




PFM: Bringing Data to Life

14 Sept 2012

DRIVING NEW DIRECTIONS IN GOVERNMENT ACCOUNTABILITY

VOLUME 1

The Critical Path to GIFMIS

In the last two years, Philippine Government has undertaken substantial work on the Public Financial Management Reform. The momentum still continues to build steadily.

What are the next steps?

There are two key paths to the successful implementation of the GIFMIS.

CRITICAL PATH 1:

Management/ Organizational

- Establish buy in for the reform from the highest levels of Government
- Establish a structure that includes senior Government decision makers to guide the reform and identify the necessary resources

needed to undertake the activities

- implement change management activities that focus on the business process changes required, communicating and engaging all stakeholders throughout the journey
- Build the necessary capacities within Government and stakeholders to implement the changes and ensure sustain the transformation.

CRITICAL PATH 2:

Policy, Processes, Systems

- Policy decisions relating to business process changes and new functional assignments
- Changing current business processes including the

- creation and implementation of a whole of Government Chart of Accounts, implementing a TSA to improve cash management processes and possibly centralizing all Government payments
- Development of a comprehensive GIFMIS design based on the functional requirements. This must involve Government staff who have strong understanding of the business of Government and can validate the business processes that GIFMIS will induce



PFM REFORM ROADMAP: PRIORITIES REAFFIRMED

ITCMO

- Assessment and setting up of Macro & Fiscal Performance
- Strengthen Cash Programming Management Committee Role
- Closure of Bank Accounts
- Review of Modified Disbursement System
- Development of the TSA

Constraints

1. Failure of agencies to comply with EO 432
2. Delayed compliance by Banks on disclosure of agency accounts

BRPS

- Formulate a Unified Account Code Structure
- Harmonize the Reporting requirements of oversight agencies
- Develop the framework on financial and physical performance standards
- Adoption and Implementation of Performance Standards
- Manualize PFM Laws, Regulations and Processes

Constraints

1. Updated Chart of Accounts not yet approved
2. Delay in the revision of PFM Manual as it is dependent on the reengineered business processes under the GIFMIS
3. Participation of members of PIU from COA affected by recent reorganization

AAR

- Harmonize PGAS with IPSAS
- Enhance NGAS
- Revised Chart of Accounts
- Develop Philippine Public Sector Standards on Auditing
- Unified/ Packaged audit
- Information Technology/ Systems Audit
- Harmonization of PPSAs with COA circulars and rules

LM

- Database system for the Reporting of GOCC Debt
- System application that will support formulation of debt management strategy, reporting and analysis
- Contingent Liability Management arising from PPP/BOT projects

Constraint

Institutional set-up and arrangement of DoF

CB

- Continuing Briefings on PFM Roadmap and Projects
- PGIAM/NGICS Training Rollout
- Training on Harmonized Financial Reporting Templates, UACS Manual and Performance Standards
- Users Training on:
 - NPS Users Training Pilot and Rollout Phase
 - Online Budget Submission and Budget Prep
 - Budget Execution Module

- TSA and Cash Management Operations Training

- Accounting and Auditing Reforms Training
- PFM Training for Executives, Managers and Technical Staff
- Training on Valuation and Estimation of Contingent Liability
- Training on new Debt Reporting System
- Development of Integrated Training and Development
- Communication and Advocacy materials

Constraint

- Need to improve planning, coordination and monitoring of CB and change management across PIUs

GIFMIS

- Prepare/Revise GIFMIS conceptual and design
- Develop and implement modules
- NPS/GHRIS Development and Rollout
- Enhance modules of GIFMIS track 1 to include reforms identified by the PIUs
- Develop additional modules- Public Debt Management System

NPS/GHRIS Gaps

- Need to standardize policy and process across all agencies
- Enhance and upgrade application to process requirements of the National Government.
- Capacity Building and Change Management
- Integration with GIFMIS to link financial data.