

Republic of the Philippines  
**Department of Education**  
NATIONAL CAPITAL REGION

April 13, 2023

**REGIONAL MEMORANDUM**

No. 274, s. 2023

**To:** Chiefs, Functional Divisions  
Schools Division Superintendents  
Region and Division Accountants  
Region and Division Budget Officers  
Region and Division Personnel Officers  
Program Implementers  
All Others Concerned

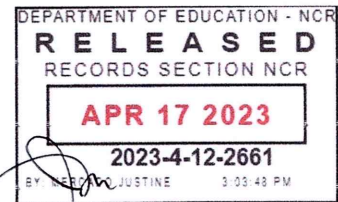
**PROPER PLANNING, EXECUTION, AND UTILIZATION OF BUDGET**

1. It has been observed through an audit by the Commission on Audit that although the DepEd NCR posted a high budget utilization rate of 87.52 percent, a significant 12.48 percent and 2.20 percent unobligated allotment and unpaid obligations respectively as of December 31, 2022, were still noted.
2. PPAs with huge unobligated amounts are the following:
  - a. General Management and Supervision
  - b. Administration of Personnel Benefits (for Loyalty Awards and Terminal Leave Benefits)
  - c. Learner Support Programs
  - d. Madrasah Education Program
  - e. Human Resource Development Program for Schools and Learning Centers' Personnel
  - f. Grant of Cash Allowance
3. It should be noted that the funds for Terminal Leave Benefits, Loyalty Awards, and Benefits of Public Health Workers and Cash allowance are based on the Plantilla of Personnel (POP) in the entire DepEd NCR by the DBM using Personnel Services Itemization (PSI). The funds for these PPAs are lodged in the Region and are downloaded only upon requests of the SDOs.




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Republic of the Philippines  
**Department of Education**  
NATIONAL CAPITAL REGION

4. In view of the above, All Officers concerned are required to implement efficient and effective management and utilization of allocated budget and cash resources and ensure the timely execution of the PAPs to maximize the utilization of the agency's budget.
5. Personnel Officers of ROP and SDOs are **directed to regularly update PSIPOP to have a reliable basis** for determining the agency's PS requirements.
6. All program owners/implementers should prepare budget estimates through proper planning and identification of PAPs towards the efficient allocation and utilization of limited resources.
7. For compliance.

  
**WILFREDO C. CASAL, CESO III**  
Regional Director

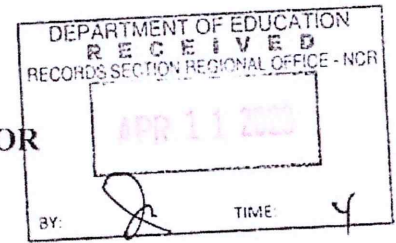


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REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**NATIONAL GOVERNMENT AUDIT SECTOR**  
Cluster 5 - Education and Employment  
Department of Education Audit Group B  
Misamis St., Bago Bantay, Quezon City



**Office of the Auditor – Audit Group B, Team No. NCR-01**  
**National Capital Region - Regional Office Proper**

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**AUDIT OBSERVATION MEMORANDUM (AOM)**

AOM No. 2023-011 (2022)  
April 11, 2023

For: **Mr. WILFREDO E. CABRAL, CESO III**  
Regional Director  
Office of the Regional Director  
Department of Education – NCR  
Quezon City

Attention: **Ms. JULIET J. ICAMEN**  
Chief Administrative Officer  
Head, Finance Division

We have evaluated the utilization of fund of the DepEd National Capital Region-Regional Office Proper (NCR-ROP) for the Fiscal Year (FY) 2022, and we observed that:

**Although the agency posted a high budget utilization rate of 87.52 percent or P841,994,477.75 out of the total available allotment of P962,038,537.62 for CY 2022 and an overall disbursement rate of 97.80 percent or P823,434,936.09, a significant amount of unobligated allotment totaling P120,044,059.8 and unpaid obligations of P18,559,541.66 were still noted.**

1. The Department of Education is mandated to formulate, implement and coordinate policies, plans, programs and projects in the areas of formal and non-formal basic education and to provide for the establishment and maintenance of a complete, adequate, and integrated system of basic education relevant to the goals of national development.

2. Section 68 of the General Provisions of the General Appropriations Act (GAA) of Fiscal Year (FY) 2022 provides that:

Appropriations authorized in this Act, including budgetary support to GOCSS and financial assistance to LGUs, shall be available for release and obligation for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, 2023, except for personnel services which shall be available for release, obligation and disbursement until December 31, 2022.

3. Per Statement of Appropriations, Allotments and Obligations, Disbursement, and Balances (SAAODB) as of December 31, 2022, the Agency has total available allotment of P962,038,537.62 for FY 2022 which includes continuing appropriations of P5,5,819,855.37, of which P841,994,477.75 or 87.52 percent was obligated, leaving an unobligated amount of 120,044,059.87 or 12.48 percent, summarized as follows:

Sources of Funds	Appropriation/ Allotment	Obligation Incurred	% of Obligated Allotment	Unutilized Balance	% of Unobligated Allotment
<b>Current Year's Appropriations</b>					
<b>1. Agency Specific Budget</b>					
Personnel Services (PS)	125,476,523.74	97,225,638.49	77.48	28,250,885.25	22.51
Maintenance and Other Operating Expenses (MOOE)	768,030,558.46	713,506,997.45	92.90	54,523,561.01	7.10
Capital Outlay (CO)	4,579,600.00	4,540,086.82	99.14	39,513.18	0.86
<i>Sub-total</i>	<i>898,086,682.20</i>	<i>815,272,722.76</i>	<i>90.78</i>	<i>82,813,959.44</i>	<i>9.22</i>
<b>2. Automatic Appropriation</b>					
Retirement and Life Insurance Premiums (RLIP)	8,132,000.05	7,966,592.11	97.97	165,407.94	2.03
<i>Sub-total</i>	<i>8,132,000.05</i>	<i>7,966,592.11</i>	<i>97.97</i>	<i>165,407.94</i>	<i>2.03</i>
<b>Total</b>	<b>906,218,682.65</b>	<b>823,239,314.87</b>	<b>90.84</b>	<b>82,979,367.38</b>	<b>9.16</b>
<b>Prior Year's Budget/Continuing Appropriations</b>					
<b>1. Agency Specific Budget</b>					
MOOE	53,448,750.37	16,384,657.88	30.65	37,064,092.49	69.35
CO	2,371,105.00	2,370,505.00	99.97	600.00	0.03
<i>Sub-total</i>	<i>55,819,855.37</i>	<i>18,755,162.88</i>	<i>33.60</i>	<i>37,064,692.49</i>	<i>66.40</i>
<b>Total</b>	<b>55,819,855.37</b>	<b>18,755,162.88</b>	<b>33.60</b>	<b>37,064,692.49</b>	<b>66.40</b>
<b>Grand Total</b>	<b>962,038,537.62</b>	<b>841,994,477.75</b>	<b>87.52</b>	<b>120,044,059.87</b>	<b>12.48</b>

4. Based on the ROP's FY 2022 Financial Accountability Reports (FARs), the unobligated allotment of P120,044,059.87 was intended for the following programs/activities/projects (PAPs):

PAPs	PS	MOOE	CO	TOTAL
<b>CURRENT APPROPRIATION</b>				
<b>General Administration and Support (GAS)</b>				
General Management and Supervision - Central Office	66,000.00	2,483,100.00		2,549,100.00
General Management and Supervision - Regional Office Proper		1,209,595.08		1,209,595.08
Administration of Personnel Benefits	21,443,932.04			21,443,932.04
<b>Support to Operations (STO)</b>				
Learner Support Programs	6,510,285.01	147,909.39		6,658,194.40
Building Partnership and Linkages Program		6,693,050.00		6,693,050.00
Child Protection Program		70,000.00		70,000.00
Organizational and Professional Development for Non-Teaching Personnel	41,930.16	45,930.94		87,861.10
Disaster Preparedness and Response Program		15,428.25		15,428.25
<b>Operations</b>				
<b>Education Policy Development Program</b>				
Basic Education Curriculum		621,734.01		621,734.01
Policy and Research Program		300,183.00		300,183.00
National Literacy Policies and Programs		25,885.00		25,885.00
Curricular Programs, Learning and Management Models, Standards and Strategy Development	44,238.04			44,238.04
Development and Promotion of Campus		23,959.87		23,959.87

PAPs	PS	MOOE	COI	TOTAL
<b>Journalism</b>				
<i>Basic Education Inputs Program</i>				
Textbooks and Other Instructional Materials		187,420.21		187,420.21
Computerization Program		136,137.00	7,320.00	143,457.00
New School Personnel Positions	88,500.00			88,500.00
BEFF-Site Validation, Preliminary and Detailed Engineering (PDE)			32,193.18	32,193.18
<i>Inclusive Education Program</i>				
Multigrade Education		120,000.00		120,000.00
Special Education Program		231,307.72		231,307.72
Madrasah Education Program		5,243,103.54		5,243,103.54
Flexible Learning Options (ADM/ALS/EIE)		1,922,604.19		1,922,604.19
<i>Support to Schools and Learners Program</i>				
School-Based Feeding Program (SBFP)		67,214.82		67,214.82
World Teacher's Day Incentive Benefit	2,000.00			2,000.00
Reclassification of Positions	54,000.00			54,000.00
Grant of Cash Allowance		24,575,000.00		24,575,000.00
<i>Education Human Resource Development Program</i>				
Human Resource Development for Personnel in Schools and Learning Centers		10,403,997.99		10,403,997.99
<b>AUTOMATIC APPROPRIATIONS</b>				
<i>Operations</i>				
<i>Education Policy Development Program</i>				
RLIP - Curricular Programs, Learning and Management Models, Standards and Strategy Development	165,407.89			165,407.89
<i>Basic Education Inputs Program</i>				
RLIP - New School Personnel Positions	0.05			0.05
<b>TOTAL CURRENT APPROPRIATION</b>	<b>28,416,293.19</b>	<b>54,523,561.01</b>	<b>39,513.18</b>	<b>82,979,367.38</b>
<b>CONTINUING APPROPRIATION</b>				
<i>General Administration and Support (GAS)</i>				
General Management and Supervision - Central Office		109,662.25		109,662.25
General Management and Supervision -- Regional Office Proper		6,236.86		6,236.86
<i>Support to Operations</i>				
Physical Fitness and School Sports		71,243.39		71,243.39
Planning and Management Information Systems		6,250.00		6,250.00
Learner Support Programs		11,597.06		11,597.06
Building Partnership and Linkages Program		81,677.25		81,677.25
Legal Service and Development of Education-Related Laws and Rules		400.00		400.00
Disaster Preparedness and Response Program		384.50		384.50
Organizational and Professional Development for Non-school/LCs personnel		74,413.84		74,413.84
<i>Operations</i>				
<i>Education Policy Development Program</i>				
Basic Education Curriculum		21,693.00		21,693.00
Policy and Research Program		17.70		17.70
<i>Basic Education Inputs Program</i>				
Textbooks and Other Instructional Materials		156,071.44		156,071.44
Computerization Program			600.00	600.00
<i>Inclusive Education Program</i>				
Special Education Program		45,000.00		45,000.00
Madrasah Education Program		5,780,981.32		5,780,981.32
Flexible Learning Options (ADM/ALS/		1,082,969.40		1,082,969.40

PAPs	PS	MOOE	CO	TOTAL
EIE)				
<i>Support to Schools and Learners Program</i>				
School Based Feeding Program		47,142.98		47,142.98
Grant of Cash Allowance		29,477,500.00		29,477,500.00
<i>Education Human Resource Development Program</i>				
Teacher Quality and Development Program		12,000.00		12,000.00
Human Resource Development for Personnel in Schools and Learning Centers		78,851.50		78,851.50
<b>TOTAL CONTINUING APPROPRIATION</b>	<b>0.00</b>	<b>37,064,092.49</b>	<b>600.00</b>	<b>37,064,692.49</b>
<b>TOTAL UNOBLIGATED ALLOTMENT</b>	<b>28,416,293.19</b>	<b>91,587,653.50</b>	<b>40,113.18</b>	<b>120,044,059.87</b>

5. As gleaned from the above Table, the significant amounts of unobligated allotment were for the general management and supervision, administration of personnel benefits, learner support programs, building partnerships and linkages program, Madrasah education program, human resource development program for schools' and learning centers' personnel, and grant of cash allowance.

6. Inquiries made to the Management revealed that the fund for Terminal Leave Benefits, Loyalty Award and benefits of DepEd public health workers are based on the Plantilla of Personnel (POP) in the NCR by the Department of Budget and Management (DBM) using the Personnel Services Itemization (PSI) which are downloaded only upon request of the Schools Division Offices (SDOs).

7. Had the PSIPOP been updated regularly, real-time data on the status of the agency's staffing can be used as basis in preparing reliable estimates on PS, and determining the workforce requirements of the agency.

8. Management also reasoned out that the fund received for the PPAs was allocated by the DepEd Central Office, and added that the utilization of funds allocated for the grant of cash allowance and madrasah pay are dependent on the schools' submission of their request for the payment thereof.

9. Moreover, the ROP achieved an overall disbursement rate of 97.80 percent, computed based on its total disbursements of P823,434,936.09 over its total obligated amount of P841,994,477.75. While it appears that the disbursement rate is high, the unpaid obligations totaling P18,559,541.66 is still significant, accounting to 2.20 percent of its total obligated amount.

	Obligations	Disbursement	Disbursement Rate	Unpaid Obligations	% of Unpaid Obligations
PS	105,192,230.60	105,078,084.38	99.89	114,146.22	0.11
MOOE	729891655.3	711,772,204.60	97.52	18,119,450.73	2.48
CO	6,910,591.82	6,584,647.11	95.28	325,944.71	4.72
<b>Total</b>	<b>841,994,477.75</b>	<b>823,434,936.09</b>	<b>97.80</b>	<b>18,559,541.66</b>	<b>2.20</b>

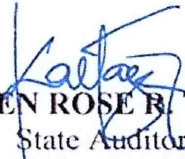
10. Sound management practice requires among others, the efficient and effective management and utilization of its available budget and cash resources following strictly the existing rules and regulations on the matter. Primarily, the alignment of its approved budget including the cash requirements for the period vis-à-vis the PAPs scheduled to be


implemented during the year must be assured to avoid the excess allocation of limited government funds.

11. **We recommend that the Management:**

- a. **ensure the timely execution of the PAPs in order to maximize the utilization of the agency's budget;**
- b. **require the Personnel Officers of ROP and all SDOs in the NCR to update the PSIPOP to have a reliable basis for determining the agency's PS requirement; and**
- c. **henceforth, prepare realistic budget estimates through proper planning and identification of PAPs towards the efficient allocation and utilization of government resources.**

May we have your comments on the foregoing audit observations within five calendar days from receipt hereof.

  
**KAREEN ROSE B. TAGAYUN**  
State Auditor III  
Audit Team Leader

  
**EDNA L. DE LEON**  
State Auditor IV  
OIC-Supervising Auditor  
DepEd 2 Audit Group