

PUBLIC FINANCIAL MANAGEMENT ASSESSMENT

I. Summary

1. The government has implemented major reforms to strengthen Public Financial Management (PFM) Systems. The implementation of the PFM Reforms for 2011–2016 has shifted the government's PFM reform program to a higher level in terms of fiscal discipline and allocative and technical efficiency, as well as transparency and citizen empowerment. From 2011 to 2016 the PFM reforms succeeded in designing programs and systems that enhanced efficiency and transparency of managing public funds.

2. The 2016 Public Expenditure and Financial Accountability (PEFA) report validates the government's efforts to strengthen PFM. The PFM Committee resolved to encourage both the Senate Committee on Finance and the House Committee on Appropriations to maximize the use of the Commission on Audit (COA)'s annual audit reports in their exercise of legislative oversight over budget execution and to serve as resource persons in the PFM Committee meetings. The PFM Committee also invited the Department of Information and Communications Technology (DICT) to be a regular member of the PFM Committee.

3. Looking ahead, the government has recognized that improved PFM will be critical in ensuring that the Philippines can achieve its development goals. A transparent and credible PFM system supports informed decision-making, and the effective and efficient provision of public goods and services. Under the umbrella Philippine Development Plan (PDP) 2017–2022, the government instituted an aggressive reform agenda to promote effective and honest governance to create an enabling environment for citizens and the private sector. Building on previous successful initiatives the government developed and adopted a new roadmap for the next six years. The PFM Reform Roadmap 2017–2022 will strengthen the foundation of the PFM system by focusing on three components: (i) shift to annual cash appropriations; (ii) automation reform initially through the Budget and Treasury Management System (BTMS); and (iii) creation of an Office of the Comptroller General. The key reforms target improvements in costing, cash management, planning and budgeting, and procurement.

4. Currently key reforms are being undertaken to implement the PFM Reform Roadmap 2017–2022. The Cash Budgeting System (CBS) was adopted in the preparation of the 2019 Proposed National Budget to speed up budget utilization, promote faster delivery of government services, and foster discipline among agencies through better planning and management of their programs and projects, including early procurement. The BTMS is being developed to pave the way for an Integrated Financial Management Information System (IFMIS) to simplify, harmonize, and improve the country's financial management processes and related information systems. The Department of Budget and Management (DBM) rolled out the Budget Utilization Module of the BTMS to four pilot National Government Agencies (NGAs). Subsequently, DBM officially launched the BTMS in 2019 and it is being rolled out to the rest of NGAs in preparation for the mandatory adoption of the System by 1 July 2019. The e-Learning course modules for the BTMS were developed, in collaboration with the United States Agency for International Development (USAID), to provide another training avenue to assist and guide NGAs on the key processes of the BTMS. The PFM Competency Program was also developed by the DBM and the Bureau of the Treasury (BTr) to enhance the competency of PFM practitioners.

5. In addition, the government continued to set accounting standards and rules. Guidelines for converting from the Philippine Government Chart of Accounts, under the New Government Accounting System, to the revised chart of accounts for local government units (LGUs) and

government corporations were prescribed. Also, guidelines were prescribed for the preparation of financial statements and other financial reports and implementation of the Philippine Financial Reporting Standards by Government Corporations Classified as Government Business Enterprises, as well as the adoption of Philippine Public Sector Accounting Standards (PPSAS) by Non-Government Business Enterprises. An additional six PPSAS, and updates on PPSAS prescribed through COA Resolution No. 2014-003 were adopted effective 1 January 2017.¹ Updates were made to the professional standards framework emphasizing the independence of supreme audit institutions, the importance of transparency and accountability, and revisions on financial, compliance, and performance audit guidelines. The Revised Framework was based on a study of applicable laws, the International Standards of Supreme Audit Institutions (ISSAI) and the International Organization of Supreme Audit Institutions (INTOSAI) Framework of Professional Standards. Revisions made by INTOSAI concerned the fundamental concepts and principles of the three types of audit: financial, compliance, and performance were adopted.

6. In 2018, the use of the Internal Auditing Standards for the Philippine Public Sector (IASPPS) and Internal Control Standards for the Philippine Public Sector (ICSPPS) were prescribed.² The Citizen Participatory Audit (CPA) was adopted and institutionalized. Concurrently, COA adopted the INTOSAI Supreme Audit Institution (SAI) Performance Measurement Framework (PMF) to measure the Commission's performance.³

7. Over the past several years, the government introduced several measures to reform procurement. The implementation of early procurement policy, and the revision of the Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184 covering maximization of bulk-buying powers of the Procurement Service will result in substantial cost savings. In addition, the government adopted the Agency Procurement Compliance and Performance Indicators (APCPI) to assess the procurement practices of the agencies and modernized the Philippine Government Electronic Procurement System (PhilGEPS). As a result, a total of 422 procurement items for both common-use supplies and equipment (CSE) and non-common use supplies and equipment, consisting of specialized goods, consulting services, and infrastructure projects, were completed in 2018 amounting to ₱170.96 billion with a total government savings of ₱10.5 billion. This is higher by 180.75%, or ₱6.76 billion more than the ₱3.74 billion savings generated in 2017.

8. The government has also instituted reforms that allow for more transparency in government operations and over the use of public funds. Transparency has been strengthened through the adoption of the Transparency Seal, which requires all government agencies to disclose key information through their respective websites. The Executive Branch operationalized the people's constitutional right to information and state policies to full disclosure and transparency to the public service. The 2017 Open Budget Index assigned the Philippines a score of 67 for transparency, representing an improvement over 2015 when the Philippines received a score of 64 for providing the public with substantial budget information. This score ranks the Philippines first in Asia in budget transparency. However, for public participation, the Philippines scored only 47 compared to 67 in 2015. The Philippines provides the public with limited opportunities to engage in the budget process.

9. Finally, as a result of the government's anti-corruption efforts, the Philippines placed 99th out of 180 countries in Transparency International's 2018 Corruption Perception Index. This represents a marked improvement from 2017 when the Philippines was ranked in

¹ COA Resolution No. 2017-006 dated 26 April 2017.

² COA Circular 2018-003 dated 21 November 2018.

³ COA Resolution No. 2017-023 dated 21 December 2017.

111th place. Further, the Philippines maintained its 10th place (2017) in 2018 among the 16 economies covered by the Pacific by the Political and Economic Risk Consultancy Ltd.'s annual review of corruption in Asia. The World Bank's 2019 "Ease of Doing Business" rankings place the Philippines at 95 out of 190 economies, an improvement from 2018 rankings at 124. The improvement in the Philippines' ranking has been attributed to regulatory reforms such as the Ease of Doing Business Act.

10. To sustain these PFM reforms, there is need to strengthen the legal and institutional framework. The proposed Public Financial Accountability Act, which is still pending in Congress, will enforce accountability in PFM by strengthening Congress' power of the purse, instituting an integrated PFM system, and increasing budget transparency and participation. The proposed Budget Reform Bill, which is also pending in Congress, seeks to modernize budgetary practices in the Philippines. With its passage, many key PFM reforms will be institutionalized and likewise secured to foster fiscal discipline and minimize transitional systemic risks linked to succession in administrations. There is a need to review the institutional framework for PFM. Several agencies are involved in the implementation and oversight of PFM systems and in some cases, they have overlapping mandates. This fragmentation dilutes accountability and demands close coordination among these agencies, as well as a reliable system of checks and balances.

II. Debt Sustainability

11. A recent debt sustainability assessment by the IMF confirmed that the Philippines' debt levels are sustainable.⁴ Prior to the pandemic, debt as a percentage of gross domestic product (GDP) has trended downwards, with a debt stock that is heavily weighted to longer tenors and domestic currency issues. According to an Article IV assessment released by the International Monetary Fund (IMF) in February 2020, "Prudent fiscal management and strong growth are expected to reduce the general government gross debt–GDP ratio from 38.9% of GDP in 2018 to 37.5% in 2024". Likewise, external debt was expected to fall to 19.1% of GDP in 2024, from 23.9% in 2018. In the assessment, the IMF provides a baseline which is built on a number of assumptions including real GDP growth, inflation, and the primary balance. Otherwise, the IMF looks at five scenarios: interest rate shock, growth shock, non-interest current account shock, a combined shock, and a real depreciation shock. In the interest rate and growth scenarios, the shocks do not significantly alter the declining debt–GDP levels which fall below 20% of GDP by 2024. A real depreciation in the currency of 30% pushes the debt–GDP ratio to 33% of GDP before falling to 28% in 2024. In response to macroeconomic shocks, a growth shock would temporarily increase the debt ratio to a peak of 41.8% of GDP in 2021.

12. Corroborating this assessment, the Governor of the Bangko Sentral ng Pilipinas recently released a press statement covering the Philippines' debt position. As of 31 December 2019, outstanding external debt represented an equivalent \$83.6 billion. The largest share of total outstanding debt was held by foreign banks and other financial institutions, followed by loans from official sources such as multilateral financial institutions and other bilateral creditors. The Philippines' largest bilateral creditors were Japan at \$8.1 billion, People's Republic of China at \$685 million, and Singapore at \$439 million. Foreign investors held 30.4% of the total debt stock. Public sector external debt totaled \$42.8 billion, of which \$36.0 billion were national government borrowings with the balance consisting of the debts of government-owned and controlled corporations, government financial institutions, and the central bank.

⁴ International Monetary Fund (IMF). 2020. *Philippines: 2019 Article IV Consultation-Press Release; and Staff Report*. Washington D.C.

13. Key external debt indicators remain at prudent levels which confirms the Philippines' sustained ability to meet its debt obligations in the medium- to long-term. Total outstanding debt–gross national income was only 19.4% and the debt stock exhibited a favorable maturity profile. The weighted average maturity stood at 16.7 years, down slightly from 17.1 years during the previous quarter. Gross International Reserves stood at \$87.8 billion as of end-December 2019 and represented 5.1 times cover of short-term debt under the original maturity concept. The debt service ratio improved to 6.5% from 6.6% for the same period a year ago.⁵

14. Since the COVID-19 pandemic, the IMF provided an assessment letter to the ADB which incorporates its economic shocks. Under the updated scenario, reflecting a macroeconomic growth shock, the IMF projects the general government gross debt–GDP ratio to reach 42.9% in 2020 and 2021.

III. Importance of Public Financial Management

15. The Government of the Philippines is implementing major reforms to strengthen its PFM systems. These reforms were first laid out in the *Philippine Public Financial Management Roadmap: Towards Improved Accountability and Transparency 2011–2015*. This roadmap includes a comprehensive reform agenda that seeks to clarify, simplify, improve, and harmonize the government's financial management processes and information systems. PFM is an essential part of the government's plan to improve transparency, accountability, public institutions, and particularly governance in pursuit of more inclusive growth and poverty alleviation. A sound PFM system (i) helps reduce the opportunity for misuse of funds, (ii) aids decision-makers in the government as they perform their functions and decide where to allocate funds to achieve the greatest good, and (iii) provides transparency regarding where and how the public funds are actually being spent. Furthermore, the government has drafted an organic law on public finance titled the Public Financial Accountability Act to further clarify rules and policies on budget formulation, preparation, enactment, and execution. The act will significantly improve linkages between budgeting and planning and improve congressional powers of the purse and oversight of public spending. This will strengthen accountability and reporting through the Comptroller General and update transparency and participation requirements for all levels of government.

IV. Overview of the Current System

A. Basic Laws and Regulations

16. Executive Order No. 55 was signed by President Benigno S. Aquino on 6 September 2011 directing the integration and automation of government financial management systems. The financial management systems of the three key oversight services (COA, DBM, and Department of Finance [DOF]) shall be automated to the extent necessary and feasible and fully integrated to serve as the backbone of the financial reporting system of the government. A memorandum of agreement (MOA) was entered into by and among the key oversight agencies which created the Steering Committee on Cooperation to foster the development of a Government Integrated Financial Management Information System (GIFMIS) and implement a PFM Reform roadmap. Key regulations issued to guide the reforms can be found in Annex 2.

⁵ The debt service ratio relates principal and interest payments to exports of goods and receipts from services and primary income.

B. Roles and Responsibilities⁶

17. The principal actors to the agreement to foster the development of the GIFMIS include the Chairman of COA, the Secretary of DBM, and the Secretary of DOF. These individuals are mandated to promote fiscal responsibility and good governance through greater transparency and accountability in the management of government funds. Plans call for the development of a modern computerized integrated financial management system, and the review and re-engineering of existing operational budgeting, cash management, and accounting auditing rules and procedures. These changes are designed to provide timely, more effective, and responsive ways of managing, monitoring, and reporting the financial performance of the government to its citizens.

18. The PFM Committee, formerly the GIFMIS Committee is composed of authorized alternates or representatives of the Principals who hold senior management level positions. They have the authority to make immediate decisions during critical meetings, or on other pressing concerns, and serve as focal persons for cooperation. The committee oversees, coordinates, and develops the integration and harmonization of the government's financial management information systems. These systems cover all financial transactions of government in a phased and systematic manner. They shall apply uniformly to all government oversight and implementing agencies in order to generate reliable and accurate reports in a timely manner. Through Executive Order No. 55, the PFM Committee is tasked not only to undertake development of GIFMIS but also to implement the PFM Reform Roadmap and operationalize the treasury single account (TSA) system. With the adoption of the "Updated Philippine Reforms Program Roadmap (FY 2015–2016) adopted by the PFM Committee on 13 May 2015, the PFM Committee adopted a new governance structure.⁷ The additions to the PFM Committee include the Bureau of Customs (BOC), the Bureau of Internal Revenue (BIR) in addition to BTr. The DICT was added as new member of the PFM Committee in 2016.⁸

19. The Project Implementation Units are responsible for the implementation of the key projects within the Philippine Reform Roadmap (FY 2011–2015) PFM reform agenda.⁹ International development partners are assisting the government in its PFM reform efforts. The Government of Australia is working with the Philippine Government through the Philippines-Australia Public Financial Management Program to implement the Philippines PFM Reform Roadmap. Other development partners include the Asian Development Bank (ADB), International Monetary Fund (IMF), the World Bank, and the European Union.

20. With the development of the PFM Reform Roadmap FY 2017–2022, seven sub-groups have been identified to work on the details of the roadmap: (i) Shifting to an Annual Cash Budgeting System; (ii) Enhancing the Procurement Process with Emphasis on Infrastructure Projects; (iii) Linking Planning and Budgeting and Improving Costing Techniques for Projects and Programs; (iv) Completion of the Development of the GIFMIS and Implementation of the Unified

⁶ The responsibilities of the Principals and the PFM Committee are indicated in the Memorandum of Agreement between COA and DBM and in Executive Order No. 55.

⁷ PFM Committee Resolution No. 03-2015 dated 20 August 2015.

⁸ PFM Committee Resolution No. 02-2016 dated 25 August 2016.

⁹ COA is responsible for developing GIFMIS, and accounting and auditing reforms. The Bureau of the Treasury is responsible for improving cash management operations and liability management. DBM is responsible for budget repointing and performance standards as well as capacity development.

Reporting System; (v) Enhancing Cash Management and Payment Processes; (vi) Creation of the OCG and Strengthening Internal Audit; and (vii) Capacity Building.¹⁰

C. Progression of the PFM Reform Roadmap

21. Upon the recommendations of the PFM Committee under Resolution No. 01-2011, the PFM Principal actors approved the adoption of the *Philippine PFM Reform Roadmap: Towards Improved Accountability and Transparency (2011–2015)*. The Roadmap is a strategic plan for a whole-of-government approach to PFM reforms that seeks to clarify, simplify, improve, and harmonize the government's financial management processes and information systems. The Roadmap is implemented through six key initiatives, namely: Budget Reporting and Performance Standards, Accounting and Auditing Reforms, Improvement of Treasury Cash Management Operations, Liability Management, GIFMIS, and Capacity Building.

22. In May 2015, an Updated Philippine PFM Reforms Program Roadmap (FY 2015–2016) was comprehensively adopted by the PFM Committee with the reforms moving from the design into the implementation phase. In February 2017, the PFM Principal actors gave a green light on the development of the PFM Reform Roadmap 2017–2022 which aims to strengthen the foundation of the PFM system. It is composed of three components: (i) shift to annual cash appropriations; (ii) automation reform initially through the BTMS; and (iii) creation of an OCG. These reforms target improvements in costing, cash management, planning and budgeting, and procurement.

V. Assessment of PFM

23. From 2011–2016, the PFM reforms succeeded in designing programs and systems that enhanced the efficiency and transparency of managing public funds. Two major programs to develop an IFMIS were completed. The establishment of a TSA, a cash management system that consolidates government accounts, will optimize the utilization of the NG's cash resources. The other program was the implementation of the Unified Account Code Structure. Other key reforms are detailed in Annex 1. The following are the key reforms currently being undertaken to implement the PFM Reform Roadmap.

24. **Cash Budgeting System.** The Philippine Government adopted the CBS in the preparation of the 2019 Proposed National Budget, and in its execution following the approval by Congress of the 2019 General Appropriations Act (April 2019). This marked the beginning of the shift from the obligation-based budget system that was used prior to FY 2019. The shift aims to speed up budget utilization, promote faster delivery of government services, and foster discipline among agencies through better planning and management of their programs and projects, including early procurement. This shift is one of the principal PFM reforms that are part of the Budget Modernization Bill. While awaiting enactment of the Bill, the DBM sought to launch the implementation of the CBS by formulating the 2019 Budget in the context of the CBS and steering the issuance of Executive Order No. 91 (Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes), which was signed by President on 9 September 2019.

25. **Budget and Treasury Management System.** The BTMS is being developed to pave the way for an IFMIS. The BTMS is the key technical component of the overall PFM Reform Program to simplify, harmonize, and improve the country's financial management processes and related

¹⁰ DBM Bulletin. January–March 2017. [PFM Corner: Development of the PFM Reform Roadmap 2017-2022 Gets the Green Light](#). Manila.

information systems. It is an integrated, web-based information management system that will replace the existing budget management, execution, accounting, and reporting systems to be used initially by the DBM and the BTr under the DOF for budget execution and accountability. The scope of BTMS includes management of the budget, commitments, payments, receipts, cash, as well as accounting and fiscal reporting, and the BTMS Portal.

26. In 2018, DBM rolled out the Budget Utilization Module of the BTMS to four pilot NGAs: Department of Public Works and Highways, Department of Trade and Industry, DBM and BTr.¹¹ The Budget Utilization Module was officially launched on 16 January 2019 and was rolled out to the rest of NGAs in preparation for the mandatory adoption of the System by 1 July 2019, pursuant to DBM Circular Letter No. 2019-4 dated 14 January 2019. Said circular prescribed the guidelines on the adoption and use of the BTMS for budget utilization. As of December 2019, the BTMS has been rolled out to 119 government agencies out of 266.¹²

27. The e-Learning course modules for the BTMS were developed, in collaboration with USAID, to provide another training avenue to assist and guide NGAs on the key processes of the BTMS. The development of the e-Learning modules started in the last quarter of 2018 and was completed in 2019. The e-Learning System, like a course syllabus, has its modules sequenced according to the BTMS learning concepts and procedures, and is expected to cut the training period to a shorter time compared to the conventional classroom training methods which may take 6 years to complete. To support the BTMS roll-out, the BTMS e-Learning System was also launched in 2019 to aid in the training of 15,000 BTMS users.

28. **PFM Competency Program.** The Public Financial Management Competency Program (PFMCP) was developed by DBM and the BTr to enhance the competency of PFM practitioners. These two agencies tied up with select state universities and colleges (SUCs) to widen the reach of the program. In 2018, a MOA with six SUCs was signed by DBM, together with the BTr, to widen the reach of the PFMCP. Five of the six partner SUCs are already rolling out the PFMCP in their respective locality/region.

A. Summary of 2016 PEFA findings

29. The PEFA evaluates the government's PFM system in terms of how well it achieves positive budget outcomes of aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery. The 2016 Philippines PEFA Assessment indicated that three of seven core areas (transparency, policy-based budgeting, and asset and liability management) have improved since the 2010 assessment and are now strong. While predictability and control in budget execution remained even, budget credibility and external scrutiny are considered weak.

30. In response to the 2016 PEFA findings, the PFM Committee adopted the World Bank's PEFA 2016 Assessment Report as basis for the recalibration and updating of its PFM Reform Roadmap (2015–2016).¹³ Further, to strengthen the legislative scrutiny of the budget, the PFM Committee resolved to pursue the following: (i) encourage both the Senate Committee on Finance and the House Committee on Appropriations to maximize the use of the COA annual audit reports in the exercise of their legislative oversight function over budget execution, and to

¹¹ DBM. 2018. [Annual Report 2018](#). Manila.

¹² DBM Bulletin. October–December 2019. [BTMS Rolled Out to Government Agencies](#).

¹³ PFM Committee Resolution No. 01-2016 dated 25 August 2016.

be resource persons in the PFM Committee meetings; and (ii) to invite DICT to be a regular member of the PFM Committee.¹⁴

B. Assessment of Public Procurement

31. The Government Procurement Policy Board (GPPB) was established by virtue of RA 9184 otherwise known as the “Government Procurement Reform Act” (GPRA), as an independent inter-agency body that is impartial, transparent and effective, with private sector representation.¹⁵ The GPPB, being an inter-agency body composed of top level public officials, is supported by its very own Technical Support Office (TSO) to assist the GPPB perform its duties and responsibilities, particularly in spearheading the implementation of public procurement reform initiatives in the Philippines (Sec. 63.2, Implementing Rules and Regulations of RA 9184). The Inter-Agency Technical Working Group was created to assist the GPPB-TSO in the review and formulation of procurement law, rules, and guidelines and to conduct preliminary deliberations for policy recommendations to the GPPB.

32. The 2016 Revised IRR, promulgated pursuant to Section 75 of RA 9184, prescribe the necessary rules and regulations for the modernization, standardization, and regulation of the procurement activities of the government.¹⁶ The 2016 IRR introduced improvements in its linkages with the budgeting system by: (i) institutionalizing the multi-year obligational authority for multi-year projects; (ii) undertaking procurement soon after the budget proposal is submitted to Congress to be ready for obligation once the budget takes effect; (iii) requiring Procuring Entities to prepare their indicative Annual Procurement Plan (APP) alongside their budget proposal; and (iv) submitting to the GPPB their final APPs, and any change thereto, as a means to improve procurement planning and enhance procurement assessment and monitoring.¹⁷

33. Over the past years, the government have introduced several measures to reform procurement. These include: (i) the implementation of an early procurement policy; (ii) revision of the IRR of RA 9184; (iii) maximization of the bulk-buying powers of the Procurement Service to save on costs; (iv) adoption of the APCPI to assess the procurement practices of the agencies; and (v) the modernization of the PhilGEPS or the modernized PhilGEPS (mPhilGEPS). These procurement reforms addressed the measures outlined in the 2012 Country Procurement Assessment Report. However, continued improvement in procurement will require a shift in the mindset of the agencies—from mere compliance to performance and results. Measures to consider include: (i) introducing measures to shorten the average procurement turnaround; (ii) completing, widely disseminating, and implementing the revised IRR of the GPRA; (iii) strengthening the Procurement Service, including a possible corporatization; (iv) strengthening the capacity of the agencies for procurement, beginning with better planning; and (v) completing the modernization of the PhilGEPS.

34. A total of 422 procurement items including both common use supplies and equipment and non-common use supplies and equipment (e.g. specialized goods, consulting services, and infrastructure projects), were completed in 2018 amounting to ₱170.96 billion with a total government savings of ₱10.5 billion. This is 180.75% or ₱6.76 billion higher than the ₱3.74 billion

¹⁴ PFM Committee Resolution No. 02-2016 dated 25 August 2016.

¹⁵ Republic Act No. 9184 (R.A. 9184) otherwise known as the “Government Procurement Reform Act” enacted on July 2002.

¹⁶ The 2016 Revised IRR was approved by the Government Procurement Policy Board through its Resolution 03-2009, dated 29 August 2009, and published in the Official Gazette on 29 August 2016. They became effective 30 days after its publication on 2 September 2009.

¹⁷ DBM. 2016. [Annual Report 2016](#). Manila.

savings generated in 2017. In 2016, ₱3.52 billion in savings were generated. Moreover, additional measures were implemented to promote a more efficient public procurement system as follows:

35. **Virtual Store.** One of the mPhilGEPS' functionalities is the Virtual Store which allows agencies to view, search, select, and procure CSE 24/7 (footnote 16). The Procurement Service's PhilGEPS (PS-PhilGEPS) launched the Virtual Store in three agencies; (i) DBM; (ii) Procurement Service, and (iii) GPPB-TSO. Since its launch in September 2018 through to 31 December 2018, the new system has successfully processed ₱2,131,680.69 worth of transactions for common use supplies and equipment. As of November 2019, a total of 15 agencies have made successful orders through the Virtual Store.

36. **Government Fares Agreement (GFA).** To ensure the fast, efficient, and flexible processing of the air transportation needs of all government employees, as well as to generate savings in time, energy, and money, the DBM and PS-PhilGEPS listed airline tickets in its catalog as one of the CSE. This reform, and the adoption of a "whole-of-government" approach in procuring airline tickets via the GFA generated savings worth ₱72,461,339.42 from 2016 to December 2018 (footnote 21).

37. **Centralized Procurement System for the Acquisition of Government Vehicles.** 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) was adopted on 10 December 2018 (footnote 21). Going forward, the acquisition of motor vehicles by government agencies will be under a centralized procurement system. 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.

38. **Professionalization Program for Public Procurement Practitioners.** GPPB-TSO has entered partnerships with SUCs through the Public Procurement Specialist Certification Course. Five MOAs were entered into in 2018, thus increasing the number of partners SUCs to 14.

C. Assessment of Accounting and Audit

39. In the Philippines, both audit and accounting functions are vested upon a supreme audit institution, COA. The Constitution mandates that the COA "keep the general accounts of the government" which represents an exceptional set-up as COA is required to both audit and perform a limited accounting function. With this mandate, COA has continued to set accounting standards and rules.

40. In 2016, COA prescribed the guidelines for the conversion from the Philippine Government Chart of Accounts under the New Government Accounting System to the revised chart of accounts for LGUs and government corporations.¹⁸ In 2017, it also prescribed the guidelines on the preparation of financial statements and other financial reports and implementation of the Philippine Financial Reporting Standards by Government Corporations Classified as Government Business Enterprises and PPSAS by Non-Government Business Enterprises.¹⁹

41. An additional six PPSASs and updates on PPSAS prescribed through COA Resolution No. 2014-003 were adopted effective 1 January 2017 (footnote 3). Updates were made to its professional standards framework emphasizing the independence of supreme audit institutions,

¹⁸ COA Circular 2016-004 and 2016-006 dated 30 September 2016 and 29 December 2016, respectively.

¹⁹ COA Circular 2017-004 dated 13 December 2017.

the importance of transparency and accountability, and revisions to the financial, compliance and performance audit guidelines.²⁰ The Revised Framework was based on a study of applicable laws, the ISSAI and the INTOSAI Framework of Professional Standards. The revised framework includes ISSA 10, ISSA 11 and ISSA 12, and ISSAI 21.²¹ Revisions were made by INTOSAI covering the fundamental concepts and principles of the three types of audit (financial, compliance, and performance). In 2018, the use of the IASPPS and Internal Control Standards for the Philippine Public Sector (ICSPPS) were prescribed (footnote 4). IASPPS provides guidance essential for the professional practice of internal auditing to improve the effectiveness of governance, risk management, and control processes in all agencies of the government. On the other hand, the ICSPPS provides guidelines on a basic framework and is integrated with the essential management processes of planning, executing, and monitoring.

42. In 2018, the CPA was adopted and institutionalized by COA.²² CPA is a strategy for reform to uphold the people's right to a clean government and the prudent utilization of public resources. The premise is that public accountability can prosper only with a vigilant and involved citizenry. In order to ensure that its services are at par with the international audit community, COA adopted the INTOSAI SAI PMF to measure the Commission's performance (footnote 5). The SAI PMF is an international framework for self, peer, or external assessment of a SAI's performance against the ISSAIs and other established international good practices.

D. Assessment of Reporting and Transparency

43. The COA is mandated by the Philippine Constitution to submit to the President and the Congress, within the time fixed by law, an annual report covering the financial condition and operation of the government. Pursuant to Section 41(1) of P.D. 1445, the Government Auditing Code of the Philippines, the annual report shall be submitted not later than the last day of September of each year. The scope of this report also includes the government's subdivisions, agencies and instrumentalities, including government-owned or controlled corporations (GOCCs) and non-governmental entities subject to its audit. The report provides recommendations to improve the efficiency and effectiveness of these entities. The Annual Financial Report (AFR) is prepared based on numerous reports submitted by the agencies to COA and DBM.

44. The 2018 AFRs of NGAs, LGUs, GOCCs, and Annual Reports on Allotments, Obligations and Disbursements were submitted to the President and the Congress within the time fixed by law. Copies of the 2018 and prior years reports are available to the public through COA's website <https://www.coa.gov.ph/index.php/reports/annual-financial-report>.

45. The AFR was prepared to provide essential information on the financial position, financial performance, changes in net assets/equity, cash flows, and comparison of budget and actual amounts of NGAs. It also provided information on appropriations, allotments, obligations, disbursements, unreleased appropriations, and unobligated balances, as well as the summary of the results of audit, specifically audit opinions on the fairness of presentation of the financial statements (FSs) and significant audit recommendations on economy, efficiency, and effectiveness of operations of NGAs.

²⁰ Revised Framework of Professional Standards adopted through COA Resolution 2016-007 on 3 May 2016.

²¹ ISSAI 10, or The Mexico Declaration on SAI Independence, establishes eight core principles for SAI independence approved by INTOSAI members at the XIXth Congress in 2007. ISSAI 11 provides guidelines and good practices related to SAI Independence. ISSAI 12 defines the value and benefits of Supreme Audit. ISSAI 21 provides principles of transparency and accountability.

²² COA Resolution No. 2018-006 dated 01 February 2018.

46. COA has developed online web-based application systems to facilitate the efficient submission of reports to COA, thru the Government Accountancy Sector (GAS), by NGAs.²³ The main purpose of the system is to ensure prompt submission of the reports and to facilitate the consolidation of financial statements faster and more efficiently. Through this system, COA will be able to generate the constitutionally required Financial Reports for submission to the Office of the President, the Congress, and for public information.

47. With the adoption of the annual cash-based appropriations starting FY 2019, the Budget and Financial Accountability Reports (BFAR) forms and contents were updated, taking into account the one-year availability of funds for the government's programs/activities/projects.²⁴ The purpose of the update was to ensure that the information they generate is adequate to enable the DBM and the COA, as oversight agencies, to effectively report, monitor, and/or evaluate agency performance as basis for sound policy decisions.

48. **Transparency.** The government has instituted reforms that allows for more transparency in government operations and over the use of public funds. The following initiatives were introduced to promote greater fiscal transparency and provide citizens with greater access to information on PFM.

49. **Transparency Seal.** To enhance transparency and enforce accountability, all NGAs shall maintain a transparency seal on their official websites. The transparency seal requires all government agencies to disclose key information through their respective websites such as their functions, budgets, and financial reports. In addition, the agencies must disclose the status of major programs and projects, procurement activities, and contract information program/project evaluation and/or assessment reports, as well as annual procurement plans, contracts awarded, and the name of contractors/suppliers/consultants.²⁵ A Transparency Seal, prominently displayed on the main page of the website of a government agency, is a certificate that it has complied with the requirements of Section 93 of the Circular.

50. **Full Public disclosure and Transparency in the Public Service.** In 2016, the President signed Executive Order No. 02, s. 2016 – Operationalizing the People's constitutional right to information and the state policies to full disclosure and transparency to the public service and providing guidelines therefor. This was reiterated in Presidential Communications Operations Office (PCOO) and DILG Joint Memorandum No. 2018-01 dated 9 October 2018. Every Filipino shall have access to information, official records, public records, and to documents and papers pertaining to official acts, transaction or decisions, as well as to government research data used as basis for policy development as long as it is not covered by the exceptions to the Freedom of Information (FOI). An Inter-Agency FOI Exceptions Policy Committee was created to review the inventory of exceptions issued pursuant to Executive Order No. 02 and periodically update the list of exceptions to properly reflect any change in existing laws and jurisprudence.²⁶ This supplements Executive Order No. 02, s.2016 or the FOI Program of the Philippines.

51. **Improved Budget Reporting.** The DBM, together with DBCC, has been pursuing initiatives to improve fiscal transparency in the Philippines in line with global benchmarks. DBM has produced technical notes on the proposed national budget which provide substantial narrative discussions and key details of the proposed fiscal program and expenditure priorities.

²³ The Annual Financial Reporting System and the Budget and Financial Accountability Reporting System.

²⁴ COA-DBM Joint Circular No. 2019-1 dated 1 January 2019.

²⁵ National Budget Circular No. 542 dated 29 August 2012.

²⁶ Office of the President Memorandum Circular 49-2018 dated 10 October 2018.

52. **Budget Transparency.** The Open Budget Survey (OBS) of the International Budget Partnership assesses the three components of a budget accountability system: (i) public availability of budget information; (ii) opportunities for the public to participate in the budget process; and (iii) the role and effectiveness of formal oversight institutions, including the legislature and the national audit office (referred to here as the “supreme audit institution”).²⁷ OBS evaluates budget transparency based on the comprehensiveness and public availability, in terms of timeliness of release, of eight key budget documents. A country’s Open Budget Index (OBI) score measures the extent to which it makes the eight key budget documents available to the public on the relevant government website in a timely manner and the comprehensiveness of publicly available budget information. The 2017 OBI assigned the Philippines a score of 67 for transparency, representing an improvement over 2015 when the Philippines received a score of 64 in 2015, for providing the public with substantial budget information.²⁸ For public participation, the Philippines scored 41 compared to 67 in 2015. The Philippines provides the public with limited opportunities to engage in the budget process. Committed to its goal of promoting transparency and public participation, the DBM was able to publish seven of the eight key budget documents in 2019 that are required by the OBS.²⁹

53. **Open Government Partnership (OGP).** The OGP is a multilateral initiative that aims to secure concrete commitments from government and non-government stakeholders to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. Philippines is currently implementing 14 commitments from their 2017–2019 action plan. Working closely with civil society, the Philippine-Open Government Partnership (PH-OGP) published the PH-OGP National Action Plan (NAP) 2019–2021 which contains 10 commitments. One of these is the establishment of an efficient and effective technology enabled participatory validation and reporting mechanism for selected infrastructure projects. This will be accomplished through an online platform called Digital Imaging for Monitoring and Evaluation (DIME) Transparency. The Plan was publicly launched on 19 December 2019.

54. **Open Data for Good Governance.** The Open Data Philippines Task Force has completed a number of other initiatives.³⁰ On 16 January 2014, the Philippines launched a website that consolidates the data from different government agencies and makes it available in formats meant for easy downloading and use. Open Data Philippines sought to proactively release public sector datasets and generate an ecosystem for the use and reuse of the datasets by the public. Through the website (www.data.gov.ph), the government supplies datasets in open and machine-readable formats.

55. **Participative Budget Process.** The Philippines, through the DBM, continues to sustain its commitment to and active participation in international good governance initiatives such as the Open Government Partnership (OGP) and the Global Initiative for Fiscal Transparency (GIFT) (footnote 22). During the implementation of the 2015–2017 OGP National Action Plan, the Philippines initiated groundbreaking reforms on transparency, accountability, and citizen engagement. The Action Plan features several open government initiatives which have won international recognition, such as the Bottom-up Budgeting, Citizen Participatory Audit, Extractive

²⁷ International Budget Partnership. www.internationalbudget.org.

²⁸ [Open Budget Survey 2017](#).

²⁹ These are the: (i) Pre-Budget Statement (2020 Budget Priorities Framework); (ii) Executive Budget Proposal (2020 National Expenditure Program); (iii) Enacted Budget (2019 General Appropriations Act); (iv) Citizens Budget (2019 People’s Budget and 2020 People’s Proposed Budget); (v) In-Year Reports; (vi) Mid-Year Report; and (vii) Year-End Report. The 8th required document, the Audit Report, is prepared by the Commission on Audit.

³⁰ Open Data Philippines Task Force comprised of the Office of the Presidential Spokesperson, DBM, and the Presidential Communications Development and Strategic Planning Office.

Industries Transparency Initiative, Seal of Good Local Governance (SGLG), and Ease of Doing Business, among others.

56. **Fiscal Risk Statement.** As part of fiscal transparency, the Annual Fiscal Risks Statement is published outlining emerging risks from different sources and the government's mitigating measures to eliminate or reduce the fiscal impact. This report demonstrates the government's commitment to ensure macroeconomic stability towards higher and inclusive growth.

57. **Citizen Participatory Audit.** CPA is a priority program of COA that upholds the people's right to a clean government and the prudent utilization of public resources. It is founded on the premise that public accountability can only prosper with a vigilant and involved citizenry. In September 2017, the COA's CPA program was conferred a Special Mention Award from the Jury of GIFT, a multi-stakeholder action network to advance fiscal transparency, public participation, and accountability around the world. COA formalized the adoption and institutionalization of the CPA through COA Resolution Number 2018-006.

58. **Digital Imaging for Monitoring and Evaluation (DIME).** To ensure that the budget for high-value items (infrastructure) are implemented, the DBM, in partnership with the Department of Science and Technology, launched Project DIME in March 2018. Said Project aims to monitor the status of government projects by comparing the physical implementation vis-à-vis their financial status using available technologies such as satellites, drones, LIDAR (Light Detection and Ranging), and geotagging. In June 2019, the Project DIME was rebranded to put more emphasis on information. The Project aims to make available accurate and regularly generated monitoring information on the physical status of the program/project. This kind of information is important as it will support decisions in terms of adjustments in implementation, expansion or discontinuance of the program/project, and level of budgetary allocation, among others.

E. Anti-corruption efforts

59. The Office of Ombudsman (OMB) is the lead anti-corruption agent of the government. It is mandated to act promptly on complaints filed in any form or manner against public officials or employees of the government.³¹ It has the duty to determine the causes of inefficiency, red tape, mismanagement, fraud and corruption in the government, and make recommendations for their elimination, as well as for the observance of high standards of ethics and efficiency. The following initiatives were implemented by OMB.

60. **Integrity Management Program (IMP).**³² In December 2014, IMP was established as the national corruption prevention program of the government. The IMP's objectives consisted of reducing the level of corruption vulnerabilities at the department/agency level, ensuring integrity is practiced in public and the public sector, and improving the public's trust and confidence in government. An Integrity Management Committee was to have been created in each department and agency to oversee and ensure the effective implementation of the IMP, as well as all integrity management initiatives and measures. The Office of the President issued a Memorandum Circular urging all government departments, bureaus, office, agencies, including GOCCs, government financial institutions, SUCs, and LGUs to implement the IMP through the establishment of Integrity Management Systems in their respective offices and adopt the IMP handbook as the guide in implementing the IMP.³³

³¹ Republic Act No. 6770 otherwise known as Ombudsman Act of 1989.

³² Executive Order No. 176, s.2015 issued by the Office of the President on 1 December 2014.

³³ Memorandum Circular No. 76, s. 2015 issued by the Office of the President on 15 April 2015.

61. The IMP was rolled out to five implementing agencies in the Executive Branch, namely, BIR, Department of Health, Department of Justice, Department of Public Works and Highways (DPWH), and DSWD and in one oversight body, the OMB. The objectives of the pilot implementation were to determine the effectiveness of the IMP, and to improve program documents and design in preparation for the roll-out/implementation in all departments and agencies. The IMP has proven to be very effective in identifying vulnerable areas in agency processes and helping them draw up corrective and preventive measures with the aim of establishing a systematic approach in building, improving, reinforcing, and sustaining a culture of integrity in the agencies.³⁴ In 2018, the implementation of the IMP covered 14 volunteer agencies and was initially introduced to 13 other public institution sectors.

62. **Integrity, Transparency, and Accountability in Public Service_(ITAPS).** The OMB implemented ITAPS, an integrity promotion program that deals with norms of conduct for public servants, anti-corruption laws, and integrity. The central message of ITAPS is “ZERO tolerance to corruption”. ITAPS aims to instill awareness and to remind public officers about the need for ethical and moral conduct in the performance of their duties and responsibilities and to understand the role of public servants and the accountability attached to the positions in government. The program consists of four modules: (i) Understanding corruption; (ii) Answering to the people: Accountability of public officers; (iii) Penalizing corruption; and (iv) Mirror imaging the self: making a difference in public service.

63. **Red Tape Assessment.** The OMB implements a systematic and objective tool to assess the extent of bureaucratic red tape in the regulatory process of a government agency. The goal is to simplify administrative procedures to reduce burden on businesses and recommend policy and administrative measures to mitigate the impact of red tape on the faithful performance of agency mandate. A total of 44 regulatory processes in different LGUs nationwide were assessed in 2018.

64. **Campus Integrity Crusaders Program.** This program is the platform through which the OMB implements the pro-active and preventive approach of its anti-corruption drive. It engages the youth, through their school organizations, to have a local impact on corruption.

65. The COA and the OMB strengthened anew their joint anti-corruption initiatives to ensure fast and successful investigation and prosecution of graft and corruption cases. In February 2017, a MOA was signed by the COA and the OMB to renew their agencies’ collaborative efforts to pursue, as a shared responsibility, the effective evaluation, audit, investigation, prosecution, and monitoring of the Joint Investigation Team (JIT). The project is supported by the USAID Integrity for Investments Initiative. Under the Guidelines on Joint Investigations, the JIT shall investigate fraud audit-related complaints or reports arising from the same or closely related transactions or acts involving at least ₱100 million, graft and corruption cases investigated by Congress, and other JIT cases imbued with public interest regardless of the amount involved.

66. In 2017, the Presidential Anti-Corruption Commission (PACC) was created under the Office of the President to directly assist the President in investigating and/or hearing administrative cases primarily involving graft and corruption against all presidential appointees and to perform such other similar duties as the President may direct.³⁵ PACC has recommended measures taken from the 10-Point Reform Plan they have adopted in the Anti-Corruption Summit

³⁴ Office of the Ombudsman. 2018. [Annual Report 2018](#). Manila.

³⁵ Executive Order No. 43 s. 2017 dated 4 October 2017.

convened on 27–28 November 2017 as a working guide for the Commission. In October 2018, COA and PACC signed a MOA to form a partnership to strengthen coordination and cooperation in both agencies' anti-corruption efforts. The MOA calls for collaborative efforts and a harmonized approach for both agencies in the performance of their respective mandates. An anti-corruption campaign “Katarungan Desk” was launched in November 2019 to develop a responsive reporting platform that shall address all complaints of injustice and corruption which shall be placed in every barangay, city hall, and other public places.

67. As a result of the government's anti-corruption efforts, the Philippines placed 99th out of 180 countries in Transparency International's 2018 Corruption Perception Index.³⁶ This represents a marked improvement from 2017 when the Philippines was ranked in 111th place. Further, the Philippines maintained its 10th place (2017) in 2018 among the 16 economies covered by its annual review of corruption in Asia and the Pacific by the Political and Economic Risk Consultancy Ltd. The World Bank's 2019 “Ease of Doing Business” rankings place the Philippines at 95 out of 190 economies, an improvement from 2018 rankings at 124. The improvement in the Philippines' ranking is attributed to the regulatory reforms such as the Ease of Doing Business Act otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery of 2018”.³⁷

F. Subnational Public Financial Management

68. In February 2015, the LGU PFM Reform Roadmap and Implementation Strategy³⁸ was adopted to guide the LGUs in designing and implementing their respective PFM Improvement Plans (PFMIPs). The Regional Inter-Agency Teams for PFM were established to primarily roll-out the PFM Reforms to the LGUs and provide technical assistance in the design and implementation of the LGUs' PFM Improvement Plans. The LGU PFM Team was charged with (i) undertaking the LGU PFM assessment and (ii) designing, sequencing, and leading the implementation of LGU PFM improvement measures as contained in the PFMIP.

69. The LGU PFM 2 Project, also known as the Support to the LGUs for More Effective and Accountable PFM, aims to assist LGUs in strengthening their capacity in fiscal and expenditure management. The project, which is funded by the European Union, launched the Handbook on the Participation of Civil Society Organizations in the Local Budget Process. The Handbook fosters CSO engagement in local budgeting by identifying emerging CSO roles in all the five phases of the local budget process (including in the prebudget preparation stage) and providing information on how LGUs can involve CSOs in the local budget process. It also provides the mechanism to constructively engage CSOs and LGUs for an enhanced, integrated, transparent, and accountable PFM system. To support the Handbook's implementation, Local Budget Circular (LBC) No. 106 was issued on 9 June 2015 encouraging all provinces, cities, and municipalities to adopt the Handbook as a means of promoting and deepening genuine and meaningful civic engagement in local governance.

70. In addition, the Budget Operations Manual (BOM) provides the framework for strengthening policy-based budgeting among LGUs, specifically through harmonizing and tying development plans, investment programs, and spending policies closely to the resulting budget. LBC No. 112 was signed in June 2016 for the adoption of the 2016 edition of the BOM, to serve

³⁶ [Transparency International](#) (accessed 7 January 2020).

³⁷ Republic Act No. 11032 dated 24 July 2017 otherwise known as “Ease of Doing Business and Efficient Government Service Delivery”.

³⁸ DBM-DILG-DOF-NEDA Joint Memorandum Circular No. 2015-1 dated 24 February 2015.

as a guide for provinces, cities, and municipalities in improving and systematizing methods, techniques, and procedures employed in the preparation, authorization, review, execution, and accountability in local budget operations. LBC No. 110 was issued on 10 June 2016 to encourage all provinces, cities, and municipalities to adopt the Internal Audit Manual (IAM) for LGUs as a guide in establishing, maintaining, and operating an Internal Audit Unit.

71. The Updated Guidelines on the Harmonization of Local Planning, Investment Programming, Resource Mobilization, Budgeting, Expenditure Management, and Performance Monitoring and Coordination in Fiscal Oversight was adopted to enable better coordination and to improve the quality of Oversight Agencies' technical assistance to LGUs' PFM. The guidelines also ensure that the different tools of the Oversight Agencies, including policy development, advice, guidance, manuals, guidelines, issuances, awards, and others, complement each other.³⁹

72. In April 2019, the President signed into law an act establishing and institutionalizing the SGLG for LGUs. The SGLG refers to "an award, incentive, honor and recognition-based program for all LGUs, and is a continuing commitment for LGUs to continually progress and improve their performance" in areas specified in Section 3 of RA 11292. This Act upholds the practice of transparency and accountability in the use of public funds.⁴⁰

G. Remaining Constraints and Issues

73. **Improved public financial management** is central to the Philippines' achieving its development goals. This requires, amongst other things, a transparent and credible PFM system to manage public resources to support informed decision-making, and the effective and efficient provision of public goods and services. PFM reforms need to be sustained and those in progress need to be completed. To institutionalize these reforms, the proposed Public Financial Accountability Act will need to be approved.

74. Further, DBM is pushing for the passage of the Budget Reform Bill (BRB), a measure that seeks to modernize budgetary practices in the Philippines. With its passage, many key PFM reforms will be institutionalized and likewise secured to foster fiscal discipline and minimize transitional systemic risks linked to the succession of administrations. It will also strengthen the power of Congress over the purse and enforce the review and approval of proposed appropriations with respect to clearly defined performance. On the side of the Executive Branch, the BRB aims to strengthen the management of public finances. To be able to do these, an OCG is being proposed under the Office of the President, whose mandate would be to, among others, monitor the performance of the annual cash appropriations of agencies by preparing in-year and end of the year reports of appropriations to aid management and Congress in decision making, and to strengthen internal controls and internal audit in government.

75. **The Institutional Framework is fragmented.** Several agencies are involved in the implementation and oversight of PFM systems and in some cases, they have overlapping mandates. This fragmentation demands close coordination among these agencies and requires a strong system of checks and balances. Technical coordination on macro-fiscal policies is ensured through the DBCC which includes Bangko Sentral ng Pilipinas (BSP), DBM, DOF, National Economic and Development Authority (NEDA), and the Office of the President. However, some constitutional and autonomous bodies like the COA and the Civil Service Commission function independently on matters relating to policies under their jurisdiction. This requires

³⁹ DBM-DILG-DOF-NEDA Joint Memorandum Circular No. 1 series of 2016 dated 18 November 2016.

⁴⁰ Republic Act No. 11292 dated 12 April 2019 otherwise known as "The Seal of Good Local Governance Act of 2019".

multiple levels of accountability. In fact, the IMF Fiscal Transparency Evaluation report, issued in June 2015, noted that fiscal reporting itself was fragmented.⁴¹

76. For example, the Philippines fares relatively well in principles where a single agency is mandated with responsibility for fiscal reporting and accounting, and where reporting policies are clear. The AFRs prepared by COA and the monthly cash operations reports by the BTr for in-year reporting represent two such outputs. However, where multiple agencies are involved in fiscal reporting and coordination is incomplete, concerns on data comparability and integrity arise. Reconciling information on fiscal forecasts, budgets, outcomes, and statistics is a challenge in Philippines, as four different entities (BTr, COA, DBM, and NEDA) are involved in these roles. The Constitution has created a unique situation with respect to external audit. While audit of individual agencies' is the responsibility of COA, it itself is assigned the task of compiling the government's annual financial report.

77. **The Political economy.** Political engagement in the budget process occurs through a review and approval process that involves both chambers of Congress, the Executive, and the President. The delayed passage of the FY 2019 Budget was one major challenge that prevented the government from achieving its targets during the first half of the year. Coupled with the election ban on the construction of public works, this delay weighed down on government spending performance. New programs and projects were not implemented, the bulk of which is intended for road and transport infrastructure projects that will be executed by the DPWH and Department of Transportation. This contributed to a weaker economic growth, where GDP for the first semester of 2019 expanded by just 5.5%, much lower than the 6.3% growth rate recorded for the same period in 2018.

78. **Budget execution is a concern.** Public expenditure management is characterized by a generally low efficiency of spending. To address underspending, which has been a perennial problem of past Administrations, the current 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% of the ₱3.767 trillion National Budget has been released in the first quarter of 2018, representing an improvement from the 79.9% recorded in the same period of 2017.

79. Government spending in 2018 closed at ₱3.408.4 trillion, 20.7% higher than the 2017 actual spending of ₱2,823.8 billion and surpassing the ₱3.370 trillion targets for the year by 1.1% or ₱38.4 billion. 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.

80. Despite disbursements reaching ₱3.408 trillion (or 1.1% above program) in 2018, with NG revenues registering a favorable ₱2.850 trillion (or 0.1% above program), the fiscal deficit was recorded at ₱558.3 billion. This deficit is equivalent to 3.2% of GDP, slightly above the 3.0% of GDP program for the year. The fiscal gap widened by 59.2% or ₱207.6 billion and exceeded the target by 6.6% or ₱34.6 billion behind more robust and quicker government expenditures. Besides the heavier public spending, the lower-than-expected economic growth (6.2% vs. 6.5% target) resulted in a higher deficit-to-GDP ratio during the period.

⁴¹ IMF. 2015. [Philippines: Fiscal Transparency Evaluation Report](#). IMF Country Report No. 15/156. June 2015. Washington DC.

VI. Government's Strategy

A. Philippine Development Plan

81. The PDP 2017–2022 is the government's blueprint. The PDP 2017–2022 aspires to upgrade the Philippines economy into an upper middle-income country by 2022. The plan adopts three major pillars: (i) enhancing the social fabric; (ii) reducing inequality; and (iii) increasing growth potential, as well as cross-cutting strategies to support economic development. Under the first pillar “enhancing the social fabric”, the government is committed to ensuring people-centered, clean, and efficient governance. Five subsector outcomes are identified: (i) corruption reduced; (ii) better service delivery achieved; (iii) administrative governance enhanced; (iv) citizens engaged and empowered; and (v) civil service strengthened. To achieve these outcomes, the government set out to implement regulatory reforms, improve productivity of the public sector, enhance administrative governance, strengthen results-based performance management, PFM, and accountability systems.

82. **PFM Reform Roadmap.** The PFM roadmap is a comprehensive reform agenda, overseen by a PFM Committee, which seeks to clarify, simplify, improve and harmonize the financial management processes and information systems of the public sector. The desired result is that the NG will be able to maintain fiscal discipline, allocate funds efficiently, and effectively deliver public services. Specific PFM reforms and initiatives are presented in Part II-C and part IV of this document.

83. **LGU PFM Reform.** A PFM Reform roadmap for the LGUs (LGU PFM Reform Roadmap) has been developed under an EU-funded project and provides the platform for instituting PFM reforms at the LGU level. The roadmap is complemented by an implementation strategy that details the activities and timeframe to strengthen LGU revenue generation and expenditure management. In February 2015, the LGU PFM Reform Roadmap and Implementation Strategy was adopted and a PFM Assessment Tool (PFMAT) was launched (footnote 42). PFMAT is a diagnostic tool which establishes the indicators that will help identify the strengths and weaknesses in LGU PFM systems and recommend appropriate improvement measures.

B. Recent initiatives

84. **Financial Audit Manual (FAM).** To improve its audit services and to enhance the degree of confidence of intended users in public financial statements, COA recently developed and adopted the FAM, which is compliant with International Standards in auditing.⁴² The FAM was developed in cooperation with ADB under the Regional Capacity Development Technical Assistance entitled: Enhancing the Roles of Supreme Audit Institutions in Selected Association of Southeast Asian Nations.

85. **Budget and Financial Accountability Reports (BFARs).** The BFARs being used by NGAs in reporting the utilization of their respective funds have continuously been updated in order to adopt to new fiscal reforms. One of these reforms is the adoption of the Annual Cash-Based Budgeting system which started in FY 2019. COA and DBM jointly issued a circular prescribing the updated guidelines on the preparation of BFARs starting 2019 (footnote 28).

86. **Treasury Single Account Reporting and Monitoring System.** The BTr relaunched the enhanced TSA Reporting and Monitoring System (TRAMS), an online facility developed by

⁴² Adopted through COA Resolution No. 2019-004 in 22 March 2019.

Landbank of the Philippines, aimed at monitoring revenue collections and disbursements of the NG. TRAMS was developed in 2013 for the purpose of providing BTr with a consolidated view of its cash position through the acceptance of reports from the authorized agent banks via a secure file transfer protocol for simplified and efficient electronic monitoring of collecting and generating desired reports that are necessary for informed decision-making.

ANNEX 1

Historical Perspective and Past Efforts to Strengthen PFM

1. In January 2010, a Memorandum of Agreement (MOA) was entered into by and between the key oversight agencies, namely: The Commission on Audit (COA); the Department of Budget and Management (DBM); and the Department of Finance–Bureau of the Treasury (DOF-BTr). This MOA was used to establish an inter-agency steering committee, also termed as Government Integrated Financial Management Information System (GIFMIS) Committee, to clarify, simplify, improve, and harmonize the financial management processes and information system of the public sector. In addition, and as necessary, the GIFMIS Committee would amend and integrate the relevant financial information management systems in the COA, DBM, DOF-BTr, and other implementing agencies to eventually foster the development of a GIFMIS. The GIFMIS Committee would be responsible for securing the steadfast engagement of all key stakeholders, converging existing financial management processes and information system programs and initiatives, and focusing on sustainable solutions and ensuring government ownership of the GIFMIS implementation plan.
2. In September 2011, the government's mandate was formalized (Executive Order Number 55) directing the integration and automation of government financial management systems. The GIFMIS Committee, which would now be called the public financial management (PFM) Committee, was tasked with undertaking the development of GIFMIS and implementing the PFM Reform Roadmap and launching a Treasury Single Account (TSA).
3. The Philippines–Australia Public Financial Management Program (PFMP), a joint initiative of the Governments of Australia and the Philippines, was created to support the government's efforts to implement its *Philippine PFM Reform Roadmap: Towards Improved Accountability and Transparency, 2011–2015*. This comprehensive PFM reform agenda aimed to clarify, simplify, improve, and harmonize financial management processes and information systems. In May 2015, an Updated Philippine PFM Reforms Program Roadmap (FY 2015–2016) was comprehensively adopted by the PFM Committee with the reforms moving into implementation from the design phase. Under this and other programs, several key reforms were completed and are detailed below.
4. **Treasury Single Account.** The TSA is a unified structure of government bank accounts that aims to consolidate and optimize the use of government cash resources. The DOF-BTr operates the TSA which is maintained at the Bangko Sentral ng Pilipinas. The TSA is consistent with and supports the government's policy of requiring greater financial management and control over its cash resources and allows for the unification of government bank accounts. Treasury Circular Number 03-2013 was issued to implement the MOA for authorized banks and authorized government depository banks to collect and remit national internal revenue taxes, customs duties, and other national collections into the TSA.
5. **Unified Account Code Structure (UACS).** A harmonized UACS, jointly developed by BTr, COA, DBM, and DOF was rolled out to support the 2014 budget preparation process and was adopted to support accounting and reporting during 2015. It is a government wide coding framework to provide a harmonized budgetary, treasury, and accounting code classification. Oversight and implementing agencies will share a common set of financial data and information for budgeting, procurement, cash management and treasury, and accounting and auditing. This provides timely access to information which will, in turn, support improved analysis and decision

making. The UACS code structure, prescribed under Joint Circular Number 2013-1, was updated to reflect an addition of two-digits in the Fund Cluster as a prefix to the Funding Source Code; and five-digits for MFO/PAP (major final output/program, activity, project) code.¹

6. **Performance-Informed Budgeting (PIB).**² This approach was adopted starting FY 2014 to strengthen linkages between planning, budgeting, and outcomes. PIB also simplifies budget presentation and enhances transparency and accountability in the allocation of limited resources. To further enhance the PIB structure, a shift to Outcome-Based PIB was adopted in the preparation of the FY 2015 budget. The result of this was an enhanced set of organization outcomes for each of the agencies, indicative of the more informed resource allocation and management approach adopted in budget preparation.³

7. **Accounting and Auditing Standards.** Twenty-five PPSASs have been reviewed and harmonized with the International Public Sector Accounting Standards (IPSASs) and 24 Philippine Public Sector Standards on Auditing were adopted.⁴ The COA's Framework of Professional Standards was also adopted through COA Resolution Number 2013-006 to provide an overview of all the standards and guidelines for public sector auditing, assurance engagements and other related services. This harmonizes current standards in the Philippines with international standards on auditing.⁵ The Philippine Public-Sector Accounting Standards for Local Government Units (LGUs) was adopted through COA Resolution Number 15-009.

8. COA prescribed the use of the Government Accounting Manual for the use of all national government agencies (NGAs) through COA Circular Number 2015-007. It also prescribed the use of the Manual on Financial Management for Barangays through COA Circular Number 2015-011. The Philippine Government Internal Audit Manual (PGIAM) was issued to serve as a generic guide for internal auditors in government to understand the nature and scope of the internal audit function in the public sector, including the institutional arrangements, protocols, and processes for the conduct of internal audit.⁶ DBM enhanced the capabilities of internal audit staff by providing training on PGIAM and issuing the National Guidelines on Internal Control Systems.

9. **Revision of Chart of Accounts.** The Chart of Accounts for NGAs has been revised to provide new accounts for the adoption of PPSAS through COA Circular Number 2013-002. COA prescribed guidelines and procedures on the conversion of the Philippine Government Chart of Accounts (PGCA) per COA Circular Number 2004-008, as amended, to the Revised Chart of Accounts (RCA) as required in paragraph 2.0 of COA Circular No. 2013-002; and accounting policies and guidelines on the implementation of the RCA for NGAs (NGAs).⁷ The revised chart of accounts for LGUs and for Government-Owned and Controlled Corporations (GOCCs) was prescribed through COA Circular Number 2015-010 and 2015-009, respectively.⁸

10. **Financial Reporting.** In 2015, COA developed two online web-based application systems; the Annual Financial Reporting System (AFRS) and the Budget and Financial

¹ COA-DBM-DOF Joint Circular No. 2013-1 dated 6 August 2013 and COA-DBM-DOF Joint Circular No. 2014-1 dated 7 November 2014.

² DBM National Budget Memorandum No. 117 dated 1 March 2013.

³ DBM. 2014. [Annual Report 2014](#). Manila.

⁴ COA Resolution No. 2013-007 dated 29 January 2013 and COA Resolution No. 2014-003 dated 24 January 2014.

⁵ COA Resolution No. 2013-006 dated 29 January 2013.

⁶ DBM Circular Letter No. 2011-3 dated 19 May 2011.

⁷ COA Circular No. 2014-003 dated 15 April 2014.

⁸ Government Corporations consist of Government-Owned or Controlled Corporations, Government Financial Institutions, Government Instrumentalities with Corporate Powers/Government Corporate Entities, their subsidiaries, and water districts.

Accountability Reporting (BFAR) System. These systems facilitate the efficient submission of annual Financial Statements (FSs) and BFARs of NGAs.⁹ The development of these two application systems was part of COA's efforts to use automation to provide timely and relevant financial and budgetary information to its clientele: the Office of the President, the Congress, oversight agencies, and the public. The use of these systems promotes transparency in the utilization and management of government funds.

11. With the adoption of the UACS and the adoption of 25 PPSASs, effective 1 January 2014, COA issued supplementary guidelines on the preparation of financial statements and other financial reports, the transitional provisions on the implementation of the PPSAS, and the coding structure.¹⁰ COA classified all Government Corporations and other entities/instrumentalities with corporate powers as Government Business Enterprises (GBEs) or Non-GBEs for the purpose of determining the applicable Financial Reporting Framework in the preparation of their Financial Statements and prescribing guidelines therefor.¹¹

12. **Capacity building.** The participation of civil society organizations (CSO) in the national budget process has been developed and formalized under Budget Partnership Agreements (BPAs) covering a large number of departments, agencies, and GOCCs. In addition, COA has piloted citizen participatory audit activities through CSOs in four spending departments. In 2013, a total of 77 BPA's was signed with CSOs covering six NGAs and two GOCCs. Aside from department central offices, the regional offices of the Department of Labor and Employment and Department of Social Welfare and Development (DSWD) signed BPAs with CSOs from their respective regions. In crafting the 2014 Budget, two NGAs and two GOCCs signed BPAs with CSOs.

13. **Budget Priorities Framework (BPF).** To fully support the performance-informed budgeting system, the Government of the Philippines adopted the Budget Priorities Framework (BPF) through National Budget Memorandum Number 118. The BPF set the budget priorities for FY 2014 in line with the five priority areas of President Benigno Aquino's Social Contract with the Filipino People. The government further improved the Framework in crafting budget proposals in succeeding FYs by using it along with two-tier budgeting (2TBA) as basis for evaluating agencies proposals for new programs or to expand existing ones.

14. **GIFMIS reforms.** GIFMIS is a major reform output of the PFM Reform Roadmap, which seeks to strengthen fiscal discipline, transparency, and accountability for improved public service delivery. It aims to harmonize and improve PFM business processes and rules toward making reliable financial information and analysis available to executives, managers, and staff in the line and oversight agencies. In April 2013, the GIFMIS design which provides the basis for the government to procure a commercial off-the-shelf solution, was approved by the PFM Committee. The PFM agencies implemented the prerequisites for GIFMIS – TSA, UACS, Revised Chart of Accounts, Performance-Informed Budgeting framework, and improved business processes towards a “go live” pilot of GIFMIS in October 2015. However, the government decided in January 2015 to abandon the procurement process and proceed with a more incremental solution focused initially only on oversight agencies. Replacing GIFMIS is the proposed BTMS that will support budget management, budget execution (for oversight agencies), cash management, accounting and fiscal reporting functions, with interfaces to a small number of other critical PFM systems.

⁹ COA Circular 2015-005 dated 16 July 2015.

¹⁰ COA Circular 2015-002 dated 9 March 2015.

¹¹ COA Circular 2015-003 dated 16 April 2015.

15. **Management of contingent liabilities.** A list of contingent liabilities has been prepared to facilitate central monitoring and management of guaranteed loans. The GOCC debt report templates have been completed and the development of the GOCC Monitoring System (GMS) is underway. A database buildup for the GMS is ongoing for selected priority GOCCs and the social security institutions.

16. **Budget Cycle Analytics (BCA) Business Intelligence Solution.** DBM, with technical assistance from the PFMP, has developed a BCA Business Intelligence Solution. This solution will equip budget analysts with an analytical tool which supports enhanced performance analysis and decision making. The BCA is capable of loading, organizing, and consolidating UACS-based data during the preparation, legislation, execution, and accountability phases of the budget cycle. It will provide a web-based portal with graphic and interactive tools to support business analytics, reporting, ad hoc queries, and dashboards. BCA will provide in-year and multi-year financial and physical performance analysis based on multiple dimensions (e.g. fiscal year, date, UACS segments and hierarchy, budget cycle transactions, etc.). The BCA went live on 20 January 2016.

17. **Two-tier Budgeting.** The 2TBA was introduced to provide separate discussions and deliberations on ongoing and existing programs or projects from entirely new spending proposals, including the expansion of the existing ones. The 2TBA aims to strengthen the budget preparation process and enhance the accountability of departments and agencies by separating the analysis of ongoing programs and projects from the new ones.

18. **Transparency Seal.** First introduced in 2011, the transparency seal requires all government agencies to disclose key information through their respective websites, such as their functions, budgets and financial reports, status of major programs and projects, procurement activities, and contact information.¹² In addition, since 2010, the government has been introducing reforms that support meaningful devolution by strengthening the ability of LGUs to manage public funds, enforce greater transparency and citizen's participation, and deliver services. These include the LGU PFM reform program, which seeks to improve the PFM capacity of LGUs along good governance and financial stewardship standards; as well as the Seal of Good Local Governance, the Mandatory Disclosure Policy, and the Performance Challenge Fund.

¹² DBM National Budget Circular No. 542 dated 29 August 2012.

ANNEX 2

- (i) COA Circular No. 2013-002 dated 30 January 2013 –Adoption of the Revised Chart of Accounts for National Government Agencies.
- (ii) COA Circular No. 2014-003 dated 15 April 2014 – Conversion from the Philippine Government Chart of Accounts under the New Government Accounting System per Commission on Audit Circular No. 2004-008 dated 20 September 2004, as amended, to the Revised Chart of Accounts for National Government Agencies under Commission on Audit Circular No. 2013-002 dated 30 January 2013, additional accounts/revised description/title of accounts and relevant Accounting Policies and Guidelines in the implementation thereof.
- (iii) COA Circular No. 2015-02 dated 9 March 2015 – Supplementary Guidelines on the Preparation of Financial Statements and other financial reports, the transitional provisions of the implementation of the Philippine Public Sector Accounting Standards, and the coding structure.
- (iv) COA Circular 2015-003 dated 16 April 2015 - Classification of all Government Corporations and other entities/instrumentalities with corporate powers as Government Business Enterprises (GBEs) or Non-GBEs for the purpose of determining the applicable Financial Reporting Framework in the preparation of their Financial Statements and Prescribing Guidelines therefor.
- (v) COA Circular No. 2015-05 dated 16 July 2015 – Availability of Web-based Annual Financial Reporting System and Budget and Financial Accountability Reporting System.
- (vi) COA Circular No. 2015–07 dated 22 October 2015 – Prescribing the Government Accounting Manual for the Use of All National Government Agencies.
- (vii) COA Circular No. 2015-009 dated 1 December 2015 – Prescribing the Revised Chart of Accounts for Local Government Units.
- (viii) COA Circular No. 2015-010 dated 1 December 2015 - Adoption of the Revised Chart of Accounts for Government Corporations (GCs) which consist of Government-Owned or Controlled Corporations, Government Financial Institutions, Government Instrumentalities with Corporate Powers (GICPs)/ Government Corporate Entities, and their Subsidiaries, and Water Districts.
- (ix) COA Circular No. 2015-011 dated 1 December 2015 - Prescribing the Use of the Manual on Financial Management for Barangays.
- (x) COA Circular No. 2016-004 dated 30 September 2016 - Guidelines on the conversion of the chart of accounts from the Philippine Chart of Accounts under COA Circular No. 2004-008 dated September 20, 2004, as amended, to the Revised Chart of Accounts for Local Government Units under COA Circular No. 2015-009 dated December 1, 2015, and Guidelines on the Preparation of the Calendar Year 2015 Year-End Financial Statements and Reports.
- (xi) COA Circular No. 2016-006 dated 29 December 2016 - Conversion from the Philippine Government Chart of Accounts under the New Government Accounting System per COA

Circular No. 2004-008 dated September 20, 2004, as amended, to the Revised Chart of Accounts for Government Corporations under COA Circular No. 2015-010 dated December 01, 2015, new, revised and deleted accounts, and relevant accounting policies and guidelines in the implementation thereof.

- (xii) COA Circular No. 2017-004 dated 13 December 2017 - Guidelines on the preparation of financial statements and other financial reports and implementation of the Philippine Financial Reporting Standards by Government Corporations Classified as Government Business Enterprises and Philippine Public Sector Accounting Standards by Non-Government Business Enterprises.
- (xiii) COA Circular No. 2018-003 dated 21 November 2018 - Prescribing the use of the Internal Auditing Standards for the Philippine Public Sector and Internal Control Standards for the Philippine Public Sector.
- (xiv) COA Resolution No. 2013-006 dated 29 January 2013 – Adoption of the COA's Framework of Professional Standards.
- (xv) COA Resolution No. 2013-007 dated 29 January 2013 – Adoption of Philippine Public Sector Standards on Auditing.
- (xvi) COA Resolution No. 2014-003 dated 24 January 2014 – Adoption of the Philippine Public-Sector Accounting Standards.
- (xvii) COA Resolution No. 2015-009 dated 09 March 2015 – Adoption of the Philippine Public-Sector Accounting Standards for Local Government Units.
- (xviii) COA Resolution No. 2016-007 dated 03 May 2016 – Adoption of the Revised Framework of Professional Standards.
- (xix) COA Resolution No. 2017-006 dated 26 April 2017 – Adoption of the Philippine Public-Sector Accounting Standards.
- (xx) COA Resolution No. 2017-023 dated 21 December 2017 - Adoption of the International Organization of Supreme Audit Institutions (INTOSAI) Supreme Audit Institution Performance Measurement Framework (SAI PMF) to Measure the Performance of the Commission on Audit (COA).
- (xxi) COA Resolution No. 2018-006 dated 1 February 2018 – Adoption and Institutionalization of the Citizen Participatory Audit in the Commission on Audit.
- (xxii) COA Resolution No. 2019-004 dated 22 March 2019 – Adoption of the Financial Audit Manual.
- (xxiii) COA-DBM Joint Circular No. 2013-1 dated 15 March 2013 –Revised Guidelines on the Submission of Quarterly Accountability Reports on Appropriations, Allotments, Obligations and Disbursements.
- (xxiv) COA-DBM-DOF Joint Circular No. 2013-1 dated 06 August 2013 - Unified Accounts Code Structure (UACS).

- (xxv) COA-DBM-DOF Joint Circular No. 2014-1 dated 7 November 2014 – Enhancement of the Unified Accounts Code Structure per COA-DBM-DOF Joint Circular No. 2013-1.
- (xxvi) Executive Order No. 176 dated 1 December 2014 – Institutionalizing the Integrity Management Programs as the National Corruption Prevention Program in all Government Departments, Bureaus, Offices, Agencies, including Government-Owned and Controlled Corporations, Government Financial Institutions, State Universities and Colleges and Local Government Units through the Establishment of Integrity Management Systems.
- (xxvii) Executive Order 43, s.2017 dated 4 October 2017 – Creating the Presidential Anti-Corruption Commission and Providing for its Powers, Duties and functions, and for other purposes.
- (xxviii) Executive Order No. 91 dated 9 September 2019 - Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes".
- (xxix) OP Memorandum Circular No. 76 s.2015 dated 15 April 2015 – Urging All Government Departments, Bureaus, Offices, Agencies, including Government-Owned and Controlled Corporations, Government Financial Institutions, State Universities and Colleges and Local Government Units to implement the Integrity Management Program through the establishment of Integrity Management Systems and Adopt the Integrity Management Program Handbook for the purpose.
- (xxx) DBM Circular Letter No. 2011-3 dated 19 May 2011 – Philippine Government Internal Audit Manual.
- (xxxi) DBM Circular Letter No. 2019-4 dated 14 January 2019 - Guidelines on the Adoption and Use of the Budget and Treasury Management for Budget Utilization.
- (xxxii) DBM National Budget Circular No. 542 dated 29 August 2012 – Reiterating compliance with Section 93, the Transparency Seal provision, of the General Appropriations Act of 2012
- (xxxiii) DBM National Budget Memorandum No. 117 dated 1 March 2013 – Adoption of the Performance-Informed Budget Structure for the National Expenditure Program/General Appropriation Act.
- (xxxiv) DBM National Budget Memorandum No. 1187dated 1 March 2013 – Adoption of the Budget Priorities Framework in the Preparation of the FY2014 Budget Proposals.
- (xxxv) DBM-DILG-DOF-NEDA Joint Memorandum Circular No. 2015-1 dated 14 February 2015 – Adoption of the Local Government Units Public Financial Management Reform Roadmap and Implementation Strategy.
- (xxxvi) DBM-DILG-DOF-NEDA Joint Memorandum Circular No. 1 series of 2016 dated 18 November 2016 - Updated Guidelines on the Harmonization of Local Planning, Investment Programming, Resource Mobilization, Budgeting, Expenditure Management, and Performance Monitoring and Coordination in Fiscal Oversight.
- (xxxvii) Bureau of the Treasury Circular No. 03-2013 dated 11 December 2013 – Implementing Guidelines of the Memorandum of Agreement for Authorized Agent Banks/Authorized

Depository Banks in the Collection and Remittance of National Internal Revenue Taxes/Customs Duties/Other National Collections under the Treasury Single Account Framework.