

**DENR Administrative Order
No. 98 - 18
April 20, 1998**

SUBJECT : Prescribing the Standard Operating Procedures in the Preparation of the Agency/Region/ Bureau/Office Work and Financial Plan.

In furtherance of the DENR's decentralization policy and to strengthen the procedures in the preparation of the Agency/Region/Bureau/Office Work and Financial Plan (WFP) in relation to the Agency's Annual Planning and Budgeting System, the following guidelines are hereby issued:

Section 1. Purpose

This Order is issued to further improve the DENR decision-making process and to ensure adherence to and consistency of the Department's plans and programs with the mandates and roles within the overall development framework of the government and priorities stated by the President. It is also intended to provide the Regional Offices, PENROs and CENROs as well as other field implementing units in generating understanding of the annual planning and budgeting system at the DENR.

Sec. 2 Annual Planning and Budgeting Approach

The DENR shall, in the formulation of its WFP, set its annual planning and budgeting activities as scheduled in the DENR Annual Planning and Budgeting Calendar (Annex A). The annual planning shall center on the annual budget cycle which consist of 4 phases (Annex B), namely: *budget preparation; budget legislation; budget execution; and accountability.*

- ***Budget Preparation*** - involves the specification of budget priorities and of available resources and concludes with the submission of the President's budget to the legislature.
- ***Budget Legislation*** - involves the review by the Legislature of the President's budget and the promulgation of the appropriations bill at the Congress and Senate.
- ***Budget Execution*** - requires adjustment of the original proposal in line with the approved budget.
- ***Budget Accountability*** - refers to the tracking and monitoring of actual expenditures, resources, assets and liabilities with respect to the performance of functions and activities.

Sec. 3 Planning and Budgeting Linkage

The WFP shall be formulated as an instrument for the attainment of the Department's development goals and as part of the planning-programming-budgeting continuum (Annex C). The aggregate magnitudes of the budget shall be determined in close consultation among the planning and fiscal offices/units of DENR. Levels of expenditure shall be established in relation to the Department's targets of economic development, availability and sustainability of natural resources, equitable access and proper use of the environment and natural resources. Budgetary priorities shall be given to those activities specified in the approved plans and programs, keeping in mind the capability and performance of the implementing office/units concerned.

Sec. 4 Preparation of the Work Targets and Budget Proposal

The regions/bureaus/offices shall prepare their respective Work Targets and Budget Proposal upon receipt of the budget ceiling issued by the DBM and the Planning and Budget Guidelines issued by the

Central Office. The work targets and budget estimates shall take into full and explicit consideration of the goals, plans and requirements specific to the various regions/bureaus/offices of DENR based on the actual situation of their respective areas of responsibility and in accordance with approved priorities and guidelines. The regional development strategies and plans, including physical framework and resource-use plans, shall be considered in the preparation of the work targets and budget proposal.

Sec. 5 Evaluation/Consolidation of Work Targets and Budget Estimates

The Planning and Programming Division-PPSO and Budget Division-FMS shall consolidate and conduct a review of the budgetary proposal and work targets on programs/projects/ activities of each region, bureau, and office, the result of which shall be the basis for modifying or amending such budgetary requirements and work targets for incorporation in the agency's budget proposal.

The budget proposals shall be reviewed on the basis of their own merits and not on the basis of a given percentage or peso increase or decrease from a prior year's budget level, a given percentage of the aggregate budget level, or other similar rule-of-thumb that is not based on specific justification. Proposed activities, whether new or ongoing, shall be evaluated using a zero-based approach on the basis of (a) relationship with the approved development plan, (b) agency capability as demonstrated by past performance, (c) complementarity with related activities other sectors, and (d) other similar criteria. The consolidated work targets and budget proposal shall be submitted to DBM for consideration and inclusion in the President's budget.

Sec. 6 Preparation of the Work and Financial Plan

In order not to delay the preparation of the Work and Financial Plan a pre-reprogramming shall be done by the bureaus, regions and other offices based on the House/Senate recommendations. Upon release of the General Appropriation Act all regions/bureaus/offices shall finalize their respective Work and Financial Plan and Cash Program based on the approved budget. In the reprogramming of targets and budget, the monthly and quarterly targets shall consider the following:

- Technical capability of the implementing office i.e. availability of trained manpower, required, personnel, equipment and facilities, etc.
- Physical consideration i.e. weather, climatic type, type and scope of work, etc.
- Backlogs and previous year's performance
- Prerequisite activities/performance indicators
- Anticipation of delay of fund releases in the first quarter

Sec. 7 Submission of the Work and Financial Plan

The Regional Executive Directors, Bureau Directors, and Heads of Offices shall, in accordance with the guidelines provided by the Central Office, submit within the prescribed period the Work and Financial Plan and Cash Program of their respective offices to the Planning and Programming Division-PPSO and Budget Division for review and consolidation.

Sec. 8 Evaluation, Revision and Consolidation of the Work and Financial Plans

The Planning and Policy Service Office, Financial Management Service and Field Operations Office shall evaluate, revise and consolidate the Work and Financial Plan of each region, bureau, and office as well as its targets and budget allocated on the activities identified as key result areas (KRAs) to determine its consistency with the pronouncements and commitments of the Secretary and support to the attainment of the national development goals. The consolidated WFP shall then be submitted by the Central Office to the DBM as the approved expenditure program of the agency which shall constitute the basis for fund releases during the fiscal period.

Sec. 9 Failure to Submit the Work and Financial Plan

Failure on the part of Bureau Directors, REDs, RTDs, PENROs, CENROs, planning officers, budget/finance officers, and other responsible officers of bureaus, regional offices, PENR and CENR offices to submit on time the Work and Financial Plan and Cash Program and such other reports that may be necessary and require by DBM shall automatically cause the suspension of payment of their salaries until they have complied with such requirements in accordance with Sec. 63 of P.D. 1177, otherwise known as the Budget Reform Decree of 1977, in addition to any disciplinary action that may be instituted against such erring official and employee as maybe warranted by existing CSC laws, rules and regulations. Furthermore, the budget of the region/bureau/office concerned shall be automatically reprogrammed by the Central Office.

Sec. 10 Repealing Clause

This amends and/or modifies existing Orders, Circulars and Instructions inconsistent herewith.

Sec. 11 Effectivity

This Order shall take effect immediately.

(Sgd.) VICTOR O. RAMOS
Secretary

Recommending Approval:

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