



THE DBM BULLETIN

The Official Newsletter of the Department of Budget and Management

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budget prep ▶₂



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More Results, Less Effort:

How 2TBA enhances budget prep

For Bernardita Chua, Supervising Budget and Management Specialist, April would signal the start of all-nighters accomplishing working papers of winding lengths.

Chua did not mind working until the wee hours.

What concerned her was the redundancy in the previous practice in discussing ongoing programs alongside new programs. "Paulit-ulit. Dini-discuss mo, pati 'yung taun-taon mo nang pino-provide sa ceiling," Chua said. "Ang laki ng oras na nawawala."

Cleopatra "Baby" Bernardino, Chief Budget and Management Specialist, observed that the lack of consultation with agencies in drafting their budget ceilings was another concern: "Paggawa namin ng Forward Estimates, walang consultation with the agency."

With little to no room for consultation, agencies resorted to lobbying for realignments.

Ms. Bernardino said adjustments in overheads often came at the expense of other programs, even after analysts have finalized the cost of operations and ongoing programs. "Halimbawa, merong P82 billion ang agency. Pwede niyang galaw-galawin iyon at ilipat sa General Administrative and Support Services (GASS) basta within the total indicative ceiling," she said.

The endless lobbying, Usec. Laura Pascua said, revealed a symptom of a greater problem: "The agencies don't have ownership over the budget. They just go to Congress and say the DBM cut our budget."

These problems, officials and staff concluded, were rooted in the previous ways of doing things where new and existing programs were scrutinized at the same time. For the reform champions within DBM, the solution is to separate the discussion for new and existing programs.

In preparing the 2016 Budget, the Two-Tier Budgeting Approach (2TBA) was introduced. While the new approach called for another step in the process, Ms. Chua noticed how the process spared them from unnecessary work and a couple of sleepless nights.

Tier 1 strictly discusses ongoing programs and expenses. At this stage,

agencies and DBM analysts should ensure that the Forward Estimates (FEs) reflect the amount that supports their daily operations. This exercise resulted in more open and frequent consultations between the Budget and Management Bureaus (BMBs) and the agencies, leaving minimal room for realignments.

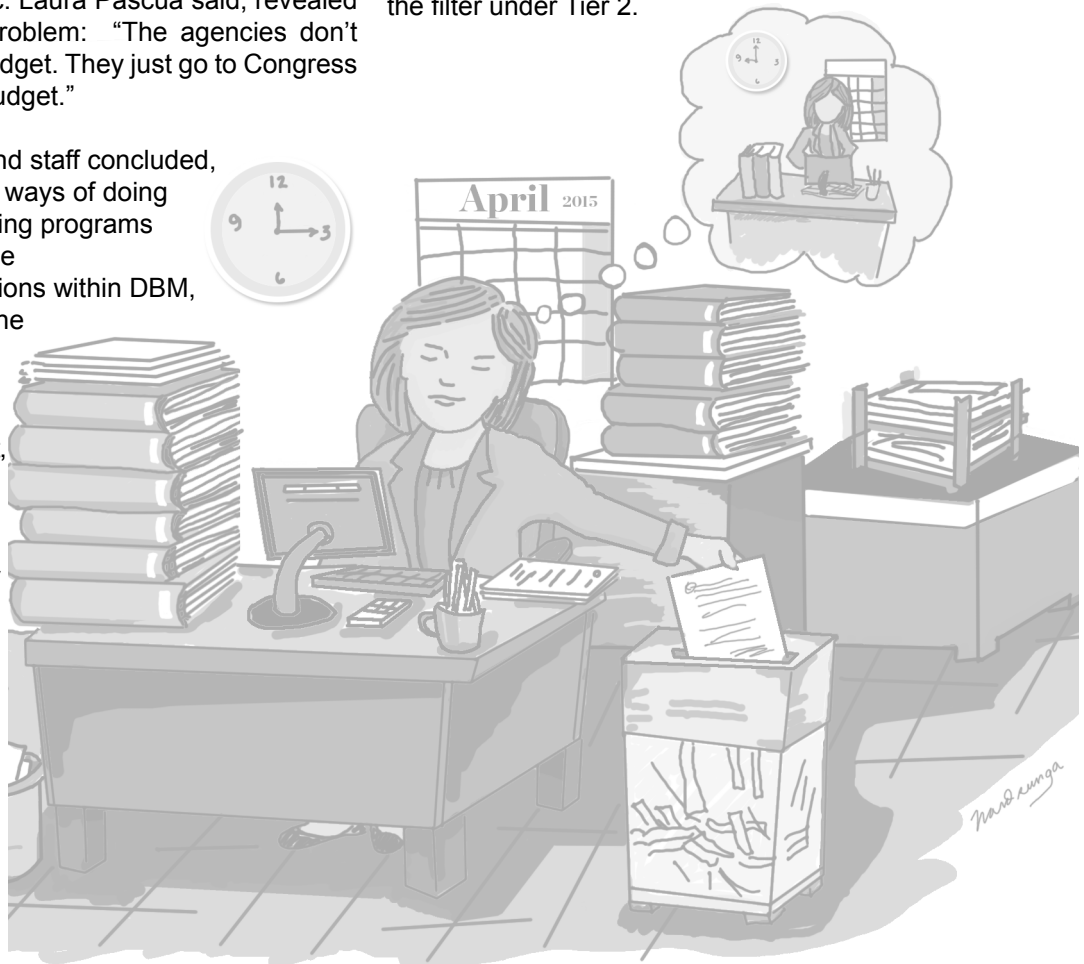
Agencies can request for additional funding within the fiscal space. Under Tier 2, the Executive Review Board (ERB) will allocate this fiscal space only to new and expanding programs that fall under the Budget Priorities Framework (BPF).

Better with two

The DBM began adopting FEs in 2006. Back then, said Usec. Pascua, "[w]e're already having mini-ERBs to look at the forward estimates of agencies." But the hard ceilings then were merely based on previous years' budgets and hardly reflect the agencies' implementing capacity, she noted.

In 2014, the International Monetary Fund suggested a practical approach: use the agencies' previous final obligation figures as a performance measure. DBM applied this, along with last year's actual allocations, and adjustments based on economic parameters, to determine FEs.

The suggestion helped DBM in laying the groundwork for Tier 1. DBM, meanwhile, introduced the BPF to help the government allocate the fiscal space. The BPF became the filter under Tier 2.



“Chances are, some agencies will make a bloated estimate [for Tier 1],” said Yolanda Reyes, Chief of Social Sector Division at the Fiscal Planning and Reforms Bureau. “Analysts should be able to counter that and throw in questions like, ‘Ano ba ang assumptions ng agency upon arriving at that figure?’”

Analysts responded with rigorous scrutiny: “Yung mga hindi kasama sa BPF, dinadaan na sa elimination,” said Nanette Cabral, Chief Budget and Management Specialist from the BMB for Human Development. This ensures that only the proposals addressing critical funding needs will reach the budget hearings.

Taking efficiency a notch higher

Budget officers like Ms. Chua took great pains in knowing every detail of programs. For Tier 2, she pored over studies of DSWD’s banner programs like the Sustainable Livelihood Program.

Ms. Chua said based on a study by Philippine Institute for Development Studies, SLP focused too much on micro-financing. PIDS stressed the need to provide the poor and unemployed job opportunities. Ms. Chua used this study to allocate more resources to the job assistance aspect of SLP in which the funding rose to 55 percent after Tier 2.

Ms. Chua also researched on a device that converts text to speech for visually impaired readers. With her research, she was instrumental in allocating funding under Tier 2 for the purchase of devices that will be used by The National Library’s Persons with Disabilities (PWD) section.

Fostering convergence

The expertise of other agencies supplemented the capacity of budget analysts and officers in assessing proposals, Ms. Mary Grace Darunday, Senior Budget and Management Specialist of the Human Development Sector, said.

Evaluating Tier 2 proposals with agencies like the

I’m very proud that they were able to react well to the requirements of the reform. The agencies appreciated the process [as well] because they saw that the DBM people understood its real advantages.

~ Usec. Laura Pascua

National Economic Development Authority (NEDA) and the Department of Finance (DOF) improved the planning aspect of budgeting.

In particular, Ms. Reyes was pleased with the expertise lent by NEDA in scrutinizing programs through the Sub-Committee on Program/Project Appraisal (SC-PPA) and the Investment Coordination Committee (ICC): “[NEDA] offered [DBM] a fresh perspective insofar as analysis and evaluation of programs are concerned.”

The advantages of Two-Tier approach do not end in budget preparation. “The BP 206 already covered all of the requirements for a good project proposal, kasi tinatanong na rin kung may monitoring system na ba, at ano ang gustong i-accomplish ng ahensiya?” said Usec. Pascua. Now, this approach will provide in the assessment of program’s and agency performance.

Moving forward

Officials and staff say that the process, while successful in its first run, calls for fine-tuning.

Ms. Cabral noticed that some agencies view Tier 2 as a wish list: “They submitted a pile of BP 206. The projects didn’t seem to comply [with the BPF], and their Tier 2 requests cost even more than their Tier 1 budget.”

Usec. Pascua pointed out the need to change the mindset that Tier 2 is a mere venue to renegotiate for a bigger budget.



Undergoing the 2-Tier process, said Supervising Budget and Management Specialist, Dita Chua, “[gave] us more time to study new programs.”

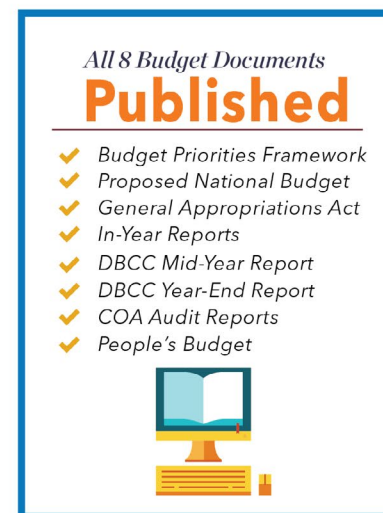
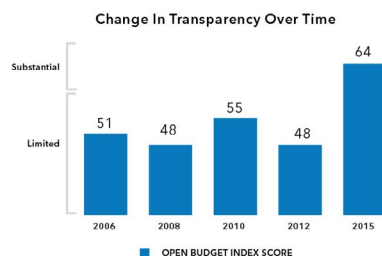


Undersecretary Laura Pascua credits Sec. Florencio Abad as the main driver of 2TBA: “[He] pinpointed how 2TBA could infuse added focus and prioritization in budgeting.”

PHL now a global leader in fiscal openness



From 48 points in 2012 to
64 in 2015



THIS IS BECAUSE OF:

- Bottom-Up Budgeting
- Budget Partnership Agreement
- Citizen Participatory Audit

The Philippines is now hailed as a global leader in fiscal openness.

As evidenced by the 2015 Open Budget Survey (OBS) of the International Budget Partnership (IBP), the Philippines has joined the elite group of countries with “substantial” fiscal information. The International Monetary Fund (IMF) also recently declared that the country demonstrates “advanced” and “good” practices in 23 of the 36 principles of its Fiscal Transparency Code.

How the Philippines increased its Open Budget Index (OBI) score from 48 in 2012 to 64 out of the perfect 100 score in 2015 is as much as a narrative of DBM's reform journey as it is a story of its officials and employees who have committed to make budget information comprehensive and open greater spaces for citizen's participation.

Juan Pablo Guerrero, Network Director of the Global Initiative for Fiscal Transparency (GIFT), acknowledged the enthusiasm of the Philippine government, particularly the DBM, in pursuing greater budget transparency, participation, and accountability.

“The Philippines has become a leader in this region for global transparency, and more particularly, in transparency in the way all its resources are spent,” he said.

“From an international perspective, few things are more inspiring than a team of public servants working hard for changes and results that put the citizen and the public interest at the center of their work,” he added.

DBM's leadership role

In 2012, the Philippines only managed to publish four of the eight essential budget documents prescribed by the OBS. In the 2015 survey, all eight have been published.

“All DBM offices had an indispensable contribution to our country's success,” said Undersecretary Luz M. Cantor. “Everyone has a stake: from all the BMBs which provide much-needed information for the budget documents and reports; to the FPRB, the BTB, and KM-TWG which lead the consolidation of budget publications; and even the IM Group which ensures that the DBM itself implements transparency standards.”

Beginning in Fiscal Year 2014, the DBM has consistently published the pre-budget statement in the form of the Budget Priorities Framework, in addition to the existing National Budget Call. Moreover, it improved the comprehensiveness of the Proposed Budget by pursuing Performance-Informed Budgeting, the disaggregation of lump sum funds, and other reforms.



A DBM staffer reads a report of the Philippines' performance in the OBS (view this report on <http://internationalbudget.org/wp-content/uploads/OBS2015-CS-Philippines-English.pdf>)

Through the Development Budget Coordination Committee (DBCC), the DBM steered the publication of the DBCC Mid-Year and Year-End Reports. These reports are in addition to the monthly and quarterly In-Year Reports already published by the DBM and the Department of Finance; as well as the Audit Report of the Commission on Audit.

To improve citizen's access to budget information, the DBM published the People's Budget series beginning 2011. Similarly, more budget information is now available online through the Transparency Seal, Open Data Philippines, the Electronic Transparency and Accountability Initiative for Lump Sum Funds (e-TAILS), and other initiatives.

Moreover, the DBM, in tandem with other agencies, opened gates for citizens to participate in the budget process through the Bottom-Up Budgeting and Budget Partnership Agreements.

Institutionalizing fiscal openness

As the DBM helped place the Philippines on the map, it must now institutionalize reforms, expand existing practices, and address remaining gaps. Undersecretary Laura Pascua noted that the challenges to further fiscal openness are now more difficult, as the country has to meet even higher standards.

"We've entered a different ballgame," she said. "The transparency standards are higher—disclosure of contingent liabilities, debt sustainability analyses, more precise medium-term estimates at the program level, monitoring and evaluation of non-financial performance, among others."

"Key will be strategy, people willing to work and learn, information technology for databasing and analysis, as well as our inter-agency coordination mechanisms. The ideal of transparency will need to be owned by the other key agencies in the bureaucracy," she added.

Undersecretary Janet Abuel added that "to further move up, we need a strong legal framework in the form of the proposed Public Financial Accountability Act and Freedom of Information Act. We also need to improve technological tools and eventually build an integrated financial management information system. Moreover, current institutional strengthening efforts will enable DBM to implement world-class PFM."



PCIJ Executive Director, Malou Mangahas (left), presents the Open Budget Survey 2015 at the Open Budget Index Launch. PCIJ is the country partner of the International Budget Partnership for the OBS project since 2008.

Aiming for a higher score in the 2017 OBS

The next round of the survey will be released in 2017, covering budget documents published from this year to mid-2016. The OBS 2017 will likely cover the 2016 Proposed Budget, the 2016 Enacted Budget, the 2016 People's Budget publications, 2015-2016 In-Year Reports, 2015 Mid-Year Report, 2014 or 2015 Year-End Report, and the 2017 Budget Priorities Framework.

To prepare for this, the FPRB, BTB, and KM-TWG recently recommended to the DBM Executive Committee (ExCom) a suite of measures to improve the content of budget documents and citizen's participation (see box).

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RECOMMENDATIONS FOR 2017 OBS

- Ensure timely publication of all documents and streamline processes for information gathering, with the support of technology;
- Institutionalize the Budget Priorities Framework in the context of two-tier budgeting and improve presentation of medium-term revenue, expenditure, and debt estimates;
- Further improve the comprehensiveness of the Proposed Budget by publishing the Fiscal Risks Statement and the Technical Notes on the Proposed Budget on time, and by addressing gaps in key expenditure information such as special purpose funds;
- As a supplement to the General Appropriations Act, update and publish select BESF tables on expenditures, revenues, and debt based on enacted levels;
- Improve the level of detail of the Budget Reports, including program-level financial and non-financial performance information against target;
- Consider publishing a summary of actions taken by the Executive in response to COA audit findings;
- Institutionalize the People's Budget, further improve its timeliness and content, expand its distribution and leverage other media, and establish audience feedback mechanism;
- Institutionalize participatory budgeting and strengthen mechanisms for feedback on how citizens' inputs were considered by the government.

Innovation at Work:

DBM RO III puts up one-stop help desk**FROM THE REGIONS**

DBM RO III personnel assists clients at the Customer Help Desk. According to Asst. Director Abesamis, “the implementation of the One-Stop Shop is not an easy undertaking but it is very doable.”

The DBM Regional Office (RO) III introduced the One Stop Shop: Customer Help Desk System in May 2015 to improve delivery of services.

Prior to its establishment, DBM RO III clients such as employees from local government units, national government agencies, and state universities and colleges go inside the building and directly transact business with the RO staff.

This practice affected productivity and efficiency of staff as more time was devoted to entertaining clients rather than on performing regular technical functions. For example, numerous personal follow-ups by clients have contributed to delayed action on pending transactions and queries.

To address these various concerns, Assistant Director Rosalie Abesamis developed the One Stop Shop: Customer Help Desk System as her re-entry plan for the middle managers’ program offered by the Development Academy of the Philippines.

This “simplifies the office’s processes through a single access point for DBM customers and other stakeholders,” noted ADir. Abesamis.

ADir. Abesamis added that the One Stop Shop helps her office deliver services fast by ensuring every transaction is immediately acted upon by the designated staff.

Three personnel are assigned to man the help desk: Customer Service Relations, Document Evaluator, and Document Receiving/Releasing Officer. The Document Evaluator carries a list of documentary requirements to ensure requests are acted upon within three to 10 minutes.

Transactions by walk-in clients that could not be addressed by the help desk personnel will be referred to the concerned Division Chief for action. Should the Division Chief fail to address the concern, the Regional Director or Assistant Director makes action.

The help desk personnel track transactions through the Document Tracking System. This platform provides the office a real-time status report on each transaction, tracking every document from the time it is received, routed to concerned divisions up to the point it is released.

The project, according to ADir. Abesamis, has improved RO III’s documentation system while helping the staff to focus on their immediate tasks by minimizing employee-client interaction.

“The support of everyone is crucial. If the top management would take time to study the current situation and be bold to take innovative reforms, there is no question that it would succeed,” ADir. Abesamis said of the one-stop help desk. ■ (with inputs from Camille Hernandez, DBM RO III)

DBM gets recommendation to be ISO certified

The Certification International Philippines (CIP), led by Mr. Joselito Soler, recommended the Department of Budget and Management for ISO 9001:2008 Certification.

The recommendation is subject to the submission of corrective measures to address the non-conformities raised during the audit. The DBM has until October 14 to submit the requirements.

The ISO recommendation was based on the positive findings of the two stages of audit. Although the auditors noted eight non-conformities, the auditors found the Department’s quality management system to be generally consistent with the requirements of ISO 9001:2008.



The announcement is made during the presentation of the audit findings to the DBM officials on September 14, 2015 at the DBM Multi-Purpose Hall.

PFM Certificate Program seen to get whole gov't on same page



PFM UPDATES

A certificate program that seeks to retool employees on public finance has commenced last September, as the Aquino administration is in the thick of cementing a suite of public finance reforms crucial to sustaining inclusive development.

The Public Financial Management Certificate Program (PFMCP) offers competency training in fields of budgeting, accounting, auditing, procurement, and cash management. It is being implemented by DBM and in partnership with the PFM committee, composed of DBM, Department of Finance, Commission on Audit, Bureau of the Treasury, and the Philippines-Australia PFM Program.

Before the program kicked off on September 29, a Training of Trainers was conducted among a pool of select civil servants from different agencies who will eventually teach practitioners across government the theory and practice of a sound PFM system.

Over the past five years, the Aquino administration has introduced game-changing reforms that have reshaped government's budget priorities, improved debt and cash management, and introduced innovative procurement methods.

On the back of the Administration's PFM Reform Agenda, the government has successfully provided greater resources to social and economic services, while keeping debt and borrowing in check. Delivery of services is faster than ever through innovations such as early pre-procurement, among others.

Lack of common understanding on PFM

As these reforms are being rolled out across agencies, government employees who work on public finance noticeably have limited understanding of their role in the whole agenda, said Dir. Virginia Follosco of the PFM Institute-Technical Working Group.

"PFM workers have only a limited view of the impact of their tasks and roles within their environment," noted Dir. Follosco. This sort of compartmentalization affects fluid implementation of a sound PFM system.

At times, practitioners have different ways of interpreting processes and looking at their roles, highlighting further the lack of a common language on public finance across the bureaucracy.

The committee working on the program found out that the whole government lacks sufficient trainings that target specific competencies of the roles of budget officers, auditors, finance officers, planning officers, program managers, and



The certificate program aims to create standard approaches on managing public finance across government.

The [PFMCP] envisions the design of a curriculum for 6 tracks - PFM Foundation, Budgeting and Performance, Procurement, Accounting, Auditing, and Cash Management.

~ Usec. Janet Abuel

procurement officers.

Getting everyone on the same page

The PFM Certificate Program was thus conceived on the premise that practitioners should work on a common understanding of the country's PFM system.

The PFM Competency model was developed with support from the PFMP, and technical assistance of the Chartered Institute of Public Finance and Accountancy and the WYG International, to capture the ideal role and responsibility of practitioners involved.

The model then guided the development of the certificate program's tracks.

Assistant Director Elena Regina Brillantes of DBM's BMB for Good Governance, one of the trainers, noted: "[This program] will provide us a [standard way of doing] the work we do, and in turn will foster better coordination among oversight agencies. We will not work in silos, in a sense that one [agency] is aware of what others' roles are."

The PFM Institute-TWG has rolled out a training program to ensure the whole government has a pool of potential

With just two months in office,

Usec. Acusar making meaningful changes in IM



GAD CORNER

Early this year, Dara Acusar got a call from her friend in government. She was asked if she would consider a job at DBM.

The call was perfect timing.

She quit her lawyering career in New York sometime in 2010 and flew back to the country to look after her ill dad. At the time of the call, she was a consultant at Cebu's provincial government, working on procurement and contracts.

"It came at a time in my life when I already want something different," she says.

While working in Cebu, she's been hearing a lot about the reforms taking place in DBM. With her hopes of making more meaningful reforms within government, she took the job.

"There's so much that can be done in this department that would affect the way our government is running," Usec. Acusar says.

Her appointment comes at a critical period where the DBM is in the final stretch towards sustaining the reforms introduced over the five years.

As the Undersecretary for Internal Management, Usec. Acusar is leading a functional group composed of support service units vital to ensure the whole DBM operates efficiently and within the ambit of the broader good governance agenda.

"I will be more focused on things we can push forward within the agency in terms of better spending practices," she says. "If we are underspending, what other programs can we push to increase spending? We want to be in

There's so much that can be done in this department that would affect the way our government is running,
~Usec. Dara Acusar

line with what the Administration is doing."

Usec. Acusar's appointment to lead the IM group is part of a bigger reorganizational plan that seeks to attune the functions and responsibilities of each bureau, service, and unit to the reform agenda.

Usec. Acusar handles the Finance Service (FS), Planning and Management Service (PMS), Information Communications Technology Systems Service (ICTSS), Legal Service (LS), and Administrative Service (AS).

With more than just two months in the job, Usec. Acusar said she has yet to sketch her long-term agenda for the IM group. Despite being new in the job, however, she's been working on meaningful changes in the offices under her helm.

Small steps

In her first few weeks in office, Usec. Acusar has met with her colleagues and visited the units under her to find out how the agency is operating and identify possible improvements.

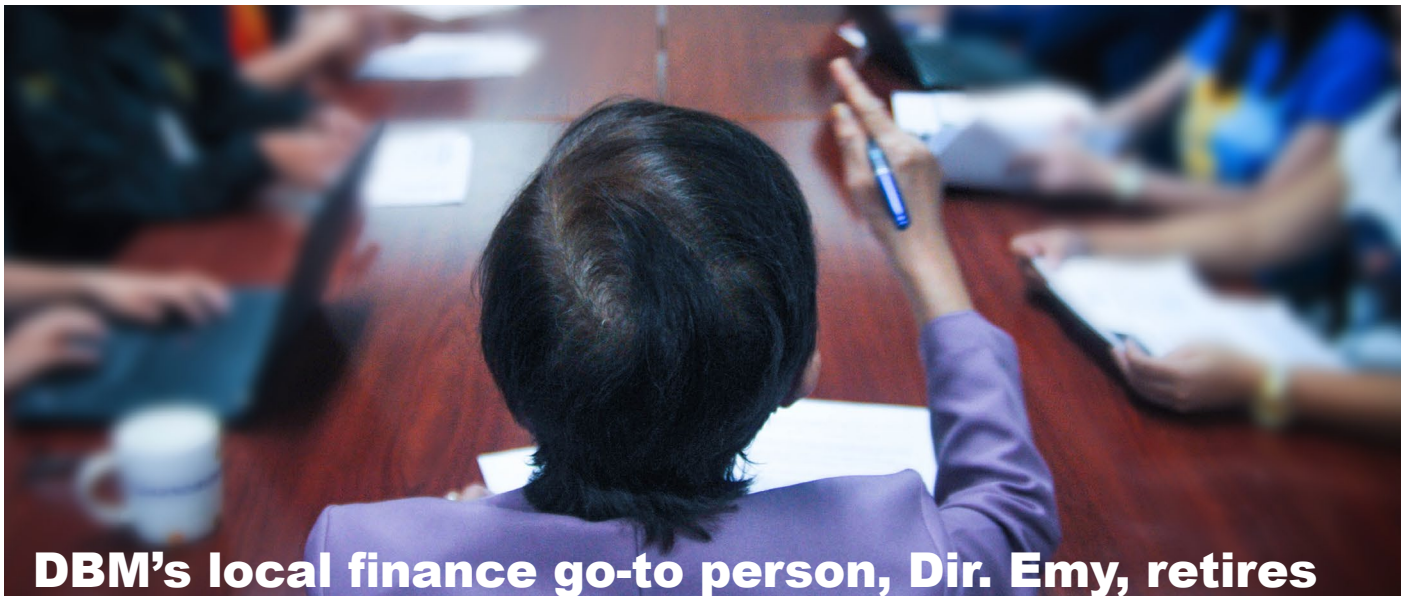
For instance, Usec. Acusar has asked FS to work with ICTSS in developing a program that will automate transactions and provide one serial number for every document.

Usec. Acusar, also a bar topnotcher, makes sure that internal documents like memos and letters go through the LS.

As the whole agency is undergoing reorganization, DBM's goals must be tightly linked with each office's performance, she says. Thus, completing the requirements of the Office Performance Commitment and Review is her immediate priority for PMS.

Employee's welfare is on top of her agenda as well. She has asked PMS to research on a possible health insurance provision for employees, "especially those who have been here for a long time."

When she was working in New York, Usec. Acusar recalls having regular workshops on computer applications. She



DBM's local finance go-to person, Dir. Emy, retires

“*Pakinggan natin si Emy*” is usually a line coming from legislators who like to get Director Carmencita “Emy” Delantar’s view during budget hearings on local finance.

Legislators would even wait for her before they start the session. Her expertise on local budgeting and her polite and diplomatic way of speaking made Director Emy a favorite resource person during congressional and senate hearings on local financial concerns.

On September 24 this year, Director Emy officially retired after 37 years of dedicated service in DBM.

Dir. Emy helped DBM employees and clientele such as local government units better understand the budgeting process by serving as resource speaker in various fora and seminars.

In her stay in DBM, Director Emy has become instrumental in developing positive work attitude and building capacities of people.

“When you need assistance, Director Emy will not hesitate to help even though she’s busy. She will coach you and comprehensively respond to your queries,” disclosed Director Virginia Follosco, a former staff of Director Emy.

As someone who rose through the ranks, Director Emy knows the value of recognizing her staff’s potential and how it can drive better performance. She started her career in DBM’s regional office in Zamboanga in 1978 as Senior Accounting Specialist.

A year later, she was given the Most Outstanding Technical Employee award and was promoted to Chief Budget Specialist. These recognitions for her exemplary performance made her strive to do better.

Her hard work did pay off as she was promoted Assistant Director in 1999 and Director of the Regional Operations and Coordination Service (ROCS) in 2000.

She recognized the potential of her staff and colleagues for assuming greater responsibilities by recommending their promotion. She was able to recommend 59 promotees from both central and regional offices. Many of whom became division chiefs, assistant directors, and directors.

For Director Emy, her work in DBM was challenging yet fulfilling. “It was challenging given the [DBM’s] mandate to efficiently and effectively allocate funds that would respond to the socio-economic development needs of the various sectors of society,” Dir. Emy says, adding:

“It was also fulfilling, knowing that while we spend most of our time in the four-walled corner of our office, our daily accomplishment would mean water supply in remote areas, education for the impoverished but deserving students, medical assistance to the indigents... and many others.”

Director Emy knows that understanding the plight of Filipinos means budget analysts should come in touch with reality on the ground. She recalls that her many ocular visits help understand people’s issues and at the same time, find ways to improve their condition.

“All of these experiences have made my journey in public service memorable,” Director Emy adds. ■ (Joy Almazan)



Emy Delantar was awarded Ms. PAGBA during the 11th Convention of the Philippine Association for Government Budget Administration (PAGBA), Inc. in 1977.

Gov't taps innovate platform to hire best talent



HR MATTERS

It used to be that government agencies look for talent through referrals, or by posting job ads on broadsheets or in their own website. If agencies are lucky, applicants walk in into their offices and personally submit their resumes.

Those avenues have somehow narrowed down options to hire new blood, even as the private sector is increasingly learning most Filipinos nowadays look for jobs while they're online.

This year, the government's willingness to try innovative means of finding the best and the brightest talent is etched in a landmark agreement that ensures agencies easily find applicants online.

In a symbolic ceremonial last August 27 that signals the government's embrace of technology, DBM signed an agreement with online job-matching platform Kalibrr Technology Ventures. Other agencies that also sealed the deal were the Department of Finance, Bureau of Internal Revenue, and Civil Service Commission.

"Kalibrr levels the playing field by exposing more young professionals to prime opportunities in public service," Sec. Butch Abad said.

Kalibrr provides an online job application and recruitment platform where job postings from different agencies can be found in one site.

In the past, DBM would receive only 200 applications every month both from online and walk-in applications, according to the HRDD.

Early numbers confirm Kalibrr's effectiveness in attracting

talents, as DBM was able to increase its monthly average of applications received by roughly 400 percent from 200 to over 1,000 applications. During a two-month period, Kalibrr received 2,512 applications from DBM's job postings.

These numbers prove "to us that people, young ones most especially, were interested to join the government. We only had to give them better access and opportunity," Usec. Clare Amador said.

One of those successful applications came from Michelle Gaurino. She is currently Administrative Office IV who works on recruitment, placement, and promotion.

"It was a relatively fast process compared with my other applications," Gaurino said. "I'm glad that government agencies are now posting vacancies at online job search sites. It makes the application process easier and more accessible to those who want to join the civil service."

In the same trial period, BIR, CSC, DepEd, DENR, DOLE, DOF, DPWH, DOT, DOTC, and NEDA were given free service to the Kalibrr platform. Said agencies posted 3,558 openings, generating a total of 27,360 applications.

Through the Kalibrr platform, participating agencies get to fast track recruitment as the platform automates sourcing, shortlisting, and archiving processes.

Meanwhile, Kalibrr's platform makes work easy at DBM's HR department.

"The platform helped us entice more people to join the DBM, with shorter processing time and a much more diverse pool of applicants," Human Resource Development Division Chief Lolita Matias said. ■ (Angelita Bombarda, OSEC)

Kalibrr levels the playing field by exposing more young professionals to prime opportunities in public service.

~Sec. Florencio "Butch" Abad



PFM Certificate... from P7

and capable trainers who will be tapped to educate a target of more than 20,000 PFM practitioners across the government.

For the trainer's training program, participants were selected through the agency's Human Resources department and office of the Assistant Secretary for Finance.

"The [PFMCP] envisions the design of a curriculum for 6 tracks—PFM Foundation, Budgeting and Performance, Procurement, Accounting, Auditing, and Cash Management," Usec. Janet Abuel, the DBM Comptroller General handling the program, said. The first 2 tracks were already developed and will be rolled out this year.

"We hope to develop the training materials for all [6 tracks] and implement a more massive training program [for all targeted PFM personnel]," Usec Abuel added. "We are also looking into the option of setting up a PFM Institute that will sustain the implementation of the PFMCP." ■ (Macy Matundan)

PFM Certificate Program Schedule of Training	
PFM Foundation	Class 1: September 29-October 2, 2015 Class 2: October 27-30, 2015
Budgeting & Performance	Class 1: October 20-23, 2015 Class 2: November 24-27, 2015

Usec Acusar... from P8

asked ICTSS to do a similar program, so employees can better use the technologies at their disposal.

No "ivory tower"

Usec. Acusar says she's not the type of manager who just meets and greets people inside her room. "I want to see all the people under [various IM clusters]. At saka boring kapag nandito lang ako sa office, parang ivory tower," she says with a chuckle.

She looks forward to collaborate with the IM clusters and see their proposals and inputs. "They know more than me about the department," she says. "I want to learn from them and add on what I can, based on my experience and expertise. And I appreciate that the people here are so good at what they are doing." ■ (Macy Matundan)

2TBA... from P3

She said DBM may adopt a multi-year budget projection for each agency. This way, she said, the DBM will get a more accurate picture of the agencies' operational needs in the medium term. Agencies, in turn, would not feel the need to adjust their hard ceilings anymore.

The collaboration, said Pascua, would work better next time if DBM could pull in the rest of the agencies aside

from NEDA—among them the Bangko Sentral ng Pilipinas and the Departments of Agriculture, Finance, and Trade and Industry—that form the SC-PPA and the ICC.

For the next 2-Tier cycle, the DBM will make sure that the roles of agencies are clearly spelled out, so they can fully perform their oversight function.

The 2TBA, Usec. Pascua believes, succeeded due to the zeal of the budget analysts in enforcing this reform. "I'm very proud," she told *DBM Bulletin*, "that they were able to react well to the requirements of the reform. The agencies appreciated the process [as well] because they saw that the DBM people understood its real advantages." ■ (Rupert Mangilit and Jose Fernando Escalante)

Fiscal openness... from P5

Already, GIFT and IBP expressed interest in conducting research in the Philippines to document how it managed to break the barrier between "limited" and "substantial" transparency, and, based on this, develop a roadmap for other countries which wish to do the same.

"We look forward to continue collaborating with DBM not only to further improve and institutionalize fiscal openness in the country but also, perhaps in the near future, to help other countries in the region pursue greater fiscal transparency and participation," Mr. Guerrero said.

Why pursue greater fiscal openness?

Secretary Florencio B. Abad emphasized that reforms to improve public access to information and enable citizens engagement in the budget process should ultimately enable government to use public resources more efficiently to boost economic growth and improve the lives of citizens.

"The result of all of these efforts, really, has been a greater exercise of oversight on the budget and, as a result, the better setting of priorities by the government," he said. "All of these, put together, are showing us a better way of using public funds and, in the process, creating greater credibility and trustworthiness among the citizenry as well as the investing public." ■ (Francis "Kapi" Capistrano)

Congrats Peachy!

DBM's Peachy Paderna of the Public Information Unit won first prize for her poetry collection, **"An Abundance of Selves"**, in this year's **Palanca Awards**. The awarding ceremony was held on September 1, 2015 at the Manila Peninsula, Makati.



LS NOOK

Prepared by the
Legal Service

Query¹:

What items of appropriations may be implemented under a reenacted budget?

Discussion:

Every LGU is required to prepare its own annual budget for the next fiscal year. The Local Chief Executive (LCE) shall prepare the budget which shall then be submitted to the *Sanggunian* concerned for review and authorization².

The *Sanggunian* shall enact an ordinance authorizing the LGU's annual budget, and must do so prior to the start of the ensuing fiscal year. Otherwise, the LGU shall operate under a reenacted budget pursuant to Section 323 of Republic Act No. 7160³ which states:

"In case the *sanggunian* concerned fails to pass the ordinance authorizing the annual appropriations at the beginning of the ensuing fiscal year, it shall continue to hold sessions, without additional remuneration for its members, until such ordinance is approved, and no other business may be taken up during such sessions. If the *sanggunian* still fails to enact such ordinance after ninety (90) days from the beginning of the fiscal year, the ordinance authorizing the appropriations of the preceding year shall be deemed reenacted and shall remain in force and effect until the ordinance authorizing the proposed appropriations is passed by the *sanggunian* concerned." xxx (*Emphasis supplied*)

In a reenacted budget, the LGU may only disburse payment for salaries of existing positions, statutory and contractual obligations, and essential operating expenses in the annual and supplemental budgets of the preceding year.

For **payment of salaries**, these cover all authorized personnel benefits under Congress Joint Resolution (JR) No. 4⁴ dated June 17, 2009 or the Salary Standardization Law III. We note that the law is clear that the same is limited to existing positions created in the preceding year, thus, positions to be created in the current year may not be funded under a reenacted budget.

On the other hand, **statutory and contractual obligations** include those which the *Sanggunian* has already authorized in the annual budget of the preceding year and are therefore already subsisting obligations of the LGU.

As clarified by the Supreme Court (SC) in the case of *Hon. Gabriel Luis Quisimbing et., al vs. Hon. Gwendolyn F. Garcia*⁵, these obligations also cover those that were previously authorized by the *Sanggunian* through a separate ordinance. However, even if the transaction is covered by the enumeration of items under Section 323, new contracts thereon to be entered into by the local chief executive require prior approval or authorization of the *Sanggunian*⁶.

Finally, with regard to what are considered as essential operating expenses, these refer to appropriations for the purchase of goods and services or certain items in the Maintenance and Other Operating Expenses (MOOE) which are essential for the continued basic operation and existence of a local government unit. Examples include travelling expenses, repairs and maintenance, and subsidies, among others.

¹ Query lifted from: (1) Budget and Management LS Opinion No. 5 to City government of Tarlac dated June 1, 2015 on whether or not employees of the City Government of Tarlac and those under the City Economic Enterprise Management Office (CEEMO) are entitled to their salaries and other benefits under a reenacted budget, (2) LS Memorandum to RO VI dated June 4, 2015 on effect of an annual budget declared inoperative in its entirety by the *Sangguniang Panlalawigan*, and (3) RO IX Memorandum to Legal Service dated June 11, 2015 on authorization of the FY 2015 Annual Budget.

² Section 318. Preparation of the Budget by the Local Chief Executive. Upon receipt of the statements of income and expenditures from the treasurer, the budget proposals of the heads of departments and offices, and the estimates of income and budgetary ceilings from the local finance committee, the local chief executive shall prepare the executive budget for the ensuing fiscal year in accordance with the provisions of this Title.

The local chief executive shall submit the said executive budget to the *sanggunian* concerned not later than the sixteenth (16th) of October of the current fiscal year. Failure to submit such budget on the date prescribed herein shall subject the local chief executive to such criminal and administrative penalties as provided for under this Code and other applicable laws.

³ The Local Government Code of 1991

⁴ Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for other Purposes

⁵ 573 SCRA 284 (2008)

⁶ *Ibid.*, page 285



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