

Public Financial Management

REFORM ROADMAP

2020 AND BEYOND



Our cover sums up the vision of the Department of Education (DepEd) leadership team to deliver critical education inputs and services through effective, efficient, and accountable ways of working. The hexagonal shape depicts structure, balance, and harmony applied in all facets of public financial management so that an agile, informed, and proactive finance function, with knowledge and skills, will emerge to help create and preserve the values of DepEd over the short, medium and long term.

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Secretary's Message

The completion and launching of the Public Financial Management (PFM) Reform Roadmap and Action Plan of the Department of Education (DepEd) could not have come at a more challenging and complex time in history - in the midst of a sweeping pandemic that has severely affected populations and economies. But it is also precisely why this document is most timely and relevant, particularly for this agency which has the biggest bureaucracy and the highest level of budget allocation in the government.

Sound public financial management is a cornerstone of responsible governance and efficient performance. And the DepEd has always been committed to these values, which are in turn the pillars of economic stability and growth.

The 10-Point Agenda that we set to pursue in the DepEd, after I was appointed to lead the agency, includes the need to implement PFM reforms, among others, in order to successfully fulfill our mandate, as enshrined in the 1987 Philippine Constitution. It is aligned with the Philippine Development Plan and supports the National Government's focus on Budget Reforms to ensure the prudent utilization of resources towards effective and efficient delivery of services.

In various capacities, both inside and outside of government, I have always advocated for good governance, anchored on the principles of transparency, accountability, and participation. And I was fully aware, when I accepted this position of responsibility, of the challenges - but also of the opportunities - that we would encounter in actual pursuit of these goals.

At the onset, it was imperative to declare the DepEd's Vision: "To provide Quality, Accessible, Relevant and Liberating Basic Education for All." But in light of the COVID-19 pandemic, which required us to formulate mechanisms to mitigate risks and threats, it has become crucial to emphasize the need to provide a "safe environment" in our particular milieu. Hence a revised or enhanced vision: "To provide Quality, Accessible, Relevant and Liberating Basic Education for All, in a Safe Environment."

The task of the DepEd in these unprecedented and difficult times is urgent and compelling. We need to work towards achieving further gains in basic education service delivery, under our Sulong EduKalidad framework. But we cannot do so without reforming the way we provide the resources needed. Quality basic education is vital to support our citizens in pursuit of their aspirations, provide for the needs of the Philippine economy and workforce, and take advantage of the opportunities in the global economy.

This Reform Roadmap meets the essentials in my direction for decisive intervention:

Establish a digital and integrated financial management system and, thus begin the digital transformation of the Department;

Improve budget planning, execution and reporting to bring an end to ineffective practices of operating on a "catch-up" budget year-on-year; and

Provide staff with the tools and expertise for timely and accurate collection and consolidation of budget utilization reports and to promptly account for and monitor the Department's nationwide funds.

As we implement the identified actions in the Roadmap, we must continue to maintain our focus on why these matter. We must shift to and sustain quality basic education. And this level of excellence in basic education requires the timely delivery of education inputs to avoid a negative impact on the ground, and consequently on the Department's target outcomes. It is clear that DepEd must now transform in order to continue to successfully deliver and serve in the future.




LEONOR MAGTOLIS BRIONES
Secretary, Department of Education



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This Reform Roadmap is inspired by the sharp perception, clarity of vision, and steadfast leadership of Secretary Leonor Magtolis Briones and the members of the Financial Management Reforms Committee (FMRC):

- **Annalyn M. Sevilla**, Undersecretary for Finance, Co-Chairperson
- **Alain Del B. Pascua**, Undersecretary for Administration, Co-Chairperson
- **Victoria L. Merrana-Catibog**, former Undersecretary for Finance - Disbursement and Accounting
- **Jesus L. R. Mateo**, former Undersecretary for Planning, Human Resource and Organizational Development
- **Josephine G. Maribojoc**, Undersecretary for Legal Affairs
- **Revsee A. Escobedo**, Undersecretary for Field Operations, Palarong Pambansa Secretariat, DEACO
- **Ramon Fiel G. Abcede**, Assistant Secretary for Finance
- **Salvador C. Malana III**, Assistant Secretary for Procurement and Administration

Profound gratitude to the numerous DepEd officials, especially to Undersecretary and Chief of Staff, Nepomuceno A. Malaluan, and staff in Programs, Operations, and Finance throughout all levels of governance. They provided invaluable insights to highlight where reforms are needed in the way that public finances are managed and how these will contribute to the timely delivery of public basic education inputs and services to support the strategic policy shift from access to high-quality education. The FMRC Technical Working Group (TWG) Members, under the leadership of Finance Assistant Secretary Ramon Fiel G. Abcede, Head - TWG and the members of the Technical Support Group (TSG), have assisted in shaping the Reform Roadmap to align more directly with the Secretary's strategic direction and ensure the target reform objectives and results are challenging yet feasible. The TWG Members whose unfaltering commitment and cooperation will be critical in the successful implementation of this Reform Roadmap include:

- **Assistant Secretary Ramon Fiel G. Abcede**, Head, TWG
- **Director Armando C. Ruiz**, Finance Service
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- **Director Rhoan G. L. Orebja**, Legal Service
- **Director Milagros T. Talinio**, Project Management Service
- **Director Marcelo H. Bragado Jr.**, Procurement Management Service
- **Director Joel S. Erestain**, formerly with Procurement Management Service
- **Director Jocelyn DR Andaya**, ADD President
- **Mr. Jorge Reinante**, PASS President

The overall development and consolidation of the Reform Roadmap and Action Plan were efficiently coordinated and facilitated by the FMRC Secretariat composed of Teresita M. Salud (Head), Haydee Parras-Toledo, Marian L. Ferreras, Jessebelle Taroy-Morales, and Mirasol G. Miranda. Appreciation to Finance Assistant Director Bettina D. Aquino and Internal Audit Service Director Leilani L. Galvez. Special thanks to Gilbert Morong of Budget Division and Harold Magadia of Accounting Division and their respective chiefs Selwyn Briones and Ma. Rhunna Catalan, Sonia de Leon of Cash Division, and the PMIS team of Planning Service-PPD for their very clear and analytical inputs to the visualization of the integration of the different financial management information systems. Finally, due recognition to Asian Development Bank for the technical assistance provided to DepEd including the unwavering and vital support of Lynnette Perez, Principal Education Specialist, Yumiko Yamakawa, Senior Education Specialist, Rosario G. Manasan, Senior Education Policy Consultant, and Murray Cowan, International PFM Consultant.

Executive Summary

Why DepEd Needs Public Financial Management (PFM) Transformation

Investment in basic education rightly continues to be the National Government's highest spending priority. Such priority is vital to the development of a more productive workforce and more innovative and resilient economy that is able to support the needs and aspirations of its citizens in a globally competitive world.

This is a complex and fast-changing task due to factors, pressures and forces of the Fourth Industrial Revolution (FIRe) which are impacting every country, sector, function and job.¹ This is the major driving force behind the strategic policy shift from **access to basic education to the delivery of quality, accessible, relevant, and liberating basic education.**

At the same time, the rapid technological advances brought about by FIRe provides government, in general, and DepEd, in particular, with modern tools that can radically transform the conduct of core PFM processes. On the other hand, the COVID-19 pandemic underscores the need for PFM reforms that will allow the PFM system to cope with the associated health and socio-economic uncertainties. The strategic management of resources must keep pace with this confluence of risks and opportunities if the DepEd is to successfully sustain the delivery of high-quality basic education.

Transformation Vision and Objective

The stated vision of Secretary Leonor Magtolis-Briones and the Executive Leadership team is:

for DepEd to deliver quality, accessible, relevant, and liberating basic education to every Filipino child.

In support of this vision, the department launched its Public Financial Management Reform agenda with the following overall goal:

to transform DepEd's PFM system and processes to ensure the effective, efficient, timely, transparent, and accountable delivery of quality basic education.

DepEd's PFM reform is anchored on item 7 of Secretary Briones' 10-Point Agenda: "Put in place financial management reforms to ensure the availability and timely delivery of infrastructure and learning resources." This involves:

- (i) the introduction of stronger leadership, supervision, and oversight over Finance and Administration;
- (ii) the establishment of a financial management information system (FMIS) able to track the status of DepEd's budget releases in real time; and
- (iii) the improvement of DepEd's accounting system, internal controls, budget utilization, and delivery system.

DepEd's PFM reform agenda is likewise consistent with the department's 2017-2022 Strategic Directions which underscores the importance of "modernizing education management and governance" through:

- (i) the automation of core PFM systems and processes; and
- (ii) the improvement of the procurement process,

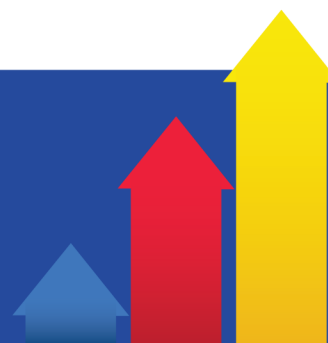
as well as with the 2017-2022 Philippine Development Plan or PDP (NEDA 2017) which emphasized the need to "strengthen public financial management and accountability systems and results-based performance management" through:

- (i) the completion of the BTMS to provide an integrated systems environment, produce timely reports needed for decision making and audit, and generate savings in government operations in terms of time and money; and
- (ii) the intensification of the results-based performance management by refining performance measurement and strengthening the monitoring and evaluation systems of performance targets.

¹ The Fourth Industrial Revolution is characterized by a range of new technologies that are fusing the physical, digital and biological worlds, impacting all disciplines, economies and industries, and even challenging ideas about what it means to be human. It represents a fundamental change in the way we live, work and relate to one another (Centre for Fourth Industrial Revolution, <https://www.weforum.org/centre-for-the-fourth-industrialrevolution>).



DepEd's PFM Reform Roadmap has seven (7) Key Reform Objectives (KROs)



These 7 KROs are intended to establish the new foundations necessary to realize its vision and prepare for future reforms. These will introduce DepEd staff to new ways of working with modern tools and technologies that are needed to handle the ever-increasing responsibility of getting the right education inputs to the right place at the right time.

Key Reform Objective 1: 'Modern workplace'² ways of working implemented with new tools and practices

The first stage of a truly 'modern workplace' will be achieved with the introduction of a collection of productivity, computing, communication and communication software, tools and applications, cloud backup and online storage for all documents³ to transform work practices for routine office management, daily activities, communications, and working in teams.

DepEd officials and staff using these modern solutions will begin the dual shift from paper documents with physical/wet signatures to digital files with electronic signatures and hard copies of documents that are accessible only in the office to electronic files stored online available anywhere, anytime and on any device. There will also be improved communications among and between officials and staff, personnel working more collaboratively with one another, and greater knowledge creation and sharing within offices, between offices and between different locations. These initiatives are envisioned to result in more flexible and responsive working practices that will increase staff productivity.

² Modern workplace refers to "a fully collaborative workplace that is integrated with technology in order to boost productivity" (New Horizons Learning Solutions, <https://nhlearningsolutions.com/blog/top-5-characteristics-of-a-modern-workplace>)

³ Said collection of software, tools, applications and services is also known as an office suite.

Key Reform Objective 2: Integrated IT-enabled financial management and reporting system implemented

The existing fragmentation of PFM operations that is supported by multiple, stand-alone financial reporting systems impedes the accurate and timely preparation of budget and financial accountability reports, accounting reports, consolidated financial statements, and other reports. The institutionalization of an integrated IT-enabled/web-based financial management and reporting system is thus urgently needed. In response to this challenge, the DepEd has invested in the DepEd Enterprise Resource Planning System (DERPS).⁴

On the other hand, the National Government led by the Department of Budget and Management (DBM) has started to implement the Budget and Treasury Management System (BTMS) for the adoption of all government spending agencies.⁵

⁴ Like other enterprise resource planning systems, the DERPS is a business process management software that manages and integrates an organization's financials, operations, human resource activities and reporting that "brings all these different processes to the table to collaborate and create one fluid system." (Microsoft, <https://dynamics.microsoft.com/en-us/erp/what-is-erp/>). The DERPS, in particular, includes modules supporting electronic signatures and management of payroll, human resources, procurement, inventory, fixed assets, and projects. "The central feature of ERP systems is a shared database that supports multiple functions used by different units within the organization so that employees belonging to different units can rely on the same information for their specific needs" (Oracle Netsuite, <https://www.netsuite.com/portal/resource/articles/erp/what-is-erp.shtml>).

⁵ The BTMS is an integrated, web-based government-wide financial management information system that will replace the existing stand-alone budget management, execution, accounting and reporting systems. The system will be used to collect and organize government financial information through a central database that supports the following crucial PFM functions: Budget Management, Commitments Management, Payments Management, Receipts Management, Cash Management, Property, Plant and Equipment, Accounting and Fiscal Reporting. The implementation of the BTMS is envisioned to secure the following improvements in the PFM processes: (i) integration of appropriations, allotments, cash allocations, commitments, obligations, disbursements, and reporting functions; (ii) elimination of multiple standalone systems; (iii) real time on-line monitoring of appropriations versus allotments versus obligations versus disbursements; (iv) more timely and efficient government-wide consolidation of reports; (v) systematic real time recording and reporting of all revenues, expenditures, assets and liabilities; (vi) standardization of processes, formats, and reporting across all government agencies; and (vii) automation of manual processes.

This KRO is focused on the 'technical' aspect of implementation of the DERPS and BTMS from a technology perspective, i.e., from preparatory work (e.g., setting up DERPS/BTMS requirements like the identification of users and user roles, confirmation of approval workflows to in-scope functions, submission of the security access matrix and issuance of user access accounts), to end-user training, and piloting in selected implementing units.

Key Reform Objective 3: PFM policies and processes streamlined and further integrated

BTMS and DERPS provide DepEd with a platform for the IT-enabled integration and automation of key PFM processes, thereby allowing officials and staff to use transaction workflows for approvals, to automate control functions (e.g., obligation should not exceed allotment, disbursement should not exceed obligation, etc.), and to individually manage their workload through personal dashboards to assist with faster transaction processing. Moreover, the implementation of business process management (BPM)⁶ will enable the continuous streamlining and integration of PFM processes in the department.

Key Reform Objective 4: Real-time management decision-making practices implemented

BTMS and DERPS and the resulting integration of PFM processes will provide DepEd access to near real-time data for the first time – data which is encoded only once at source, automatically consolidated, and reused multiple times. This data will be the authoritative basis for an expanded suite of standard reports, as well as new management dashboards.

⁶ Business process management is the disciplined approach by which organizations continuously model and analyze the current state of all the processes that make up the core of their business in its totality and individually for the purpose of identifying areas of improvement to create more efficient and effective organizations.

With DepEd's investment in data visualization and data analytics tool - Microsoft Power Business Intelligence (BI)⁷ - as part of DERPS, new management dashboards will be available to all on a 'self-service' basis removing the delay and burden of manual consolidation and generation of in-year and end-of year budget and financial management reports at various levels of the department's governance structure. This reform enhances the capacity of management to implement real-time and evidenced-based corrective policies and actions at any time during budget execution with the end in view of maximizing budget utilization and the effective use of funds.

Key Reform Objective 5: Budget formulation process strengthened to ensure the strategic allocation of resources⁸

The formulation of medium-term expenditure framework will help ensure that budgetary resources are aligned to the priorities of the department. Improvements in the performance indicator metrics used in the context of performance-informed budgeting will also contribute to this key reform objective.

⁷ Microsoft Power BI is a collection of software, apps and connectors that enables organizations to gain a deeper understanding of how their organization performs in various aspects of their operation by applying analytics and visualization tools on relevant data from various sources. It is a complete self-service data analysis tool that allows even the most novice users to connect and extract data from various data sources and to perform data processing, analysis and visualization by themselves with ease. It also enables users to explore and answer questions with data updated in real time, thereby empowering them to respond to actionable insights in a timely manner. Power BI does not only enable users to connect to data sources and create reports, it also gives them the capacity to publish these reports and share them with others (Microsoft Power BI, <https://powerbi.microsoft.com/en-us/blog/tag/data-analytics/>, <https://docs.microsoft.com/en-us/power-bi/fundamentals/power-bi-overview>, https://powerbi.microsoft.com/en-us/?WT.mc_id=PB_Blog_What_Is_PBI).

⁸ Budgetary resources are said to be allocated in a strategic manner when they are spent on the right mix of programs, i.e., programs that are most effective in producing the desired outcomes.



Key Reform Objective 6: PFM organizational structures and staff competences updated to reinforce new ways of working

The Secretary's direction emphasizes the transformation of the Finance Service to take advantage of new technology and working practices for DepEd's future needs. This involves the rationalization of existing institutional arrangements and the upskilling of PFM personnel including those from units involved in the new financial management systems through a focused capacity development program to sustain the target reforms. These arrangements will continue the shift of emphasis of public financial management in the department from a short-term transactional focus to a more analytical, strategic, and performance-oriented focus over the medium-term.

Key Reform Objective 7: PFM Governance strengthened: Transparency, Accountability and Participation

The final focus of the planned reforms is on the strengthening of the governance framework, internal controls, and participatory arrangements. With the expanded delegation of authority, there is a need to ensure that accountability is clearly focused on the roles of key officials and that the performance of delegated approval authority is monitored to reduce the risk of abuse. This will require an updated internal control framework, stronger internal audit capacity, and specific attention to the ethics and values of staff involved in the management and processing of DepEd's public finances.

How the Key Reform Objectives of the PFM Reform Roadmap relate to one another

On the one hand, it is critical for DepEd to allocate the budgetary resources that are allotted to it under the General Appropriations Act (GAA) in a strategic manner for the department to ably support the pivot in the department's policy focus from access to basic education to sustaining the delivery of quality, accessible, and relevant basic education. On the other hand, there is also an urgent need to strengthen DepEd's absorptive capacity to ensure that it is able to utilize its rapidly expanding budget allocation in a timely, efficient, transparent, and accountable manner even as it copes with the risks and opportunities arising from rapid technological advances, globalization, and economic and social disruptions triggered by domestic/external and/or man-made/natural causes.

Given this perspective, the overarching goal of DepEd's PFM reform agenda may be broken down into 3 parts: (i) a set of reforms that are focused on information-technology-enabled improvements in budget management, budget execution, accounting and fiscal reporting and which are aimed at enhancing the absorptive capacity of the department, (refer to KROs 2, 3, and 4); (ii) a set of reforms that are focused on improvements in the strategic allocation of resources and the linkage between spending and results (refer to KRO 5); and (iii) a set of reforms that are focused on providing the hard and soft infrastructure that support the achievement of the aforementioned sets of reforms (refer to KROs 1, 6, and 7). In their entirety, these reforms are vital to improving the timely delivery of quality basic education.

CHAPTER 1

Ambition and Opportunity to Transform

Change Management and Implementing Arrangements

The central importance of effective change management and implementation is recognized in the Reform Roadmap. This includes a six (6) stage change management approach to support each change to be implemented. Each identified action varies and therefore the level of effort and resources required must be carefully prioritized.

The implementation of the PFM reform agenda outlined above requires a shift from a business-as-usual way of working to a reform-mode way of working and the FMRC will take the lead in instituting the new arrangements that will govern this shift. This will involve the assignment of new roles for some officials and, where needed, to the creation of task force/s. The Roadmap will be implemented through an annual action plan which will be formally updated each semester and with progress reported monthly.

Resources required to support the implementation of the Roadmap will be a combination of the time of existing staff in DepEd, the use of DepEd's regular budget for routine activities and the procurement of specialist services, advisory expertise from DepEd's Development Partners, and procurement of additional technical assistance (TA).

Why the Department of Education (DepEd) Needs Public Financial Management Transformation

Following a period marked with fiscal austerity (1999-2005) and active fiscal consolidation (2006-2010), the DepEd budget registered a turnaround and grew by 14% yearly on the average in 2011-2015 and by 29% in 2016 and 32% in 2017. In nominal peso terms, the allocations to DepEd under the General Appropriations Act (GAA) rose more than threefold from PhP 163.2 billion in 2010 to PhP 543.2 billion in 2017. This expansion in DepEd budget in 2011-2017 enabled the department to close the teacher, classroom and other input deficits that resulted from the budgetary cutback that is characteristic of the earlier decade and the introduction of the Senior High School program in SY 2016-2017 which added two years to the basic education cycle - clear evidence that when DepEd delivers, DepEd serves. During this period, the DepEd staff have worked with great expertise and commitment to develop solutions which have taken advantage of the technologies and work methods available at the time to allow the department to absorb the larger budgetary resources at its disposal. However, the budgetary resources allocated to DepEd rose at a relatively slower pace from 2018 onwards concomitant with the introduction of cash budgeting system despite some improvement in its budget utilization rate relative to that in earlier years.



DepEd now faces a new 'perfect storm' brought about by a confluence of developments emanating from within the education sector, cutting across all government agencies and from the wide range of technological breakthroughs in the last 10 years that signal the start of Fourth Industrial Revolution (FIRe).⁹

First, DepEd is now pursuing the strategic policy shift from **access** to basic education to sustaining **quality, accessible, relevant, and liberating** basic education. Second, the accelerated pace and extensive reach of technology adoption and innovation fueled by internet connectivity and advances in computing power, machine learning, artificial intelligence, use of big data, and automation affect not only how education is delivered and how students learn but also what the students of today should learn and what types of jobs they should prepare for.

Third, DepEd's pivot to raising the quality and relevance of basic education to meet the urgent needs and aspirations of learners in a globally competitive economy necessarily requires an even greater infusion of budgetary resources than before. Despite the increase in the DepEd budget cited earlier, aggregate government spending on basic education is still below the international benchmark of the 4% - 6% of GDP for the country to achieve SDG 4.1 of ensuring that all girls and boys complete equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Thus, further improvements in DepEd's absorptive capacity and a heightened focus on the strategic allocation of resources are required for the department to be able to utilize a larger budget fully, efficiently, and effectively. It is clear that the previous initiatives and working practices are now fast becoming outdated. The fragmentation of technology systems and business processes hampers the budget, finance, and accounting staff from adequately keeping up with the multiple sources of data and increasing volume of transactions to be able submit required reports on time and to be able to provide management with the update-to-date performance information of the different implementing units and their corresponding programs. Thus, decisive transformation is urgently required in DepEd's financial management policies, practices, and technology systems.

The need for the transformation of DepEd's PFM system and processes is anchored on item 7 of the **10-Point Agenda** of Secretary Leonor Magtolis-Briones - "Putting in place financial management reforms in DepEd to ensure the timely delivery of infrastructure and learning resources."

- (i) Introducing stronger leadership, supervision, and oversight over Finance and Administration
- (ii) Establishing a financial management information system (FMIS) able to track the status of DepEd's budget releases in real time; and
- (iii) Improving DepEd's accounting system, internal controls, budget utilization, and delivery system.

DepEd's PFM reform agenda is likewise consistent with the department's **2017-2022 Strategic Directions** - which underscores the importance of "modernizing education management and governance" through:

- (i) the automation of core PFM systems and processes; and
- (ii) the improvement of the procurement process,

as well as with the **2017-2022 Philippine Development Plan** or PDP (NEDA 2017) which emphasizes the need to "strengthen public financial management and accountability systems and results-based performance management" through:

- (i) the completion of the BTMS to provide an integrated systems environment, produce timely reports needed for decision making and audit, and generate savings in government operations in terms of time and money; and
- (ii) the intensification of the results-based performance management by refining performance measurement and strengthening the monitoring and evaluation systems of performance targets.

⁹ The Fourth Industrial Revolution is characterized by a range of new technologies that are fusing the physical, digital and biological worlds, impacting all disciplines, economies and industries, and even challenging ideas about what it means to be human. It represents a fundamental change in the way we live, work and relate to one another (Centre for Fourth Industrial Revolution, <https://www.weforum.org/centre-for-the-fourth-industrial-revolution>).

Ambition to Reform

The ambition of DepEd's Financial Management Reforms Committee (FMRC) is clear: to urgently implement ambitious financial management reforms to transform and increase DepEd's absorptive capacity and allocative efficiency. These reforms are vital in order to improve the timely delivery of quality basic education.

This ambition is linked directly to the wider DepEd agenda to undertake significant modernization of its service delivery systems to make them more effective and efficient. The attainment of this ambition depends on a collective commitment to the importance of thinking differently to modernize the ways DepEd manages the public finances that are allocated to the department under the General Appropriations Act. In addition to defining 'what' this Roadmap aims to achieve, it also outlines 'how' the reforms will be achieved and implemented in separately approved action plan.¹⁰

Opportunity to Reform

The opportunity is also clear and – for the first time ever – the integrated technology solutions are available to DepEd to support the significant modernization needed. Specialized PFM and routine office management technologies have matured considerably in recent years and now the solutions are available for widespread implementation throughout the agency. While technology will be a major enabling force, the lasting success of the modernization lies in reforming the working practices throughout DepEd and upskilling the workforce to create a truly modern workplace. Upskilling will build on the excellent existing capacity and ability among the current workforce in DepEd which have been so instrumental in making the numerous improvements in recent years.

Roadmap Results

This Roadmap is therefore the appropriate and propitious response to this rare alignment of need, ambition, and opportunity and fully reflects the wider transformational agenda of this Administration. The results of this Roadmap will modernize and reinvent the conduct of PFM functions in DepEd to improve the timely, efficient, and effective delivery of critical inputs that are needed to achieve quality basic education. It will also create the digital foundations for future improvement in PFM systems and processes using advanced technologies which can introduce further process automation and major gains in efficiency and effectiveness. The key objectives and associated results of this Roadmap are explained further in the following Chapters of this Roadmap.

DepEd's Support to Government-wide Reforms and Commitment to International Agreements

DepEd, being the largest agency in the Philippine government, must also show visible leadership support for government reforms and national commitments to international agreements. The most significant PFM reforms to be implemented by the national government are the Cash Budgeting System¹¹ and the Budget and Treasury Management System (BTMS).¹²

The National Government is also undertaking an ambitious Digital Transformation Strategy under the leadership of the Department of Information and Communications Technology (DICT). The Government's Digital Transformation Strategy recognizes that digital transformation is multi-faceted, multidisciplinary, multidimensional, and dynamic in nature. The Digital Transformation Strategy also notes the need for agencies to shift their mindset from that of a bureaucracy to a service-oriented, and service-driven professional services organization that creates real value for its citizens.

¹¹ Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes, Executive Order 91 dated September 9, 2019.

¹² Guidelines on the Adoption and Use of the Budget and Treasury Management System for Budget Utilization, Department of Budget and Management Joint Circular 4-2019 dated January 14, 2019.

¹⁰ Refer to Implementing Arrangements in Chapter 11.

CHAPTER 2

Transformation Vision, Objectives and Roadmap

DepEd wholeheartedly supports the mission of the government's Digital Transformation which is **'to embed the pursuit of service-orientation, procedural efficiency, and behavioral transformation into the very fabric of government operations'**. With this Roadmap, DepEd fully aligns with and actively supports the promotion of digital transformation as a national strategy and government mission.¹³ The success of this shift lies in the successful implementation of the identified key reform objectives of DepEd's own PFM reform agenda.

DepEd is also a major partner in the Government's continued commitment to the Open Government Partnership and will actively further promote transparency as a tool to strengthen accountability and monitoring of the effective and efficient delivery of basic education services.¹⁴

DepEd enjoys extensive and long-standing cooperation arrangements with a wide range of international development partners such as Asian Development Bank (ADB), Department of Foreign Affairs and Trade (DFAT), European Union (EU), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United States Agency for International Development (USAID), and the World Bank (WB). These arrangements also include commitments by DepEd to implement priority reforms linked to agreed indicators.

¹³ Summary, Page 44, Philippine Digital Transformation Strategy 2022, DICT

¹⁴ See <https://www.opengovpartnership.org/>

Purpose of PFM in DepEd

The core purpose of PFM in DepEd remains unchanged – to support the delivery of quality basic education services with the timely delivery of critical education inputs through effective, efficient, and accountable ways of working. The required education inputs include quality teachers, physical infrastructure, and learning resources as priorities.

Secretary's Departmental Vision

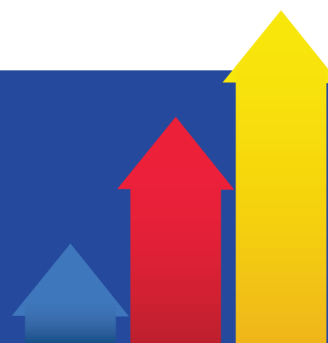
The stated vision of Secretary Briones and the Executive Leadership team is:

for DepEd to deliver quality, accessible, relevant, and liberating basic education to every Filipino child'

In support of this vision, the department launched its Public Financial Management Reform agenda with the following overall goal:

to transform DepEd's PFM system and processes to ensure the effective, timely, efficient, transparent, and accountable delivery of quality basic education.

What We Want to Achieve – PFM Key Reform Objectives (KROs)



This vision will be realized when the following objectives have been achieved:

Productivity of DepEd's workforce enhanced with the adoption of modern tools and technology (KRO 1):

Officials and staff use collaborative working practices (team collaboration, shared document management, data collection, audio and video conferencing tools, knowledge sharing and internal communications and engagement) based on the latest technology to maximize their individual productivity, within their team, between teams in the same office, between offices, in different locations, across organizations in the Government and externally. They individually drive their self-learning attitude to acquire new competences especially regarding use of new and changing technology.

PFM core processes and systems streamlined, integrated, and automated (KRO 2, KRO 3):

Officials and staff implement integrated and standardized PFM processes, use transaction workflows for approvals, and individually manage their workload through personal dashboards to assist with faster transaction processing using BTMS and DERPS.

Management decision-making improved with the availability of real-time PFM information and data analytics (KRO 4):

Officials and staff use automated, real-time routine reporting based on single source of PFM-related data and use advanced analytics techniques and PFM-specific dashboards to improve timely decision-making and the management of performance.

Budgetary resources allocated in a more strategic manner (KRO 5):

DepEd implements approaches to budget formulation that promotes the allocation of the budget on the most effective programs and strengthens the result orientation of the budget process.

Finance Service strengthened (KRO 6):

DepEd reviews the current organizational structure of its Finance Service, updates the same, and upgrades PFM staff competences to resolve known challenges and to take advantage of new technology and working practices and be more responsive to DepEd's future needs.

Governance processes strengthened (KRO7):

Officials and staff reinforce participatory implementation, monitoring and evaluation processes, and internal control competencies for better accountability practices.



Table 1. The Seven Key Reform Objectives (KROs) and 26 Result Areas of the PFM Reform Roadmap

Key Reform Obj. 1	Key Reform Obj. 2	Key Reform Obj. 3	Key Reform Obj. 4	Key Reform Obj. 5	Key Reform Obj. 6	Key Reform Obj. 7
<i>'Modern workplace' ways of working implemented with new tools and practices</i>	<i>Integrated IT-enabled financial management and reporting system implemented</i>	<i>PFM policies and processes streamlined and further integrated</i>	<i>Real-time management decision-making practices implemented</i>	<i>Budget formulation process strengthened to ensure the strategic allocation of resources</i>	<i>PFM organizational structures and staff competences updated to reinforce new ways of working</i>	<i>PFM Governance strengthened: Transparency, Accountability and Participation</i>
R.1: Individual staff productivity optimized with the use of a collection of productivity, computing, collaboration and communication tools and software, cloud backup /online storage for all documents, and other services	R.4: BTMS implemented to support the modernization of budget utilization policies and processes	R.9: Integrated processing of PFM transactions using the BTMS and DERPS IT platforms implemented to reduce processing time and effort	R.14: 'Self-service' real-time reporting of the metrics tracked in the standard reports that are generated from BTMS and DERPS modules for executive and management decision-making implemented	R.17: Medium-term expenditure framework formulated to support a more strategic, efficient, and equitable allocation of resources	R.19: Updated PFM organizational structures for in-scope functions designed and implemented	R.23: Signing authority and delegations for PFM related transactions updated to align with streamlined policies and processes and new technologies
R.2: The way teams and offices work together, communicate, and share knowledge products transformed with the use of modern collaboration and communication tools and practices and the use of digital signatures	R.5: DERPS implemented to support the modernization of resource management policies and processes	R.10: Integrated PFM business process model leveraging BTMS and DERPS modules designed	R.15: 'Near'-real-time management dashboards and reporting of metrics beyond those that are tracked in the standard reports generated from DERPS and BTMS implemented using Microsoft Power BI	R.18: Performance indicators used in performance-informed budgeting revisited and updated to ensure a closer linkage between performance indicators and desired outcomes	R.20: PFM Staff Competence and Performance Framework for in-scope functions updated to align with the new organizational structures	R.24: DepEd-specific NGICS that is aligned with the Internal Control Standards for the Philippine Public Sector (ICSPPS) adopted and internal audit capacity strengthened
R.3: Integrated business process workflows implemented by utilizing office suite applications for PFM process workflows not covered by the new PFM systems introduced under KRO 2	R.6: DepEd's supporting ICT infrastructure upgraded to enhance the reliability and performance of the new technologies	R.11: Continuous PFM process optimization implemented after initial process streamlining under DERPS and BTMS	R.16: Advanced analytics of all available data not just from BTMS and DERPS developed using Microsoft Power BI in order to generate actionable insights		R.21: Budget for professional development including training customized for DepEd non-teaching and teaching staff who have PFM responsibilities provided to upgrade their competencies in line with Roadmap priorities	R.25: PFM-specific ethics and values program for DepEd officials and staff (including all teaching and non-teaching personnel) involved in PFM-related transactions designed and implemented
	R.7: DepEd's data architecture model including the identification of single data sources, data owners and integration flows, updated	R.12: BTMS, DERPS and other DepEd PFM systems integrated where needed and feasible			R.22: Budget over and above what is needed for the procurement of hardware to include MOOE and training provided in order to support the expansion of DepEd's technology management capability and ensure the required level of reliability, availability, and performance	R.26: Inclusiveness and participation in DepEd's PFM policies, processes and systems strengthened further
	R.8: Data governance framework and practices adopted and implemented to ensure the highest level of data quality and integrity.	R.13: DepEd's stand-alone FM information systems decommissioned provided granular information available from the said systems are no longer needed				

BI - Business Intelligence
BTMS - Budget and Treasury Management System

DERPS - DepEd Enterprise Resource Planning System
ICT - Information and Communications Technology

IT - Information Technology
KRO - Key Reform Objective
MOOE - Maintenance and Other Operating Expenses

NGICS - National Guidelines on Internal Control Systems
PFM - Public Financial Management

The key reform objectives of the DepEd's PFM reform agenda may be classified into three groups: (i) a set of reforms that are focused on information-technology-enabled improvements in budget management, budget execution, accounting and fiscal reporting and which are aimed at enhancing the absorptive capacity of the department (refer to KRO 2, 3, and 4); (ii) a set of reforms that are focused on improvements in the strategic allocation of resources and the linkage between spending and results (refer to KRO 5); and (iii) a set of reforms that are focused on providing the hard and soft infrastructure that support the achievement of the aforementioned two sets of reforms (refer to KRO 1, 6, and 7). In their entirety, these reforms are vital to improving the timely, efficient, and effective delivery of quality basic education.

In turn, the seven KROs of the PFM reform agenda may further be broken down into 26 result areas which in toto form the bases of the PFM reform roadmap (Table 1).

Vision Beyond 2022

Beyond 2022, there will be a need to continue with a further program of PFM reforms. While the details will depend on the circumstances at the time, it can already be foreseen that further simplification and streamlining of policies and processes will be needed including electronic approval and electronic records of financial transactions, further integration between the various IT systems in operation will enable further efficiencies and effectiveness and, where possible, further automation of routine tasks including report generation and analysis.

CHAPTER 3

Key Reform Objective 1

**'Modern Workplace'
ways of working
implemented with new
tools and practices**

The current office management tools and practices used in DepEd require major updating to take advantage of available technology that enhance the efficiency and effectiveness of the way individuals, teams, and offices work at the central office as well as at the region, schools division, and school levels. This objective is focused on the adoption of 'modern workplace'¹⁵ practices.

¹⁵ Modern workplace refers to "a fully collaborative workplace that is integrated with technology in order to boost productivity" (New Horizons Learning Solutions, <https://nhlearningsolutions.com/blog/top-5-characteristics-of-a-modern-workplace>).



Why this is needed

Current arrangements are largely paper-based and manual with IT systems, data and management reports typically functioning in silos office by office and location by location. DepEd's Digital Rise Program includes the investment in a collection of productivity, computing, communication and collaboration software, tools and applications, cloud backup and online storage for all documents (otherwise known as an office suite) to transform working practices for routine office management, daily activities, communications and working in teams. DepEd officials and staff using these modern solutions will begin the dual shift from paper documents with physical/wet signatures to digital files with electronic signatures and hard copies of documents that are accessible only in the office to electronic files stored online available anywhere, anytime, and on any device. There will also be improved communications among and between officials and staff, personnel working more collaboratively with one another, and greater knowledge creation and sharing within offices, between offices and between different locations. These initiatives are envisioned to result in more flexible and responsive working practices that will increase staff productivity. Data analytics and reporting are covered under Reform Objective 4 in Chapter 6.

Key Reform Objective 1

'Modern workplace' ways of working implemented with new tools and practices

This objective is intended to support individuals and teams to increase their productivity and get more done by working flexibly and collaboratively yet securely on any device anywhere, anytime regardless of location while safeguarding data and documents from loss, leaks, misuse, and threats.

Result 1

Individual staff productivity optimized with the use of a collection of productivity, computing, communication and collaboration tools and software, cloud backup and online storage for all documents

This involves the adoption of an office suite like Microsoft Office 365, establishing unified shared views of routine office information such as calendars, stakeholder contacts and tasks and extensive use of online, secure storage for all documents. It also refers to maximizing the use of new features available including built-in advanced intelligence capability and analytics (such as Microsoft MyAnalytics to increase usage of online document storage).

Result 2

The way teams and offices work together, communicate with each other, and share knowledge products and practices transformed with the use of modern collaboration and communication tools and practices and the use of digital signatures

This involves implementing the design, adoption, and continuous improvement of collaborative working practices such as document management, electronic signatures, data collection, working with data within teams, and online communications such as messaging, audio and video calls, and meetings. These practices include collaboration between teams in the same office, between offices, in different locations, across organizations in the government and externally using team collaboration software tools like SharePoint Online and Microsoft Teams.

Result 3

Integrated business process workflows implemented by utilizing office suite applications for PFM process workflows not covered by the new PFM systems introduced under Key Reform Objective 2

At its most basic level, this may involve the workflow of a document for review, approval and electronic signature or the scheduling of policy documents or other files for review.

CHAPTER 4

Key Reform Objective 2

Integrated IT-enabled financial management and reporting system implemented

At present, the financial management processes and financial management information system in the DepEd are fragmented. Process workflows are not integrated and reporting and information systems for various functions and processes involve several stand-alone systems which do not communicate with each other, and which overlap with one another in some cases. Thus, transaction data have to be re-encoded multiple times. Also, all controls are done manually.

Successive executive leadership teams in DepEd have wanted to implement an integrated IT-enabled financial management system aimed at modernizing the core financial management functions and processes but were not able to do so for myriad reasons. Now this objective can be realized with the implementation of the DBM-led Budget and Treasury Management System (BTMS) and the DepEd's Enterprise Resource Planning System (DERPS).

BTMS, DERPS and the PMIS combined will provide DepEd with an integrated, near real-time solution covering the entirety of PFM functions. The exact detail of the scope and integration between BTMS and DERPS will be addressed during the solution design with PMIS remaining separate at this stage.

BTMS and DERPS will also introduce a new range of standard PFM-related reports, financial analytics, and insights. They will necessarily require new data architecture,¹⁶ new data management framework¹⁷ and practices to ensure data quality and integrity needed for reliable reporting.

Key Reform Objective 2

Integrated IT-enabled financial management and reporting system implemented to integrate electronic workflow, transaction processing, approval, and, subsequently, near real-time reporting to complement PMIS

This objective is focused on the 'technical' aspect of implementation from a technology perspective, i.e., from preparatory work (including setting up BTMS/DERPS requirements like the identification of users and user roles, confirmation of approval workflows to in-scope functions, submission of the security access matrix and issuance of user access accounts), to end-user training, piloting in selected implementing units and complete roll-out in all levels of governance. The 'functional' implementation and utilization of the financial management IT system is covered under Key Reform Objective 3.

Also included under this objective is the upgrading of the DepEd's IT infrastructure, as well as its master data management system and its data governance framework to ensure data quality, integrity, and security.

¹⁶ Data architecture is a set of rules, policies, standards and models that govern and define the type of data collected and how it is used, stored, managed and integrated within an organization and its database systems. It provides a formal approach to creating and managing the flow of data and how it is processed across an organization's IT systems and applications (<https://www.techopedia.com/definition/6730/data-architecture>).

¹⁷ A data governance framework refers to the whole system of rules, processes and procedures that organizations use to collect, process, use, store and secure their data which describes who can take what actions with what information and under what circumstances, using what methods, including processes and procedures to make sure those rules are followed, consistently (<https://profisee.com/data-governance-what-why-how-who/>). A data governance framework enables the business to define and document standards and norms, accountability, and ownership of data (<https://www.informatica.com/sg/resources/articles/data-governance-framework.html>).



Result 4

BTMS implemented to support the modernization of budget utilization policies and processes

Result 5

DERPS implemented to support the modernization of resource management policies and processes

Results 4 and 5 involve all the technical activities necessary to successfully deploy and implement BTMS and DERPS in the entirety of the department including the preparatory work needed for their adoption and deployment, end-user training, and their phased roll-out. Given the size of DepEd and the scope of both DERPS and BTMS, this will require a multi-year implementation schedule.

Result 6

DepEd's supporting ICT infrastructure upgraded to enhance the reliability and performance of the new technologies

This refers to the upgrading of network capacity, servers, and security to support the expansion of ICT solutions in use throughout DepEd which demand high levels of reliability, performance, protection, and resilience. The upgrade is necessary as increasingly the new technologies in use in DepEd will be 'mission critical' and therefore any disruption will severely impact the delivery of basic education services. A specific business continuity plan is required for BTMS and DERPS in order to ensure continuity of key services during periods of disruption.

Result 7

DepEd's data architecture model including the identification of single data sources, data owners and integration flows updated

This involves the development of an overall PFM data architecture model that includes the policies, rules, or standards to govern which data is collected, how it is stored, arranged, integrated, and put to use in the current and planned PFM systems. The data architecture model should include master data management (MDM),¹⁸ mapping of data across the current and planned PFM systems, and an overall data dictionary. The data architecture model will be an essential reference for any future integration of systems and the design of management dashboards and reports involving multiple data sources. The key focus areas include availability, usability, consistency, data integrity and data security, and include establishing processes to ensure effective data management and ensuring that the data can be used throughout the DepEd while complying with the Data Privacy Act of 2012.

¹⁸ Master data management (MDM) combines the data collection processes, IT technology and software tools, for the enterprise-wide coordination of its shared master data assets to increase the uniformity, accuracy, stewardship, and consistency of data gleaned from all across the organization (<https://techwave.net/what-is-master-data-management-and-its-importance/>). Master data is the consistent and uniform set of identifiers and extended attributes that describes the core entities that provide context for the business transactions of the organization including customers, prospects, citizens, suppliers, sites, hierarchies and chart of accounts (<https://www.gartner.com/en/information-technology/glossary/master-data-management-mdm>). Master data may be categorized as (i) parties, e.g., entities who conduct business with organization, including, in the case of DepEd, teachers, learners, suppliers, and partners; (ii) places e.g., actual places and how they are segmented, such as locations, sites, and zones; (iii) products e.g., what the organization manages or delivers such as programs, services or assets; (iv) financial and organizational structures e.g., reporting and accounting categories, organization structures, chart of accounts, business units, cost centers, etc.; and (v) reference data e.g., smaller lists of values that give context to other master data and/or transactional data such as regions, divisions, sectors, etc. (<https://www.semarchy.com/what-is-master-data/>).

Result 8

Data governance framework and practices adopted and implemented to ensure the highest level of data quality and integrity

This involves the design and implementation of a data governance framework that will enable the department to define and document standards and norms, accountability, and ownership of data and data-related processes. Accountability ('data stewardship') also needs to be assigned as part of the framework to ensure that data governance processes and guidelines are followed and enforced. Thus, the focus is on the roles, responsibilities, and processes for ensuring accountability for and ownership of data assets.

CHAPTER 5 Key Reform Objective 3

PFM policies and processes streamlined and further integrated

As indicated in Chapter 4, the financial management process workflows are not integrated and all controls are done manually. Also, financial management reporting and information systems for various functions involve several stand-alone systems which necessitate that transaction data be encoded multiple times.

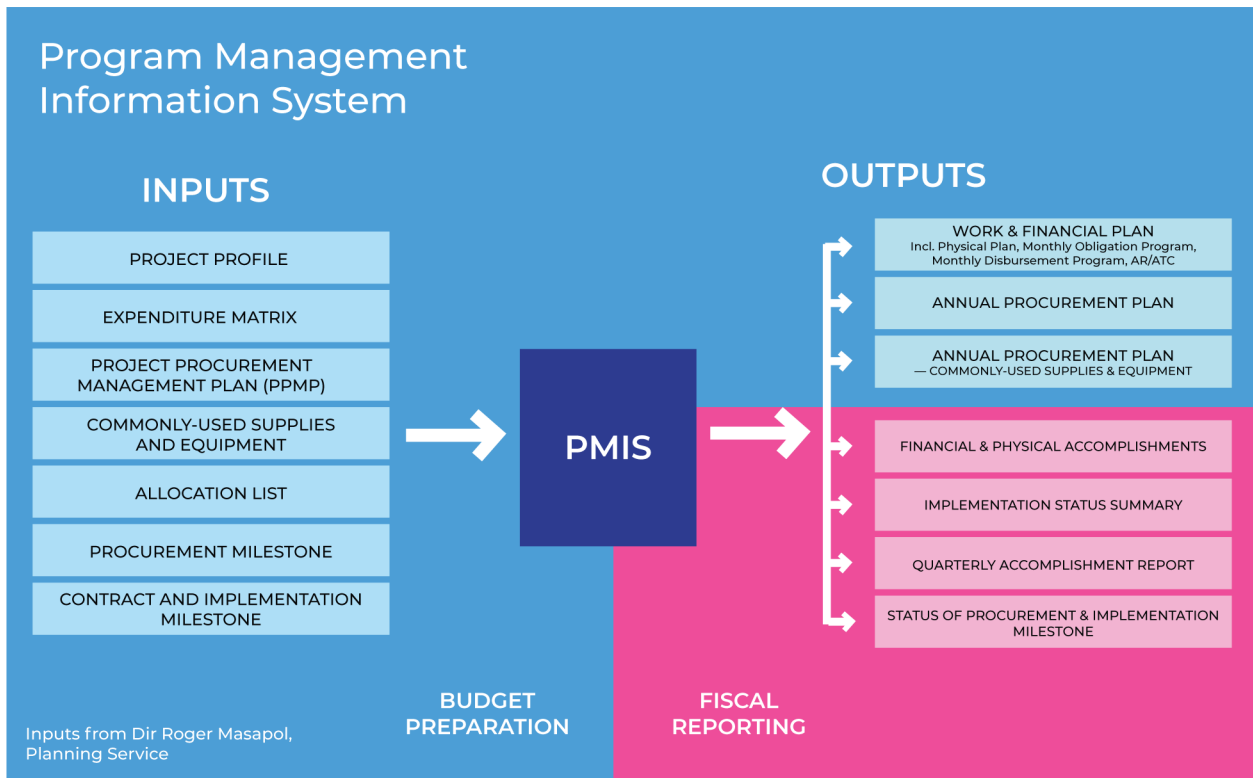
For instance, the Project Management Information System (PMIS) manages processes and information related to budget preparation (like the preparation and consolidation of Work and Financial Plans and Annual Procurement Plans) and financial

and physical performance monitoring (Figure 1.a). While the Budget Monitoring System (BMS) monitors and records data on budget utilization, i.e., appropriations, allotments, obligations, and disbursement balances that are used to generate the Budget Execution Documents (BEDS), Financial Accountability Reports (Figure 1.b), the enhanced Financial Reporting System (eFRS) tracks and records various financial data needed to generate reports required by Commission on Audit (COA) and Department of Budget and Management (DBM) like the Report of Disbursement (RD), Journal Entry Voucher (JEV) report, Financial Statement, Trial Balance, and various accounting Journals/Ledgers (Figure 1.c). On the other hand, the Cash Receipts System (CRS) records data that are used for the Report of Revenues and Other Receipts (RROR) and the Report of Collection and Deposits (RCD) while the Cash Disbursement System (CDS) tracks data that are used to generate the following reports: Report of Advice to Debit Account Issued (RADAI), Report of Checks Issued (RCI), Report of Cash Disbursement, Report of Stale/Cancelled Checks, and the List of Due and Demandable Accounts Payable or LDDAP (Figure 1.d).

The interface of these stand-alone systems is shown in Box 1 which highlights how the obligation for a specific transaction is processed starting with a spending/operating unit's submission to the Budget Division of an Obligation Request and Status (ORS) and disbursement voucher (DV) together with approved Activity Request/Authority to Conduct and other required supporting documents like payrolls, purchase/job orders, and itinerary of travel.

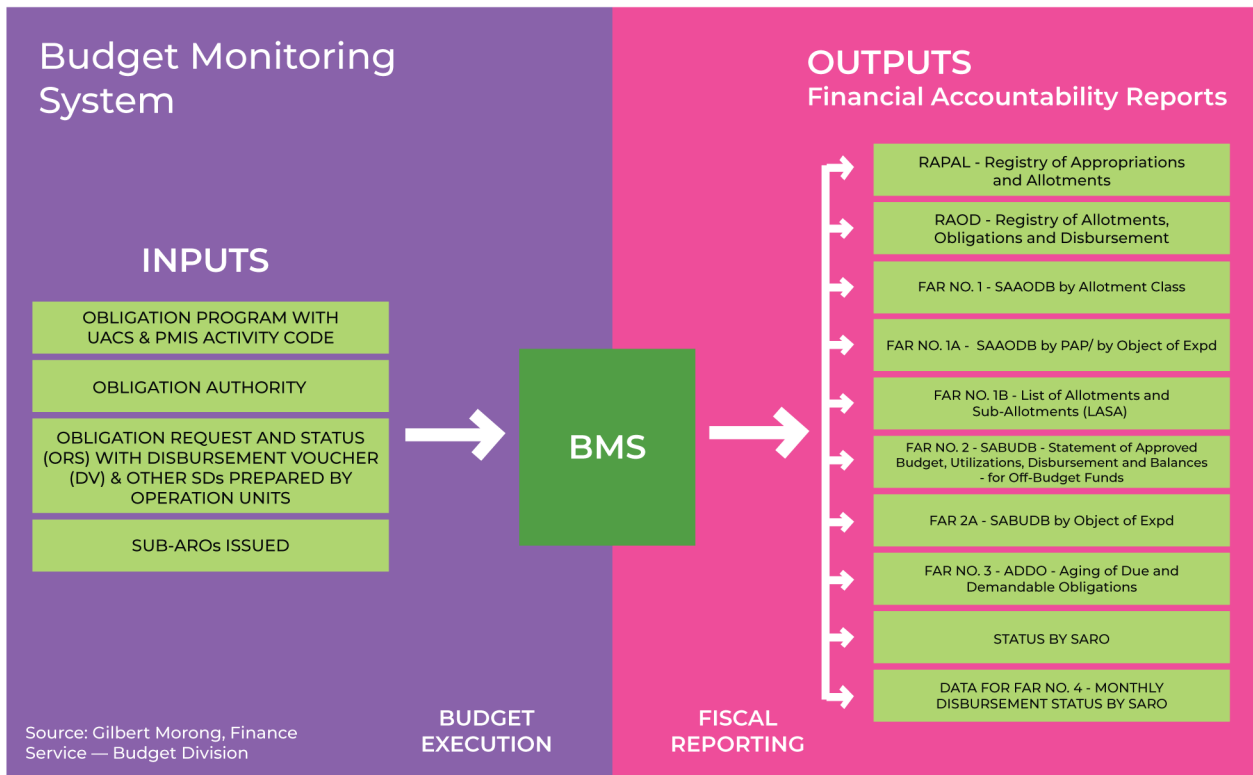


Figure 1.a. DepEd's Stand-alone Financial Management Information Systems – PMIS



AR/ATC - Activity Request/Authority to Conduct

Figure 1.b. DepEd's Stand-alone Financial Management Information Systems – BMS



EXPD - Expenditure

FAR - Financial Accountability Report

PAP - Program, Activity and Project

PMIS - Project Management Information System

SAAODB - Statement of Appropriations, Allotments, Obligations, Disbursements and Balances

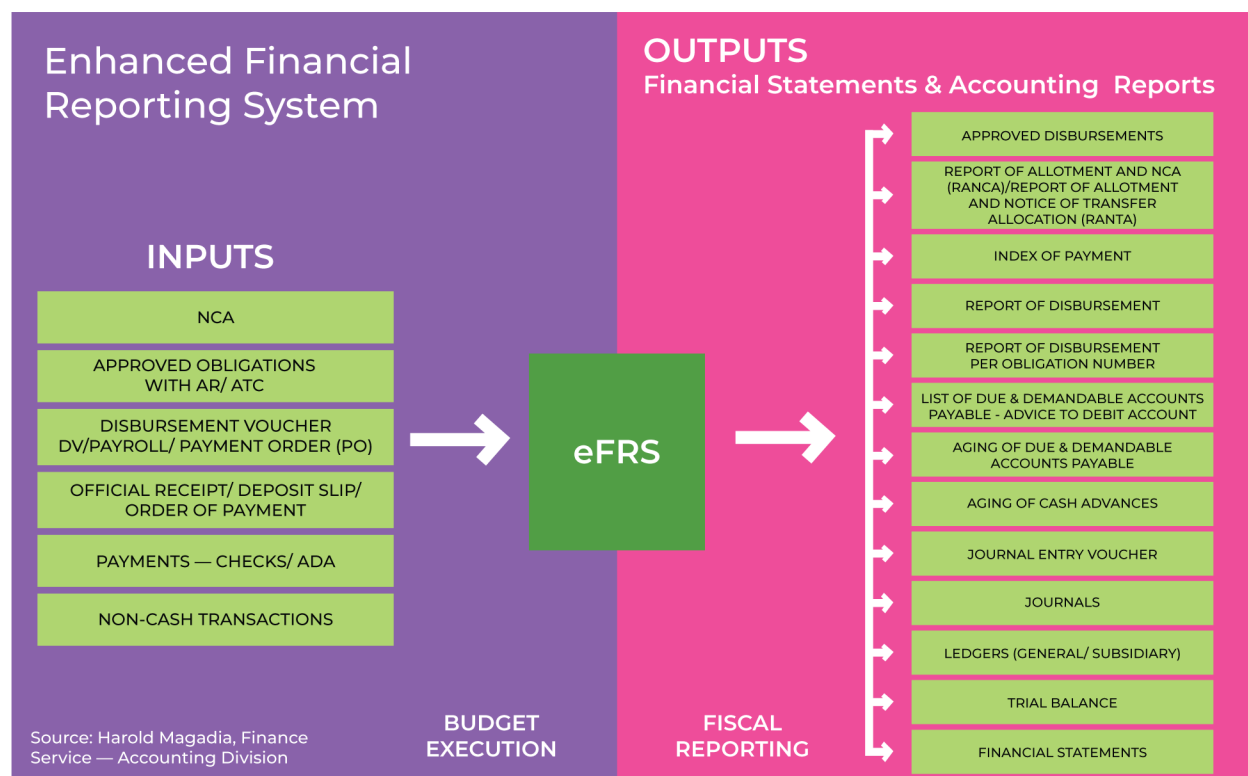
SARO - Special Allotment Release Order

SD - Supporting Document

Sub-ARO - Sub-Allotment Release Order

UACS - Unified Accounts Code Structure

Figure 1.c. DepEd's Stand-alone Financial Management Information Systems – eFRS

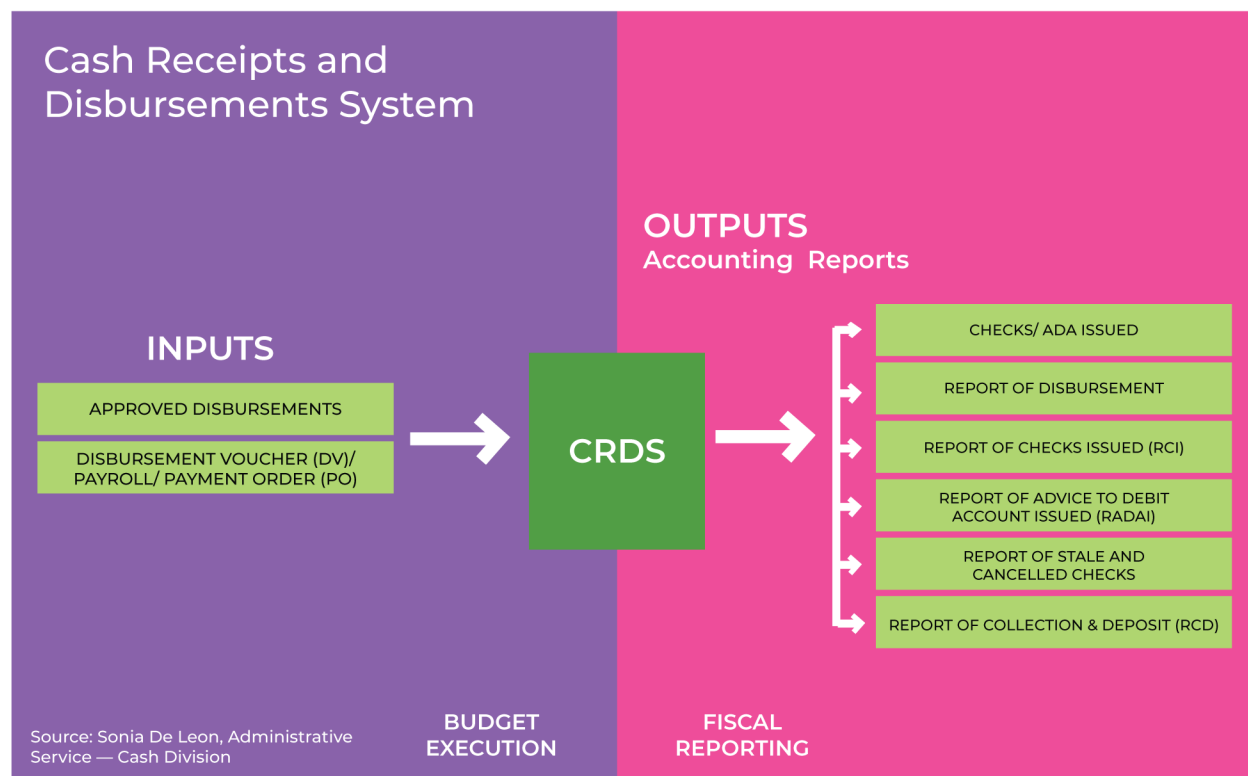


ADA - Advice to Debit Account

AR/ATC - Activity Request/Authority to Conduct

NCA - Notice of Cash Allocation

Figure 1.d. DepEd's Stand-alone Financial Management Information Systems – CRDS



ADA - Advice to Debit Account



BOX 1. Interface among DepEd In-House Stand-Alone FMISs before PFM Reform

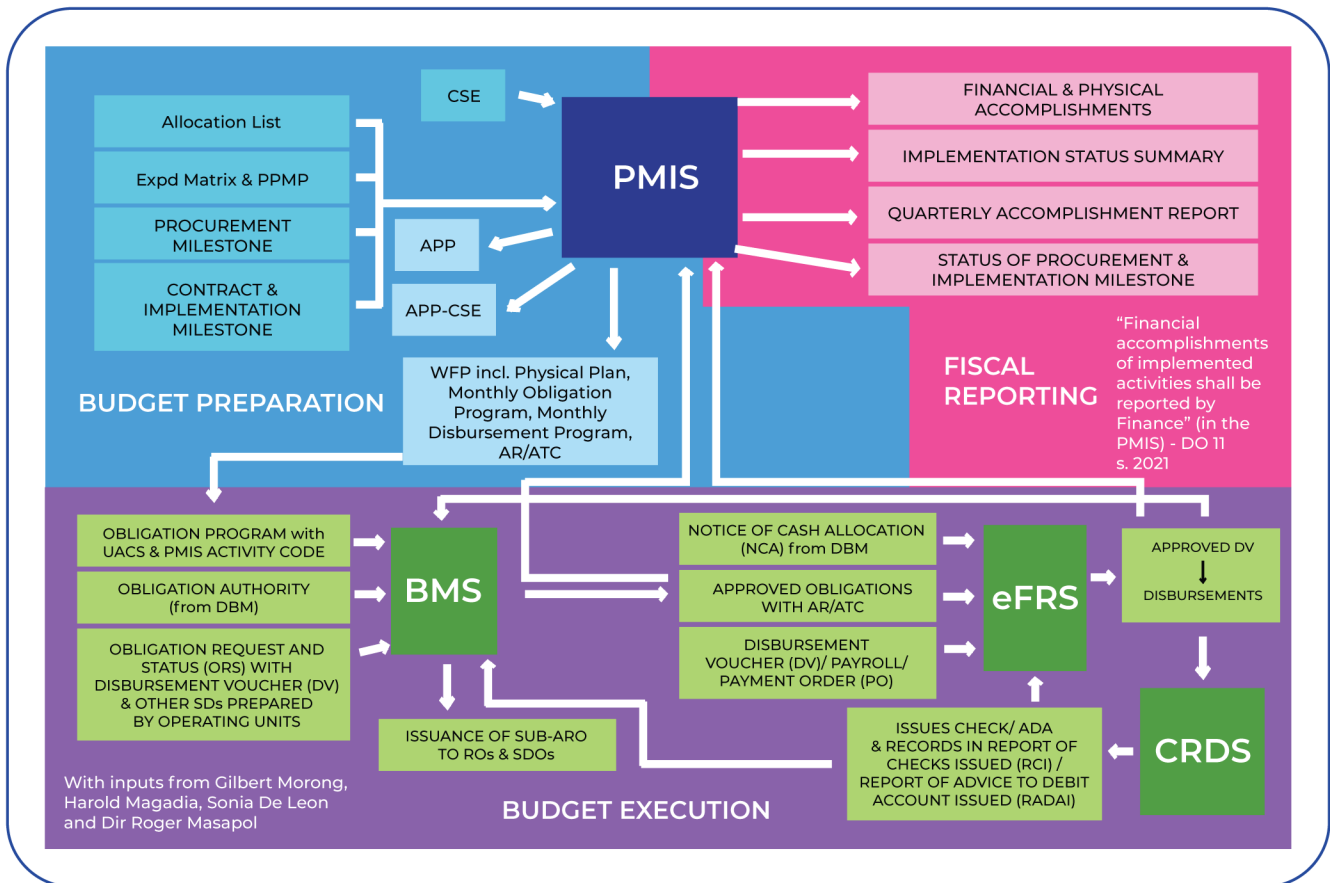


DBM's issuance of the Budget Call at the start of the current fiscal year signals the start of budget preparation next fiscal year. During budget preparation, all operating units of the department are required to prepare and upload their expenditure matrix, Project Procurement Management Plan (PPMP) and Commonly Used Supplies and Equipment (CSE) to the PMIS. Based on these submissions, PMIS has the facility to automatically generate the Work and Financial Plan (including the Monthly Obligation Program, Monthly Disbursement Program and Physical Plan), Annual Procurement Plan (APP), and APP-CSE of each operating unit. This facility is unique to the PMIS.

Budget execution starts when a spending/operating unit submits to the Budget Division an Obligation Request and Status (ORS) and disbursement vouchers (DV) together with the approved Activity Request or Authority to Conduct from the PMIS and other required supporting documents like payrolls, purchase/job orders, and itinerary of travel (refer to the chart below). The Budget Division then checks if an Allotment Authority is available to cover the amount of the obligation that is requested. If this is the case, the head of the Budget Division appends his/her signature on the ORS to signify that funds have been obligated and the Budget Division then records the amount of the obligation in the BMS as input for the Report on Allotment, Obligation and Disbursement (RAOD), among others. The ORS is then forwarded to the Accounting Division which pre-audits the request and certifies as to the availability of cash or NCA cover. If warranted, the authorized approving authority appends his/her signature on the DV and forwards it to the Cash Division for check preparation. The Accounting Division then records the disbursement amount in the eFRS as input for the Report of Disbursement and Registry of Allotments and NCA (RANCA)

while the Budget Division also records the disbursement in BMS as input for the RAOD. After the authorized signatory signs the check, the Cash Division releases the check to the payee and records the amount of the check in the CRDS as input for Report of Checks Issued (RCI).

The introduction of BTMS and DERPS is envisioned to provide DepEd with the platforms for integrating transaction processing workflows and addressing the challenges and delays caused by fragmented PFM processes requiring the encoding of the same data multiple times and manual consolidation of data. The integrated transaction processing capability of the BTMS supports the following PFM functions: Budget Management, Commitments Management, Payments Management, Receipts Management, Cash Management, Property, Plant and Equipment Management, Accounting and Fiscal Reporting (Figure 2). The implementation of the BTMS is expected to result in the following improvements in the PFM processes: (i) integration of appropriations, allotments, cash allocations, commitments, obligations, disbursements, and reporting functions; (ii) automation of PFM control functions (e.g., ensuring that obligation does not exceed allotment, that disbursement does not exceed obligation, etc.) and other manual processes; (iii) real-time online recording and reporting of appropriations, allotments, obligations, disbursements, and all revenues, payments, assets and liabilities; (iv) standardization of processes and reporting across all government agencies; (v) more timely and efficient government- and department-wide consolidation of financial reports; and (vi) elimination of multiple stand-alone systems. These gains are highlighted in Figure 3 which compares the budget execution workflow including the reporting of financial data with BTMS and without BTMS.

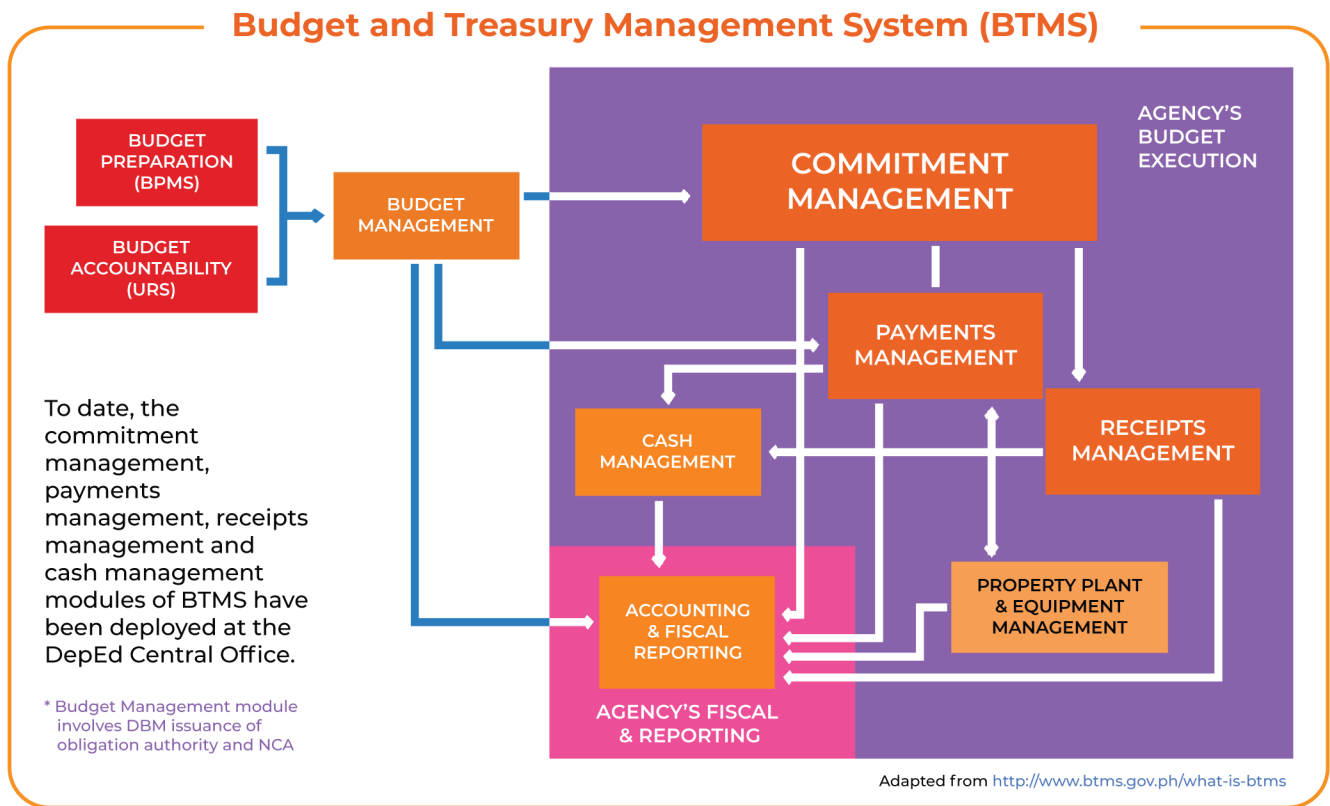


- ADA** - Advice to Debit Account
- APP** - Annual Procurement Plan
- APP-CSE** - Annual Procurement Plan-Commonly Used Supplies and Equipment
- AR/ATC** - Activity Request/Authority to Conduct
- BMS** - Budget Monitoring System
- CRDS** - Cash Receipts and Disbursement System
- CSE** - Commonly Used Supplies and Equipment
- DO** - DepEd Order
- eFRS** - Enhanced Financial Reporting System

- EXPD** - Expenditure
- PMIS** - Project Management Information System
- PPMP** - Project Procurement Management Plan
- RO** - Regional Office
- SD** - Supporting Documents
- SDO** - Schools Division Office
- Sub-ARO** - Sub-Allotment Release Order
- UACS** - Unified Accounts Code Structure



Figure 2 Budget and Treasury Management System Modules

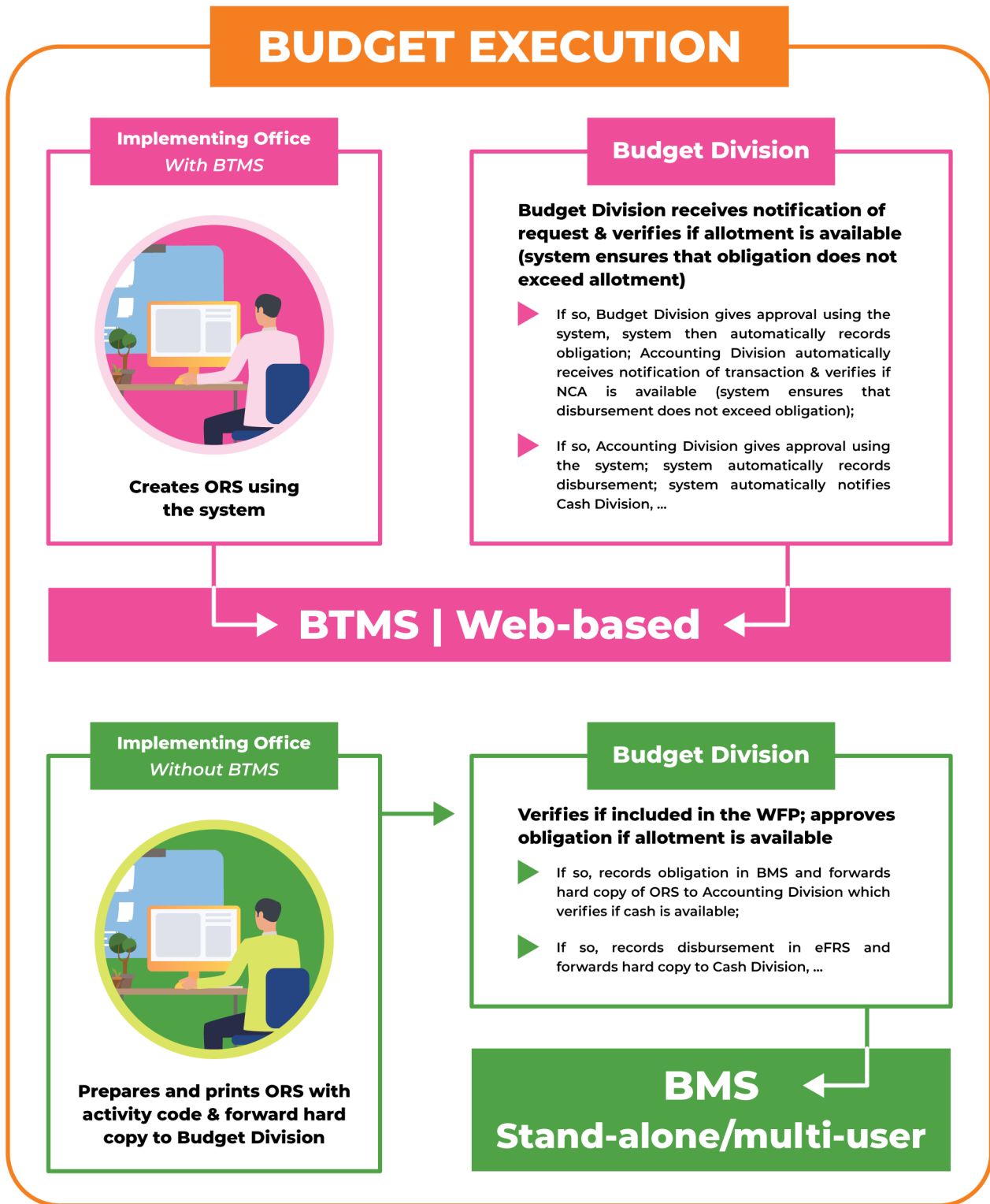


BPMS - Budget Preparation Management System

NCA - Notice of Cash Allocation

URS - Unified Reporting System

Figure 3 Comparison of Budget Execution Workflows With and Without BTMS



BMS - Budget Monitoring System
 BTMS - Budget and Treasury Management System
 eFRS - Enhanced Financial Reporting System

ORS - Obligation Request and Status
 WFP - Work and Financial Plan



Like other enterprise resource planning systems,¹⁹ the DERPS is a business process management software that manages and integrates an organization's financial, operations, human resource activities and reporting, thereby bringing "all these different processes to the table to collaborate and create one fluid system." (Microsoft, <https://dynamics.microsoft.com/en-us/erp/what-is-erp/>). The DERPS, in particular, includes modules supporting electronic signatures, management of human resources including payroll, procurement, inventory, fixed assets, and projects (Figure 4).

The deployment of BTMS and DERPS was originally expected to take 3 years to complete (2020-2022) because the sheer size of the department does not lend itself to a short roll-out schedule. This means that until the BTMS and DERPS have been fully deployed at all governance levels these two systems will be running parallel with BMS, eFRS, CRDS and some modules of PMIS (Figure 5). In particular, the Commitment Management Modules of BTMS will be running parallel with BMS, while its Payments Management and Cash Management Modules will be running parallel with the eFRS and CRDS. In like manner, the Procurement Request Inventory and Monitoring (PRIM) and the Project Monitoring (PM) modules of DERPS will be running parallel with the PMIS.

"Running parallel" means that in the interim that BTMS is only deployed at the central office, for instance, the processing and reporting of all financial transactions related to obligations, disbursements, and payments at the central office will be done using BTMS while the processing of similar transactions at the region, division, and school levels will be done manually and their reporting/recording will be done using BMS, eFRS, and CRDS. Similarly, in the interim that the DERPS PRIM module is only deployed at the central office and regional offices, for instance, the processing and reporting of all transactions related to procurement at the central office and regional offices will be done using the DERPS PRIM module while the processing of similar transactions at the division and school levels will be done manually and their reporting/recording will be done using PMIS.

¹⁹ "The central feature of ERP systems is a shared database that supports multiple functions used by different units within the organization so that employees belonging to different units can rely on the same information for their specific needs" (Oracle Netsuite, <https://www.netsuite.com/portal/resource/articles/erp/what-is-erp.shtml>).



Figure 4 DERPS PFM Modules



DERPS - DepEd Enterprise Resource Planning System
 PFM - Public Financial Management

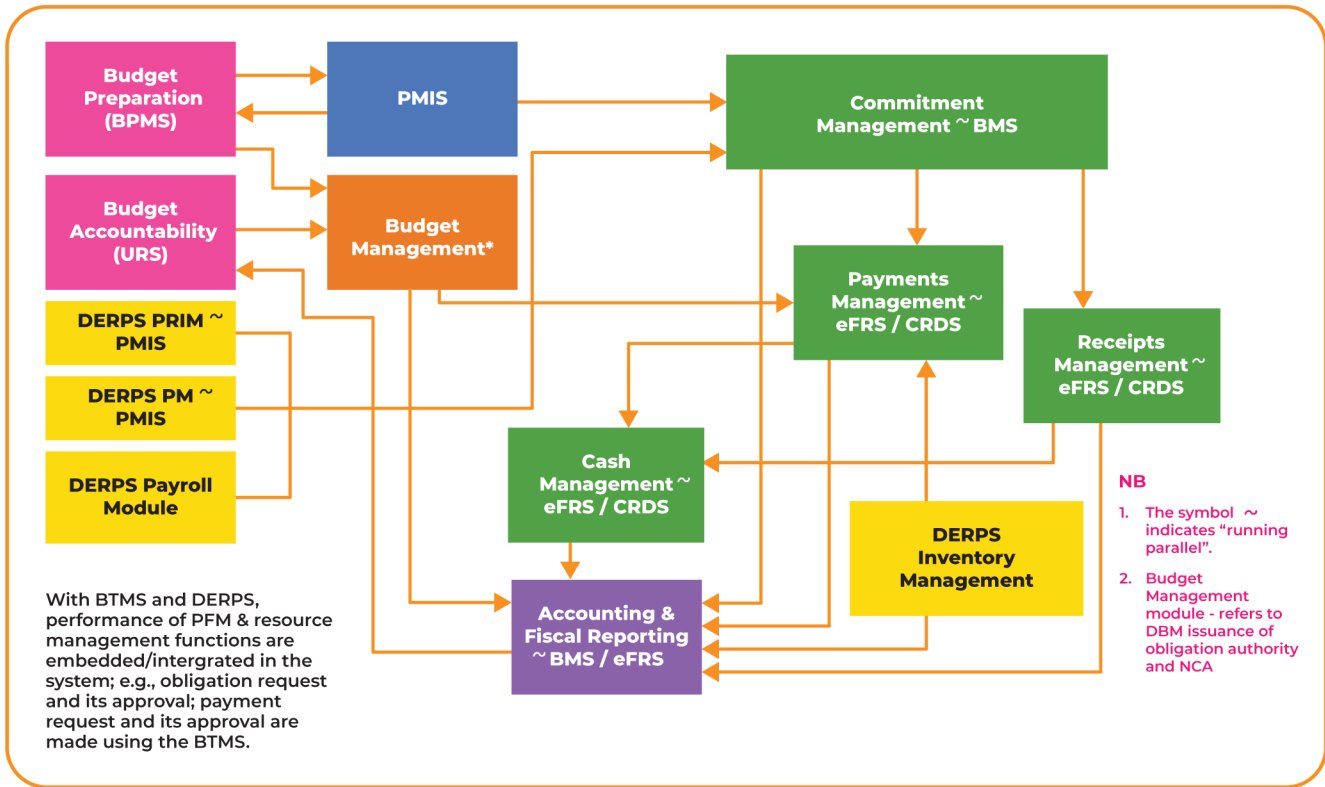


BTMS is designed to align with the prevailing PFM legal and policy framework including the supporting documentary requirements for all types of financial transactions. This means that business process reengineering – the redesign from scratch to create a new process from start to finish to achieve a more radical change is not possible. In contrast, some flexibility in the interpretation and implementation of issuances of spending agencies such as DepEd is possible. Thus, DepEd should fully streamline PFM policies and processes in line with the existing legal and policy framework using business process optimization techniques before pursuing the approval of the oversight agencies for further streamlining. In this regard, there is a need to review the DepEd-issued guidelines governing the workflow in processing and approval of financial transactions as documented in the Financial Management Operations Manual (FMOM) with the end in view of simplifying and streamlining the same.

The major pending change in the existing legal and policy framework involves that which will authorize the use of e-signatures for electronic approvals and the use of electronic copies of transaction records/documents as the official records. This is an essential prerequisite for digital government and will create the framework to significantly reduce the paper and physical signatures required in financial transactions. Until this is in place, the reform focus shall be on the fullest possible integration of PFM business processes and workflows using the BTMS and DERPS. The objective for this round of reform will be on 'less paper' but not yet 'paperless'.



Figure 5 Interface of BTMS and DERPS with DepEd's stand-alone FM reporting systems



- BMS - Budget Monitoring System
- BPMS - Budget Preparation Management System
- BTMS - Budget and Treasury Management System
- CRDS - Cash Receipts and Disbursement System
- DERPS - DepEd Enterprise Resource Planning System
- eFRS - Enhanced Financial Reporting System

- FM - Financial Management
- NCA - Notice of Cash Allocation
- PM - Project Monitoring
- PMIS - Project Management Information System
- PRIM - Procurement Request Inventory and Monitoring
- URS - Unified Reporting System

Key Reform Objective 3

PFM policies and processes streamlined and further integrated by leveraging the IT-enabled integration of the financial management system with the adoption and deployment of BTMS and DERPS

Result 9

Integrated processing of PFM transactions using the BTMS and DERPS IT platforms implemented to reduce processing time and effort

This refers to the utilization of BTMS and DERPS IT platforms to integrate key PFM processes including: procurement, payroll, obligation, disbursement, funds release, payment, receipts, asset management, accounting, and financial reporting.



Result 10

Integrated PFM business process model²⁰ leveraging BTMS and DERPS modules designed

This refers to the business process modeling of event driven PFM processes that are executed using the BTMS, the DERPS, and other DepEd systems, including those done manually. The model is intended to provide clarity regarding how the new technologies and arrangements fit together with each other; it is also used as the basis for identifying areas where improvements are needed and identifying future technology investments to enhance DepEd's overall PFM solution. In the case of parts of DepEd's PFM system that are done manually, the PFM process workflow description may be found in the FMOM. This result area will involve the updating of the documentation of the workflow of PFM processes in the FMOM based on DERPS, BTMS and other DepEd PFM systems.

This means focusing the BPM methodology on the continuous optimization of the PFM processes typical methods of optimization include eliminating redundancies in a process, streamlining workflows, automation of key process stages and tasks, improving communication between stakeholders, and forecasting changes. This also involves a continuous effort to review and update the DepEd PFM-related guidelines embodied in the FMOM for the purpose of further streamlining PFM processes. It will also involve the conduct of a Baseline Assessment of Internal Control Systems (BAICS).²²

Result 12

BTMS, DERPS, and other DepEd PFM systems integrated where needed and feasible

This involves the future integration of BTMS and DERPS systems involving payroll, procurement, and fixed assets and inventory management. The integration will increase the transparency and visibility of process status, simplify sharing of supporting information, improve data accuracy, use real-time data, and provide the basis for further business process optimization and, in the future, larger scale automation. The timeframe will be after the initial implementation of both BTMS and DERPS. The future integration of BTMS, DERPS and other DepEd PFM systems will depend on DBM agreeing to export DepEd's dataset in the BTMS system to DepEd.

Result 11

Continuous PFM process optimization implemented after initial process streamlining under the BTMS and DERPS

This involves the implementation of business process management (BPM),²¹ including measurement of key performance metrics and reporting, to enable DepEd to continuously model and analyze the current state of all PFM processes, including those done under DERPS, BTMS, and those done manually, in their totality and individually in order to identify areas of improvement.

²⁰ Business process models typically makes use of a visual representation (like workflow charts, Gantt charts, etc.) of the various processes involved in the conduct of an organization's business operations, the sequence in which they have to be carried out, the amount of time it takes to complete each process, the units responsible for each one and how these are carried out to accomplish the organization's intended objectives.

²¹ Business process management is the disciplined approach by which organizations continuously model and analyze the current state of all the processes that make up the core of their business in its totality and individually for the purpose of identifying areas of improvement to create a more efficient and effective organizations.

²² Baseline Assessment of Internal Control System (BAICS) is the first step in formulating the Strategic Plan of IAS. It documents the organization's operations, the five components of the internal control system, key control processes, and performance of operating and support systems, and relevant information on potential audit areas.

Result 13

DepEd's stand-alone FM information systems decommissioned provided granular information available from said systems are no longer needed

This involves discontinuing the use and final retirement of the aforementioned stand-alone FM systems to maximize the potential benefit from the shift to BTMS and DERPS in terms of preventing the redundant use of staff time and efforts involved in maintaining the said stand-alone systems. The decommissioning of these stand-alone systems will have to be predicated on the need for monitoring and reporting of PFM variables at a more granular level relative to what is available from BTMS and DERPS.

CHAPTER 6

Key Reform Objective 4

Real-time management decision-making practices implemented

The concomitant implementation of BTMS and DERPS with the adoption and utilization of available data visualization and data analytics software and tools will provide DepEd officials and staff access to near real-time data from integrated PFM processes. More bespoke analytics and reporting needs will be fulfilled with Microsoft Power Business Intelligence (BI).²³ Power BI has the capability to generate new analytics, dashboards and reporting options using BTMS and DERPS transactional data and standard reports, as well as combining data from other DepEd systems such as PMIS which are currently unavailable. Power BI will also enable the shift from restricted, centrally provided periodic reporting to self-service near real-time reporting.

²³ Microsoft Power BI is a collection of software, apps and connectors that enables organizations to gain a deeper understanding of how their organization performs in various aspects of their operation by applying analytics and visualization tools on relevant data from various sources. It is a complete self-service data analysis tool that allows even the most novice users to connect and extract data from various data sources and to perform data processing, analysis and visualization by themselves with ease. It also enables users to explore and answer questions with data updated in real time, thereby empowering them to respond to actionable insights in a timely manner. Power BI does not only enable users to connect to data sources and create reports, it also gives them the capacity to publish these reports and share them with others (Microsoft Power BI, <https://powerbi.microsoft.com/en-us/blog/tag/data-analytics/>; <https://docs.microsoft.com/en-us/power-bi/fundamentals/power-bi-overview>, https://powerbi.microsoft.com/en-us/?WT.mc_id=PBI_Blog_What_Is_PBI).



Ultimately, these changes will allow management and staff to use 'self-service' reporting (meaning no need to request standard reports as they will be automatically available) and should lead to different decision-making practices supportive of timely and adequate delivery of education inputs.

Key Reform Objective 4

Real-time management decision-making practices implemented with the availability of near real-time data analytics and reports

Quality management reports depend upon the underlying data architecture and data management framework and practices across multiple sources of data.

Result 14

'Self-service' real-time reporting of the standard reports that are generated from BTMS and DERPS modules for executive and management decision-making implemented

This involves providing all functional (nontechnical) users with the tools available in Microsoft BI to develop real-time management dashboards for the standard reports generated from various modules of BTMS and DERPS to support executive and management decision-making.

Result 15

'Near' real-time management dashboards and reporting of metrics beyond those that are tracked in the standard reports generated from DERPS and BTMS implemented using Microsoft Power BI

This involves using Microsoft Power BI to provide all functional (nontechnical) users with tools for aggregating, analyzing, visualizing, and sharing data from BTMS and DERPS to develop real-time management dashboards, data visualizations, and data analytics that are relevant for increasing budget utilization and timely delivery of critical education inputs beyond those included in Result 15 above. Said management dashboards may also be available on mobile and tablet devices.

Result 16

Advanced analytics of all available data not just from BTMS and DERPS developed using Microsoft Power BI in order to generate actionable insights

This involves development and use of advanced data analytics and data visualizations including, for example, combined use of geographic, demographic, sectoral, and PFM data to provide quick insights and predictive analytics to create predictive models. The insights available from advanced analytics will enhance the capability of DepEd executives to make data-based decisions to strengthen budget management and budget utilization.

CHAPTER 7

Key Reform Objective 5

Budget formulation process strengthened to ensure the strategic allocation of budgetary resources

Investment in basic education rightly continues to be the national government's highest spending priority. Such priority investment is vital to making the country's workforce more productive, its economy more innovative and resilient, and the civic engagement stronger in a globally competitive economy. This is a complex and fast-changing task due to factors, pressures, and forces of the Fourth Industrial Revolution which are impacting every country, sector, function, and job. This is the major driving force behind the department's strategic policy shift from access to basic education to access quality basic education.

The PFM reform initiatives that are directed towards strengthening DepEd's capacity to absorb its rapidly expanding budget allocation have to go hand in hand with a more strategic allocation of these resources in programs that are most effective in supporting the department's goal of improving the quality and relevance of basic education.

Key Reform Objective 5

Budget formulation process strengthened to ensure the strategic allocation of budgetary resources

Result 17

Medium-term expenditure framework formulated to support a more strategic, efficient, and equitable allocation of resources

The focus here is on allocating and spending the budget on the right programs while being fully cognizant of the multi-year budgetary implications of major policy and program initiatives.

Result 18

Performance indicators used in performance-informed budgeting revisited and updated to ensure a closer linkage between performance indicators and desired outcomes

This involves a re-think of the metrics that the DepEd uses to gauge its performance given the department's pivot to the delivery of quality education as its overarching goal. In this context, the DepEd's performance indicators might have to focus not just on NAT scores per se but also on intermediate indicators that measure how well DepEd performed in the delivery of programs (not just inputs) that contribute to improvements in student learning outcomes.



CHAPTER 8

Key Reform Objective 6

PFM organizational structures and staff competences updated to reinforce new ways of working

The DepEd Secretary has already directed ‘organizational reforms towards the transformation of the Finance Service’. The reforms to be implemented in this Roadmap are intended to change the PFM functions to be less transactional in both operation and focus and to providing a more analytical, strategic, performance-oriented, and value-adding advisory service to the executive leadership and PFM staff of the department.

The transformation of the PFM functions will require new organizational structures and staff competences. The design of these new structures will need to be coordinated with adoption and implementation of BTMS and DERPS and the utilization of productivity enhancing tools and technologies and data analytics.

An organizational review of the Finance Service will be conducted to determine the new organizational structures including staff roles and competences. The review will consider the design, as well as change impact analysis of BTMS and DERPS policies, processes, and systems. This will include necessary changes to PFM staff competence and performance framework to reflect new roles, adjustments in the skills required for these roles. This will then need to be applied to urgent professional development of impacted staff including prioritization of DepEd’s budget to align with Roadmap priorities.

While the digitalization of the PFM functions will largely impact the work assignments and workload of Finance Service staff, it should be emphasized that there are DepEd staff outside of the Finance Service who are also involved in financial management in the department.

For instance, program implementors are responsible for ensuring that the budgets allocated to their units are obligated and disbursed not only in a timely manner but also in compliance with budgeting, accounting, and auditing rules, including procurement standards and guidelines. Thus, the PFM-related competences of these staff will also have to be upgraded.

The significant investment in reform and technology will also require stronger technology management capability to ensure the management, maintenance, and support to users of the new technology and digital transformation across DepEd. High levels of technology security, reliability, availability, and performance are essential to the overall success of the Reforms. These require an advanced technology management capability which takes time to create.

Key Reform Objective 6

PFM organizational structures and staff competences updated to reinforce new ways of working

Result 19

Updated PFM organizational structures for in-scope functions designed and implemented

This involves an organizational review of the Finance Service that takes into account the impact of BTMS and DERPS on the functions and workload of Finance Service staff. The review is intended to inform the design of the updated organizational structure and staffing of the Finance Service in a manner that is aligned with the digitalization of DepEd’s PFM functions and processes. This may include the reorganization of existing functions and the creation of new functions in order to fully optimize the features of BTMS and DERPS to meet DepEd’s needs to ensure timely delivery of education inputs.

Result 20

PFM Staff Competence and Performance Framework for in-scope functions updated to align with the new organizational structures

This involves defining the staff competences, performance framework, and capacity development which are appropriate for the initial stage of digital transformation. Competences may include use of advanced, integrated technologies, working collaboratively, working with data, strengthened analytical skills, and self-directed learning. This will require an update to the job descriptions of the staff positions, future recruitment, and talent development practices.

Result 22

Budget over and above what is needed for the procurement of hardware to include MOOE and training provided in order to support expansion of DepEd's technology management capability and ensure the required level of reliability, availability, and performance

This involves further strengthening of the technology management capability of DepEd to support modern, organization wide, integrated systems such as BTMS and DERPS. This includes strengthening of the Service Desk function to ensure effective user support and service management across several thousand of BTMS and DERPS users throughout DepEd offices nationwide.

Result 21

Budget for professional development including training customized for DepEd non-teaching and teaching staff who have PFM responsibilities provided to upgrade their competencies in line with Roadmap priorities

This involves the development of a coherent and comprehensive approach to professional development to ensure that current and new non-teaching staff can effectively perform their role during this initial stage of digital transformation. This includes an effective 'onboarding' and orientation process for new staff on what will be the new ways of working with new technology and new processes and policies. The continuous professional development of all staff should reflect the shift away from routine transactions to the greater use of technology and digital working practices, increased analysis of available data, and more advanced reporting techniques leading to strengthened decision-making.



CHAPTER 9

Key Reform Objective 7

PFM Governance Strengthened: Transparency, Accountability and Participation

The long-term sustainability of any successful PFM reforms relies on strong governance and accountability for the effective, efficient, and ethical use of public finances and resources. Greater transparency and participation regarding the use of public finances also plays a significant reinforcing role.

BTMS and DERPS will introduce a new range of standard PFM-related reports, financial analytics, and insights. They will also necessarily require new data architecture, new data management framework and practices to ensure data quality and integrity needed for reliable reporting which are discussed under Key Reform Objective 2 in Chapter 4.

Key Reform Objective 7

PFM Governance strengthened: Transparency, accountability, and participation arrangements to ensure the success and sustainability of the identified PFM reforms

The focus here is on the functional governance of the PFM system. The technical governance of the financial management information system is taken up in Key Reform Objective 2.

Result 23

Signing authority and delegations for PFM-related transactions updated to align with streamlined policies and processes and new technologies. Refer to R.10 and R.11 under KRO 3

This involves the review and revision of signing authority in order to focus accountability on key positions - without weakening internal controls - and to leverage the efficiency of the workflow available in BTMS and DERPS.

Result 24

DepEd-specific NGICS Manual that is aligned with the Internal Control Standards for the Philippine Public Sector (ICSPPS) adopted and internal audit capacity strengthened. Refer to R.10 and R.11 under KRO 3

This involves the introduction and institutionalization of additional measures to strengthen the various components of the department's internal control framework²⁴ (control environment,²⁵ risk assessment,²⁶ control activities,²⁷ information and communication, monitoring activities) and the accountability of staff with PFM responsibilities across all levels of governance in DepEd, the introduction of a delivery capacity framework to improve absorptive capacity, and the implementation of a financial management monitoring framework. The combination of strengthened accountability and clearer and more targeted insights from near real-time monitoring information will allow more timely corrective action to be taken by executive and operational management throughout the DepEd. As DepEd's PFM policies, processes, systems, and internal control framework change, the department's internal audit capacity must also be further strengthened.

²⁴ Internal controls are the rules, procedures, and mechanisms that are implemented by an organization to ensure the accuracy and integrity of financial and accounting information, to safeguard its assets, to prevent fraud and to promote compliance with managerial policies and procedures and all relevant laws with the end in view of improving the timeliness and reliability of financial reporting and overall operational efficiency (Internal Control Integrated Framework, <https://www.coso.org/Documents/990025P-Executive-Summary-final-may20.pdf>).

²⁵ The control environment involves management's and staff's commitment to integrity, ethical values, establishment of clear reporting lines, and assignment of authorities and responsibilities, commitment to attract, develop and retain competent individuals, and commitment to hold individuals accountable for their internal control responsibilities.

²⁶ Risk assessment involves the identification of risks to the achievement of an organization's objectives, and the analysis of the same to determine how the risks should be managed.

²⁷ Control activities or mechanisms include documentation of policies and procedures and making them accessible to employees, segregation of duties/responsibilities (i.e., no one person should initiate the transaction, approve the transaction, record the transaction, reconcile balances, handle assets), authorization and approvals (i.e., management authorizes employees to perform certain activities and to execute certain transactions within limited parameters; management specifies those activities or transactions that need supervisory approval before they are performed or executed by employees), periodic reconciliations by relating different sets of data to one another, identifying and investigating differences. And adoption of security measures to protect assets.

Result 25

PFM-specific ethics and values program for officials and staff (including all teaching and non-teaching staff) involved in PFM-related transactions designed and implemented

This involves the design and implementation of a capacity development program that promotes ethics and values for all teaching and non-teaching staff involved in any PFM-related transaction in support of good governance and transparency. PFM-specific ethics and values will also be included in key professional development programs of DepEd.

Result 26

Inclusiveness and participation in DepEd's PFM policies, processes and systems strengthened further

This involves policy measures such as inclusive budgeting to address the unequal access and participation of DepEd's development and civil society partners and other stakeholders in planning, budgeting, and monitoring of programs and projects to gain additional insights and expertise and overall support to said programs and projects.



CHAPTER 10

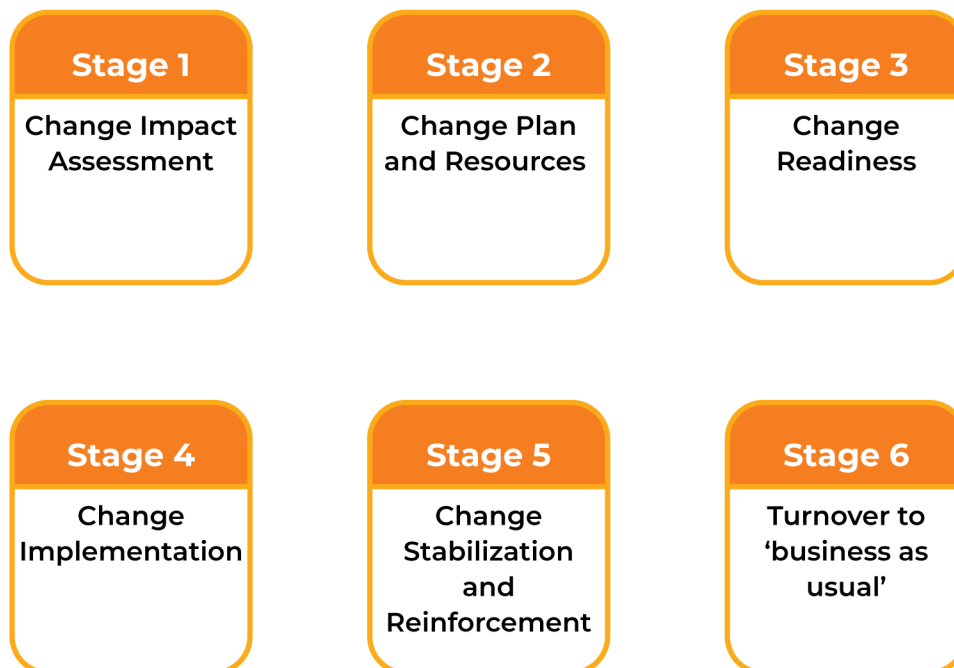
Change Management and Transition Approach

The scale of the ambition of this PFM Reform Roadmap requires a highly effective approach to change management including the transitions from current to new ways of working. The scale of change to be implemented with each identified action varies and therefore the level of effort and resources required must be carefully prioritized. Each action and change to be implemented will be subject to the same structured approach in order to maximize the chances of a smooth, successful, and sustainable implementation of the target reforms.

Key Objective

Maximize the success of the PFM Reform Roadmap through effective change management practices and approach to transition to new ways of working. This will be based on the following six (6) stages shown in Figure 6.

Figure 6 Change Management and Transition Approach



STAGE 1

Change Impact Assessment

Stage 1 begins upon completion of the design of the reform action to be implemented. In some cases, it may be necessary to involve the Change Management Function during the design of a change rather than waiting until the design is completed.²⁸ The key output of this stage is to identify the impact of change to be implemented, the overall level of effort, time and resources required, and the level and sources of risk to succeed. The impact of the change is assessed against the major elements of organization capability using a simple low/medium/high impact rating scale:

- Organization and People
- Policy and Process
- Technology
- Information and Reporting
- Legal Framework

STAGE 2

Change Plan and Resources

Stage 2 begins with the findings of the change impact assessment. The key output of this stage is the change management plan²⁹ and change communications strategy including the identification of the resources required and securing management commitment that said resources will be forthcoming.

²⁸ This is true in the case of the DepEd PFM reform.

²⁹ The initial version of this roadmap represents the change management plan. Said plan was communicated extensively with various stakeholders and was also presented to the Secretary.

The change management plan identifies (i) the rationale for change and its benefits; (ii) the scope of the change including policies, processes, job roles, and organizational structure that will be affected by the change; (iii) the achievable milestones in the change process; (iv) the required resources to implement the change, including that for the provision of training and the procurement of the necessary hardware at all levels of governance; and (v) the change communication and stakeholder engagement strategy and associated activities that will be completed during a period of change readiness which is the next stage.

STAGE 3

Change Readiness

Stage 3 begins with the approval of the change management plan and implementation of the change communications and engagement activities including the preparation of PFM-related data, updating of policy and procedural guidance, communications to staff impacted by the change, training of staff and, where required, support arrangements for staff.

This period is up to the day when the change will be implemented – ‘day 1’. The purpose of the change readiness stage is to ensure that all required preparations are completed in a smooth, thorough, and timely manner. There should be regular reporting of the change readiness status in each of the offices where the change is to be implemented. As part of overall strong reform governance, completion of the change readiness activities provides assurance that DepEd is ready to implement the identified change and supports the decision to proceed.



STAGE 4

Change Implementation

Stage 4 begins with 'day 1' of the new way of working (may also be called 'go-live' or 'rollout') – this may involve a period of transition when the current working arrangements are also still in use to some extent. Depending on the scale of the change, there may be additional support available to staff to guide, for example, on the use of new technology to process PFM-related transactions. During the first month of the implementation of a change there may be enhanced support arrangements to assist staff with the new ways of working. There should also be regular engagement with the impacted staff and monitoring in order to identify issues which need resolution, design solutions to the issues and ensure their implementation.

STAGE 5

Change Stabilization and Reinforcement

Sustaining 'follow-up' after the implementation of a change is typically weak in Government Agencies. **Stage 5** reflects good change management practice and the period when the intended benefits of the change – when the reforms are realized. This stage is therefore of utmost importance, otherwise the needed reforms are unsuccessful and the efforts during the previous stages are wasted.

There will be change adoption criteria specific to each change initiative which will be measured and monitored during this stage with corrective action taken as needed. This stage could continue for a relatively long period of time until a complete cycle of operations or a full range of transaction types have been completed using the new ways of working.

STAGE 6

Turnover to 'business as usual'

Stage 6 occurs when the change adoption criteria and intended benefits have been realized. This stage is especially necessary when there needs a realignment of authority and responsibility from temporary implementing arrangements to the regular operational arrangements. Improvements should not end at this stage which is the importance of continued PFM process optimization included in Result 11 in Chapter 5.

There are also typically lessons learned element during this stage and, in the case of major changes, a separate evaluation which may also be independent. Lastly and very important is appropriate recognition for the staff involved and successes achieved celebrated. This is vital to staff motivation and makes an important contribution to the success of future changes by demonstrating visible leadership engagement.

Change Communications and Stakeholder Engagement Plan

Each action and change will have a specific change communications and stakeholder engagement plan which is necessary to ensure there is the required level of awareness and knowledge about the intended reforms in order to secure stakeholder support. This will include key details of what will be changing, how each action will be implemented, the key impacts and any corresponding actions to address the impacts. The plan will include a schedule of activities for completion throughout the duration of the action.

CHAPTER 11

Implementing Arrangements

The implementing arrangements of this PFM Reform Roadmap will be under the leadership and governance of DepEd's FMRC. These will be established for the duration of the PFM Reform Roadmap and subject to regular review and adjustment in order to ensure relevance and effectiveness.

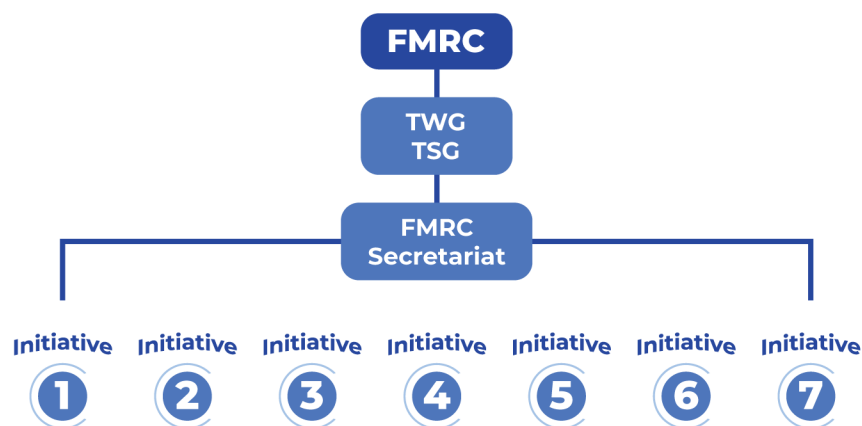
Key Objective

The implementing arrangements will ensure the timely implementation of the Objectives and Vision of the PFM Reform Roadmap in order to improve the timely delivery of infrastructure and learning resources.

Implementing Arrangements

The PFM Reform Roadmap will be implemented under the leadership of the FMRC chaired by Secretary. The Technical Working Group (TWG) of the FMRC will be responsible through the Co-Chairpersons to the FMRC for the successful implementation of the PFM Reform Roadmap at a technical level. The TWG will be assisted by the Technical Support Group (TSG) and the FMRC Secretariat (Figure 7).

Figure 7 PFM Reform Roadmap Implementing Arrangements



FMRC - Financial Management Reforms Committee
TSG - Technical Support Group
TWG - Technical Working Group



Collaboration with Stakeholders

The implementation of the Roadmap will also include collaboration with the Oversight Agencies of the National Government and with Development Partners and/or Civil Society Organizations and private groups. This collaboration is essential in order to advance policy changes to support digital transformation and PFM reform and resolve issues impacting the timely delivery of education inputs.

Monitoring and Evaluation

FMRC is tasked with monitoring progress in the implementation of the PFM Reform Roadmap. The FMRC will likewise identify issues and challenges that may arise during the implementation period and propose corrective action as may be necessary. The reform performance objectives and targets will also be included in both office and individual performance objectives of executive and operational management. This means inclusion in the corresponding Office Performance Commitment and Review (OPCR) and Individual Performance Commitment and Review (IPCR).

Action Plan

The Roadmap will be implemented through an annual action plan which will be formally updated each semester and with progress reported monthly. This approach allows for adjustments according to progress made, issues encountered, and new opportunities and directions that arise. This is essential so that the action plans remain relevant in a changing context.

The Action Plan will also include – in addition to the major actions identified in this Roadmap – actions more routine in nature but important nevertheless such as issuances and guidance needed, resolution of identified issues, and responses to audit observations. The FMRC will approve each Action Plan, monitor progress against it, and resolve issues raised for decision and resolution.

Resources

The resources required to implement the Roadmap will be identified in the Action Plan. Resources will be a combination of the time of existing staff in DepEd, the use of DepEd's regular budget for routine activities and the procurement of specialist services, advisory expertise from DepEd's Development Partners, and procurement of additional technical assistance (TA). The resource requirements will be approved by FMRC as part of the approval of the annual Action Plan. These will include additional budgetary resources to fund the provision of training and the procurement of hardware required at all levels of governance. Adjustments may be necessary to the resource requirements during the year depending on progress, priorities, and issues to be resolved.

CHAPTER 12

PFM Reform Roadmap Progress to Date and Next Steps

Cognizant of the importance that Secretary Briones places on strengthening financial management, DepEd actively pursued PFM reform initiatives even before work on the formulation of the DepEd PFM Reform Roadmap started in early 2019. First, the FMOM was rolled-out to regional, division and school levels following the issuance of DepEd Order No. 60, s. 2016, on September 2, 2016, in order to ensure the standard and uniform application of rules and processes in financial management operations. Second, the issuance of DepEd Order No. 67, s. 2016, revised the signing authorities of DepEd officials in the central and field office on financial matters like purchase request/authority to procure goods, services and works, contract and purchase order, downloading of funds, obligation request and status, sub-allotment release order, inspection, acceptance and completion of deliveries, payroll for the payment of salaries, disbursement vouchers, and checks and authority to debit account for the purpose of facilitating the processing of financial transactions. Third, the Education Programs Delivery Unit (EPDU) was created in November 2016 to assist the department in implementing decisive in-year interventions aimed at improving its absorptive capacity. Fourth, additional Bids and Awards Committees (BACs) were created at the central office in December 2017 and at the regional and division levels in June 2018 to expedite the procurement process. Fifth, in February 2019, DepEd together with the COA and DBM, authorized non-IU schools to open bank accounts in the name of the school where the cash advance for school MOOE shall be deposited, a move intended to strengthen financial accountability (Figure 8).

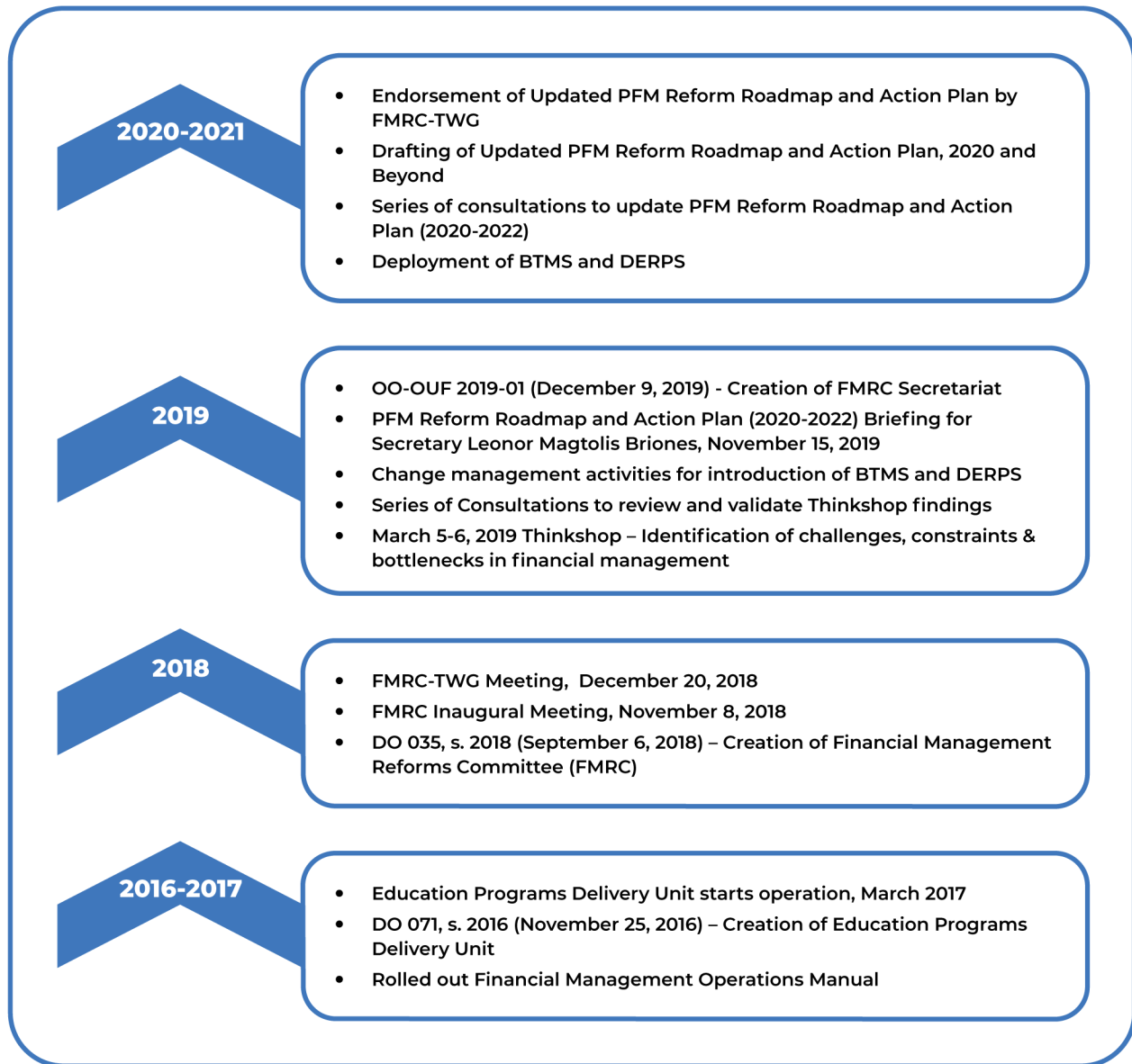
The FMRC was created on September 6, 2018. It was tasked to lead in “the assessment of the Department’s readiness to implement government PFM reforms and to recommend proactive policies and measures to address new financial management challenges” covering: organizational reforms towards the transformation of the Finance Service; strengthening of internal control systems; the implementation of mandated systems like the cash-based budgeting system and the BTMS; the establishment of an Integrated Financial Management Information System (IFMIS) which will facilitate the institutionalization of a unified system of planning, budgeting, accounting, cash management and financial reporting, and the creation of a single portal which will provide real-time information on the DepEd budget (DO No. 35, s. 2018).

The preparatory work for the development of DepEd’s PFM Reform Roadmap involved consultations in 2019 with (i) DepEd officials and staff at various levels of governance, and (ii) fiscal oversight agencies (DBM in particular) to identify the challenges, constraints, and bottlenecks in the financial management operations in the department, as well as specific policies, interventions, and solutions that will address these problems. Following these discussions and after due consideration of the policy environment and existing implementation capability, the PFM Reform Roadmap was crafted with a primary focus on the digital transformation of the financial management processes and information system. As indicated in the discussion above, this approach utilizes available technology-based solutions in streamlining and facilitating not only the performance of financial management functions but also the monitoring and reporting of financial information. In line with this thrust, the FMRC conducted change management activities for the adoption of BTMS and DERPS in the department even while the PFM Reform Roadmap was being drafted. On November 15, 2019, the draft PFM Reform Roadmap was presented to and was approved in principle by Secretary Briones.

The ICTS then worked on the configuration of the DERPS’ modules for procurement and procurement monitoring, payroll preparation, and inventory management in order to align them to DepEd needs and specifications in 2020 for their scheduled deployment in various levels of governance in 2021-2022 (Table 2). In the same year, the DepEd BTMS team rolled out the BTMS in the central office after the conduct of training and other preparatory activities. However, the resolution of several issues that have cropped during the roll-out of the BTMS at the central office took longer than anticipated. As a result, the original schedule of the completion of the roll-out of the BTMS at the regional, division, and school levels has been pushed back from end of 2022 to end of 2024.



Figure 8 Major accomplishments to date – PFM Reform Roadmap



BTMS - Budget and Treasury Management System
DERPS - DepEd Enterprise Resource Planning System
DO - DepEd Order
EPDU - Education Programs Delivery Unit

FMRC-TWG - Financial Management Reforms Committee-Technical Working Group
OO-OUF - Office Order-Office of the Undersecretary for Finance
PFM - Public Financial Management

Moreover, with the advisory from the DBM-BTMS team in early July 2021 regarding the indefinite suspension of the implementation of the BTMS, the preparation and processing of all financial transactions in the DepEd central office reverts to the manual procedure and all BTMS orientations, trainings and workshops are cancelled. In the meantime, the department will enhance the timely reporting of all financial information using DepEd's stand-alone systems so that the goal of near-real time reporting is approximated as much as possible.

Thus, the availability of a facility for real-time reporting of various financial management performance metrics will be realized at the end of 2024, later than originally programmed. The highlights of the Updated Action Plan of the PFM Reform Roadmap given the aforementioned adjustments are shown in Table 2.

In late 2019, the national government PFM Committee,³⁰ composed of DBM, COA, DOF, and the Bureau of Treasury (BTr), was informed of the development of the DepEd PFM Reform Roadmap. Subsequently, the DepEd FMRC provided the PFM Committee through its Chairperson, Undersecretary Laura Pascua of DBM, updates on the progress of DepEd PFM reform efforts last May 21, 2021.

DepEd is also pursuing two major initiatives that are aimed at strengthening accountability and safeguarding resources against loss, wastage, mismanagement, misuse, fraud, and irregularities through improvements in the department's internal controls. The first one involves the conduct of the BAICS in the department. In July 2020, the Internal Audit Service (IAS) created Planning and Implementation Teams which will be tasked to conduct the BAICS. The rest of the 2020 was then devoted to the conduct of preparatory activities including the orientation and training of the said teams. During its FY 2021 Planning Workshop, the IAS decided to conduct the BAICS by phase, in view of the size of the Department, the many programs it is implementing, and the systems in place. Phase 1 will focus on the DepEd Computerization Program (DCP) and its related systems. The second one involves the formulation of a DepEd-specific NGICS Manual that is aligned with the ICSPPS in the second half of 2021 (Table 2).

³⁰ The PFM Committee was created under EO No. 55, s. 2011: Directing the Integration and Automation of Government Financial Management Systems and continues to function. As the oversight on government-wide PFM reforms, it remains active to date.

The updating of the FMOM is another reform initiative directed at strengthening fiscal accountability but this time through the uniform and standard implementation of financial management processes and procedures in all operating units of DepEd by defining and describing procedures to be followed, forms to be used, and documentary requirements. As indicated earlier, while financial management operations are partly circumscribed by the policies, rules, and guidelines that are prescribed by the fiscal oversight agencies (COA, DBM, DOF, and BTr) and the existing legal framework, there is some flexibility in the interpretation and implementation of issuances of spending agencies like the DepEd. In May 2021, the TWG for the updating of the FMOM was reconstituted while task teams composed of select members of the said group were formed and assigned to update specific chapters/sections of the FMOM. The Task Teams are assigned (i) to make an inventory of the relevant policies, programs, procedures and practices that have not been considered in the current version of the FMOM including those changes in the performance of financial management operations that are occasioned by the adoption of the IT-enabled systems, and (ii) to revise and amend the specific chapters/sections assigned to them with the end in view of re-aligning the prescribed procedures governing the workflow in processing and approving financial transactions as documented in the current version of the FMOM with the more recent DepEd issuances and recommending ways to simplify and streamlining the said workflows where feasible. The first task is scheduled to be completed in mid-July 2021 while the second task is programmed to be completed in August. It should be emphasized that there is a need to harmonize the standard operating procedures in the updated FMOM with those emanating from the implementation of the Quality Management System in accordance with DO No. 009, s. 2021 ("Institutionalization of a Quality Management System in the Department of Education").

On the other hand, two initiatives related to the updating of the PFM organizational structure in the department were accomplished in 2021. The first one involves the creation of the Government Assistance and Subsidies-Program Management Office (GAS-PMO) on May 3, 2021 (DO 016, s. 2021). The GAS-PMO will assist the GASTPE Program Team in implementing the Government Assistance and Subsidies programs of the department. Initially, this office aims to ensure the timely implementation of the subsidies for Basic Education (BBE) Program under the Bayanihan 2 Law. Subsequently, the GAS-PMO will assist the GASTPE Program Team in the timely processing of all financial transactions related to the regular GASTPE programs. The second one involves the institutionalization of the EPDU following the DBM's approval of the creation of the Education Programs Management Office (EPMO) on May 6, 2021. The EPMO, which will be lodged under the Office of the Secretary, is tasked to provide strategic advice relating to the financial performance of DepEd's big ticket priority programs.



Table 2. PFM Roadmap Implementation High-Level Schedule

KEY REFORM OBJECTIVES AND RESULTS	2020				2021				2022				2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
KRO 1: 'Modern workplace' ways of working implemented with new tools and practices																					
R.1. Individual staff productivity optimized with the use of a collection of productivity, computing, collaboration and communication tools and software, cloud backup/online storage for all documents, and other services.																					
R.2. The ways teams and offices work together, communicate with each other, and share knowledge products transformed with the use of modern collaboration and communication tools and practices and the use of digital signatures.					Internal control for & COA approval of e-sig				Continuous monitoring of utilization of Microsoft Office 365												
R.3. Integrated business process workflows implemented by utilizing office suite applications for PFM process workflows not covered by the new PFM systems introduced under KRO 2																					
KRO 2: Integrated IT-enabled financial management and reporting system implemented																					
R.4. BTMS implemented to support the modernization of budget utilization policies and processes					Prep Activities in 5 ROs	BTMS GO LIVE in 5 ROs	Prep Activities in 11 ROs	BTMS GO LIVE in 11 ROs	Prep Activities in 210 SDOs	BTMS GO LIVE in 210 SDOs	Prep Activities in 2,521 IUs	BTMS GO LIVE in 2,521 IUs									
R.5. DERPS implemented to support the modernization of resource management policies and processes					Deployment in 50 sites, incl. CO, all regions	Deployment in remaining SDOs	Deployment in remaining IU schools														
R.6. DepEd's supporting ICT infrastructure upgraded to enhance the reliability and performance of the new technologies																					
R.7. DepEd's data architecture model, including identification of single data sources, data owners and integration flows, updated																					
R.8. Data governance framework and practices adopted and implemented to ensure the highest level of data quality and integrity																					
KRO 3: PFM policies and processes streamlined and further integrated																					
R.9. Integrated processing of PFM transactions using the BTMS and DERPS IT platforms implemented to reduce processing time and effort																					
R.10. Integrated PFM business process model leveraging BTMS and DERPS modules designed																					
R.11. Continuous PFM process optimization implemented after initial process streamlining under DERPS and BTMS																					
R.12. BTMS, DERPS and other DepEd PFM systems integrated where needed and feasible																					
R.13. DepEd's stand-alone FM information systems decommissioned provided granular information available from said systems are no longer needed																					

Table 2. PFM Roadmap Implementation High-Level Schedule (continuation 1)

KEY REFORM OBJECTIVES AND RESULTS	2020				2021				2022				2023				2023				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
KRO 4: Real-time management decision-making practices implemented																					
R.14. 'Self-service' real-time reporting of the standard reports that are generated from BTMS and DERPS modules for executive and management decision-making implemented																					
R.15. 'Near' real-time management dashboards and reporting of metrics beyond those that are tracked in the standard reports generated from DEPRS and BTMS implemented using Microsoft Power BI																					
R.16. Advanced analytics of all available data not just from BTMS and DERPS developed using Microsoft Power BI in order to generate actionable insights																					
KRO 5: Budget formulation process strengthened to ensure the strategic allocation of resources																					
R.17. Medium-term expenditure framework formulated to support a more strategic, efficient, and equitable allocation of resources																					
R.18. Performance indicators used in performance-informed budgeting revisited and updated to ensure a closer linkage between performance indicators and desired outcomes																					
KRO 6: PFM organizational structures and staff competences updated to reinforce new ways of working																					
R.19. Updated PFM organizational structures for in-scope functions designed and implemented																					
R.20. PFM Staff Competence and Performance Framework for in-scope functions updated to align with the new organizational structures																					
R.21. Budget for professional development including training customized for DepEd non-teaching and teaching staff who have PFM responsibilities provided to upgrade their competencies in line with Roadmap priorities																					
R.22. Budget over and above that needed for the procurement of hardware to include MOOE and training provided in order to support the expansion of DepEd's technology management capability and ensure the required level of reliability, availability, and performance																					



Table 2. PFM Roadmap Implementation High-Level Schedule (continuation 2)

KEY REFORM OBJECTIVES AND RESULTS	2020				2021				2022				2023				2023				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
KRO 7: PFM Governance strengthened: Transparency, Accountability and Participation																					
R.23. Signing authority and delegations for PFM related transactions updated to align with streamlined policies and processes and new technologies. Refer to R.10 and R.11.																					
R.24. DepEd-specific NGICS Manual that is aligned with the Internal Control Standards for the Philippine Public Sector (ICSPPS) adopted and internal audit capacity strengthened																					
R.25. PFM-specific ethics and values program for officials and staff (including all teaching and non-teaching personnel) involved in PFM-related transactions designed and implemented																					
R.26. Inclusiveness and participation in DepEd's PFM policies, processes and systems strengthened further																					

- BI - Business Intelligence
- BTMS - Budget and Treasury Management System
- CO - Central Office
- DERPS - DepEd Enterprise Resource Planning System
- IT - Information Technology
- ICT - Information and Communications Technology
- IU - Implementing Unit

- KRO - Key Reform Objective
- MOOE - Maintenance and Other Operating Expenses
- NGICS - National Guidelines on Internal Control Systems
- PFM - Public Financial Management
- RO - Regional Office
- SDO - Schools Division Office

The image features a dark blue background. In the upper left, there are diagonal stripes in yellow and red. In the lower right, there are three vertical arrows pointing upwards, colored blue, red, and yellow from left to right. The text 'ANNEX' is in a large, bold, white font, and 'Key Reference Documents' is in a smaller, bold, white font below it.

ANNEX
Key Reference Documents

Oversight Agencies

Number	Title	Organization
1	President's 10-Point Agenda	Office of the President
2	Executive Order 91: Adopting the Cash Budgeting System Beginning Fiscal Year 2019, And for Other Purposes (September 9, 2019)	Office of the President
3	Executive Order 87: Directing that All Accounts Payable which Remain Outstanding for Two Years or More in the Books of National Government Agencies be Reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government	Office of the President
4	Ease of Doing Business and Efficient Government Service Delivery Act (RA 11032)	
5	The PFM Reform Roadmap 2015-2016: http://pfm.gov.ph/reports-and-publications/	Department of Budget and Management
6	PFM Reforms: http://pfm.gov.ph/	Department of Budget and Management
7	National Budget Memorandum: National Budget Call for FY 2019 (January 3, 2018)	Department of Budget and Management
8	Budget and Treasury Management System (BTMS) https://www.btms.gov.ph/phase-4-budget-management https://www.btms.gov.ph/#	Department of Budget and Management
9	BTMS Implementation Roadmap for DepEd: SGV dated July 8, 2019	Department of Budget and Management
10	DepEd Agency Performance Report	Department of Budget and Management
11	Philippine Digital Transformation Strategy 2022	Department of Information and Communication Technology
12	Consolidated Annual Audit Report for Calendar Year 2018 (June 28, 2019)	Commission on Audit

Department of Education

Number	Title	Organization
13	Secretary's 10-Point Agenda	Office of the Secretary
14	Strategy: Quality, Accessible, Relevant, and Liberating Basic Education for All	Office of the Secretary
15	2030 Education Reform Plan	Office of the Secretary
16	Behind the Numbers: Bridging the Gap	Office of the Undersecretary for Finance
17	Public Schools of The Future	Office of the Undersecretary for Administration
18	School Building Masterplan	Office of the Undersecretary for Administration
19	Digital Rise Program	Office of the Undersecretary for Administration
20	Information Systems Strategic Plan (v5)	Information Communications Technology Service
21	Creation of FMRC: DepEd DO 35/2018 dated September 6, 2018	Office of the Secretary
22	Composition of the FMRC Technical Support Group and Secretariat: OASFBPM Memorandum 2019- 001 dated January 24, 2019	Office of the Assistant Secretary for Finance
23	Updates on the FMRC to MANCOM: February and June 2019	Office of the Undersecretary for Finance
24	Documentation from Thinkshop on Financial Management Reform Roadmap held on March 5 and 6, 2019	Office of the Undersecretary for Finance
25	FMRC Thinkshop Summary Report: DepEd Memorandum dated April 29, 2019	Office of the Undersecretary for Finance



Department of Education

Number	Title	Organization
26	Financial Management Reform Roadmap: April 2019 (Draft)	Office of the Undersecretary for Finance
27	Amendments and Clarifications to DepEd DO 35/2018: DO 020/2019 dated August 19, 2019	Office of the Secretary
28	BTMS Task Force: BTMS adoption in DepEd: Draft DepEd DO	Office of the Undersecretary for Finance
29	Commitments to Open Government Partnership	Office of the Undersecretary for Finance
30	Procurement Guidelines on the Implementation of Cash-Based Budgeting for Fiscal Year 2019: DepEd DO 36/2018 dated September 10, 2018	Office of the Secretary
31	Revised Signing Authorities for Administrative and Financial Matters in The Department of Education (Draft DO)	Office of the Secretary
32	Reconstitution of Technical Working Group and Setting Up of Task Teams for the Review and Updating of Financial Management Operations Manual (FMOM): Office Order OO-OUF- 2021-003 dated May 28, 2021	Office of the Undersecretary for Finance
33	Creation of the Government Assistance and Subsidies-Program Management Office (GAS-PMO) in the Department of Education-Central Office for Finance Processes relative to Government Subsidies and Assistance Program: DO 016, s. 2021 dated May 3, 2021	Office of the Secretary
34	Establishment of Planning and Implementation Teams for the Conduct of the Baseline Assessment of the Internal Control System (BAICS) in the Department of Education, FY 2020: Office Order IAS-OD-2020-186 dated July 13, 2020	Office of the Secretary - Internal Audit Service
35	Response of the IAS on OASF Memo No. 2021-058 and Clarifications on OASF Memo No. 2021-059: Memorandum IAS-OD-2021-122 dated May 25, 2021	Office of the Secretary - Internal Audit Service

Development Partners

Number	Title	Organization
36	Secondary Education Support Program - Results- Based Loan: Report and Recommendation of the President to the Board of Directors (April 2019)	Asian Development Bank
37	Secondary Education Support Program - Results- Based Loan: Fiduciary Systems Assessment	Asian Development Bank
38	Assessing Basic Education Service Delivery in the Philippines: The Philippines Public Education Expenditure Tracking and Quantitative Service Delivery Study (June 2016)	World Bank Group and Australian Aid
39	Philippines: Basic Education Public Expenditure Review (2012)	World Bank and Australian AID
40	Philippines Basic Education Public Expenditure Review (2020)	World Bank
41	Making Education Spending Count for the Children of Autonomous Muslim Region of Mindanao (ARMM) - Public Expenditure & Institutional Review for ARMM Basic Education (2016)	World Bank and DFAT



List of Abbreviations

ADA	Advice to Debit Account
ADB	Asian Development Bank
APP	Annual Procurement Plan
APP-CSE	Annual Procurement Plan-Commonly Used Supplies and Equipment
AR/ATC	Activity Request/Authority to Conduct
BACs	Bids and Awards Committees
BAICS	Baseline Assessment of Internal Control Systems
BBE	Bayanihan 2 (Law) for Basic Education
BED	Budget Execution Document
BI	Business Intelligence
BMS	Budget Monitoring System
BPM	Business Process Management
BPMS	Budget Preparation Management System
BTMS	Budget and Treasury Management System
BTr	Bureau of Treasury
CDS	Cash Disbursement System
CO	Central Office
COA	Commission on Audit
CRDS	Cash Receipts and Disbursement System
CRS	Cash Receipts System
CSE	Commonly Used Supplies and Equipment
DBM	Department of Budget and Management
DCP	DepEd Computerization Program
DepEd	Department of Education
DERPS	DepEd Enterprise Resource Planning System
DFAT	Department of Foreign Affairs and Trade
DICT	Department of Information and Communications Technology
DO	DepEd Order
DOF	Department of Finance
DV	Disbursement Voucher
eFRS	Enhanced Financial Reporting System
EPDU	Education Programs Delivery Unit
EPMO	Education Programs Management Office
EXPD	Expenditure
EU	European Union

List of Abbreviations

FAR	Financial Accountability Report
FIRe	Fourth Industrial Revolution
FM	Financial Management
FMIS	Financial Management Information System
FMOM	Financial Management Operations Manual
FMRC	Financial Management Reforms Committee
GAA	General Appropriations Act
GAS-PMO	Government Assistance and Subsidies-Program Management Office
GASTPE	Government Assistance to Students and Teachers in Private Education
IAS	Internal Audit Service
ICSPPS	Internal Control Standards for the Philippine Public Sector
ICT	Information and Communications Technology
IFMIS	Integrated Financial Management Information System
IPCR	Individual Performance Commitment and Review
IT	Information Technology
JEV	Journal Entry Voucher
KRO	Key Reform Objective
LDDAP	List of Due and Demandable Accounts Payable
MDM	Master Data Management
MOOE	Maintenance and Other Operating Expenses
NAT	National Achievement Test
NCA	Notice of Cash Allocation
NGICS	National Guidelines on Internal Control Systems
OO-OUF	Office Order-Office of the Undersecretary for Finance
OPCR	Office Performance Commitment and Review
ORS	Obligation Request and Status
PAP	Program, Activity and Project
PDP	Philippine Development Plan
PFM	Public Financial Management
PM	Project Monitoring
PMIS	Project Management Information System
PPMP	Project Procurement Management Plan
PRIM	Procurement Request Inventory and Monitoring
RADAI	Report of Advice to Debit Account Issued
RANCA	Report of Disbursement and Registry of Allotments and NCA



List of Abbreviations

RAOD	Report on Allotment, Obligation and Disbursement
RCD	Report of Collection and Deposits
RCI	Report of Checks Issued
RD	Report of Disbursement
RO	Regional Office
RROR	Report of Revenues and Other Receipts
SAAODB	Statement of Appropriations, Allotments, Obligations, Disbursements and Balances
SARO	Special Allotment Release Order
SD	Supporting Document
SDO	Schools Division Office
Sub-ARO	Sub-Allotment Release Order
TA	Technical Assistance
TSG	Technical Support Group
TWG	Technical Working Group
UACS	Unified Accounts Code Structure
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
URS	Unified Reporting System
USAID	United States Agency for International Development
WB	World Bank
WFP	Work and Financial Plan



SULONG
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