

VI. DEPARTMENT OF BUDGET AND MANAGEMENT

A. OFFICE OF THE SECRETARY

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

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

MISSION

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

1. Fiscal Strength
2. Good Governance

ORGANIZATIONAL OUTCOME

1. Empowerment through the Budget
2. Efficient Government Operations
3. Effective Resource Allocation
4. Fiscal Discipline

New Appropriations, by Program/Project

Current Operating Expenditures

PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
100000000 General Administration and Support	P 133,391,000	P 264,637,000	P 100,000	P 39,228,000	P 437,356,000
200000000 Support to Operations	18,929,000	6,744,000			25,673,000

GENERAL APPROPRIATIONS ACT, FY 2014

300000000 Operations	245,471,000	58,985,000		3,121,000	307,577,000
MFO 1: Budget Policy Advisory Services	8,404,000	1,912,000			10,316,000
MFO 2: Budget Management Services	154,008,000	36,381,000		2,147,000	192,536,000
MFO 3: Organizational Productivity Enhancement Services	17,248,000	5,250,000			22,498,000
MFO 4: Performance Review and Evaluation Services	65,811,000	15,442,000		974,000	82,227,000
Total, Programs	397,791,000	330,366,000	100,000	42,349,000	770,606,000

PROJECT(S)

400000000 Locally-Funded Project(s)		184,700,000		8,454,000	193,154,000
Total, Project(s)		184,700,000		8,454,000	193,154,000
TOTAL NEW APPROPRIATIONS	P 397,791,000	P 515,066,000	P 100,000	P 50,803,000	P 963,760,000

New Appropriations, by Central/Regional Allocation**Current Operating Expenditures**

REGION	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
Central Office	P 237,704,000	P 411,755,000	P 20,000	P 30,454,000	P 679,933,000
Regional Allocation	160,087,000	103,311,000	80,000	20,349,000	283,827,000
National Capital Region (NCR)	9,173,000	6,649,000	5,000	1,150,000	16,977,000
Region I - Ilocos	11,042,000	7,671,000	5,000	330,000	19,048,000
Region II - Cagayan Valley	10,645,000	5,161,000	5,000	1,100,000	16,911,000
Cordillera Administrative Region (CAR)	10,234,000	4,559,000	5,000	1,100,000	15,898,000
Region III - Central Luzon	10,649,000	6,272,000	5,000	1,700,000	18,626,000
Region IVA - CALABARZON	10,295,000	6,691,000	5,000	1,100,000	18,091,000
Region IVB - MIMAROPA	10,810,000	6,890,000	5,000	1,300,000	19,005,000
Region V - Bicol	10,798,000	6,896,000	5,000	2,000,000	19,699,000
Region VI - Western Visayas	10,572,000	5,967,000	5,000	1,292,000	17,836,000
Region VII - Central Visayas	9,243,000	6,536,000	5,000	1,100,000	16,884,000
Region VIII - Eastern Visayas	8,727,000	7,102,000	5,000	1,551,000	17,385,000
Region IX - Zamboanga Peninsula	10,823,000	6,910,000	5,000	80,000	17,818,000
Region X - Northern Mindanao	9,540,000	6,365,000	5,000	1,485,000	17,395,000
Region XI - Davao	9,951,000	6,702,000	5,000	2,857,000	19,515,000
Region XII - SOCCSKSARGEN	9,767,000	6,263,000	5,000		16,035,000
Region XIII - CARAGA	7,818,000	6,677,000	5,000	2,204,000	16,704,000
TOTAL NEW APPROPRIATIONS	P 397,791,000	P 515,066,000	P 100,000	P 50,803,000	P 963,760,000

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

OUTCOMES AND KEY STRATEGIES

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Targets

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Outcome 1: EMPOWERMENT THROUGH THE BUDGET

(Sustaining Public Trust in the Budget)

* Improve fiscal transparency

Ensure budget information is more accessible to the public

Publish the People's NEP

Publish the People's Budget

Enhance openness and transparency in the budget process

Improve Open Budget Index (OBI) Score from 48 to 60 by 2015

* Widen participation in the budget process

Engage civil society organizations (CSOs) and other stakeholders in the budget process through budget partnership agreements

Expand consultations to NGAs from 12 to 18 and GOCCs from 6 to 9

Institutionalize Bottom-Up Budgeting (BuB)

Expand coverage from 609 to 1,233 cities and municipalities in 2014

Increase budget allocation for BuB Projects, from P8 Billion to P20 Billion in 2014

Outcome 2: EFFICIENT GOVERNMENT OPERATIONS

(Spending with maximum impact)

* Improve delivery of public services

Promote collaboration and convergence in the implementation of major priority programs and projects by agencies

Deepen Program Budgeting approach in the preparation and execution of the national budget

Strengthen the capacities of agencies for internal control and internal audit to be able to reduce COA adverse findings

Improve capacities of Internal Audit Service personnel of remaining 15 agencies in 2014

Streamline government procurement processes

Improve Agency Procurement Compliance and Performance Indicator (APCPI) rating of 21 agencies at the Central Office by 2014

Intensify monitoring of agency physical and financial performance

Publish agencies year-end accomplishment/performance report

* Improve government-wide public financial management

Set up the Government Integrated Financial Management Information System (GIFMIS) for a more accurate, reliable and real time generation of financial and physical performance reports

Commence systems development of the GIFMIS in 2014

Complete development of the GIFMIS for pilot testing by 2015

Enhance and improve utilization of Philippine Government Electronic Procurement System (PhilGEPS) for a more transparent and efficient procurement activities

Roll out e-bidding and online payment across government agencies by 2014

Use vouchers for agency procurement of common use supplies by 2014

Adopt GAA as release document

Start implementation in 2014

Outcome 3: EFFECTIVE RESOURCE ALLOCATION
(Spending on the right things)

- * Focus the budget on the five (5) Key Result Areas (KRAs) of the President's Social Contract and the Philippine Development Plan (PDP) with greater emphasis on economic expansion and inclusive growth

Expand investments and reforms in Good Governance and Anti-Corruption; Human Development and Poverty Reduction; Economic Development; Security, Justice and Peace; and Climate Change and Adaptation Mitigation

Increase proportion of the budget submitted to Congress for priority programs

Outcome 4: FISCAL DISCIPLINE
(Living within our means)

- * Formulate the annual budget in the context of a multi-year fiscal plan

Establish, use, and publish the forward estimates (FEs) for funding predictability and sustainability

Budget ceilings remain within forecasted FEs
Publish FEs in the NEP by 2016
Push for passage of the Fiscal Responsibility Bill (FRB)

- * Maximize expenditures to levels allowed by fiscal resources

Maintain a sustainable aggregate level of expenditures based on revenue and deficit targets

Expenditures within the 2% deficit level of GDP

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: BUDGET POLICY ADVISORY SERVICES

Number of Policy advisories submitted	7
Percentage of policy advisories rated by client as satisfactory or better	80%
Percentage of policy advisories that are provided at least 24 hours before the deadline	80%

MFO 2: BUDGET MANAGEMENT SERVICES

Budget Preparation

Number of budget documents submitted	7
Percentage of agencies whose budgets are amended by Congress during budget legislation	10%
Number of days submitted to the President prior to his submission to Congress	2

Directives

Number of directives and guidelines issued	15
Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better	85%
Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better	80%

Budget Execution

Percentage of requests for budget variation or authorization acted upon	85%
Variance of actual obligations to budget program	0-10%
Percentage of request for budget variation or authorization acted upon within 15 working days upon receipt of complete documents	85%

For GOCCs Execution

Number of GOCC corporate operating budgets reviewed	72
Percentage of GOCC corporate operating budgets reviewed rated satisfactory or better	70%
Percentage of GOCC corporate operating budget reviews completed within 15 days of receipt of complete documents	100%

For LGUs

Number of LGU budgets reviewed	253
Percentage of LGUs annual budgets reviewed rated satisfactory or better	95%
Percentage of LGUs budgets submitted with complete documentation reviewed within 75 days	95%

MFO 3: ORGANIZATIONAL PRODUCTIVITY ENHANCEMENT SERVICES

Percentage of proposals for organization, staffing, compensation and position classification review completed	85%
Percentage of agencies reviewed which rate the quality of review as satisfactory or better	70%
Percentage of reviews completed within 60 days	65%

Directives and Policies

Number of policy guidelines and directives issued	15
Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better	60%
Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better	60%

MFO 4: PERFORMANCE REVIEW AND EVALUATION SERVICES

Number of agencies' performance reviewed and evaluated	203
Percentage change in the average utilization rate of agencies	2%
Percentage of agencies reviewed and evaluated in the prescribed period	100%

B. GOVERNMENT PROCUREMENT POLICY BOARD - TECHNICAL SUPPORT OFFICE**STRATEGIC OBJECTIVES****MANDATE**

The TSO provides research, technical and administrative support to the GPPB (Sec. 63.3, IRR of RA 9184), including research-based procurement policy recommendations and rule-drafting, the development and updating of generic procurement manuals and standard bidding documents/forms, the management and conduct of training on procurement systems and procedures, the evaluation of the effectiveness of the government procurement system and recommendation of improvements in systems procedures, the monitoring of compliance to the Act and the provision of assistance to procuring entities to improve their compliance; and the monitoring of the effectiveness of the Government Electronic Procurement System (G-EPS), as well as Secretariat support.

VISION

A Government procurement system that is transparent, efficient and free of corruption, using information and communications technology as a tool for implementation, creating solidarity and proper coordination amongst all Government agencies, improved transactions between the Government and its suppliers, contractors and consultants, and an atmosphere of trust and confidence between the Government and the general public.

MISSION

To be the principal body responsible for procurement policy formulation and the implementation and monitoring of effective public procurement reform, thereby promoting and achieving good governance, in general, and transparency, accountability, equity, effectiveness, efficiency and economy in Government, in particular.

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Good Governance

ORGANIZATIONAL OUTCOME

Efficient Government Operations

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>				
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
300000000 Operations	P 15,816,000	P 16,399,000		P 1,519,000	P 33,734,000
MFO 1: Procurement Policy Advisory and Technical Support Services	15,816,000	16,399,000		1,519,000	33,734,000
Total, Programs	15,816,000	16,399,000		1,519,000	33,734,000
TOTAL NEW APPROPRIATIONS	P 15,816,000	P 16,399,000		P 1,519,000	P 33,734,000

New Appropriations, by Central/Regional Allocation

	<u>Current Operating Expenditures</u>				
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
REGION					
Regional Allocation	P 15,816,000	P 16,399,000		P 1,519,000	P 33,734,000
National Capital Region (NCR)	15,816,000	16,399,000		1,519,000	33,734,000
TOTAL NEW APPROPRIATIONS	P 15,816,000	P 16,399,000		P 1,519,000	P 33,734,000

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION**KEY STRATEGIES**

Inclusive engagement of procurement stakeholders alongside GPPB-TSO identified MFO, through implementation and application of RA 9184 and its IRR, having due regard to procurement performance and compliance.

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)**Targets****MFO 1: PROCUREMENT POLICY ADVISORY AND TECHNICAL SUPPORT SERVICES****Legal Research and Advisory**

Number of procurement policy recommendations submitted to GPPB	32
Number of non-policy opinions issued	142
Percentage of procurement policy recommendations approved by the GPPB	80%
Percentage of non-policy opinions issued within 75 working days	80%

Procurement Compliance and Monitoring

Number of agencies evaluated under Agency Procurement Compliance and Performance Indicator (APCPI) System	21 agencies
Percentage of APCPI evaluation exercise rated satisfactory by the GPPB	80%
Percentage of APCPI reports evaluated within 60 working days from submission of the agency	90%

Capacity Building

Number of trainors' trainings conducted on procurement systems and procedures	7
Percentage of trainings conducted rated as satisfactory or better	90%
Percentage of the targeted trainings conducted within schedule	80%

**GENERAL SUMMARY
DEPARTMENT OF BUDGET AND MANAGEMENT**

Current Operating Expenditures

	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. Office of the Secretary	P 397,791,000	P 515,066,000	P 100,000	P 50,803,000	P 963,760,000
B. Government Procurement Policy Board - Technical Support Office	15,816,000	16,399,000		1,519,000	33,734,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF BUDGET AND MANAGEMENT	P 413,607,000	P 531,465,000	P 100,000	P 52,322,000	P 997,494,000