documents, and the Citizens' Budget, among others. Submitting the 2017 proposed budget to Congress on August 15, 2016 was well within the 30-day deadline after the opening of Congress on July 25th. The Technical Notes supporting the same was also prepared to enhance the discussions on multi-year estimates of economic forecasts, expenditures, and revenue policies.

Improved Access to Budget Information

The people's right to information on matters of public concern has been constitutionally recognized in the country since 1973. This right was further strengthened in the 1987 Constitution, which provides that access to data for research purposes be considered among the bases for policy development. Over the next three decades since then, however, no enabling law on access to information was passed.

On July 23, 2016, less than a month after assuming office, President Rodrigo Roa Duterte signed the landmark Executive Order No. 2, also known as the Freedom of Information (FOI) Executive Order (EO). This E.O. grants access to information, documents and records of public concern in government offices under the Executive Branch, excluding those protected by the Constitution, laws or jurisprudence⁴. The Order also directed all government offices under the Executive Branch to prepare and

³ The rating in the 2017 OBS will be officially released in 2018.

⁴ Executive Order No. 2, series of 2016.

FILING A REQUEST FOR INFORMATION (RFI)

1 Fill up the RFI form.



2 Submit the request to the DBM through the foi.gov.ph portal, the CRD (Central Office), or the Regional Offices.



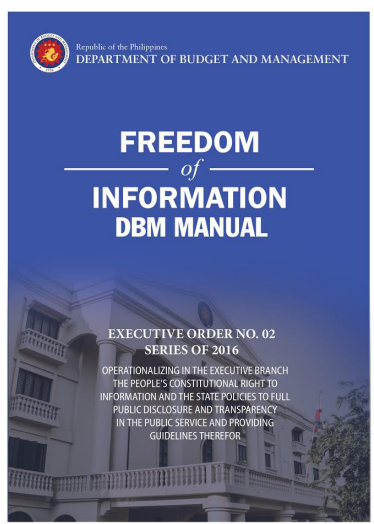
3 Normally, the DBM will process and release the request within 15 days upon receipt.

NOTE: No request made over social media or via telephone, or submitted directly to the DBM offices or employees will be entertained.



submit their own People's Freedom of Information Manual within 120 days from the issuance of E.O. No. 2, to serve as guide on what information the public can request and how.

Pursuant to the directive under E.O. No. 2, the DBM's FOI Manual was published on November 25, 2016. The DBM was included in the first group of agencies which fully complied with the publication of the FOI Manual.



In coming up with its FOI Manual, the DBM also took steps to enhance the systems and mechanisms by which it can effectively respond to the public's clamor for information with regard to the Budget.

Budget information has been made more understandable and accessible to the public through the production of more reader-friendly publications and the maintenance of a more user-friendly website. Moreover, appreciating the urgency of every request for information and aiming to respond to it fully and immediately, the Department has clearly defined the number of days for the processing of information requests, as provided by the Presidential directive.

It is also one of the pilot government agencies from which the public can request information through the electronic FOI portal.

★ www.foi.gov.ph ★



Participative Budget Process

The Philippines, through the DBM, continues to sustain its commitment to and active participation in international good governance initiatives such as the Open Government Partnership (OGP) and the Global Initiative for Fiscal Transparency (GIFT).

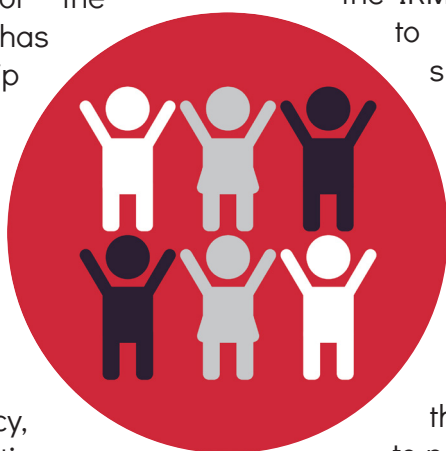
As a founding member of the OGP and lead steward of the GIFT, the Philippines has taken on a leadership role in implementing reforms in good governance. During the implementation of the 2015-2017 OGP National Action Plan, the Philippines initiated groundbreaking reforms on transparency, accountability and citizen engagement. The Action Plan features several open government initiatives which have won international recognition, such as the Bottom-up Budgeting, Citizen Participatory Audit, Extractive Industries Transparency Initiative, Seal of Good Local Governance, and Ease of Doing Business, among others.

Launched in February 2016, the Second Independent Reporting Mechanism (IRM) Progress Report for the Philippines cited two starred commitments under the PH-OGP NAP 2013-2015: the Philippine Extractive Industries Transparency Initiative (EITI) and the

Gameplan on Competitiveness: Ease of Doing Business. As defined by the OGP, a starred commitment is one that is specific and measurable, relevant, has high impact potential, and has made significant progress.

Only 5.7% of the more than 1,948 assessed commitments are marked as starred by the OGP IRM. Starred commitments have been found by the IRM to be specific, relevant to open government, substantially or fully complete, and potentially transformative.

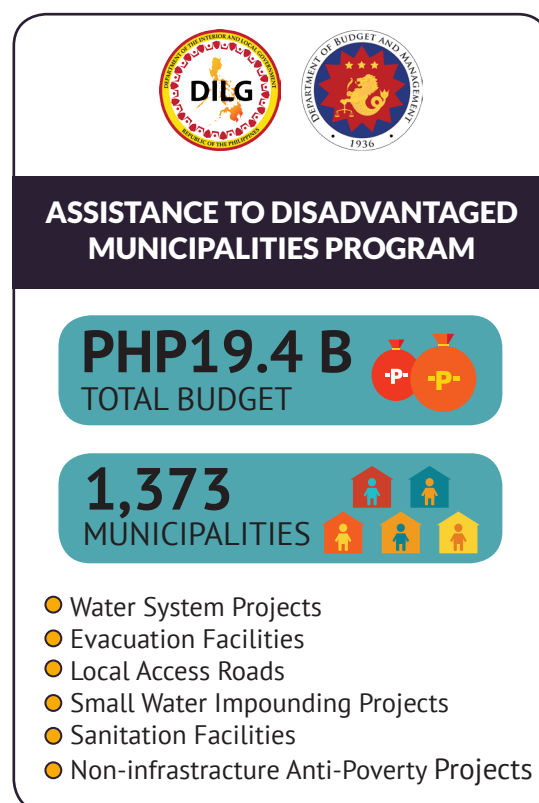
As citizen engagement remains to be a key ingredient of President Duterte's governance framework, the Philippines continues to position itself as a regional and global open government champion, pioneering and sustaining the implementation of reforms and innovations that serve as governance benchmarks for other countries. Testament to this is the participation of high level government delegates in the OGP Global Summit 2016 held in Paris, France last December 2016. During this international gathering of open government movers, the Philippine delegation contributed to the crafting of the OGP Paris Declaration. At the same event, Budget Secretary Benjamin Diokno, as head of delegation, declared the strong continuing commitment of the Philippines to the OGP at the local and international levels.



Reflecting this thrust, the DBM sustained citizen engagement in the budget process and strengthened the capacities of local government units (LGUs) by supporting the implementation of the Assistance to Disadvantaged Municipalities (ADM) Program and the Conditional Matching Grant for Provinces (CMGP) Program for road repair, rehabilitation and improvement.

Under the FY 2017 Budget, the ADM provides Php19.4 billion worth of funding for local infrastructure projects that have been proposed by local chief executives and concurred in by duly-accredited civil society representatives from their respective municipalities. The funds were allocated to 1,373 municipalities to help address inequalities. Municipalities under this Program may request financial assistance for any of the following projects, which must be part of their existing development plans: (i) water system projects; (ii) evacuation facilities; (iii) local access roads; (iv) small water impounding projects; (v) sanitation and health facilities; and (vi) non-infrastructure anti-poverty projects such as those related to the localization of sustainable development goals, and disaster preparedness and climate resilience training.

Eligibility under this Program is preconditioned on: (i) the requirements of the Department of the Interior and Local Government (DILG) Seal of Good Financial Housekeeping; and (ii) assessment of their Public Financial Management System and adoption of corresponding improvement measures.



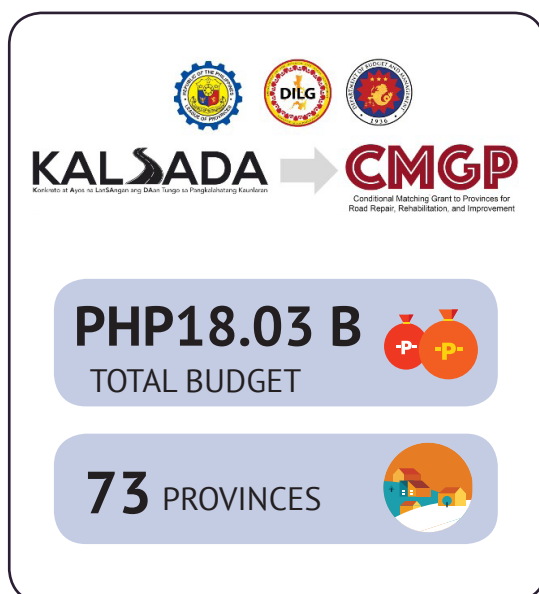
The CMGP (formerly known as KALSADA or Konkreto at Ayos na Lansangan at Daan Tungo sa Pangkalahatang Kaunlaran) is similarly a performance-based grant to LGUs, conditioned on the following:

1. Submission to the DILG at the start of the year of: (i) Provincial Road Network Plan with technical plans and cost estimates for two (2) priority projects; (ii) Proof of disbursement of previous year's maintenance budget for roads; and (iii) Local Road Management Assessment Report;
2. Submission to the DBM of a Public Financial Management Assessment Report;
3. Strict adherence to the provisions of Republic Act No. 9184 or the

Government Procurement Reform Act, its Implementing Rules and Regulations (IRR), and Government Procurement Policy Board (GPPB) guidelines;

4. Observance of the plan, design, specifications, and other such standards and policies of the National Government;
5. Commitment to fund the cost of maintenance and repairs; and
6. The amount to be released to the LGUs shall be recorded as a trust fund to be used for the specified purpose.

Some Php18.03 billion has been allocated to 73 provinces for the implementation of the CMGP.



Moving forward, the DBM is now working towards the institutionalization of an internal Fiscal Openness Working Group within the Department. The Working Group will be tasked to unify,

expand and eventually institutionalize all efforts to improve the state of fiscal openness in the Philippines.

Fiscal Risk Analysis

As part of fiscal transparency, governments should disclose, analyze, and manage risks to public finances and ensure effective coordination of fiscal decision-making across the public sector.⁵



The Philippines' practice of releasing an annual Fiscal Risks Statement has been cited as among the good practices in the field. It attempts to provide a comprehensive view of the country's exposure to fiscal risks emanating from fiscal projections and turnouts, public debt, and contingent liabilities associated with the financial sector, government-owned and/or -controlled corporations (GOCCs), Public-Private Partnerships (PPPs), local government units and natural disasters.

On July 3, 2016, the DBM, together with the Department of Finance (DOF),

⁵ International Monetary Fund's Fiscal Transparency Code

recommended for approval by the Development Budget Coordination Committee (DBCC), the Medium-Term Fiscal Program (MTFP) for 2017-2022. In addition to this, the DBCC Secretariat requested the DBCC principals for an ad referendum approval of the draft FY 2017 Fiscal Risks Statement (FRS), which has now been submitted to the Office of the President for approval.

The MTFP for 2017 to 2022 is focused on increasing both the revenue effort and the deficit ceiling in order to raise the spending level of the National Government, thus expanding its contribution to economic growth. Additional revenues will be mobilized through legislative and administrative measures to improve the country's revenue effort, which remains below the average of peer countries. The adoption of a higher deficit limit remains consistent with a manageable debt level and will provide additional fiscal room while the tax base expands and stabilizes with the revenue measures.

Deficit spending will expand to 3% of GDP over the medium term, which implies a deficit target of Php478 billion in 2017, increasing to Php777.4 billion by 2022. This will require additional borrowings, but these borrowings will also be complemented by increases in revenue collection, resulting from improved

tax administration efficiency and the implementation of the new revenue measures being proposed by the DOF.

Revenues are targeted to reach Php2.48 trillion in 2017, 10% more than the 2016 level and equivalent to 15.6% of GDP, increasing by 11-12% a year to reach Php4.68 trillion or 18.1% of GDP by 2022. This resource mobilization strategy will allow the government to invest more heavily on infrastructure development and the much-needed basic social services, so that the infrastructure program will expand from 5.4% of GDP in 2017 to 7% by 2022. The national budget will increase from 21.0% of GDP in 2017 to 22.1% of GDP by 2022. This rate of government spending will sustain the growth momentum, with GDP growing by 6.5% to 7.5% in 2017, up to 7.0% to 8.0% in the next five years.

The 3% deficit level is still sustainable and on track in maintaining the decline in the country's debt ratios. In 2016, the country's debt was recorded at 42.10% of its GDP, setting a record low from the all-time high of 74.90% in 1993⁶. The decline is expected to continue in 2017. By 2022, debt-to-GDP is projected to go down to 35%, while at the same time assuring that the Filipino people collectively share in the improved state of public infrastructure in the country and reap the real benefits of economic growth.

⁶ Retrieved from www.tradingeconomics.com

CHAMPIONING PERFORMANCE-BASED BUDGETING FOR EFFECTIVE RESOURCE ALLOCATION

There has been a long history in the country of attempts to move away from traditional budgeting processes to Performance-Based Budgeting (PBB) that focuses on the results of performance of government agencies.

To improve the way the budget is allocated, spent, and reported towards greater accountability and transparency in the delivery of public services, the DBM introduced the Organizational Performance Indicator Framework (OPIF) in 2000. And, to further deliver on its commitment to promote and develop a people-centric and results-based budget, another important innovation was introduced in 2013 – the Performance-Informed Budget (PIB), which featured performance indicators alongside financial budgets starting in the 2014 NEP.

Under the PIB structure, agency programs, activities, and projects (PAPs) related to its substantive functions are grouped according to Major Final Outputs (MFOs)⁷, and performance indicators and targets at the output and outcome levels are provided.

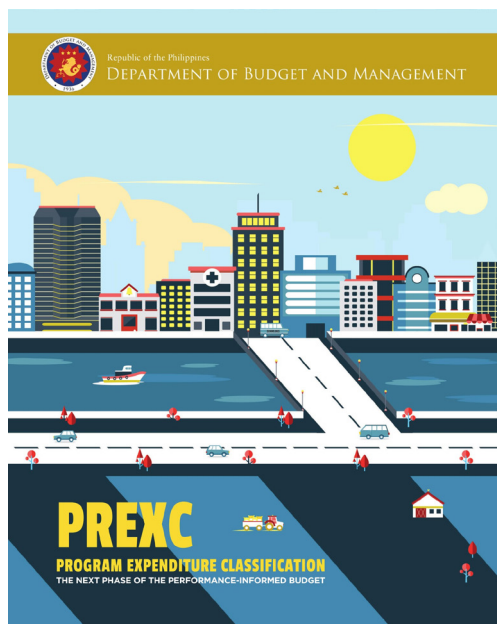
Aligning Agencies' Spending with Their Performance Targets

As the next phase of the PIB, the DBM introduced the Program Expenditure Classification (PREXC) to agencies in 2015. Under the PREXC, the budget is restructured from MFO-based PAPs into programs or strategies that will contribute to the attainment of target outcomes.

In comparison to an MFO-based budget, classifying expenditure by programs has two benefits: (1) It clarifies the objectives of government spending and the programs and strategies used by agencies to accomplish them; and (2) It allows the monitoring of operational performance through performance indicators, which may relate to the outputs and outcomes of a particular program, providing a way to assess the success of a program and allowing adjustments during implementation, if necessary.

⁷ An MFO is a good or service that a department/agency is mandated to deliver to external clients through the implementation of programs, activities, and projects.

In FY 2016, orientation briefings and handholding workshops were conducted for all departments and agencies, including state universities and colleges, in order to capacitate them to restructure their respective budgets according to the PREXC. Under this restructuring, each program should include a profile which details its objectives, description, strategies, monitoring and evaluation arrangements/plan, risk management strategies and performance indicators, both at the output and outcome levels.



The PREXC structures for all 193 departments and agencies and 114 state universities and colleges have been finalized for implementation in the FY 2018 budget. In line with this, the DBM IT systems such as the Online Submission of Budget Preparation System (OSBPS), Government Manpower Information

System (GMIS), and Budget Preparation Management System (BPMS) have been reconfigured to accommodate the PREXC.

Improving Agency Participation in the Performance-Based Incentive System and Compliance with Good Governance Conditions

In 2012, the government introduced the Performance Based-Bonus (PBB) to establish the link between compensation and performance. For government employees to be entitled to this incentive, the agencies to which they belong are required to meet the good governance standards and conditions set by the Inter-Agency Task Force (IATF), created under Administrative Order No. 25 and chaired by the DBM.

In 2015, the IATF, through Memorandum Circular (MC) No. 2015-1⁸, directed the establishment of an ISO 9001-certified Quality Management System (QMS) or an Operations Manual, to be posted in the agency website under its Transparency



⁸ Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2015 under Executive Order No. 80 dated August 15, 2015

Seal (TS). This was set as one the requirements for the grant of the FY 2015 PBB to departments and agencies in the Executive Branch, including State Universities and Colleges (SUCs), Government-Owned and/or -Controlled Corporations (GOCCs), and Local Water Districts (LWDs).

The following year, through Memorandum Circular No. 2016-1⁹, the IATF reiterated the requirement for agencies to establish a QMS for at least one (1) core process certified by any international certifying body approved by the A.O. 25 IATF or an ISO-aligned documentation of its QMS for one (1) core process, as evidenced by the presence of the following documents in the agency Transparency Seal, i.e., approved Quality Manual and approved Procedures and Work Instructions Manual (PAWIM), including forms.

Similarly restating the FY 2015 PBB grant guidelines, A.O. 25 IATF MC No. 2016-1 directed that said requirement be validated by the Government Quality Management Committee (GQMC) within the period from October 1, 2015 until January 15, 2017. The DBM, together with the Department of Trade and Industry, co-chairs the GQMC, while the DBM and the Development Academy of the Philippines serve as the Committee's Technical Secretariat.

In pursuance of the GQMC's task of validating the ISO QMS certification

or QMS documents of agencies, the DBM provided the following technical assistance:

- Prepared GQMC MC No. 2016-1¹⁰ dated December 7, 2016 to prescribe the guidelines on the validation by the GQMC of the ISO 9001 QMS Certification or ISO-aligned QMS Documents of agencies concerned, as well as to prescribe the contents and suggested outline of the latter, consistent with the provisions of A.O. 25 IATF MC No. 2016-1;
- Conducted ISO-QMS briefings for eight government agencies; and
- Verified the agencies' ISO 9001 QMS certificates/ISO-aligned QMS Documents posted in their respective Transparency Seal web pages.

Aside from providing technical assistance to the GQMC in the validation of the government entities' QMS, the DBM is also tasked to validate agencies' compliance with the following Performance Based Bonus (PBB) requirements: Transparency Seal; Major Final Output-Physical Accomplishments of departments; GOCCs covered by the DBM, and Local Water Districts; Support to Operations (STO) accomplishments, particularly those STO identified by agency heads; budget utilization rate of departments, Other Executive Offices,

⁹ Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2016 under Executive Order (EO) No. 80 and EO 201 dated May 12, 2016

¹⁰ Guidelines on the Validation of the ISO 9001 Quality Management System (QMS) Certification or ISO-Aligned QMS Documents as a Requirement for the Grant of the FY 2016 Performance-Based Bonus (PBB)

GOCCs covered by the DBM, and SUCs; Public Financial Management Reports; Budget and Financial Accountability Reports; and Agency Rating and Ranking Report of departments, OEOs, GOCCs covered by DBM, SUCs, and LWDs.¹¹

Competitive Pay for Better Work Performance

To encourage excellent performance and productivity within the corps of public servants, Executive Order No. 201, “Modifying the Salary Schedule for Civilian Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Uniformed Personnel”, was signed on February 19, 2016. The E.O. directed the adoption and implementation of a compensation strategy that would ensure that government compensation is competitive while remaining fiscally viable.

Under this scheme, government compensation is set at 70% of market median, which is the typical target of private companies. Offering employee compensation at market median would help the government to be competitive with the private sector, while keeping the additional cost within affordable levels.

Based on the results of the recent compensation and benefits survey, government pay at the sub-professional level (Salary Grades 1 to 10) matches or exceeds that of its private sector counterparts. However, the gap

between private and public sector pay widens as personnel move up the ladder.

To remedy this, the salary schedule was designed progressively, that is, the higher the salary grade, the higher the increase an employee gets from the previous level. At higher levels, there is less opportunity for promotion and the labor pool of critical talent is smaller. Higher salaries help attract and retain critical talent.

The salary increase is scheduled for implementation in four (4) tranches, beginning on January 1, 2016.

Additional benefits have been included to maximize the net take home pay of government personnel. The grant of a Mid-Year Bonus – equivalent to one (1) month basic salary as of May 15 – increased the overall compensation of government workers without the additional burden of fixed personnel costs. It should be noted that any increase in basic salary requires a parallel increase in retirement and life insurance premiums, and other premium contributions.

The Mid-Year Bonus is on top of the existing Year-End Bonus, which is also equivalent to one (1) month basic salary of government employees.

The Performance-Based Incentive System was also strengthened in

¹¹ IATF MC No. 2016-1 dated May 12, 2016

recognition of government personnel who play a greater role and carry heavier responsibility in attaining performance targets and delivering results. Beginning 2016, the rate of the Performance-Based Bonus (PBB) is to be computed as a multiple of the individual's basic salary. The new arrangement: (a) improves the competitiveness of government compensation (government is now able to compete in the labor market); (b) brings the pay of government workers closer to the private sector (tool for attracting and retaining talent); and (c) supports a performance-based culture (incentive scheme which integrates personnel and organizational performance to reward exemplary civil servants and well performing institutions).

In the case of the military and uniformed personnel (MUP), the primary objective is to increase overall compensation whilst mitigating the fiscal crisis build up in their pension system.

In the meantime, while the legislation of the Salary Standardization Law (SSL) IV is underway, the DBM continues to provide budgetary support for the second tranche of the salary increase of government civilian personnel, as provided under E.O. No. 201, series of 2016.

Funding requirements for the second tranche of the salary increase of government and civilian personnel are provided and included in the FY 2017 National Budget.

SECOND TRANCHE OF COMPENSATION ADJUSTMENT FOR CIVIL SERVANTS



In accordance with National Budget Circular No. 568 and Local Budget Circular No. 113 (pursuant to Executive Order No. 201, s. 2016)

BIGGER TAKE HOME PAY FOR

Civilian
Personnel



Military and
uniformed
personnel



MAINTAINING FISCAL DISCIPLINE FOR FISCAL SUSTAINABILITY

Early Passage of the National Budget

With the strong commitment to fiscal discipline, the National Budget for 2017 was passed on time, underpinning the efforts towards facilitating the budgeting process. The prompt passage of the General Appropriations Act (GAA) of 2017, signed on December 22, 2016, maintained the record for early passage and enactment of the National Budget for seven consecutive years since 2010.

A number of significant policy changes were introduced in the 2017 GAA, such as the definition of savings, modification in allotment and inclusion of the Quick Response Fund (QRF) in the National Disaster Risk Reduction and Management (NDRRM) Fund.

Savings has been defined in the 2017 GAA as the portions or balances of any released appropriations which have not been obligated as a result of any of the following:

1. Final discontinuance or abandonment of an ongoing program, activity or project (P/A/P) by the head of agency due to causes not attributable to the fault or negligence of said agency, which would not render it possible for the agency to implement said P/A/P during the validity of the appropriations;

2. Non-commencement of the P/A/P for which the appropriation is released. Non-commencement refers to the inability of the agency or its duly authorized procurement agent to obligate the released allotment and implement the P/A/P due to natural or man-made calamities or other causes not attributable to the fault or negligence of the agency concerned during the validity of the appropriation;
3. Decrease in costs resulting from improved efficiency during the implementation or until the completion of the P/A/P, provided the agency will be able to deliver the targets and services; and
4. Difference between the approved budget for the contract and the contract award price, including any variations required for the project.

Moreover, savings may also refer to available balances of appropriations arising from unused compensation and related costs pertaining to: (i) unfilled, vacant or abolished positions; (ii) non-entitlement to allowances and benefits; (iii) leaves of absence without pay; and (iv) unutilized pension and retirement benefits arising from the death of pensioners, decrease in the number of retirees, or other related causes.



A general provision on the modification in the allotment has also been provided to properly guide departments, bureaus and offices of the National Government. Modification of allotment within a program, activity or project is allowed only in exceptional circumstances, subject to the approval of the following:

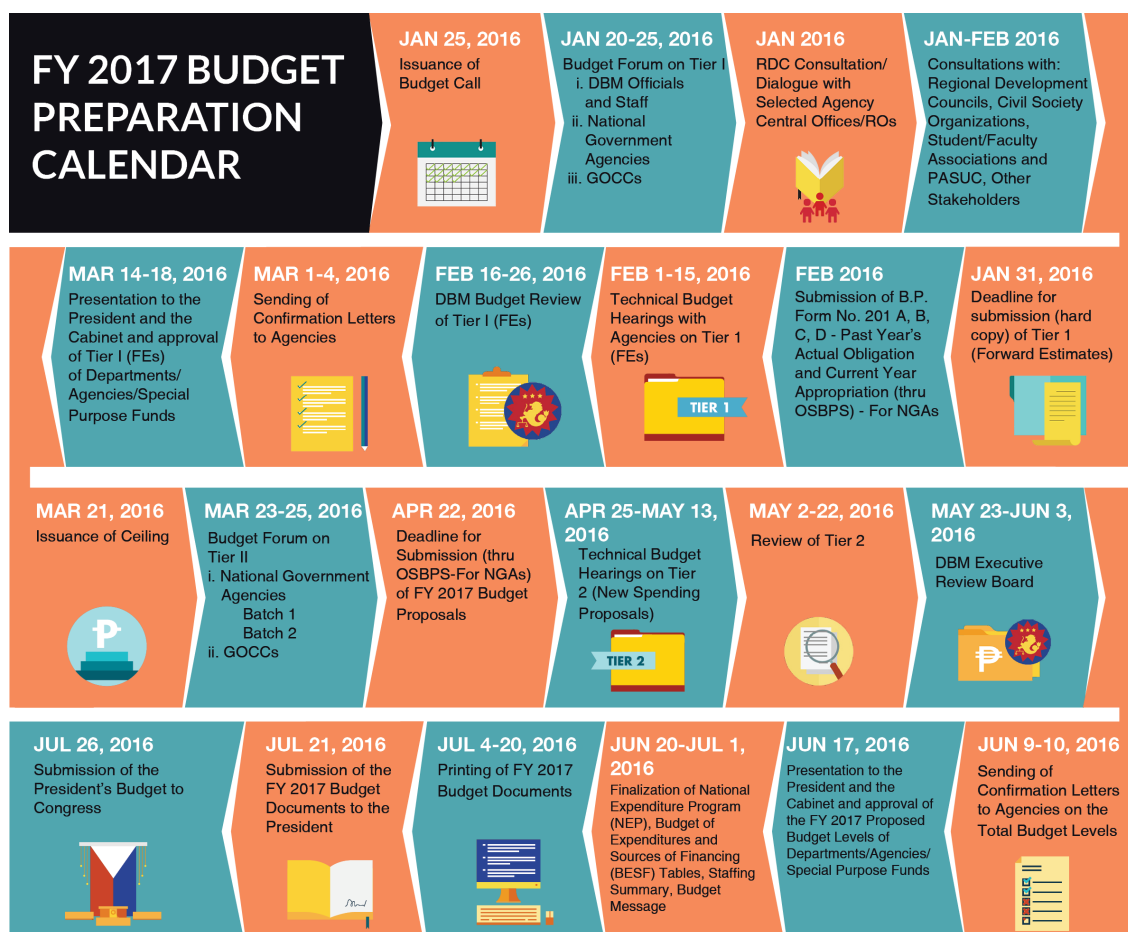
1. The heads of agencies, for change in the object of expenditure (e.g., salaries and wages, travelling expenses or investment outlays) within an allotment class (Personnel Services, Maintenance and Other Operating Expenses, or Capital Outlays);
2. The DBM, in the following modifications: (i) for the payment of Magna Carta Benefits; (ii) from one allotment class to another; (iii) from one operating unit to another; (iv) within a special purpose fund; and (v)

within the purpose authorized under the Unprogrammed Appropriations; and

3. The President of the Philippines, for the payment of intelligence funds within the Executive Branch.

It also provides that modifications within the Capital Outlays may only be made until June 30, 2017, except if due to the occurrence of calamities. All modifications in the allotment shall not entail any increase in the total amount appropriated for a program, activity or project. In the case of programs with several activities, modifications may be done only within each activity.

The swift passage of the GAA can also be credited to various reform programs



that made a significant impact on the streamlining of the budgeting system. As early as January 25, 2016, the DBM issued the Budget Call for the 2017 budget to all heads of departments, bureaus, agencies, and other government agencies. This made possible the implementation of changes in the conventional flow of the budgeting system, including sustaining of the Two-Tier Budgeting Approach (2TBA), lessening the number and magnitude of Special Purpose Funds (SPFs), and paving the way for a stronger monitoring and evaluation (M and E) system.

The NDRRM Fund, amounting to Php37.25 billion, is a source of additional funding for the QRF. Funds will be directly released to implementing agencies concerned in accordance with the approval of the President, based on the recommendation of the National Disaster Risk Reduction and Management Council.

Effective Resource Allocation

The 2TBA was introduced to provide separate discussions and deliberations on ongoing/existing programs/projects from entirely new spending measures/proposals, including the expansion of the ongoing/existing ones. The 2TBA aims to strengthen the budget preparation process and enhance the accountability

of departments/agencies by separating the analysis of ongoing programs/projects from the new ones.

During the Tier 1 phase of the FY 2017 Budget Preparation process, the budgetary requirements for ongoing/existing programs and projects of departments and agencies were determined through the preparation of Forward Estimates (FEs). The FEs are rolling three-year estimates formulated by departments and agencies, in coordination with the counterpart DBM Budget and Management Bureau, consistent with the guidelines provided in the FY 2017 Budget Call. The approved Tier 1 budget, amounting to Php2,762.5 billion, was then used to determine the amount of fiscal space from the Php3,350.0 billion obligation budget for 2017, as approved by the DBCC.

The fiscal space is for allocation to new or expanded programs during the Tier 2 process.

Also in line with the FY 2017 Budget Preparation process, the Budget Priorities Framework (BPF) was issued through National Budget Memorandum No. 126 on April 4, 2016. The BPF was prepared by the Fiscal Planning and Reforms Bureau, in coordination with other DBM offices, the National Economic and Development Authority (NEDA), and the Department of Finance (DOF).

Allocations for Selected Subsectors of Economic and Social Services, 2015-2017
(in billion Pesos)

Year	Expenditure Levels	Health	Agriculture, Agrarian Reform and Natural Resources	Social Security, Welfare and Employment	Education, Culture and Manpower Development	Infrastructure
2015	2,606.0	164.0	86.6	143.8	375.2	575.7
2016	3,001.8	245.8	93.7	125.4	508.5	756.4
2017	3,350.0	258.2	93.2	143.5	667.4	847.2

The government acknowledges the role of the Budget in nation-building and in driving the domestic economy. A narrow fiscal space tends to limit the government's capability to allocate resources to a wider range of the Administration's priority agenda. The adoption of the BPF was sustained to guide national government agencies in preparing their Tier 2 Budget Proposals, based on the identified key strategies and priority sectors stated in the Philippine Development Plan. The framework also provides a set of criteria for the prioritization of proposals during the DBM Executive Review Board-level budget deliberation.

In pursuit of its agenda and priorities, the government is spending more on programs and projects which have significant impact on reducing poverty and achieving inclusive growth. This is reflected in the increased share of productive expenditures¹² in the 2017 National Budget at 88.1%, from the 83.3% average share to actual obligations in the last six years. The improvement was a result of lower interest payments and net lending assistance to government corporations due to prudent public expenditure reforms and effective debt and liability management strategies of the government.

Expenditure Levels Kept Within the Target NG Fiscal Deficit-to-GDP Ratio

The National Government fiscal deficit-to-GDP ratio in 2016 reached 2.4%, staying within the 2.7% revised target for the year. The program was revised as

the new Administration adopted a more realistic fiscal target on account of the prevailing macroeconomic environment, growth targets and absorptive capacity issues. The deficit widened from the 0.9% of GDP in 2015 due to the faster growth of disbursements in 2016.

MORE RESPONSIVE SERVICE DELIVERY

Streamlining of Bidding Processes and Requirements

On August 9, 2016, the GPPB approved the 2016 Revised Implementing Rules and Regulations (IRR) of R.A. 9184 after a conscientious review of allied laws and issuances and extensive consultations with various stakeholders in the government and the private sector.

The 2016 IRR was published in the Official Gazette on August 29, 2016 and took effect on October 28th.



Official Gazette

The 2016 Revised IRR of R.A. 9184 addresses the need to adapt to current market situations and advances in modern technology and to further clarify procurement procedures in

¹² Total obligations net of interest payments and net lending. Based on the 2017 GAA as actual obligations are not yet available.

accordance with the framework of R.A. 9184 and its general principles, to wit: 1) Transparency; 2) Competitiveness; 3) Streamlined and Uniform Procurement Process; 4) Accountability; and 5) Public Monitoring.

In order to further enhance the efficiency of the procurement process, the 2016 IRR introduced improvements in its linkages with the budgeting system by: (1) institutionalizing the Multi-Year Obligational Authority (MYOA) for multi-year projects; (2) undertaking of procurement soon after the budget proposal is submitted to Congress to be ready for obligation once the budget takes effect; (3) requiring Procuring Entities to prepare their indicative Annual Procurement Plan (APP) alongside their budget proposal; and (4) submitting to the GPPB their final APPs, and any change thereto, as a means to improve procurement planning and enhance procurement assessment and monitoring.

As part of the governing principle of a streamlined procurement process, the efficiency of the Philippine Government Electronic Procurement System (PhilGEPS) is further maximized in the conduct of the pre-bid conference and in the submission of bids.

The pre-bid conference may now be conducted through video conferencing, webcasting, or other similar technology. To minimize instances of disqualification of bidders and failure of biddings due to submission of incomplete eligibility documents, all bidders participating in the competitive bidding process are now

required to upload and maintain certain eligibility documents with the PhilGEPS.

The 2016 Revised IRR of R.A. 9184 likewise increased the threshold for advertisement and provided for a two-year period for the eventual removal of the advertisement requirement to reduce government transaction costs. Other notable improvements include: 1) More reasonable rules in signing, sealing and marking of bids; 2) Allowing the submission of a committed Credit Line as a financial eligibility document in the procurement of Goods; 3) Affording bidders more opportunities in utilizing the protest mechanisms; and 4) Allowing the refund of fees paid for bidding documents in accordance with Section 41 of the 2016 IRR.

The procedures and documentary requirements for most of the commonly-used Alternative Methods of Procurement have been streamlined and standardized under the Consolidated Guidelines for the Alternative Methods of Procurement, which has been integrated as Annex “H” of the 2016 IRR. In this regard, a new modality has been introduced to address the procurement of Scientific, Scholarly or Artistic Work, Exclusive Technology and Media Services. Negotiated Procurement from United Nations (UN) Agencies was amended to include International Organizations or International Financing Institutions, and additional items other than small quantities of off-the-shelf goods and specialized products. Moreover, the thresholds for Shopping and Small Value Procurement modalities have been increased in response to economic and market concerns.

New provisions were also added in the requirements for the procurement of goods and infrastructure projects. One such new provision is in the case of an expired Mayor's permit, which is under the Class "A" documents. A bidder can submit the expired permit together with the official receipt that proves that it has applied for renewal within the period prescribed by the local government unit concerned, provided that the renewed permit will be submitted as a post-qualification document within five (5) calendar days from receipt by the bidder of the notice from the Bids and Awards Committee (BAC) that the bidder has the Lowest Calculated Bid or the Highest Rated Bid.

Individual consultants that are not registered under a sole proprietorship can submit their BIR Certificate of Registration in lieu of the DTI registration and/or the Mayor's or Business permit.

Procuring entities are now also allowed to outsource if they are not proficient or capable enough to handle a particular procurement. Outsourcing the procurement task is possible upon the approval of the Head of the Procuring Entity. This can be done in three ways: 1) Requesting other government agencies to undertake the procurement through a memorandum of agreement, including specific arrangements, stipulations, and covenants that are in accordance with the government budgeting, accounting, and auditing rules; 2) Designating private procurement agents to conduct the procurement process while following the guidelines that will be issued by the GPPB; and 3) Recruiting or engaging

consultants to assist them directly and/or training their staff to manage the procurement process.¹³

The GAA as the Allotment Order

The General Appropriations Act (GAA) serves as the primary fund release document of the government. The implementation of the GAA-as-Allotment Order (GAAAO) not only minimizes the carry-over allotments, but also speeds up the release of agency budgets as soon as the GAA takes effect. Except for the items enumerated in the list of "For Later Release (FLR)" – budgetary items that need clearance from approving authorities and/or subject to compliance with certain requirements – agencies can immediately obligate their allocations or enter into contracts, subject to procurement rules, upon effectivity of the budget. This helps ensure the timely and efficient implementation of government programs and projects.

With GAAAO, which was first adopted in FY 2014 and called General Appropriations Act-as Release-Document (GAARD) then, there is no need to prepare the Agency Budget Matrices (ABM). Likewise, the Special Allotment Release Order (SARO) is just issued to agencies to enable them to obligate those items included in the FLR.

ISO 9001:2008 Certification

On its first try, the DBM was the first Philippine national government agency to receive a department-wide International Organization for

¹³The 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 dated August 9, 2016

Standardization (ISO) 9001:2008 certification, which covers the whole budget and management processes. It includes all of the DBM's systems and processes in relation to policy formulation, preparation of the national budget, management/administration of the national budget, and monitoring and analysis of performance.

The certification, which the Department received in 2015, affirms the DBM's steadfast commitment to improve its services. By setting up a Quality Management System, the DBM has been able to provide mechanisms to validate DBM's conformity to global standards, including commitment to continual improvement.

In line with the certification, the DBM underwent its first surveillance audit in 2016, which it passed with flying colors as no major nonconformity was raised. Among the positive points cited in the First Surveillance Report, conducted by the Third Party Auditor, Certification International Philippines, Inc., were the following:

- Increased level of improvement in the planning and establishment of objectives and targets;
- Implementation of processes at various functions is governed by and carried out through established guidelines, issuances, circulars, flowcharts, and procedures; and
- Monitoring and measurement of performance commitments are evident.

Strengthening Public Financial Management of LGUs

Better delivery of basic services by LGUs is a result of improved public financial management. "Support to the Local Government Units for more Effective and Accountable Public Finance Management," also known as the LGU PFM 2 Project, aims to assist LGUs in strengthening their capacity in fiscal and expenditure management. In line with this, several manuals were developed and issued.

The Budget Operations Manual (BOM) provides the framework for strengthening policy-based budgeting among LGUs, specifically through the harmonization of development plans, investment programs, and spending policies, and then tying these closely to the resulting budget. Local Budget Circular (LBC) No. 112 was signed in 2016 for the adoption of the 2016 edition of the BOM, to serve as a guide for provinces, cities, and municipalities in improving and systematizing methods, techniques, and procedures employed in the preparation, authorization, review, execution, and accountability in local budget operations.

As internal audit is considered one of the vital aspects to have an open and orderly PFM system, LBC No. 110 was issued on June 10, 2016 to encourage all provinces, cities, and municipalities to adopt the Internal Audit Manual (IAM) for LGUs. The development of the IAM helps LGUs in (1) establishing and

maintaining a functional and operational Internal Audit Service/Unit (IAS/U) that prepares and timely submits regular internal audit reports; and (2) follows up the implementation of internal audit recommendations.

The Manual provides a clear description of internal audit roles and responsibilities, organizational structure and staffing of the IAS/U, and the methodology for performing compliance, operations and management audits. It also includes guides on how to report internal audit findings and follow up on internal audit recommendations, and the templates and forms to be used during the entire internal audit planning and implementation processes.

The Manual on the Setting Up and Operation of Local Economic Enterprises (LEE) was also developed and issued through LBC No. 111. This Manual intends

to strengthen policy-based budgeting by encouraging LGUs to consider LEEs in development planning and investment programming through a step-by-step guide in establishing and operating LEEs that are revenue generating and self-sustaining. Guides on how to review existing LEE operations to ensure their viability are also contained therein.

Creating a Collaborative PFM Environment

Active Participation in the Public Expenditure Management Network in Asia

For the past years, the DBM has been actively participating in the Public Expenditure Management Network in Asia (PEMNA), a peer-learning network of PFM practitioners. It serves as a venue for PFM practitioners in 14 countries in Asia in sharing knowledge, practices, experiences, issues and concerns in implementing PFM reforms.



The PEMNA delegates to the Plenary Conference

In 2016, the Philippines, led by the DBM, the Bureau of the Treasury (BTr), the Department of Finance (DOF), and the Commission on Audit (CoA), hosted the PEMNA Plenary Conference, held in Manila on June 8 to 10, 2016. PEMNA-member countries were able to discuss, among other topics, Experiences in PFM Reform Implementation, Fiscal Transparency and Citizen Participation, and Central- Local Fiscal Relations.

Sponsorship of Study Visit of Officials from Bhutan

The DBM also hosted the study visit of officials from the Department of National Budget of the Royal Government of Bhutan on November 7 to 11, 2016. During the visit, the delegates were briefed on the Philippine budgeting system and on the major PFM reforms

that the Philippine government is implementing. The Department has been hosting study visits from Bhutan since 2010.

MOVING FORWARD: OPPORTUNITIES AND CHALLENGES

Strengthening Performance- Informed Budgeting through the Use of Program Expenditure Classification (PREXC)

Performance-Informed Budgeting will be strengthened through the use of PREXC, which facilitates the evaluation of the impact of agency strategies or interventions and provides better information for planning, prioritization, and management by agencies. Monitoring



DBM Secretary Benjamin Diokno together with the delegates from Bhutan and DBM officials and staff.

and evaluation of agency performance will be at the program level, which will provide better inputs for policy decisions on which programs to prioritize, thus contributing to better resource allocation.

It is imperative that buy-in for PREXC from the Senate and the House of Representatives is obtained. Thus, coordination meetings with both Houses of Congress will be conducted for this purpose. These will include dissemination of IEC materials such as the PREXC briefer and booklet that were published in 2016.

In addition, a PREXC briefing was conducted for the 47 GOCCs, with government subsidy, to provide them technical assistance in translating their budgets to PREXC in preparation for the 2018 budget.

Corresponding modification in the Unified Accounts Code Structure (UACS), in line with the adoption of the PREXC, will have to be undertaken through the issuance of a Joint Circular. The roll-out of these changes to the departments and agencies will be done in 2017. Along with the other DBM IT systems reconfigured for PREXC, the Unified Reporting System (URS) will likewise be reconfigured for implementation in FY 2018.

Legislation of the Budget Reform Act

In 2016, the Public Financial Management (PFM) Reform Bill, which was previously filed in both the House of Representatives and the Senate, was updated to ensure consistency with the provisions of the 2017 National

Expenditure Program (NEP). It is now referred to as the Budget Reform Bill (BRB).

The BRB in its present form strengthens the Congress' power of the purse by enforcing the Constitutional policy that all expenditures must be authorized by Congress. It likewise enables Congress to review and approve proposed appropriations against clearly defined performance information and actual reported performance. On the side of the Executive Branch, the BRB aims to strengthen the management of public finances. To be able to do these, an Office of the Comptroller General (OCG) is being proposed under the Office of the President, whose mandate would be to, among others, monitor the performance of the annual cash appropriations of agencies by preparing in-year and end of the year reports of appropriations to aid management and Congress in decision making, and to strengthen internal controls and internal audit in government.

The BRB will also provide for a shift from obligation budgeting to cash budgeting, and from two years validity of appropriations to one year to ensure discipline in the use of resources and timely execution of programs and projects. This will strengthen the accountability of agencies in the delivery of goods and services, simplify appropriations tracking and ensure more credible cash payments for government contractors and suppliers.

Through all these, the BRB aims to institutionalize budget data disclosure,

civil society participation in budgeting, and all of the necessary ingredients of a modern budget system.

The BRB is expected to be filed by the first semester of 2017.

Rightsizing the Government

In line with the directive of President Duterte to all agencies to streamline their respective operations, the DBM prepared a draft Administration Bill entitled, “An Act Rightsizing the National Government to Improve Public Service Delivery”, which provides for the implementation of a National Government Rightsizing Program.

The National Government Rightsizing Program is a reform mechanism that aims primarily to enhance the government’s institutional capacity by streamlining the operations of the different agencies of the Executive Branch and rightsizing their organizational structure and manpower complement, according to the priorities of the Administration.

Moreover, the Program will enable the government to improve public service delivery by undertaking organizational actions that will (i) eliminate functions, programs and projects which are already redundant or no longer necessary, and those duplicating or overlapping between/among the units within the agency or with other agencies of the National Government; and (ii) strengthen priority sectors/agencies that need additional resources.

The Program is also aimed at enabling agencies of the National Government to focus on the performance of their vital/core functions and ensure the effective, efficient and economical implementation of their programs and projects. This is expected to lead to the attainment of the desired national and sectoral goals, as well as facilitate the delivery and upgrading of the quality of government services.

In addition, the Program is viewed as a tool that will help agencies simplify their respective systems and processes, as well as pursue various management systems improvement and productivity enhancement measures/initiatives to enable them to provide better and high quality services to their clients.

The initial draft of the Administration Bill was submitted by the DBM to the Office of the President on July 25, 2016. The same was approved by the President during a Cabinet Meeting held last August 22, 2016, and was later endorsed to the Senate and the House of Representatives on September 8, 2016.

For FY 2017, the DBM will continue its efforts towards the immediate passage of said Bill into law.

Legislation of the Salary Standardization Law (SSL IV)

SSL IV develops a new compensation adjustment strategy that ensures that the compensation structure of civilian government personnel conforms to the key objectives of establishing a

fair, competitive, performance-based and sustainable pay anchored on the following principles:

1. Equal pay for equal work value;
2. Competitive pay at par with private sector counterpart/s;
3. Performance-based compensation, where employees and organization's performance are linked and/or reflected in the compensation received; and
4. Fiscal sustainability, where personnel costs are maintained at manageable levels in proportion to total government expenditures.

The proposed SSL legislation scales up the basic salaries vis-à-vis the total compensation package, tempers the cost of benefits and allows for higher take home pay with the inclusion of the Mid-Year Bonus, Performance-Based Bonus and Productivity Enhancement Incentive. The initiative will also institutionalize the compensation reform and provide strong legal support for the compensation adjustment under Executive Order No. 201.



ANNEXES

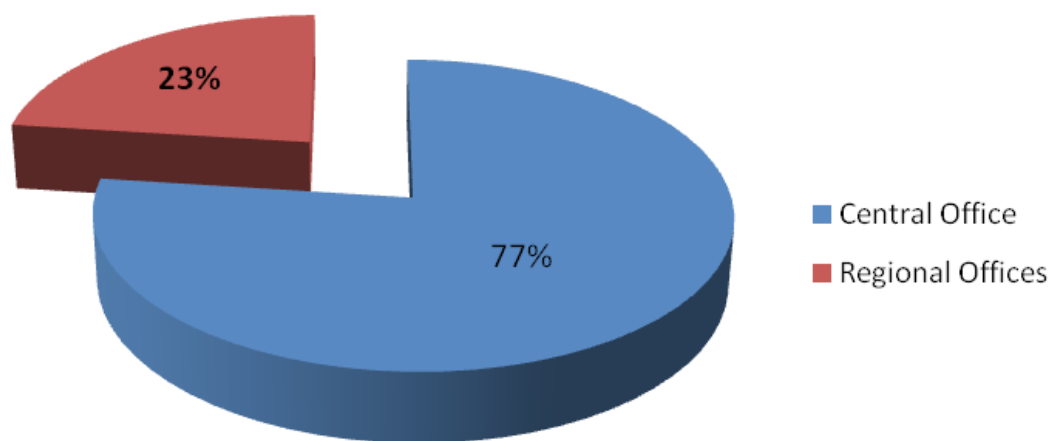
DBM FINANCIAL REPORT OF OPERATIONS FOR FY 2016

The financial reports of the Department of Budget and Management were prepared in accordance with and in compliance to the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit (COA) per COA Resolution No. 2014-003 dated January 24, 2014, Revised Chart of Accounts (RCA) issued under COA Circular No. 2013-002 dated January 30, 2013, Unified Accounts Code Structure (UACS) prescribed under COA-DBM-DOF Joint Circular No. 2013-1 dated August 6, 2013, and the

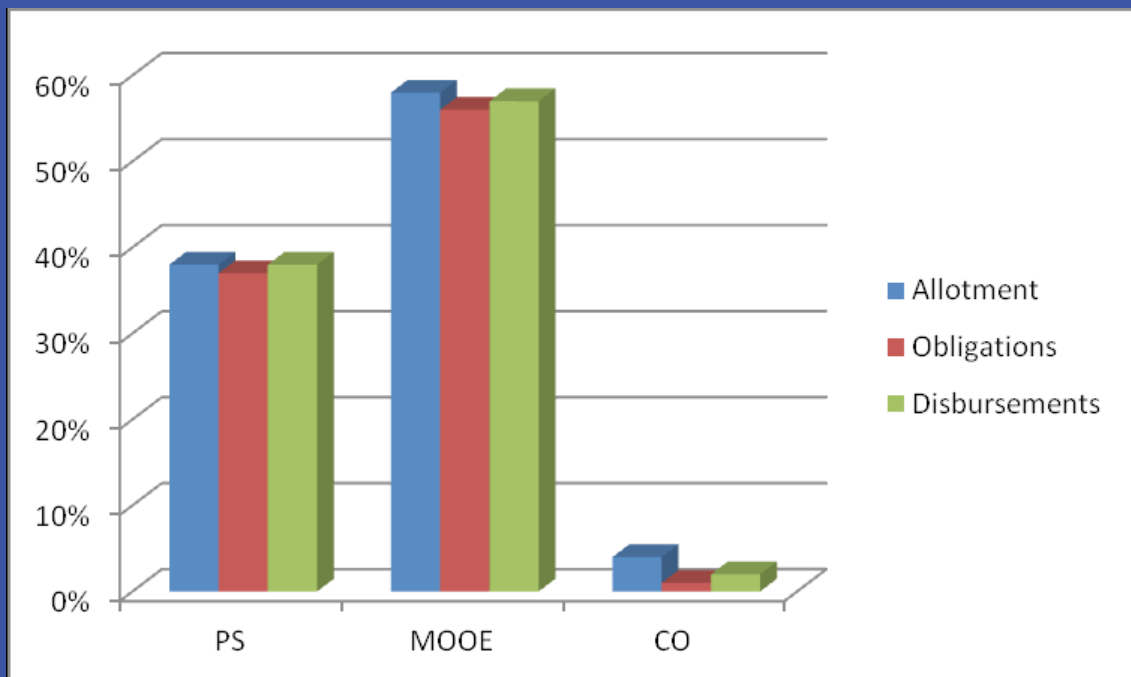
Government Accounting Manual (GAM) pursuant to COA Circular No. 2015-007 dated October 22, 2015.

To fulfil its mandate, the DBM had a total budget of Php1,349,406,000.00 for FY 2016, of which 77% was allocated to the Central Office while 23% was for the operations of the 16 Regional Offices.

Of the total FY 2016 budget, more than half (Php780,108,000.00) was allocated to Maintenance and Other Operating Expenses (MOOE), 38% for Personnel Services (PS), while the remaining 4% was for Capital Outlays (CO).



FY 2016 DBM Appropriation: Central Office & Regional Offices



FY 2016 DBM Budget Utilization

In terms of utilization rate, 98% of the PS allocation has been obligated, and the same has all been disbursed. For MOOE, 95% has been obligated, of which 99% has been disbursed. For the CO allocation, 25% has been obligated, with 53% having been disbursed.



Department of Budget and Management
Gen. Solano St., San Miguel, Manila
Consolidated Condensed Statement of Financial Position
For the Fiscal Year Ended December 31, 2016

ALL FUNDS

	<u>Note</u>	<u>2016</u>	<u>2015</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	4,157,778.76	9,409,518.26
Receivables	7	1,127,333,818.91	1,055,205,569.35
Inventories	8	7,099,357.66	6,366,780.62
Other Current Assets	11	127,371,443.16	130,766,869.64
Total Current Assets		1,265,962,398.49	1,201,748,737.87
Non - Current Assets			
Investments	6	1,000.00	1,000.00
Property, Plant and Equipment	9	1,039,402,011.58	1,086,550,886.73
Intangible Assets	10	18,468,414.86	6,047,728.17
Total Non-Current Assets		1,057,871,426.44	1,092,599,614.90
Total Assets		2,323,833,824.93	2,294,348,352.77
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	42,540,461.69	36,392,117.28
Inter-Agency Payables	13	772,104,728.51	1,466,177,670.64
Trust Liabilities	14	3,947,248.71	3,074,826.88
Deferred Credits/Unearned Income	15	134,626.21	10,400.00
Other Payables	16	40,264.47	43,724.92
Total Current Liabilities		818,767,329.59	1,505,698,739.72
TOTAL ASSETS LESS LIABILITIES		1,505,066,495.34	788,649,613.05
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)		1,505,066,495.34	788,664,613.05
TOTAL NET ASSETS/EQUITY		1,505,066,495.34	788,664,613.05



Department of Budget and Management
General Solano St., San Miguel, Manila
Consolidated Detailed Statement of Financial Position
For the Fiscal Year Ended December 31, 2016

ALL FUNDS

Account Title	Note	2016	2015
ASSETS			
Current Assets			
Cash and Cash Equivalents	5		
Cash on Hand			
Cash - Collecting Officer		34,392.05	129,048.05
Petty Cash		141,926.44	65,166.60
Cash in Bank - Local Currency:			
Cash in Bank - Local Currency, Current Account		422,504.42	172,214.90
Cash - Treasury/Agency Deposit, Trust		2,137,575.94	1,940,604.12
Cash - Modified Disbursement System (MDS), Regular		1,421,379.91	7,102,484.59
Total		4,157,778.76	9,409,518.26
Receivables	7		
Loans and Receivable Accounts			
Accounts Receivable		14,508.33	14,508.33
Inter-Agency Receivables			
Due from National Government Agencies		640,297,677.81	563,353,322.90
Due from Local Government Units		480,775,000.00	485,741,670.00
Intra-Agency Receivables			
Due from Central Office		217,218.00	-
Other Receivables			
Receivables - Disallowances/Charges		4,831,421.33	4,803,481.57
Due from Officers and Employees		1,197,593.44	880,250.76
Other Receivables		400.00	412,335.79
Total		1,127,333,818.91	1,055,205,569.35
Inventories	8		
Inventory Held for Consumption			
Office Supplies Inventory		6,010,791.14	6,033,240.72
Accountable Forms, Plates and Stickers Inventory		-	5,213.00
Other Supplies and Materials Inventory		596,205.64	328,326.90
Semi-Expendable Machinery and Equipment			
Semi-Expendable Office Equipment		73,548.95	-
Semi-Expendable Information and Communications Technology Equipment		53,300.00	-
Semi-Expendable Communications Equipment		149,216.93	-
Semi-Expendable Furniture and Fixtures		216,295.00	-
Total		7,099,357.66	6,366,780.62
Other Assets	11		
Advances			
Advances to Officers and Employees		322,334.25	37,059.75
Prepayments			
Advances to Contractors		352,847.96	1,738,670.07
Prepaid Insurance		221,036.60	190,636.68
Other Prepayments		7,405.00	900.00
Deposits			
Guaranty Deposits		141,045.00	141,045.00
Other Deposits		375.54	924.46
Other Assets			
Other Assets		126,326,398.81	128,657,633.68
Total		127,371,443.16	130,766,869.64
Total Current Assets		1,265,962,398.49	1,201,748,737.87
Non - Current Assets			
Investments	6		
Financial Assets - Others			
Other Investments		1,000.00	1,000.00
Total		1,000.00	1,000.00

Account Title	Note	2016	2015
Property, Plant and Equipment			
Land			
Land		47,454,282.62	47,454,282.62
Land Improvements		5,462,083.28	10,085,183.28
Other Land Improvements		22,501,904.56	31,993,429.58
Accumulated Depreciation - Other Land Improvements		(17,039,821.28)	(21,908,246.30)
Buildings and Other Structures		278,860,071.11	167,815,706.21
		273,489,608.16	155,900,085.44
Buildings		403,687,968.42	286,910,922.79
Accumulated Depreciation - Buildings		(130,198,360.26)	(131,010,837.35)
		5,370,462.95	11,915,620.77
Other Structures		7,901,318.78	15,499,856.55
Accumulated Depreciation - Other Structures		(2,530,855.83)	(3,584,235.78)
Machinery and Equipment		84,983,605.64	101,763,044.62
		14,705,601.97	13,966,082.25
Office Equipment		51,831,256.92	49,671,354.61
Accumulated Depreciation - Office Equipment		(37,125,654.95)	(35,705,272.36)
		54,761,771.70	68,980,195.63
Information and Communication Technology Equipment		257,503,658.47	259,496,663.56
Accumulated Depreciation - Information and Communication Technology Equipment		(202,741,886.77)	(190,516,467.93)
		11,228,769.86	13,408,142.72
Communication Equipment		21,891,889.39	23,265,459.89
Accumulated Depreciation - Communication Equipment		(10,663,119.53)	(9,857,317.17)
		979,408.02	1,853,923.35
Disaster Response and Rescue Equipment		4,633,208.00	5,255,883.48
Accumulated Depreciation - Disaster Response and Rescue Equipment		(3,653,799.98)	(3,401,960.13)
		-	2,724.50
Military, Police and Security Equipment		-	27,245.00
Accumulated Depreciation - Military, Police and Security Equipment		-	(24,520.50)
		(472.29)	34,606.82
Medical Equipment		-	46,788.00
Accumulated Depreciation - Medical Equipment		(472.29)	(12,181.18)
		552,348.49	833,311.86
Sports Equipment		1,198,107.55	1,464,686.71
Accumulated Depreciation - Sports Equipment		(645,759.06)	(631,374.85)
		2,756,177.89	2,684,057.49
Other Machinery and Equipment		4,635,522.00	4,366,066.42
Accumulated Depreciation - Other Machinery and Equipment		(1,879,344.11)	(1,682,008.93)
Transportation Equipment		35,631,301.59	39,991,093.59
Motor Vehicles		107,534,157.47	106,079,422.95
Accumulated Depreciation - Motor Vehicles		(71,902,855.88)	(66,088,329.36)
Furniture, Fixtures and Books		29,324,418.66	52,970,091.00
		29,195,360.60	52,741,046.20
Furniture and Fixtures		58,304,604.32	97,269,905.37
Accumulated Depreciation - Furniture and Fixtures		(29,109,243.72)	(44,528,859.17)
		129,058.06	229,044.80
Books		406,234.32	627,986.18
Accumulated Depreciation - Books		(277,176.26)	(398,941.38)
Leased Assets Improvements		2,480,129.17	2,682,073.23
		2,202,784.32	2,404,728.38
Leased Assets Improvements, Buildings		3,692,008.24	3,702,277.74
Accumulated Depreciation - Leased Assets Improvements, Buildings		(1,489,223.92)	(1,297,549.36)
Other Leased Assets Improvements		277,344.85	277,344.85

Account Title	Note	2016	2015
Construction in Progress			
Construction in Progress - Buildings and Other Structures		551,535,273.53	658,449,170.41
Other Property, Plant and Equipment		3,670,845.98	5,340,241.77
Other Property, Plant and Equipment		15,535,768.93	16,493,166.53
Accumulated Depreciation - Other Property, Plant and Equipment		(11,864,922.95)	(11,152,924.76)
Total		1,039,402,011.58	1,086,550,886.73
Intangible Assets	10		
Intangible Assets			
Computer Software		100,956,282.62	87,376,876.94
Accumulated Amortization - Computer Software		(82,487,867.76)	(81,329,148.77)
Total		18,468,414.86	6,047,728.17
Total Non - Current Assets		1,057,871,426.44	1,092,599,614.90
TOTAL ASSETS		2,323,833,824.93	2,294,348,352.77
LIABILITIES			
Current Liabilities			
Financial Liabilities	12		
Payables			
Accounts Payable		40,366,352.39	23,087,382.40
Due to Officers and Employees		2,174,109.30	13,304,734.88
Total		42,540,461.69	36,392,117.28
Inter-Agency Payables	13		
Inter-Agency Payables			
Due to BIR		5,188,241.71	2,716,070.65
Due to GSIS		56,138.00	98,066.03
Due to Pag-IBIG		11,361.25	5,885.75
Due to PhilHealth		6,762.55	3,562.55
Due to NGAs		480,775,000.00	480,775,001.00
Due to LGUs		286,067,225.00	982,579,084.66
Total		772,104,728.51	1,466,177,670.64
Trust Liabilities	14		
Trust Liabilities			
Guaranty/Security Deposits Payable		15,000.00	15,000.00
Total		3,932,248.71	3,059,826.88
Total Current Liabilities		3,947,248.71	3,074,826.88
Deferred Credits/Unearned Income	15		
Deferred Credits			
Other Deferred Credits		134,626.21	10,400.00
Total		134,626.21	10,400.00
Other Payables	16		
Other Payables			
Other Payables		40,264.47	43,724.92
Total		40,264.47	43,724.92
TOTAL LIABILITIES		818,767,329.59	1,505,698,739.72
TOTAL ASSETS LESS TOTAL LIABILITIES		1,505,066,495.34	788,649,613.05
NET ASSETS/EQUITY			
Government Equity			
Government Equity			
Accumulated Surplus/(Deficit)		1,505,066,495.34	788,664,613.05
Total		1,505,066,495.34	788,664,613.05
TOTAL NET ASSETS/EQUITY		1,505,066,495.34	788,664,613.05



Department of Budget and Management
Gen. Solano St., San Miguel, Manila
Consolidated Post-Closing Trial Balance
For the Fiscal Year Ended December 31, 2016

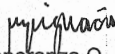
CONSOLIDATION OF ALL FUND CLUSTERS (FC 01, 04, 07)

Account Title	Account Code	CONSOLIDATED AMOUNT	
		Debit	Credit
Cash - Collecting Officer	10101010	34,392.05	-
Petty Cash	10101020	141,926.44	-
Cash in Bank - Local Currency, Current Account	10102020	422,504.42	-
Cash - Treasury/Agency Deposit, Regular	10104010	-	-
Cash - Treasury/Agency Deposit, Trust	10104030	2,137,575.94	-
Cash - Modified Disbursement System (MDS), Regular	10104040	1,421,379.91	-
Other Investments	10203990	1,000.00	-
Accounts Receivable	10301010	14,508.33	-
Due from National Government Agencies	10303010	640,297,677.81	-
Due from Local Government Units	10303030	480,775,000.00	-
Due from Central Office	10304010	217,218.00	-
Receivables - Disallowances/Charges	10305010	4,831,421.33	-
Due from Officers and Employees	10305020	1,197,593.44	-
Other Receivables	10305990	400.00	-
Office Supplies Inventory	10404010	6,010,791.14	-
Accountable Forms, Plates and Stickers	10404020	-	-
Other Supplies and Materials Inventory	10404990	596,205.64	-
Semi-Expendable Furniture and Fixtures	10406010	216,295.00	-
Semi-expendable Office Equipment	10405020	73,548.95	-
Semi-Expendable Information and Communication Technology Equipment	10405030	53,300.00	-
Semi-Expendable Communications Equipment	10405070	149,216.93	-
Land	10601010	47,454,282.62	-
Other Land Improvements	10602990	22,501,904.56	-
Accumulated Depreciation - Other Land Improvements	10602991	-	17,039,821.28
Buildings	10604010	403,687,968.42	-
Accumulated Depreciation - Buildings	10604011	-	130,198,360.26
Other Structures	10604990	7,901,318.78	-
Accumulated Depreciation - Other Structures	10604991	-	2,530,855.83
Machinery	10605010	-	-
Accumulated Depreciation - Machinery	10605011	-	-
Office Equipment	10605020	51,831,256.92	-
Accumulated Depreciation - Office Equipment	10605021	-	37,125,654.95
Information and Communication Technology Equipment	10605030	257,503,658.47	-
Accumulated Dep- Information and Communication Technology Equipment	10605031	-	202,741,886.77
Communication Equipment	10605070	21,891,889.39	-
Accumulated Depreciation - Communication Equipment	10605071	-	10,663,119.53
Disaster Response and Rescue Equipment	10605090	4,633,208.00	-
Accumulated Depreciation - Disaster Response and Rescue Equipment	10605091	-	3,653,799.98
Military, Police and Security Equipment	10605100	-	-
Accumulated Depreciation - Military, Police and Security Equipment	10605101	-	-
Medical Equipment	10605110	-	-
Accumulated Depreciation - Medical Equipment	10605111	-	472.29
Sports Equipment	10605130	1,198,107.55	-
Accumulated Depreciation - Sports Equipment	10605131	-	645,759.06
Other Machinery and Equipment	10605990	4,635,522.00	-
Accumulated Depreciation - Other Machinery and Equipment	10605991	-	1,879,344.11
Motor Vehicles	10606010	107,534,157.47	-
Accumulated Depreciation - Motor Vehicles	10606011	-	71,902,855.88
Furniture and Fixtures	10607010	58,304,604.32	-
Accumulated Depreciation - Furniture and Fixtures	10607011	-	29,109,243.72
Books	10607020	406,234.32	-
Accumulated Depreciation - Books	10607021	-	277,176.26
Other Property, Plant and Equipment	10698990	15,535,768.93	-
Accumulated Depreciation - Other Property, Plant and Equipment	10698991	-	11,864,922.95
Construction in Progress - Buildings and Other Structures	10699030	551,535,273.53	-
Leased Assets Improvements, Buildings	10609020	3,692,008.24	-

CONSOLIDATION OF ALL FUND CLUSTERS (FC 01, 04, 07)

Account Title	Account Code	CONSOLIDATED AMOUNT	
		Debit	Credit
Accumulated Depreciation - Leased Assets Improvements, Buildings	10609021	-	1,489,223.92
Other Leased Assets Improvements	10609990	277,344.85	-
Computer Software	10801020	100,956,282.62	-
Accumulated Amortization - Computer Software	10801021	-	82,487,867.76
Advances to Officers and Employees	19901040	322,334.25	-
Advances to Contractors	19902010	352,847.96	-
Prepaid Insurance	19902050	221,036.60	-
Other Prepayments	19902990	7,405.00	-
Guaranty Deposits	19903020	141,045.00	-
Other Deposits	19903990	375.54	-
Other Assets	19999990	126,326,398.81	-
Accounts Payable	20101010	-	40,366,352.39
Due to Officers and Employees	20101020	-	2,174,109.30
Due to BIR	20201010	-	5,188,241.71
Due to GSIS	20201020	-	56,138.00
Due to Pag-IBIG	20201030	-	11,361.25
Due to PhilHealth	20201040	-	6,762.55
Due to NGAs	20201050	-	480,775,000.00
Due to LGUs	20201070	-	286,067,225.00
Trust Liabilities	20401010	-	15,000.00
Guaranty/Security Deposits Payable	20401040	-	3,932,248.71
Other Deferred Credits	20501990	-	134,626.21
Other Payables	29999990	-	40,264.47
Accumulated Surplus/(Deficit)	30101010	246,921,772.97	1,751,988,268.31
TOTAL		3,174,365,962.45	3,174,365,962.45

Certified Correct:


 Esperanza Q. Ignacio
 Chief Accountant
 Accounting Division

Department of Budget and Management
Office of the Secretary
FY 2016 Financial Report of Operations
As of December 31, 2016

(In thousand pesos)
P UNDS 701, 103, 107 + 171

Particulars	Allotment	Obligations	Disbursements	Unobligated Allotment	Unpaid Obligations	Budget Utilization Rate		Remarks
						Obligations	Disbursements	
DBM Budget	2,032,647	1,153,044	1,009,091	879,603	143,953	56,73	87,52	
Current Appropriation	1,384,943	948,871	857,000	436,072	91,871	68,51	90,32	
Agency Specific Budget	1,248,158	816,845	725,143	432,313	91,702	65,39	88,77	
PS	523,864	491,975	487,947	31,889	4,028	93,91	99,18	
MOOE	664,647	278,660	210,338	385,987	68,322	41,93	75,48	
Financial Expenses	107	13	11	94	2	12,15	84,62	
CO	60,540	46,197	26,847	14,343	19,350	76,31	58,11	
Special Purpose Funds	87,703	86,787	86,518	916	169	98,96	99,81	
Miscellaneous Personnel Benefits Fund (MPBF)	70,428	69,512	69,343	916	169	98,70	99,76	
Pension and Gratuity Fund (PGF)	17,275	17,275	17,275	-	-	100,00	100,00	
Automatic Appropriation	48,082	45,239	45,239	2,843	-	94,09	100,00	
Retirement and Life Insurance Premiums - PS	44,121	43,747	43,747	374	-	99,15	100,00	
Customs Duties and Taxes - MOOE	1,053	1,053	1,053	-	-	100,00	100,00	
Grant Proceeds	2,908	439	439	2,469	-	15,10	100,00	
MOOE	2,116	73	73	2,043	-	3,45	100,00	
CO	792	366	366	426	-	46,21	100,00	
Prior Year's Budget/Continuing Appropriation	647,704	204,173	152,091	443,531	52,082	31,52	74,49	
Agency Specific Budget	647,704	204,173	152,091	343,531	52,082	37,28	74,49	
MOOE	365,266	164,580	133,201	200,686	31,379	45,06	80,93	
Financial Expenses	96	13	13	83	-	13,54	100,00	
CO	182,342	39,580	18,877	142,762	20,703	21,71	47,69	
Special Purpose Funds	100,000	-	-	100,000	-	-	-	
EGovernment Fund - CO	100,000	-	-	100,000	-	-	-	
DBM-Administered Funds	13,783,695	13,780,606	13,780,606	3,089	-	99,98	100,00	
Dep-Ed ARMM - PS	1,235,753	1,235,753	1,235,753	-	-	100,00	100,00	
Regular Appropriation (9% employees's share)	529,654	529,654	529,654	-	-	100,00	100,00	
Automatic Appropriation (12% employer's share)	706,099	706,099	706,099	-	-	100,00	100,00	
Financial Assistance to LGUs:	-	-	-	-	-	-	-	
Special Purpose Funds(i.e., PGF, ALGU, LGSF, Calamity Fund, etc.)	12,539,297	12,538,291	12,538,291	1,006	-	99,99	100,00	
PS	31,768	31,768	31,768	-	-	100,00	100,00	
MOOE	12,507,529	12,506,523	12,506,523	1,006	-	99,99	100,00	
Automatic Appropriation - MOOE	8,645	6,562	6,562	2,083	-	75,91	100,00	
Internal Revenue Allotment (IRA)	2,083	-	-	2,083	-	-	-	
Military Camp Proceeds	6,562	6,562	6,562	-	-	100,00	100,00	
Grand Total	15,816,342	14,933,650	14,789,697	882,692	143,953	94,42	99,04	

Department of Budget and Management										
Office of the Secretary										
Statement of Appropriations, Allotments, Obligations, Disbursement and Balances										
As of December 31, 2016										
Particulars	Authorized Appropriation	Released Allotment	Adjustments (Transfer To/From, Realignment)	Adjusted Allotment	Obligations	Disbursements	Unreleased Appro	Unobligated Allotment	Unpaid Obligations	Remarks
FUND 101	2,032,333,129.42	2,023,921,078.42	5,817,735.00	2,029,738,813.42	1,152,603,240.70	1,008,652,656.54	8,412,051.00	877,135,572.72	143,950,584.17	
CURRENT APPROPRIATION	1,384,629,000.00	1,376,216,949.00	5,817,735.00	1,382,034,684.00	948,432,671.30	856,561,600.51	8,412,051.00	433,602,012.70	91,871,070.80	
AGENCY SPECIFIC BUDGET	1,349,406,000.00	1,340,993,949.00	(91,836,114.00)	1,249,157,835.00	816,845,266.60	725,143,795.81	8,412,051.00	432,312,568.40	91,701,470.79	
PROGRAMS	1,277,196,000.00	1,268,783,949.00	(91,836,114.00)	1,176,947,835.00	806,734,808.51	715,043,993.72	8,412,051.00	370,213,026.49	91,690,814.79	
PS	511,651,000.00	503,238,949.00	20,625,000.00	523,863,949.00	491,975,357.93	487,947,387.08	8,412,051.00	31,888,591.07	4,027,970.85	
MOOE	707,898,000.00	707,898,000.00	(115,461,114.00)	592,436,886.00	288,549,457.24	200,238,530.58	-	323,867,428.76	68,310,926.66	
Financial Expenses	107,000.00	107,000.00	-	107,000.00	12,570.00	11,370.00	-	94,430.00	1,200.00	
CO	57,540,000.00	57,540,000.00	3,000,000.00	60,540,000.00	46,197,423.34	26,846,706.05	-	14,342,576.66	19,350,717.29	
Central Office	973,248,000.00	964,835,949.00	(126,443,991.00)	838,391,958.00	497,355,307.78	411,363,192.43	8,412,051.00	341,036,650.22	85,992,115.35	
PS	349,235,000.00	340,882,949.00	(10,584,677.00)	330,298,272.00	301,183,478.77	297,993,391.49	8,412,051.00	29,114,793.23	3,200,087.28	
MOOE	596,247,000.00	596,247,000.00	(18,859,314.00)	477,387,686.00	176,355,565.41	109,728,137.33	-	301,032,120.59	66,627,428.08	
Financial Expenses	20,000.00	20,000.00	-	20,000.00	2,760.00	1,560.00	-	17,240.00	1,200.00	
CO	27,686,000.00	27,686,000.00	3,000,000.00	30,686,000.00	19,813,503.60	3,650,103.60	-	10,872,496.40	16,163,400.00	
Regional Offices	303,948,000.00	303,948,000.00	34,607,877.00	338,555,877.00	309,379,500.73	303,680,801.29	-	29,176,376.27	5,698,699.44	
PS	162,356,000.00	162,356,000.00	31,209,677.00	193,565,677.00	190,791,879.16	189,963,995.59	-	2,773,787.84	827,883.57	
MOOE	111,651,000.00	111,651,000.00	3,398,200.00	115,049,200.00	92,193,891.83	90,510,393.25	-	22,855,308.17	1,663,498.58	
Financial Expenses	87,000.00	87,000.00	-	87,000.00	9,810.00	9,810.00	-	77,190.00	-	
CO	29,854,000.00	29,854,000.00	-	29,854,000.00	26,363,919.74	23,196,602.45	-	3,470,080.26	3,167,317.29	
PROJECTS	72,210,000.00	72,210,000.00	-	72,210,000.00	10,110,458.09	10,099,802.09	-	62,099,541.91	10,656.00	
MOOE	72,210,000.00	72,210,000.00	-	72,210,000.00	10,110,458.09	10,099,802.09	-	62,099,541.91	10,656.00	
SPECIAL PURPOSE FUNDS	-	-	87,702,592.00	87,702,592.00	86,786,738.16	86,617,138.16	-	915,853.84	169,600.00	
Miscellaneous Personnel Benefits Fund (MPBF)	-	-	70,427,955.00	70,427,955.00	69,512,118.85	69,342,518.85	-	915,836.15	169,600.00	
Central Office	-	-	41,937,105.00	41,937,105.00	41,540,464.00	41,370,864.00	-	386,641.00	169,600.00	
Regional Offices	-	-	28,490,850.00	28,490,850.00	27,971,654.85	27,971,654.85	-	519,195.15	-	
Pension and Gratuity Fund (PGF)	-	-	17,274,637.00	17,274,637.00	17,274,619.31	17,274,619.31	-	17,69	-	
Central Office	-	-	9,639,989.00	9,639,989.00	9,639,983.35	9,639,983.35	-	5,665	-	
Regional Offices	-	-	7,634,648.00	7,634,648.00	7,634,635.96	7,634,635.96	-	12,04	-	
AUTOMATIC APPROPRIATION	35,223,000.00	35,223,000.00	9,951,257.00	45,174,257.00	44,800,666.54	44,800,666.54	-	373,590.46	0.00	
Retirement and Life Insurance Premiums - PS	35,223,000.00	35,223,000.00	8,897,942.00	44,120,942.00	43,747,351.86	43,747,351.86	-	373,590.14	0.00	
Central Office	20,476,000.00	20,476,000.00	6,086,000.00	26,562,000.00	26,561,716.35	26,561,716.35	-	283,65	-	
Regional Offices	14,747,000.00	14,747,000.00	2,811,942.00	17,558,942.00	17,185,635.51	17,185,635.51	-	373,306.49	0.00	
Customs Duties and Taxes - MOOE	-	-	1,053,315.00	1,053,315.00	1,053,314.68	1,053,314.68	-	0.32	-	
TOTAL CURRENT APPROPRIATION	1,384,629,000.00	1,376,216,949.00	5,817,735.00	1,382,034,684.00	948,432,671.30	856,561,600.51	8,412,051.00	433,602,012.70	91,871,070.80	
PS	546,674,000.00	538,461,949.00	117,225,534.00	655,687,483.00	622,508,447.95	618,311,877.10	8,412,051.00	33,178,035.05	4,197,570.85	
MOOE	780,106,000.00	780,106,000.00	(114,407,799.00)	665,700,201.00	279,713,230.01	211,391,647.35	-	385,986,970.99	68,321,582.66	
Financial Expenses	107,000.00	107,000.00	-	107,000.00	12,570.00	11,370.00	-	94,430.00	1,200.00	
CO	57,540,000.00	57,540,000.00	3,000,000.00	60,540,000.00	46,197,423.34	26,846,706.05	-	14,342,576.66	19,350,717.29	

Department of Budget and Management										
Office of the Secretary										
Statement of Appropriations, Allotments, Obligations, Disbursement and Balances										
As of December 31, 2016										
Particulars	Authorized Appropriation	Released Allotment	Adjustments (Transfer To/From, Realignment)	Adjusted Allotment	Obligations	Disbursements	Unreleased Appro	Unobligated Allotment	Unpaid Obligations	Remarks
CONTINUING APPROPRIATION										
AGENCY-SPECIFIC BUDGET										
PROGRAMS										
MOOE	647,704,129.42	647,704,129.42	-	647,704,129.42	204,170,589.40	152,091,056.03	-	443,533,560.02	52,079,513.37	
Financial Expenses	547,704,129.42	547,704,129.42	-	547,704,129.42	204,170,589.40	152,091,056.03	-	343,533,560.02	52,079,513.37	
CO	149,418,490.50	149,418,490.50	-	149,418,490.50	103,966,790.48	60,343,834.00	-	45,451,700.02	43,622,956.48	
Financial Expenses	142,505,363.88	142,505,363.88	(20,828,618.00)	121,676,745.88	78,532,073.26	55,669,911.04	-	43,144,672.62	22,922,162.22	
CO	96,384.00	96,384.00	-	96,384.00	12,676.33	12,676.33	-	83,707.67	-	
Financial Expenses	6,816,742.62	6,816,742.62	20,828,618.00	27,645,360.62	25,422,040.89	4,721,246.63	-	2,223,319.73	20,700,794.26	
Central Office										
MOOE	124,623,322.75	124,623,322.75	(680,000.00)	123,943,322.75	83,530,324.83	41,561,751.97	-	40,412,997.92	41,968,572.86	
Financial Expenses	123,551,299.50	123,551,299.50	(19,828,618.00)	103,722,681.50	64,035,990.03	41,342,035.17	-	39,686,891.47	22,693,954.86	
CO	1,052,373.25	1,052,373.25	-	20,200,991.25	19,494,334.80	219,716.80	-	706,656.45	19,274,618.00	
Regional Offices										
MOOE	24,795,167.75	24,795,167.75	680,000.00	25,475,167.75	20,436,465.65	18,782,082.03	-	5,038,702.10	1,654,383.62	
Financial Expenses	18,954,064.38	18,954,064.38	(1,000,000.00)	17,954,064.38	14,466,083.23	14,287,875.87	-	3,457,981.15	228,207.36	
CO	76,734.00	76,734.00	-	76,734.00	12,676.33	12,676.33	-	64,057.67	-	
Financial Expenses	5,764,369.37	5,764,369.37	1,680,000.00	7,444,369.37	5,927,706.09	4,501,629.83	-	1,516,663.28	1,426,176.26	
PROJECTS										
MOOE	396,285,638.92	396,285,638.92	-	396,285,638.92	100,203,778.92	91,747,222.03	-	298,061,860.00	8,456,556.89	
CO	365,589,822.92	365,589,822.92	(122,000,000.00)	243,589,822.92	86,047,778.92	77,591,222.03	-	167,542,044.00	8,456,556.89	
Financial Expenses	32,695,816.00	32,695,816.00	122,000,000.00	154,695,816.00	14,156,000.00	14,156,000.00	-	140,539,816.00	-	
SPECIAL PURPOSE FUNDS										
Egovernment Fund - CO	100,000,000.00	100,000,000.00	-	100,000,000.00	-	-	-	100,000,000.00	-	
TOTAL CONTINUING APPROPRIATION										
MOOE	647,704,129.42	647,704,129.42	-	647,704,129.42	204,170,589.40	152,091,056.03	-	443,533,560.02	52,079,513.37	
Financial Expenses	508,095,186.80	508,095,186.80	(142,828,618.00)	365,266,568.80	164,579,852.18	133,201,133.07	-	200,666,716.62	31,378,719.11	
CO	96,384.00	96,384.00	-	96,384.00	12,676.33	12,676.33	-	83,707.67	-	
Financial Expenses	139,512,558.62	139,512,558.62	142,828,618.00	282,341,176.62	39,578,040.89	18,877,246.63	-	242,763,135.73	20,700,794.26	
TOTAL CURRENT AND CONTINUING APPROPRIATION										
PS	2,032,333,129.42	2,023,921,678.42	5,817,735.00	2,029,738,813.42	1,152,603,240.70	1,008,652,656.54	8,412,051.00	877,135,572.72	143,950,584.17	
RULP	511,651,000.00	503,238,849.00	108,327,692.00	611,566,541.00	578,762,096.09	574,564,525.24	8,412,051.00	32,804,444.91	4,197,570.85	
MOOE	35,223,000.00	35,223,000.00	8,897,942.00	44,120,942.00	43,747,351.86	43,747,351.86	-	373,580.14	0.00	
Financial Expenses	1,288,203,186.80	1,288,203,186.80	(257,236,417.00)	1,030,966,769.80	444,293,082.19	344,592,780.42	-	586,673,667.61	99,700,301.77	
CO	203,384.00	203,384.00	-	203,384.00	25,246.33	24,046.33	-	178,137.67	1,200.00	
Financial Expenses	197,052,558.62	197,052,558.62	145,828,618.00	342,881,176.62	85,775,464.23	45,723,952.68	-	257,105,712.39	40,051,511.55	
PROGRAMS										
PS	1,461,837,490.50	1,453,425,439.50	5,817,735.00	1,459,243,174.50	1,042,289,003.69	906,805,692.42	8,412,051.00	416,954,170.81	135,483,371.28	
RULP	511,651,000.00	503,238,849.00	108,327,692.00	611,566,541.00	578,762,096.09	574,564,525.24	8,412,051.00	32,804,444.91	4,197,570.85	
MOOE	35,223,000.00	35,223,000.00	8,897,942.00	44,120,942.00	43,747,351.86	43,747,351.86	-	373,580.14	0.00	
Financial Expenses	850,403,363.88	850,403,363.88	(135,236,417.00)	715,166,946.88	348,134,845.18	256,901,766.30	-	367,032,101.70	91,233,088.88	
CO	203,384.00	203,384.00	-	203,384.00	25,246.33	24,046.33	-	178,137.67	1,200.00	
Financial Expenses	64,356,742.62	64,356,742.62	23,828,618.00	88,185,360.62	71,619,464.23	31,567,952.68	-	16,555,896.39	40,051,511.55	
PROJECTS										
MOOE	570,495,638.92	570,495,638.92	-	570,495,638.92	110,314,237.01	101,847,024.12	-	460,181,401.91	8,467,212.89	
CO	437,799,822.92	437,799,822.92	(122,000,000.00)	315,799,822.92	96,158,237.01	87,691,024.12	-	219,641,565.91	8,467,212.89	
Financial Expenses	132,695,816.00	132,695,816.00	122,000,000.00	254,695,816.00	14,156,000.00	14,156,000.00	-	240,539,816.00	-	

Department of Budget and Management										
Office of the Secretary										
Statement of Appropriations, Allotments, Obligations, Disbursement and Balances										
As of December 31, 2016										
Particulars	Authorized Appropriation	Released Allotment	Adjustments (Transfer (To)/From, Realignment)	Adjusted Allotment	Obligations	Disbursements	Unreleased Appro	Unobligated Allotment	Unpaid Obligations	Remarks
FUND 103	10,870,531,658.12	10,870,531,658.12	2,906,601,326.00	13,777,132,984.12	13,774,043,590.37	13,774,043,590.37	-	3,089,393.75	-	
CURRENT APPROPRIATION	-	-	2,906,601,326.00	2,906,601,326.00	2,906,601,303.74	2,906,601,303.74	-	22.26	-	
REGULAR	-	-	529,654,277.00	529,654,277.00	529,654,277.00	529,654,277.00	-	-	-	
Central Office	-	-	529,654,277.00	529,654,277.00	529,654,277.00	529,654,277.00	-	-	-	
9% premium ARMM-DepEd - PS	-	-	529,654,277.00	529,654,277.00	529,654,277.00	529,654,277.00	-	-	-	
SPECIAL PURPOSE FUNDS	-	-	1,670,848,522.00	1,670,848,522.00	1,670,848,499.74	1,670,848,499.74	-	22.26	-	
Pension and Gratuity Fund (PGF)	-	-	57,593,286.00	57,593,286.00	57,593,283.74	57,593,283.74	-	22.26	-	
Regional Offices	-	-	57,593,286.00	57,593,286.00	57,593,283.74	57,593,283.74	-	22.26	-	
PS	-	-	31,768,428.00	31,768,428.00	31,768,422.25	31,768,422.25	-	5.75	-	
MOOE	-	-	25,824,858.00	25,824,858.00	25,824,841.49	25,824,841.49	-	16.51	-	
Allocations to Local Government Units	-	-	1,613,255,236.00	1,613,255,236.00	1,613,255,236.00	1,613,255,236.00	-	-	-	
Central Office	-	-	1,613,255,236.00	1,613,255,236.00	1,613,255,236.00	1,613,255,236.00	-	-	-	
MOOE	-	-	1,613,255,236.00	1,613,255,236.00	1,613,255,236.00	1,613,255,236.00	-	-	-	
AUTOMATIC APPROPRIATION	-	-	706,098,527.00	706,098,527.00	706,098,527.00	706,098,527.00	-	-	-	
Retirement and Life Insurance Premiums - PS	-	-	706,098,527.00	706,098,527.00	706,098,527.00	706,098,527.00	-	-	-	
Central Office	-	-	706,098,527.00	706,098,527.00	706,098,527.00	706,098,527.00	-	-	-	
12% premium ARMM-DepEd	-	-	706,098,527.00	706,098,527.00	706,098,527.00	706,098,527.00	-	-	-	
TOTAL CURRENT APPROPRIATION	-	-	2,906,601,326.00	2,906,601,326.00	2,906,601,303.74	2,906,601,303.74	-	22.26	-	
PS	-	-	1,267,521,232.00	1,267,521,232.00	1,267,521,226.25	1,267,521,226.25	-	5.75	-	
MOOE	-	-	1,639,080,094.00	1,639,080,094.00	1,639,080,077.49	1,639,080,077.49	-	16.51	-	
CONTINUING APPROPRIATION	10,870,531,658.12	10,870,531,658.12	-	10,870,531,658.12	10,867,442,286.63	10,867,442,286.63	-	3,089,371.49	-	
SPECIAL PURPOSE FUNDS	10,868,448,652.12	10,868,448,652.12	-	10,868,448,652.12	10,867,442,286.63	10,867,442,286.63	-	1,006,365.49	-	
Pension and Gratuity Fund (PGF)	13.14	13.14	-	13.14	-	-	-	13.14	-	
Regional Offices	13.14	13.14	-	13.14	-	-	-	13.14	-	
PS	7.17	7.17	-	7.17	-	-	-	7.17	-	
MOOE	5.97	5.97	-	5.97	-	-	-	5.97	-	
Allocations to Local Government Units	10,868,448,638.98	10,868,448,638.98	-	10,868,448,638.98	10,867,442,286.63	10,867,442,286.63	-	1,006,352.35	-	
Regional Offices	10,868,448,638.98	10,868,448,638.98	-	10,868,448,638.98	10,867,442,286.63	10,867,442,286.63	-	1,006,352.35	-	
MOOE	10,868,448,638.98	10,868,448,638.98	-	10,868,448,638.98	10,867,442,286.63	10,867,442,286.63	-	1,006,352.35	-	
AUTOMATIC APPROPRIATION	2,083,006.00	2,083,006.00	-	2,083,006.00	-	-	-	2,083,006.00	-	
Internal Revenue Allotment	2,083,006.00	2,083,006.00	-	2,083,006.00	-	-	-	2,083,006.00	-	
Regional Offices	2,083,006.00	2,083,006.00	-	2,083,006.00	-	-	-	2,083,006.00	-	
MOOE	2,083,006.00	2,083,006.00	-	2,083,006.00	-	-	-	2,083,006.00	-	
TOTAL CONTINUING APPROPRIATION	10,870,531,658.12	10,870,531,658.12	-	10,870,531,658.12	10,867,442,286.63	10,867,442,286.63	-	3,089,371.49	-	
PS	7.17	7.17	-	7.17	-	-	-	7.17	-	
MOOE	10,870,531,650.95	10,870,531,650.95	-	10,870,531,650.95	10,867,442,286.63	10,867,442,286.63	-	3,089,364.32	-	
TOTAL CURRENT and CONTINUING APPROPRIATION	10,870,531,658.12	10,870,531,658.12	2,906,601,326.00	13,777,132,984.12	13,774,043,590.37	13,774,043,590.37	-	3,089,393.75	-	
PS	7.17	7.17	1,267,521,232.00	1,267,521,239.17	1,267,521,226.25	1,267,521,226.25	-	12.92	-	
MOOE	10,870,531,650.95	10,870,531,650.95	1,639,080,094.00	12,509,611,744.95	12,506,622,364.12	12,506,622,364.12	-	3,089,380.83	-	

[illegible]

STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES
As of December 31, 2016

Department : Department of Budget and Management
Agency/OU : Office of the Secretary - Consolidated
Fund : 103

Particulars	Allotment	Obligations Incurred		Unobligated Balance
		This Report	To date	
A. CURRENT APPROPRIATION	2,906,601,326.00	113,024,929.67	2,906,601,303.74	22.26
1. ARMM Regular Budget				
RLIP - Employees' Share (ARMM-Dep Ed)	529,654,277.00	46,691,728.00	529,654,277.00	-
2. Special Purpose Fund				
Retirement Benefits Fund (Personnel Gratuity Fund)	57,593,286.00	4,072,400.67	57,593,263.74	22.26
Terminal Leave Benefits	27,715,017.00	(5,518,615.92)	27,714,998.38	18.62
Retirement Gratuity				-
Monetization of Leave Credits	29,878,269.00	9,591,016.59	29,878,265.36	3.64
Allocations to Local Government Units	1,613,255,236.00	-	1,613,255,236.00	-
Special Shares of LGUs in the Proceeds of Natl. Taxes	1,613,255,236.00	-	1,613,255,236.00	-
Virginia Tobacco Excise Tax	785,822,108.00	-	785,822,108.00	-
Burley & Native Tobacco Excise Tax	827,433,128.00	-	827,433,128.00	-
Share in Utilization & Devt. Of National Wealth				-
Mining Taxes, RA 7160				-
Renewable Energy RA 9513				-
Royalty Income				-
ECOZONES				-
Rehabilitation & Reconstruction Program				-
Local Government Support Fund (LGSF)				-
Calamity Fund				-
AUTOMATIC APPROPRIATIONS	706,098,527.00	62,260,801.00	706,098,527.00	-
RLIP - Employer's Share (ARMM-Dep Ed)	706,098,527.00	62,260,801.00	706,098,527.00	-
Military Camps Sales Proceeds				-
Internal Revenue Allotment	-	-	-	-
IRA Regular				-
5% contribution of Metro Manila Mayors to MMDA				-
Loan Amortization of LGUs to MDFO				-
B. CONTINUING APPROPRIATIONS	10,870,531,658.12	454,315,917.00	10,867,442,286.63	3,089,371.49
1. Special Purpose Fund				
Retirement Benefits Fund (Personnel Gratuity Fund)	13.14	-	-	13.14
Terminal Leave Benefits	8.94			8.94
Monetization of Leave Credits	4.20			4.20
Allocations to Local Government Units	10,868,448,638.98	454,315,917.00	10,867,442,286.63	1,006,352.35
Special Shares of LGUs in the Proceeds of Natl. Taxes	10,761,798,623.78	436,480,917.00	10,761,776,271.63	22,352.15
Virginia Tobacco Excise Tax	10,190,974,000.00	261,399,580.00	10,190,974,000.00	-
Burley & Native Tobacco Excise Tax	495,649,019.00	175,081,337.00	495,649,019.00	-
Share in Utilization & Devt. Of National Wealth				-
Mining Taxes, RA 7160	75,167,207.78	-	75,153,252.63	13,955.15
Renewable Energy RA 9513				-
IRA Differential	8,397.00	-	-	8,397.00
Share in Value Added Tax				-
Calamity Fund	31,454,000.00	17,835,000.00	31,454,000.00	-
Rehabilitation & Reconstruction Program	2,891,500.00	-	2,891,500.00	-
Local Government Support Fund (LGSF)	72,304,515.20	32,345,000.00	71,320,515.00	984,000.20
2. Automatic Appropriation	2,083,006.00	-	-	2,083,006.00
IRA Regular	2,083,006.00			2,083,006.00
C. SUPPLEMENTAL APPROPRIATIONS	-	-	-	-
Calamity Fund	-	-	-	-
Grand Total	13,777,132,984.12	567,340,846.67	13,774,043,590.37	3,089,393.75

Prepared by:

Elenita A. Bockot
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Certified Correct:

Eden D. Pangilinan
EDEN D. PANGILINAN
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STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES

BAR No. 4

December 31, 2016


Department : Department of Budget and Management

Agency/OU : Office of the Secretary - Central Office

Fund : 171

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred	Unobligated Balance of Allotment	Remarks
		To Date		
(1)	(2)	(4)	(5)=(2)-(4)	(6)
AUTOMATIC APPROPRIATIONS				
Grant Proceeds				
CURRENT APPROPRIATION				
Performance Informed Budgeting - Kreditanstalt für Wiederaufbau - Interest Differential Fund (KfW-IDF) Grant	2,908,125.00	438,751.15	2,469,373.85	
MAINTENANCE AND OTHER OPERATING EXPENSES	2,116,125.00	72,630.43	2,043,494.57	
Training and Seminar Expenses	589,000.00	-	589,000.00	
Other Professional Services	95,000.00	-	95,000.00	
Printing & Publication Expenses	1,109,493.00	-	1,109,493.00	
Office Supplies	41,743.00	41,742.03	0.97	
Semi Expendable- Office Equipment	30,889.00	30,888.40	0.60	
Representation Expenses	250,000.00	-	250,000.00	
CAPITAL OUTLAYS	792,000.00	366,120.72	425,879.28	
ICT Equipment	653,500.00	316,620.72	336,879.28	
Communication Equipment	138,500.00	49,500.00	89,000.00	
TOTAL - CURRENT APPROPRIATION	2,908,125.00	438,751.15	2,469,373.85	
<i>Prior Year's Allotment</i>				
CONTINUING APPROPRIATION				
TOTAL - CONTINUING APPROPRIATION	-	-	-	
GRAND TOTAL	2,908,125.00	438,751.15	2,469,373.85	

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