

DEPARTMENT OF BUDGET AND MANAGEMENT

ANNUAL REPORT

2018

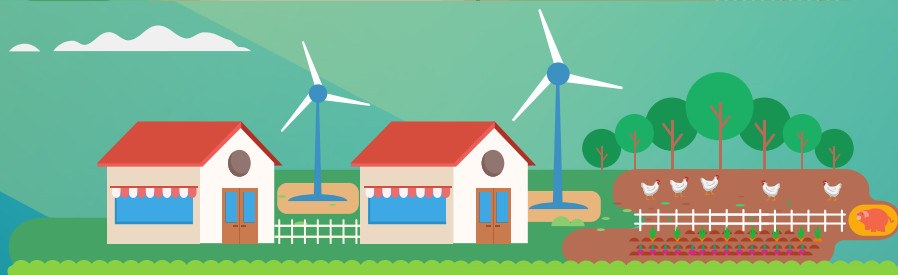
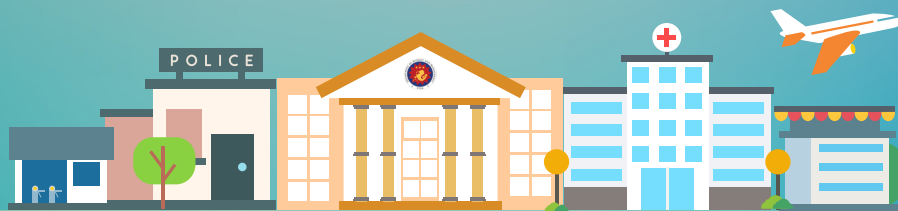


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FOREWORD

The year 2018 was a period of recognition and accomplishment for the Department of Budget and Management (DBM). We succeeded in crafting a National Budget which reflects the desires and aspirations of our people, and submitted it on the day of the President's State of the Nation Address (SONA), 30 days before the Constitutional deadline. We pushed through with a broad reform agenda, spanning public expenditure management, procurement reform, fiscal transparency and accountability. Certainly, the DBM has stayed true to its mandate of allocating public resources for the most beneficial and efficient purposes.

We share these accomplishments with former Secretary Benjamin E. Diokno who was instrumental in making these success stories not only as part of our institutional legacy, but most importantly, as a catalyst that fuels inclusive and sustainable development. We assure you that the work we started will be continued.

For all these achievements, and the effort and competence that they demanded, the DBM proudly presents its 2018 Annual Report. This Report details the reforms we implemented in 2018 to radically enhance budgeting in the government, including the elimination of underspending and the submission of the first-ever annual cash budget. It also outlines the reforms implemented to make government processes more open and accountable, so the Filipinos are assured that every Peso spent is worth it.

Looking ahead, the DBM will remain a key player in nation building by upholding fiscal discipline and good governance. We will work harder and ramp-up our reform agenda to realize a more equitable, progressive, and modern Philippines where every Filipino has an opportunity to prosper.

(Sgd.) JANET B. ABUEL
Officer-in-Charge



ABOUT THE DBM

MANDATE

The Department of Budget and Management, created under Executive Order No. 25 dated April 25, 1936, is mandated under this Order and by subsequent issuances to promote sound, efficient and effective management and utilization of government resources as instrument in the achievement of national socioeconomic and political development goals.

MISSION

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

VISION

By 2022, we envision the Department of Budget and Management to be:

A champion of results-oriented budget and management policies and practices that enable the government to steer the country towards meaningful development that empowers the poor and the marginalized;

An implementer of world-class budget and management systems that enhance transparency, accountability and public participation in governance; and

An institution composed of highly competent and motivated public servants who observe the highest standards of professionalism and integrity.

CORE VALUES

We, the officials and employees of the Department of Budget and Management commit to demonstrate and uphold the following organizational values:



PROFESSIONALISM – through dedicated public service, conduct of official functions and duties in a prompt and timely manner and with due regard to the needs and expectations of clients, the Government, and the people at large.



RESULTS ORIENTATION – through commitment to performance and delivery of results that impact positively on government and national development.



INTEGRITY – through adherence to the highest ethical standards of honesty, probity and a sense of responsibility, and to established codes of conduct, rules and regulations guiding DBM and the entire civil service.



NATIONALISM – through upholding and promoting Philippine national interests with a modern and global environment.



CREATIVITY – through constant self-improvement, initiative and resourcefulness in developing new policies, rules or methods in budget and management to benefit the entire nation.



IMPARTIALITY – through objective, fair and consistent conduct and actions that serve the good of the nation.



PARTNERSHIP – through cooperation and teamwork, both among units within the Organization and with external stakeholders and clients, toward the attainment of shared goals.



LEADERSHIP – through taking the initiative in instituting reforms and inspiring others to champion them.



EXCELLENCE – through upholding the value of competence, striving for mastery in all areas of responsibilities, and through diligence and pride in the quality of one's work.



DEDICATION – through a selfless devotion to the Department's vision, mission and goals in the day-to-day performance of one's function.



First Annual Cash
Budget Submitted
to Congress



PH Best in Budget
Transparency and Public
Participation in Asia



DBM Gets 3
Recognitions in 2018
FOI Awards



Salary of Cops,
Soldiers Doubled



2018

DEPARTMENT OF BUDGET AND MANAGEMENT

AT A GLANCE: **THE DBM MILESTONES**



Three New Key Initiatives Launched in 2018
(Project DIME; Virtual Store; Green, Green, Green
Program)




PhP10.5 B Savings Generated
from Procurement



DBM is ISO 9001:2015
Certified



PFM Competency Program
Expands to SUCs



“Democracy rests not only on a government that is transparent, responsive, and effective, but also on a citizenry that is well-informed.”

BENJAMIN E. DIOKNO

Statement at the FOI Awards

IMPROVED FISCAL DISCIPLINE AND OPENNESS

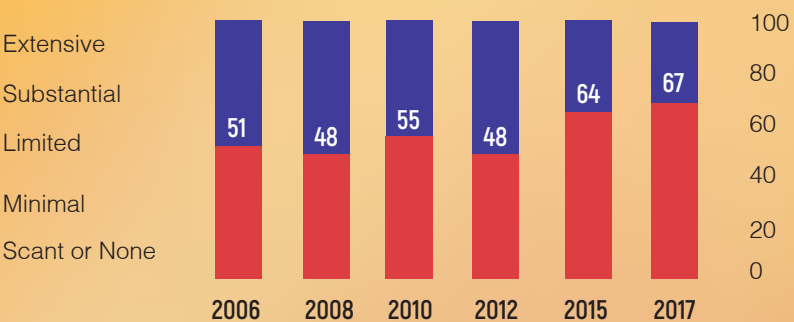
PH Best in Fiscal Transparency in Asia



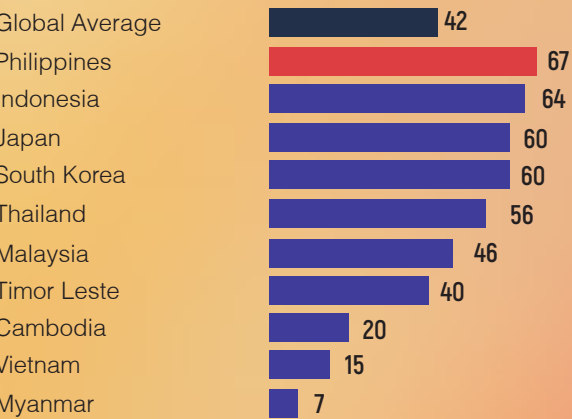
Through the efforts of the DBM on fiscal openness, the Philippines was able to best other Asian countries in budget transparency with a score of 67 in the 2017 Open Budget Index (OBI). Said score also exceeded the Philippine Development Plan (PDP) target of 64 for the 2017 OBI.

It has not only maintained its top spot in budget transparency in the ASEAN Region but also took the first spot in public participation, outranking other Asian countries.

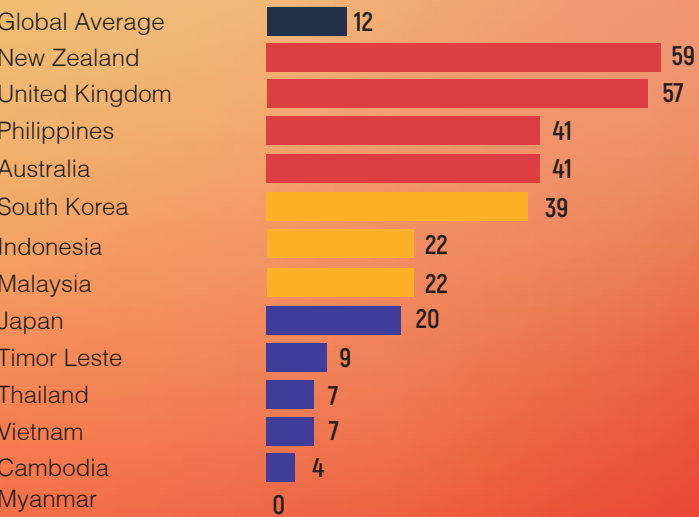
PH's OBI Score, 2006-2017



OBI Score of Selected Asian Countries, 2017



Public Participation Score, 2017



DBM Received Multiple Recognitions at the 2018 FOI Awards

The DBM received not one, not two, but three recognitions during the annual Freedom of Information (FOI) Awards held last November 28, 2018. It was the only agency that was conferred three awards during the ceremony.



Plaque of Recognition

for being one of the top requested and performing agencies in the eFOI Portal and for its efforts in providing the public with convenience in requesting data from the government

Plaque of Appreciation

given to the Open Government Partnership (OGP), where the DBM serves as the Secretariat and the DBM Secretary as the Chairperson of the PH-OGP Steering Committee, for its efforts and accomplishments that support the implementation of the FOI Program in the Executive Branch

Plaque of Appreciation

given to the AO 25 Task Force (Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems), chaired by the DBM, for including the posting and submission of the FOI Manual as one of the requirements in the grant of the FY 2017 Performance-Based Bonus (PBB). As a result, the compliance rate for the FOI Program went up to 95 percent.

PH Efforts in Open Government Partnership (OGP) Commended

OGP Chief Executive Officer Sanjay Pradhan commended the remarkable efforts of the Philippines to localize and promote OGP across local governments during a bilateral meeting at the sidelines of the OGP Asia-Pacific Regional Conference in South Korea last November 6, 2018.

During the Open Government Week Celebration which the DBM organized in May 2018, five (5) local government units have also committed to adopt open government programs such as the Freedom of Information Program, and the 8888 Hotline, among others.



2018 OGP Milestones

January - March
Open Government and Participatory Governance Regional Dialogues were conducted nationwide to consult and get feedback from more local stakeholders on OGP and in the development of the Participatory Governance Cluster (PGC) Performance and Projects Roadmap 2017-2022.

May 31
The PGC Performance and Projects Roadmap 2017-2022 was approved and adopted during the 3rd Official Meeting of the PGC on May 31, 2018 and consequently handed over to President Rodrigo Duterte on July 9, 2018.

July 11
The accomplishments of the PGC and OGP were presented by Secretary Benjamin Diokno during one of the pre-SONA event series entitled, "Tatak ng Pagbabago: Tatak ng Malasakit at Pagkakaisa" on July 11, 2018 at the Philippine International Convention Center.

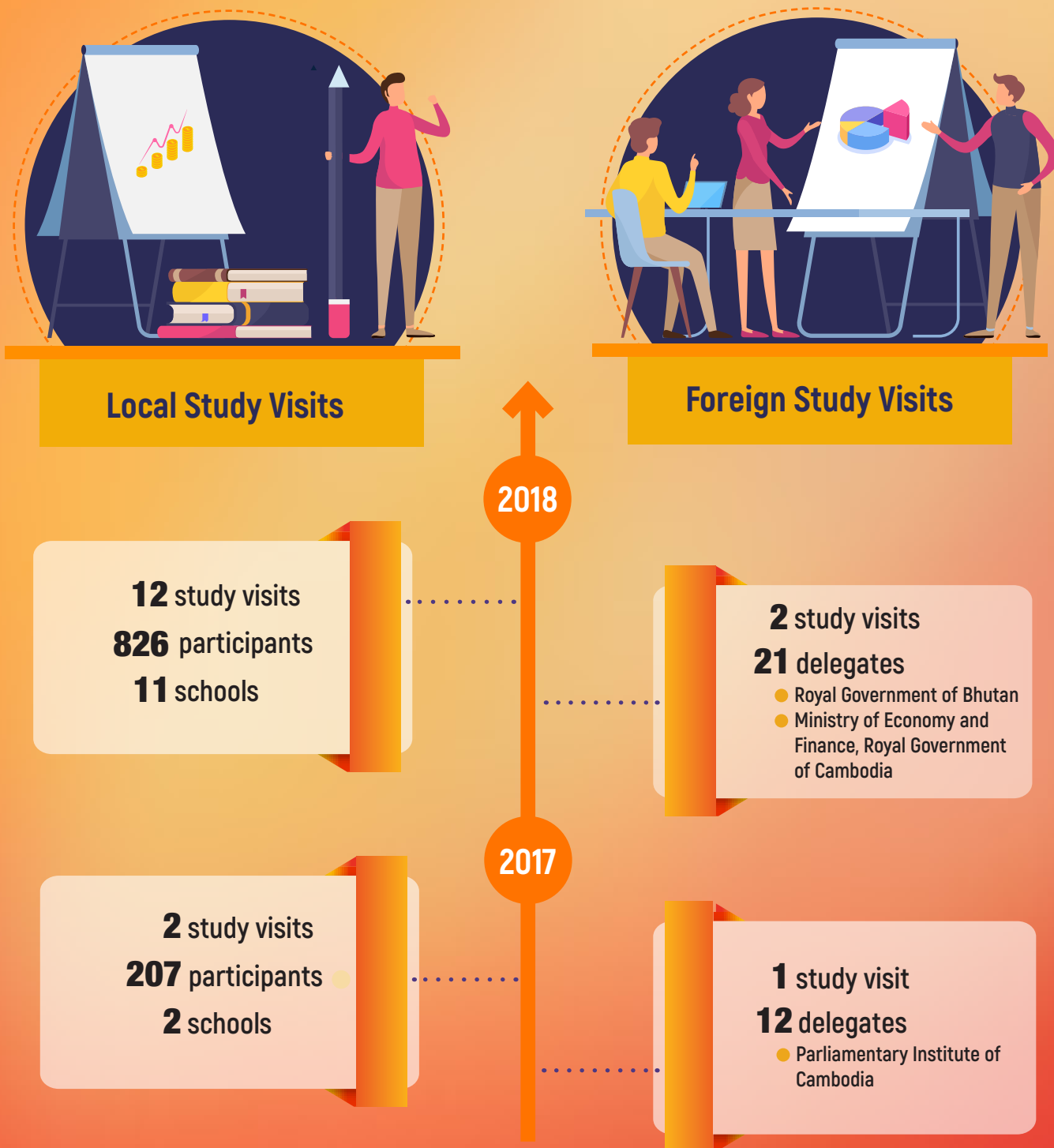
November
The Philippines submitted its Midterm Self-Assessment Report for the PH-OGP NAP 2017-2019 on November 1, 2018.

Secretary Benjamin E. Diokno headed the country delegation to attend the OGP Asia-Pacific Regional Conference from November 5-6, 2018 where the Philippine experience on OGP was cited as a best practice throughout different plenary sessions and workshops.

IMPROVED FISCAL DISCIPLINE AND OPENNESS

More than 800 Filipino Students and Foreign Delegates Briefed on the Philippine Government's Budgeting System

Fourteen (14) study visits, with local and foreign participants, were conducted in 2018 to foster fiscal transparency and communicate the government's fiscal thrusts and various DBM-led reforms to ordinary citizens and foreign visitors.



EFFICIENT AND EFFECTIVE GOVERNMENT OPERATIONS

First-ever Annual Cash Budget Submitted to Congress

The 2019 National Budget, the first cash budget amounting to PhP3.757 trillion, was submitted to Congress on July 23, 2018, the day President Rodrigo Duterte delivered his third State of the Nation Address (SONA). The 2019 Budget is higher by 13% than the PhP3.324 trillion cash equivalent of the 2018 Budget.

The proposed 2019 Budget provides hefty investments for economic and social services, amounting to PhP1,068.4 billion and PhP1,377.0 billion, respectively.

IEC Materials on the 2019 Cash Budget Produced

Brochures on the 2019 Annual Cash Budget, one for national government agencies, and the other for state universities and colleges (SUCs) and government-owned and/or -controlled corporations (GOCCs), were produced to provide information on the shift to the Annual Cash Budgeting System which is intended for adoption in FY 2019. The Information, Education and Communication (IEC) materials provide comparisons between the 2019 Cash Budget and the 2018 Budget levels.



Faster Budget Execution

To address underspending which has been a perennial problem of past Administrations, the Duterte Administration has sustained the implementation of the General Appropriations Act (GAA)-as-Allotment Order to enable agencies to enter into contracts and obligate funds on the first working day of the fiscal year.

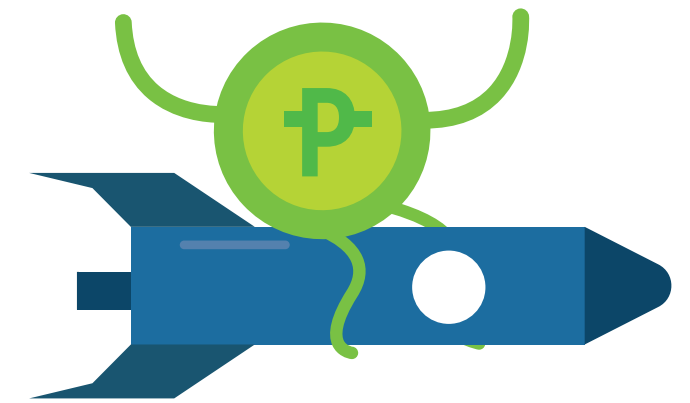
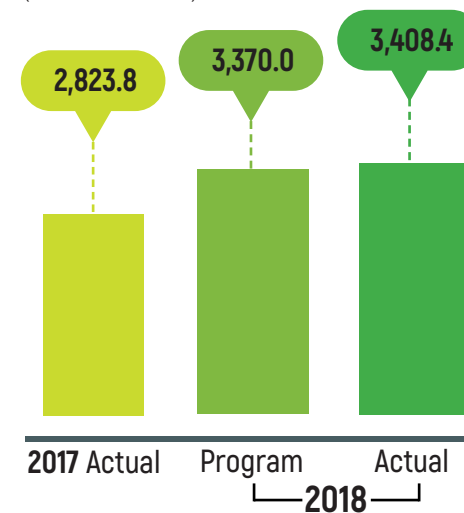
As a result, 84.0%, or PhP3.165 trillion, of the PhP3.767 trillion National Budget has been released in the first quarter of 2018, better than the 79.9% recorded releases in the same period of 2017.

Government Spending Up by 20.7%

Government spending in 2018 closed at PhP3,408.4 billion, 20.7% higher than the 2017 actual spending of PhP2,823.8 billion. It likewise surpassed the 2018 target of PhP3,370 billion by 1.1%.

This solid disbursement performance was mainly driven by the massive government spending on infrastructure, such as roads and bridges, school buildings and health facilities; and higher personnel services expenditures due to the increased base pay and benefits of state workers.

National Government Disbursements (in billion Pesos)



Allotment Releases, First Quarter of 2017 and 2018



Budget and Treasury Management System (BTMS) Rolled Out

To pave the way for an Integrated Financial Management Information System (IFMIS), the BTMS is being developed. The BTMS is an integrated and web-based Financial Management Information System built on a centralized database to support the PFM processes of the Government.

In 2018, the following activities were undertaken:

BTMS Rollout to Pilot Agencies

The DBM rolled out the Budget Utilization Module of the BTMS to four (4) pilot National Government Agencies (NGAs):

- Department of Public Works and Highways
- Department of Trade and Industry
- Department of Budget and Management
- Bureau of the Treasury

E-Learning Course Development

The E-Learning Course Modules for the BTMS were developed to provide another training avenue to assist and guide NGAs on the key processes of the BTMS. The development of the Budget Utilization E-Learning Modules started in the last quarter of 2018, in collaboration with the United States Agency for International Development (USAID). The completion and full launching of these modules are expected on the first semester of FY 2019.

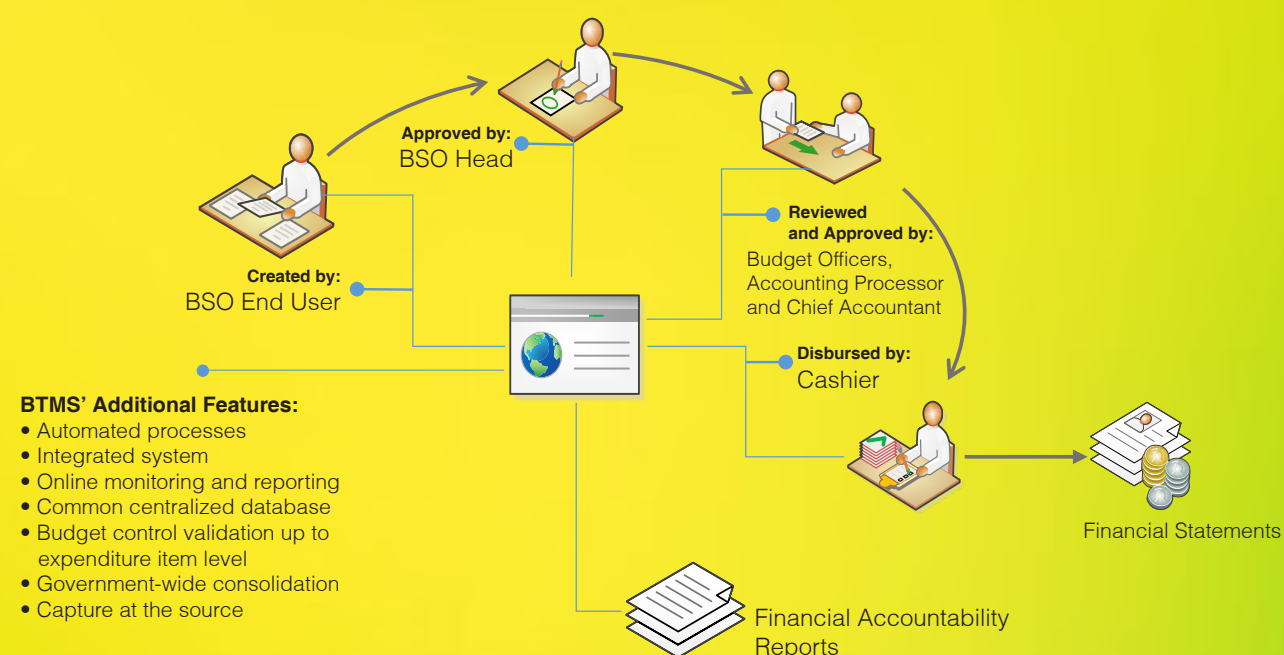
EFFICIENT AND EFFECTIVE GOVERNMENT OPERATIONS

BTMS AT A GLANCE

Accountability

Built-In
Validation
& Controls

Accounting
& Reporting

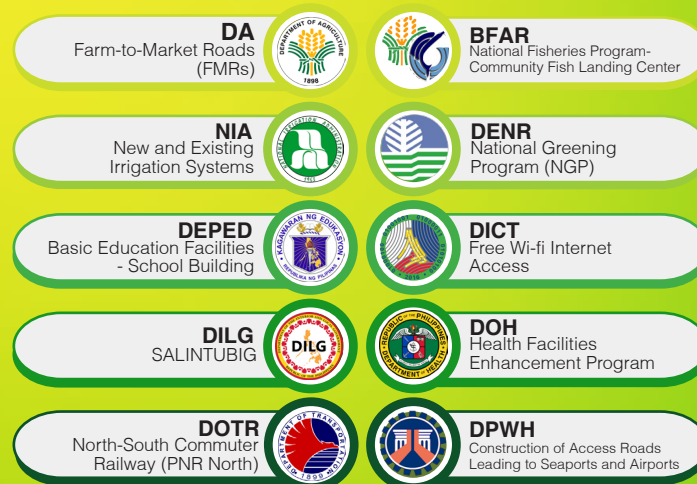


Project DIME Launched

A big chunk of the government's annual budget goes to infrastructure such as roads, bridges, school buildings, and health facilities. To ensure that the budget for these high-value items are implemented, the DBM, in partnership with the Department of Science and Technology, launched Project DIME (Digital Imaging for Monitoring and Evaluation) in March 2018.

Said Project aims to monitor the status of government projects by comparing the physical implementation vis-à-vis their financial status through the use of available technologies such as satellites, drones, LIDAR (Light Detection and Ranging), and geotagging.

HARD PROJECTS



SOFT PROJECTS



Virtual Store Launched



On September 10, 2018, the Procurement Service-Philippine Government Electronic Procurement System (PS-PhilGEPS) launched the Virtual Store in three agencies – the DBM, the Procurement Service, and the Government Procurement

Policy Board-Technical Support Office (GPPB-TSO) – to promote a more efficient public procurement system. The Virtual Store enables government agencies to make online purchases of common-use supplies and equipment 24/7.

Since its launch, the new system has successfully processed PhP2,131,680.69 worth of transactions for common-use supplies and equipment as of December 31, 2018.

The Store will be rolled out nationwide to 16,653 government agencies and LGUs starting March until June 2019.

An updated manual on the use of the Virtual Store will be published in April 2019.

Green, Green, Green Program Launched

On October 1, 2018, coinciding with World Habitat Day, the Green, Green, Green Program was launched. Its goal is to make the country's 145 cities more livable and sustainable through the development of public open spaces.

A parallel endeavor to the Duterte Administration's Build, Build, Build Program, the massive national infrastructure development program for the Philippines, the Green, Green, Green Program envisions to improve the everyday life of Filipinos living in urban areas.

The Program is funded by the Local Government Support Fund-Assistance to Cities, which had an appropriation of PhP2.59 billion in 2018.

As of December 2018, 143 participating cities have been assisted in developing their public open space project proposals.

Beneficiaries of the Program include:

5 cities which have already received their funds and started implementing their public open space projects

138 cities which are in varying processes of approval of their public open space projects

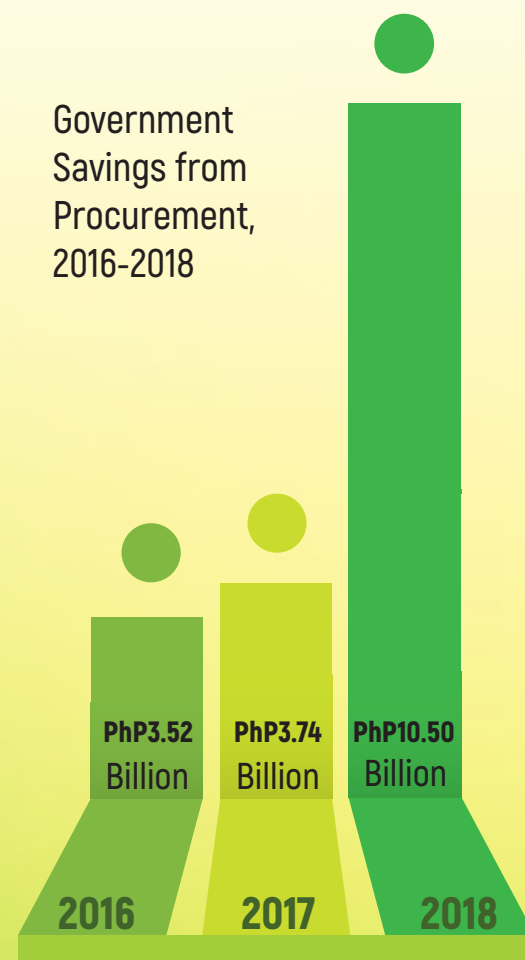
An average range of 30,000 to 40,000 individuals living within a 10-minute walk from the public open space project of each participating city

A daily average range of 60,000 to 70,000 individuals passing by or visiting a public open space project

EFFICIENT AND EFFECTIVE GOVERNMENT OPERATIONS

PhP10.5 B Savings Generated from Procurement

Government Savings from Procurement, 2016-2018



For 2018, a total of 422 procurement items for both common-use supplies and equipment and non-common use supplies and equipment, consisting of specialized goods, consulting services and infrastructure projects, were completed amounting to PhP170.96 billion with a total government savings of PhP10.5 billion.

This is higher by 180.75%, or PhP6.76 billion more than the PhP3.74 billion savings generated in 2017.

Government Fares Agreement Inked

Airline tickets are one of the most procured items in the government based on the 2015 study of PS-PhilGEPS. Thus, to ensure the fast, efficient, and flexible processing of the air transportation needs of all government employees, as well as generate savings in time, energy and money, the DBM and PS-PhilGEPS listed airline tickets in its catalog as one of the Common-use Supplies and Equipment (CSE) and adopted a "whole-of-government" approach in procuring airline tickets via the Government Fares Agreement (GFA).



Key Benefits of the GFA to Agencies

- 1 Ease in procurement of domestic travel tickets through a central web-based portal compatible with the PS Virtual Store
- 2 No more bidding/shopping for lowest fares
- 3 24/7 online access that will allow users to check available flights and fares, reserve or purchase the tickets outright, manage booking by ticket issuance of a reservation or changing of itinerary, and assignment of seats, among others
- 4 Special benefits include 8%-9% discount for all government agencies registered under the GFA and purchasing airline tickets through the web portal provided by the PS-PhilGEPS
- 5 Waiver of ticketing and processing fees and waiver of fees for the first rebooking transaction

Source: PS-PhilGEPS

Centralized Procurement System for the Acquisition of Government Vehicles Ordered

The acquisition of motor vehicles by government agencies will now be under a centralized procurement system, following the issuance of Administrative Order No. 14 (Consolidating and Rationalizing the Rules on the Acquisition of Government Motor Vehicles, Adopting a Centralized System of Procurement Therefor, and for Other Purposes) last December 10, 2018.

The new System will help ensure that the acquisition of government motor vehicles will be guided by the principles of functional suitability, affordability, and practicability. It likewise prohibits the acquisition of luxury motor vehicles in all national government agencies, including government-owned and/or -controlled corporations (GOCCs), government financial institutions (GFIs), state universities and colleges (SUCs), as well as local government units (LGUs).



Salary of Cops, Soldiers Doubled

Promise fulfilled. Fulfilling President Duterte's promise to increase the salaries of military and uniformed personnel (MUP), the DBM has led the signing of Congress Joint Resolution (JR) No. 1, s. 2018 that authorizes the increase in the base pay of military and uniformed personnel in the government. Said Resolution doubles the base pay of a Police Officer (PO) I in the Philippine National Police or a Private/Apprentice Seaman in the Armed Forces of the Philippines (AFP), and equivalent ranks in the Bureau of Jail Management and Penology (BJMP), Bureau of Fire Protection (BFP), Philippine Public Safety College (PPSC), Philippine Coast Guard (PCG), and National Mapping and Resource Information Authority (NAMRIA).

The Hazard Pay for the MUP in the AFP and the PNP was also increased from PhP500 to PhP540 per month.

Better Compensated Workforce

Third Tranche of Salary Adjustment Implemented

In line with Executive Order No. 201 (Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel), the DBM issued National Budget Circular No. 572 (Implementation of the Third Tranche Compensation Adjustment for Civilian Personnel in the National Government) to implement the third tranche of the compensation adjustment.

The adjustment in the salary of public servants was made to help retain and attract competent public servants by ensuring that the compensation structure of government personnel is comparable with the prevailing rates in the private sector.



100% increase in monthly base pay

For Police Officer I, Fire/Jail Officer I, Private, and Apprentice Seaman

PhP14,834 → PhP29,668

(2017)

(2018)

EFFICIENT AND EFFECTIVE GOVERNMENT OPERATIONS

Key Provisions of the 2018 Circular

COS and JO Workers Granted Salary Premium

On November 9, 2018, the Civil Service Commission (CSC), the Commission on Audit (COA), and the DBM issued Joint Circular No. 1, s. 2018 (Amendment to the CSC-COA-DBM Joint Circular No. 1, s. 2017) to address queries and concerns of agencies regarding the implementation of the 2017 Joint Circular (Rules and Regulations Governing Contract of Service and Job Order Workers in the Government).



01

Agencies may still hire and renew the services of workers under COS and JO status until December 31, 2020



02

Said workers shall be paid a salary or wage equivalent to comparable positions in the government



03

They shall receive a premium of up to 20% of their salary charged against the Maintenance and Other Operating Expenses budget of the agencies

Pasig River Ferry Convergence Program Sustained

The Pasig River Ferry Convergence Program, initiated by the DBM in 2017, is a multi-sectoral approach that aims to re-establish the Pasig River Ferry Service for commuter transport and disaster response, as well as organize and streamline the Government's efforts towards the rehabilitation of the Pasig River System.

Major Activities undertaken in 2018:

01

Approval of the proposed Executive Order to institutionalize the Pasig River Ferry Convergence Program. President Duterte approved the proposed EO on April 4, 2018 during the 24th Cabinet Meeting held at Malacañan Palace.

02

VIP Visit/Pasig River Ferry Inspection. On the same day of the 24th Cabinet Meeting, a Pasig River Ferry Inspection was conducted by more than over 30 government agency heads and representatives, led by DBM Secretary Diokno. The inspection, which began at the Guadalupe Ferry Station in Makati and ended at the Plaza Mexico Ferry Station in Manila, served as the orientation for the members of the TWG on the components of the Pasig River Ferry System and the other ongoing program and projects for the Pasig River.

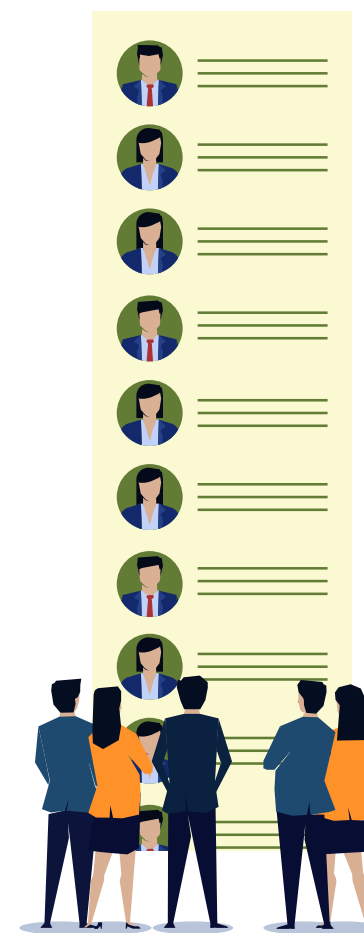
03

Regular TWG meetings. As of December 31, 2018, the Program was able to convene a total of six (6) TWG meetings. The TWG meetings served as a venue for the member agencies to discuss ways on how to move forward with various initiatives towards the common goal of re-establishing the Pasig River Ferry System primarily for commuter transport.

04

Feasibility Study for the Pasig River Ferry System. NEDA approved the feasibility study on September 3, 2018, under the NEDA-administered Project Development and Other Related Studies (PDRS) Fund at an amount of PhP31,856,599.20. (SVTI). The Feasibility Study will serve as the basis for the Master Development Plan for the unified Pasig River Ferry System with possible expansion to the Manila Bay and Laguna de Bay areas.

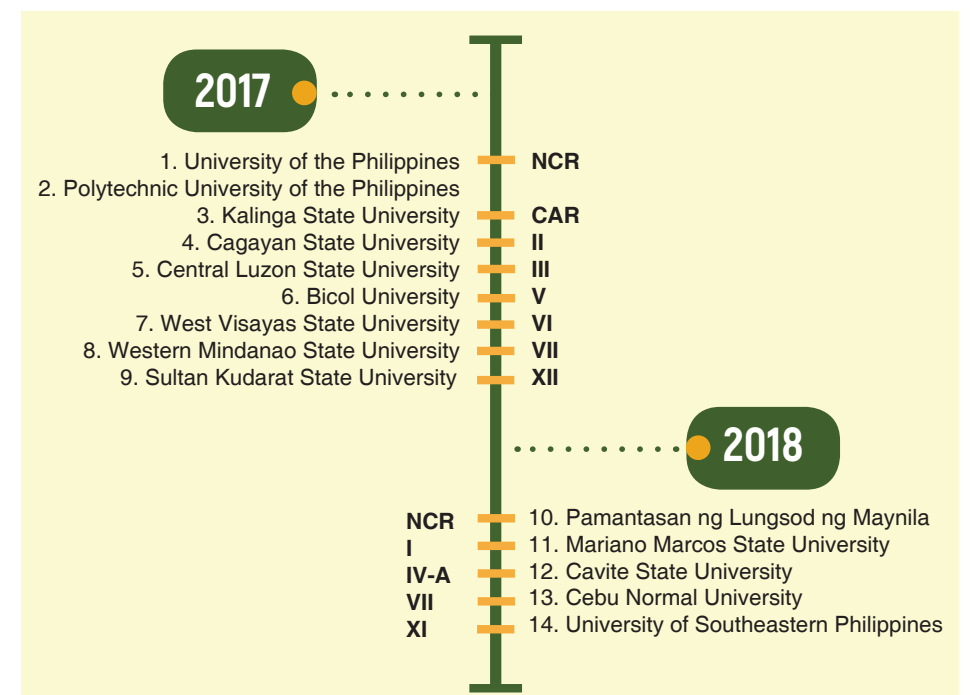
Professionalization of PFM Workers Pursued



14 Memoranda of Agreement on Procurement Professionalization Inked

To institutionalize the Professionalization Program for Public Procurement Practitioners, the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) has entered into partnerships with state universities and colleges (SUCs) through the Public Procurement Specialist Certification Course.

Five (5) Memoranda of Agreement were inked in 2018, thus increasing the number of partner SUCs to 14.



PFM Competency Program Expanded to SUCs

The DBM, together with the Bureau of the Treasury, has inked a Memorandum of Agreement with six (6) SUCs nationwide to widen the reach of the Public Financial Management Competency Program (PFMCP).

Said Program, which was developed by the DBM and the BTr, aims to enhance the competency of PFM practitioners.

To guide potential lecturers of the partner SUCs in the effective delivery of the Program's tracks/courses, transition classes were also conducted by the DBM, particularly for the following tracks, in coordination with the DBM ROs concerned: Foundation Track, Budgeting and Performance Track, Cash Management Track, and Internal Audit Track.



University of the Philippines
- National College of
Public Administration and
Governance

May 30, 2018



Bicol University

July 27, 2018



Mariano Marcos
State University

August 15, 2018



West Visayas
State University

October 4, 2018



University of
Southeastern
Philippines

October 4, 2018



University
of Southern
Mindanao

October 4, 2018

“The Filipino people deserve timely, efficient, and consistent delivery of public services, and it is our duty to ensure that this objective can be achieved.”

BENJAMIN E. DIOKNO
1st Project DIME Forum





KEY REGIONAL MILESTONES

PFM BRIEFINGS CONDUCTED

Executive Sessions for LCEs

The DBM RO II held three (3) batches of briefings on the Budget Operations Manual (BOM) and on new issuances relative to budgeting and procurement for local chief executives (LCEs) and local legislative members of 36 local government units (LGUs) in the Region. The objectives of the briefing were to orient/reorient elected officials on the BOM and on new budgeting policies, and thresh out issues and bottlenecks relative to the preparation, authorization and execution of the local government budget.

In view of the excellent reception and response from the participants, composed of LCEs and Sangguniang Panlalawigan and Sangguniang Bayan members, as well as the successful attainment of the objectives of the undertaking, said Briefing will be sustained in 2019 and in the succeeding years. This will serve to ensure that newly installed LCEs and Sangguniang Panlalawigan and Bayan members, as well as other LGU officials not covered in the first three batches, are well-oriented and updated on the matter.

Batch 1

April 14-17, 2018

Batch 2

June 18-20, 2018

Batch 3

Nov. 13-15, 2018

The DBM RO VII, for its part, conducted an Executive Seminar for the LCEs in the Region, together with the League of Municipalities of the Philippines-Cebu Chapter last September 17 to 18, 2018. Among the topics tackled include the Government Procurement Reform Act and its IRR, as well as other procurement reforms. The Office also aims to conduct a similar training for newly elected officials after the May 2019 elections.

Barangay Budget Seminars

At the barangay level, the ROs offered technical assistance through the organization and offering of seminars on Barangay Budgeting or by serving as resource speakers in seminars or briefing sessions.

DBM RO X conducted a series of Barangay Budgeting Seminars for all barangays in the Region last September 2018 to orient the participants on the barangay budget process and on Local Budget Memorandum No. 77 (Internal Revenue Allotment and Guidelines on the Preparation of the FY 2019 Annual Budgets of LGUs). The Regional Director, Assistant Director, and selected technical staff served as resource speakers during the seminars.

All technical staff of DBM RO III served as speakers during the series of seminars and workshops on Barangay Budgeting and the Government Procurement Reform Act and its FY 2016 Implementing Rules and Regulations, held for their respective LGU clientele. Said workshops were organized with the Association of Local Budget Officers in Region III.

Briefings on Cash Budgeting

In support of the efforts to promote better understanding and appreciation of the shift to the Annual Cash Budgeting, the DBM Regional Offices conducted briefings on this new budget reform. The activity aimed primarily to raise awareness on the features and benefits of the initiative, as well as to prevent misinterpretations by providing an apple-to-apple comparison of the 2019 and 2018 national budgets.

DBM RO XI organized two (2) batches of briefings for its clientele – certain national government agencies, SUCs, and LGUs. A total of 166 participants attended the briefings, which were held on May 17 and May 18, 2018. DBM RO VII, on the other hand, held its regional advocacy for its clientele agencies on said reform last October 2018.

FDU Meetings Conducted

The DBM ROs have conducted Full-time Delivery Unit (FDU) meetings with clientele agencies to foster efficient budget execution and smooth implementation of programs and projects. Among the FDU meetings held were the following:

DBM RO X

3 FDU meetings

DBM RO XI

14 FDU meetings

DBM RO XIII

22 coordination meetings with the FDUs of client agencies

Briefings for Foreign Visitors

In coordination with the Budget Information and Training Service (BITS) of the DBM Central Office, the DBM RO III facilitated the regional visit of the delegates from the Ministry of Economy and Finance, Royal Government of Cambodia. In a day-long briefing and ocular inspection held last November 29, 2018, the participants were oriented on the PFM Assessment Tool for local government budgeting, the salient features of the Government Procurement Reform, and on the core functions of the RO.

The Office likewise briefed delegates from the Royal Government of Bhutan on public procurement when they visited the Procurement Service Depot in Pampanga as part of their study visit.

Queuing System Established in RO XI

DBM RO XI has developed a queuing system to monitor the processing of transactions from the time of receipt up to the delivery of services to the clientele.

Said System also provides valuable analytics such as queue length, waiting time, and other pertinent information that have helped improve and enhance the Office's service delivery.

Through the available information, the Office is able to monitor the efficiency of the staff, thus improving their overall performance by providing better client service.

By 2019, the Office plans to take its public service delivery system a notch higher by providing Online Client Feedback through mobile phones, among others.

Knowledge Corner Established

The DBM RO VII has established a fully-functional Knowledge Corner in the Conference Room of its office to make pertinent reading materials and budget documents, such as the National Expenditure Program, General Appropriations Act, budget manuals, President's Budget Message, Government Directory, DBM Bulletin, and Philippine Civil Service Handbooks, readily available for research purposes.

By 2019 and in the medium-term, the Office targets to prepare an index of available materials in the Knowledge Corner, as well as an audio-visual presentation of the DBM's mission, vision, functions, policies, and issuances.

Outreach Programs Undertaken

Aside from ensuring the judicious management of resources in the regions, DBM ROs also extend their generous hands to those in need through outreach programs, such as:

DBM RO XI

- Gift-giving to the Davao City Jail Inmates December 10, 2018
- Gift-giving to the Children of the Sisters of Charity December 12, 2018

DBM RO V

In support to the 18-Day Campaign to End Violence Against Women (VAW), DBM RO V conducted an outreach activity to the residents of the DSWD Haven for Women and Girls (Haven) in Ligao City on November 29, 2018. It donated livelihood materials (e.g., hairdressing tools and equipment and sewing materials), and sanitary and hygiene kits to the 31 residents of the Haven.



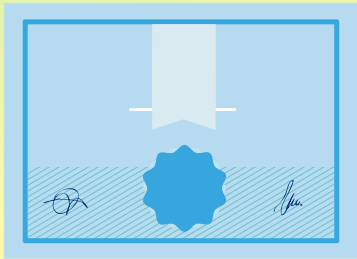


“Public spending is now one of the biggest drivers of growth in the Philippines. But growth for growth’s sake is empty. What we need is inclusive development - the kind of growth where no one is left behind.”

BENJAMIN E. DIOKNO

Forum on Budget Reform Program for
GOP Development Partners

INTERNAL MILESTONES



DBM is ISO 9001:2015 Certified

After successfully sustaining its three-year certification under the International Organization for Standardization (ISO) 9001:2008 Standard, the DBM effectively transitioned to the latest version of the 9001 series – the ISO 9001:2015.

In the last quarter of 2018, it was able to successfully undergo the Re-Assessment Audit for the ISO 9001:2015 Standard and was issued recertification on December 27, 2018 which is valid until October 28, 2021, subject to satisfactory results of the Annual Surveillance Audits.

The DBM first established its Quality Management System in 2015, being then the only government agency to get a department-wide ISO Certification.



DBM Established NUCESO Chapter

In November 2018, the National Union of Career Executive Service Officers - DBM Chapter was officially recognized during the 17th Annual CES Conference on November 14-16, 2018 in Davao City. The Union of DBM career officials is headed by Executive Director Rowena Candice M. Ruiz of the GPPB-TSO, President; Director Ryan Lita, Internal Vice President; Director Akmad Usman, External Vice President; Director Annabelle Atillo, Public Relations Officer; Director Mary Anne dela Vega, Treasurer; Director Andrea Celene Magtalas, Secretary; and Director Dante De Chavez, Auditor.

DBM Careership Program Welcomed its Second Batch of Scholars

Following the success of the first batch of the DBM Careership Program, the Department welcomed three (3) new scholars who qualified for the Master in Development Economics Program of the University of the Philippines School of Economics (UPSE).

Said scholars started their classes for the first semester of the Program in August 2018. The DBM covered their full tuition and other miscellaneous fees.

The Program is a partnership between the DBM and the Philippine Center for Economic Development (PCED), housed in the UPSE. It is directed at honing the technical proficiency of young public servants in development economics, economic analysis, and public policy.

It started in 2017 with 14 scholars. The DBM eyes these scholars to be potential successors to the senior and middle managers who will be promoted to higher positions or retire in four (4) to five (5) years.

Trainings and Scholarships Supported

As part of its goal to develop and maintain a highly confident and credible professional workplace, the DBM, through its Human Resource Development Division, facilitated a total of 116 trainings in 2018, 31 of which are targeted training activities of the 2018 DBM Training Plan, while 89 are additional training activities.

Trainings conducted per the DBM Annual Training Plan

	Target	Actual Accomplishments
2018	31	116
2017	51	148



MOVING THE COUNTRY *forward*

By faithfully pursuing its mandate to promote the efficient and effective utilization of government resources for national development, the DBM continues to achieve its mission to move the country forward, not only in terms of sound public expenditure management, but also in good governance.

Through the DBM, the Philippines has marked a distinctive place in the global arena, besting all the other Asian countries in the most recent Open Budget Survey (OBS), which ranks countries on the basis of budget transparency and public participation in the budgeting process. The country has likewise received awards of recognition and commendation from various international and local institutions that monitor government performance.

Nevertheless, more needs to be done to realize our vision of becoming a champion of results-oriented budget and management policies and practices, an implementer of world-class budget and management systems, and an institution composed of highly competent and motivated public servants.

By remaining steadfast in fulfilling our mandate and pursuing our vision, the DBM will be a strong force in the achievement of the Filipino's aspiration of a "matatag, maginhawa, at panatag na buhay".

This is our mission. This is our commitment.



ANNEXES

DBM Financial
Performance

DBM Contact
Numbers

DBM FINANCIAL PERFORMANCE



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
Office of the Secretary
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE CONSOLIDATION OF ALL FUND CLUSTERS (FC 01, 04, 07) FOR THE PERIOD ENDING DECEMBER 31, 2018

REVISED

	Note	2018	2017
Revenue			
Tax Revenue			
Service and Business Income	17	3,690,485.18	3,552,072.70
Shares, Grants and Donations	18	1,996,996.00	9,781,420.08
Total Revenue		5,687,481.18	13,333,492.78
Less: Current Operating Expenses			
Personnel Services	19	2,229,115,933.30	2,099,130,707.31
Maintenance and Other Operating Expenses	20	590,657,878.52	530,996,554.97
Financial Expenses	21	28,090.00	29,015.00
Non-Cash Expenses	22	61,347,770.35	64,866,491.39
Total Current Operating Expenses		2,881,149,672.17	2,695,022,768.67
Surplus/(Deficit) from Current Operations		(2,875,462,190.99)	(2,681,689,275.89)
Net Financial Assistance/Subsidy	24	2,867,191,001.62	2,911,856,220.95
Non-Operating Income, Gain or Losses	25	(1,273.91)	(195,120.24)
Surplus/(Deficit) for the period		(8,272,463.28)	229,971,824.82



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
Office of the Secretary
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CONDENSED STATEMENT OF FINANCIAL POSITION
CONSOLIDATION OF ALL FUND CLUSTERS (FC 01, 04, 07)
AS OF DECEMBER 31, 2018

REVISED

	Note	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	5,470,657.21	4,872,849.24
Receivables	7	432,466,312.12	1,124,069,298.58
Inventories	8	13,898,251.01	11,038,700.05
Other Current Assets	11	29,824,258.67	11,715,763.55
Total Current Assets		481,659,479.01	1,151,696,611.42
Non - Current Assets			
Investments	6	1,000.00	1,000.00
Property, Plant and Equipment	9	1,020,787,690.87	1,030,596,382.48
Intangible Assets	10	113,042,560.54	114,990,885.28
Total Non-Current Assets		1,133,831,251.41	1,145,588,267.76
Total Assets		1,615,490,730.42	2,297,284,879.18
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	79,440,520.16	44,127,927.53
Inter-Agency Payables	13	29,540,894.73	71,818,051.94
Trust Liabilities	14	8,653,823.50	7,473,526.96
Deferred Credits	15	114,400.00	123,446.54
Other Payables	16	191,136.43	740,538.46
Total Current Liabilities		117,940,774.82	124,283,491.43
Total Liabilities		117,940,774.82	124,283,491.43
Total Assets less Total Liabilities		1,497,549,955.60	2,173,001,387.75
NET ASSETS/EQUITY			
Government Equity			
Accumulated Surplus/(Deficit)		1,497,549,955.60	2,173,001,387.75
Total Net Assets/Equity		1,497,549,955.60	2,173,001,387.75

DEPARTMENT OF BUDGET AND MANAGEMENT Financial Accountability Report Summary As of December 31, 2018 In Thousand Pesos											
Particulars	Appropriations			Allotments			Obligation	Balance	Disbursement	Budget Utilization Rate	
	Authorized Appro	Adjustment	Adjusted Appro	Allotments Received	Adjustment	Adjusted Allotment				Obli- gation	Disburse- ment
CURRENT APPRO	2,187,179	1,383,283	3,570,462	2,718,571	837,716	3,556,287	3,257,234	299,053	2,660,250	91.59	81.67
DBM-OSEC	1,935,305	1,381,849	3,318,254	2,467,697	836,382	3,304,079	3,037,364	266,715	2,573,261	91.93	84.72
Agency Specific Budget	1,886,660	(12,776)	1,873,884	1,872,485	(12,776)	1,859,709	1,595,939	263,770	1,136,260	85.82	71.20
PS	674,819	27,813	702,632	660,844	27,813	688,457	675,711	12,746	670,158	98.15	98.18
MOOE	946,806	(108,273)	838,533	946,806	(108,273)	838,533	739,726	98,807	432,950	88.22	56.53
FinEx	107		107	107		107	27	80	27	25.23	100.00
CO	264,928	67,684	332,612	264,928	67,684	332,612	180,475	152,137	33,125	54.26	18.35
Special Purpose Funds		109,706	109,706	-	109,706	109,706	107,632	2,074	107,008	98.11	99.42
MPBF - PS		84,612	84,612		84,612	84,612	82,538	2,074	81,915	97.55	99.25
PGF - PS		25,094	25,094		25,094	25,094	25,094	-	25,094	100.00	100.00
Automatic Appro											
RLIP	49,645	12,607	62,252	49,645	12,607	62,252	61,381	871	57,580	98.60	93.81
ARMM Dep-Ed		1,272,412	1,272,412	545,567	726,845	1,272,412	1,272,412	-	1,272,412	100.00	100.00
Regular		545,567	545,567	545,567		545,567	545,567	-	545,567	100.00	100.00
RLIP		726,845	726,845		726,845	726,845	726,845	-	726,845	100.00	100.00
GPPB-TSO	250,874	1,334	252,208	250,874	1,334	252,208	219,870	32,338	88,989	87.18	39.56
Agency Specific Budget	248,472	-	248,472	248,472	-	248,472	216,281	32,191	83,400	87.04	38.56
PS	27,032	700	27,732	27,032	700	27,732	8,314	19,418	24,748	28.98	297.67
MOOE	18,140	200	18,340	18,140	200	18,340	5,781	12,559	10,893	31.52	188.43
CO	203,300	(900)	202,400	203,300	(900)	202,400	202,186	214	47,759	99.89	
Special Purpose Funds	-	1,334	1,334	-	1,334	1,334	1,334	-	1,334	100.00	100.00
MPBF - PS		808	808		808	808	808	-	808	100.00	100.00
PGF - PS		526	526		526	526	526	-	526	100.00	100.00
Automatic Appro											
RLIP	2,402	-	2,402	2,402		2,402	2,255	147	2,255	93.88	100.00
TOTAL DBM, CURRENT	2,187,179	1,383,283	3,570,462	2,718,571	837,716	3,556,287	3,257,234	299,053	2,660,250	91.59	81.67
Agency Specific Budget	2,135,132	(12,776)	2,122,356	2,120,957	(12,776)	2,108,181	1,812,220	295,961	1,219,660	85.96	67.30
OSEC	1,886,660	(12,776)	1,873,884	1,872,485	(12,776)	1,859,709	1,595,939	263,770	1,136,260	85.82	71.20
GPPB-TSO	248,472	-	248,472	248,472	-	248,472	216,281	32,191	83,400	87.04	38.56
Agency Specific Budget	2,135,132	(12,776)	2,122,356	2,120,957	(12,776)	2,108,181	1,812,220	295,961	1,219,660	85.96	67.30
PS	701,851	28,513	730,364	687,676	28,513	716,189	684,025	32,164	694,905	95.51	101.59
MOOE	964,946	(108,073)	856,873	964,946	(108,073)	856,873	745,507	111,366	443,843	87.00	59.54
FinEx	107		107	107		107	27	80	27	25.23	100.00
CO	468,228	66,784	535,012	468,228	66,784	535,012	362,661	152,351	80,684	71.52	21.14
Transfers/Adjustments	52,047	1,396,059	1,448,106	597,814	850,492	1,448,106	1,445,014	3,092	1,440,590	98.79	99.69
MPBF (PS)	-	85,420	85,420	-	85,420	85,420	83,346	2,074	82,723	97.57	99.25
PGF (PS)	-	25,620	25,620	-	25,620	25,620	25,620	-	25,620	100.00	100.00
RLIP (PS)	52,047	12,607	64,654	52,047	12,607	64,654	63,636	1,018	59,835	98.43	94.03
ARMM-DepED (PS)	-	1,272,412	1,272,412	545,567	726,845	1,272,412	1,272,412	-	1,272,412	100.00	100.00
Regular	-	545,567	545,567	545,567	-	545,567	545,567	-	545,567	100.00	100.00
RLIP	-	726,845	726,845	-	726,845	726,845	726,845	-	726,845	100.00	100.00
Prepared by:	Jeanne V. Importante Jeanne Teresita V. Importante Budget Division, Finance Service DBM										
Certified Correct by:	Eden O. Pangilinan Eden O. Pangilinan Budget Division, Finance Service DBM										

DBM CONTACT NUMBERS

BUREAU/SERVICE/OFFICE	CONTACT DETAILS
Office of the Secretary	(02) 657-3300 Local 2366
Office of the Undersecretary for Budget Policy and Strategy Group	(02) 657-3300 Locals 2304; 2604
Office of the Undersecretary for Local Government and Regional Operations	(02) 657-3300 Local 2303
Office of the Undersecretary for Internal Audit and Special Concerns	(02) 657-3300 Local 2361
Office of the Undersecretary for Budget Preparation and Execution Group	(02) 657-3300 Locals 2647; 3316
Office of the Assistant Secretary for Budget Policy and Strategy Group	(02) 657-3300 Locals 2306; 2606
Office of the Assistant Secretary for Organization and Systems Improvement Group	(02) 657-3300 Locals 2667; 2668
Office of the Assistant Secretary for Information and Communications Technology Group	(02) 657-3300 Local 2603
Office of the Assistant Secretary for Internal Management	(02) 657-3300 Locals 2319; 1201
Budget and Management Bureau - A	(02) 657-3300 Locals 2313; 2314
Budget and Management Bureau - B	(02) 657-3300 Locals 2616; 2307
Budget and Management Bureau - C	(02) 657-3300 Locals 2325; 2326
Budget and Management Bureau - D	(02) 657-3300 Locals 2331; 2332
Budget and Management Bureau - E	(02) 657-3300 Locals 2337; 2338
Budget and Management Bureau - F	(02) 657-3300 Locals 2352; 2633
Budget Technical Bureau	(02) 657-3300 Locals 2610; 2312
Fiscal Planning and Reforms Bureau	(02) 657-3300 Locals 1201-1203
Local Government and Regional Coordination Bureau	(02) 657-3300 Locals 2344; 1120
Organization, Position Classification and Compensation Bureau	(02) 657-3300 Locals 1210; 1211

BUREAU/SERVICE/OFFICE

CONTACT DETAILS

Systems and Productivity Improvement Bureau	(02) 657-3300 Locals 1220; 1221
Administrative Service	(02) 657-3300 Locals 1234; 3111
Budget Information and Training Service	(02) 657-3300 Locals 1104; 1105
Corporate Planning and Management Service	(02) 657-3300 Locals 3210; 3214
Finance Service	(02) 657-3300 Locals 3201; 3209
Information and Communications Technology Systems Service	(02) 657-3300 Locals 2356; 2358; 2360
Internal Audit Service	(02) 657-3300 Locals 3220; 3225
Legal Service	(02) 657-3300 Locals 1112; 1113; 1119

REGIONAL OFFICES

CONTACT DETAILS

DBM Cordillera Administrative Region (CAR)	(02) 657-3300 Locals 8161; 8162
DBM Region I	(02) 657-3300 Local 8102
DBM Region II	(02) 657-3300 Locals 8131; 8132
DBM Region III	(02) 657-3300 Locals 8201; 8202
DBM National Capital Region (NCR)	(02) 657-3300 Locals 8001; 8002
DBM Region IV-A (CALABARZON)	(02) 657-3300 Locals 8011; 8012
DBM MIMAROPA Region	(02) 657-3300 Locals 8031; 8814
DBM Region V	(02) 657-3300 Locals 8816; 8815
DBM Region VI	(02) 657-3300 Locals 8301; 8302
DBM Region VII	(02) 657-3300 Locals 8333; 8334
DBM Region VIII	(02) 657-3300 Local 8821
DBM Region IX	(02) 657-3300 Locals 8431; 8432
DBM Region X	(02) 657-3300 Locals 8501; 8502
DBM Region XI	(02) 657-3300 Locals 8531; 8532
DBM Region XII	(02) 657-3300 Locals 8829; 8830
DBM Region XIII	(02) 657-3300 Locals 8631; 8632

