

2021 IFMIS Capacity Building Program

Budget and Treasury Management System (BTMS) A Tool for the Philippine Public Financial Management (PFM) Reform Roadmap In the Next Normal



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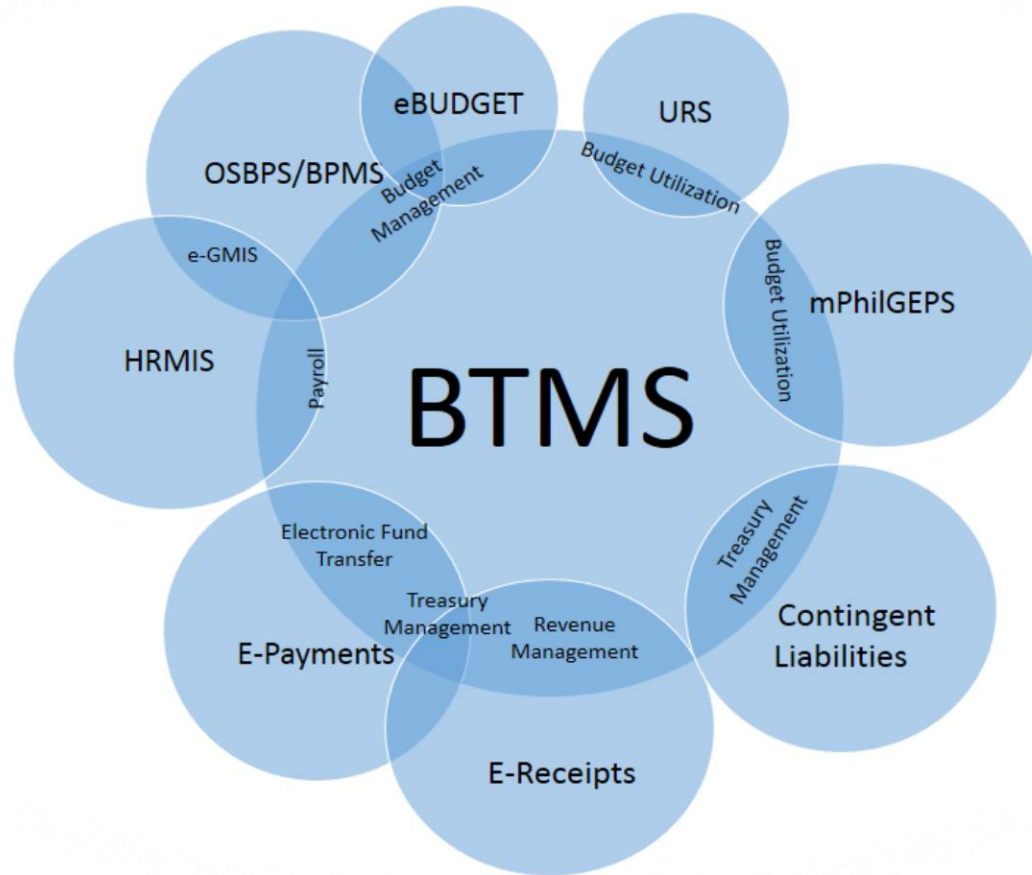


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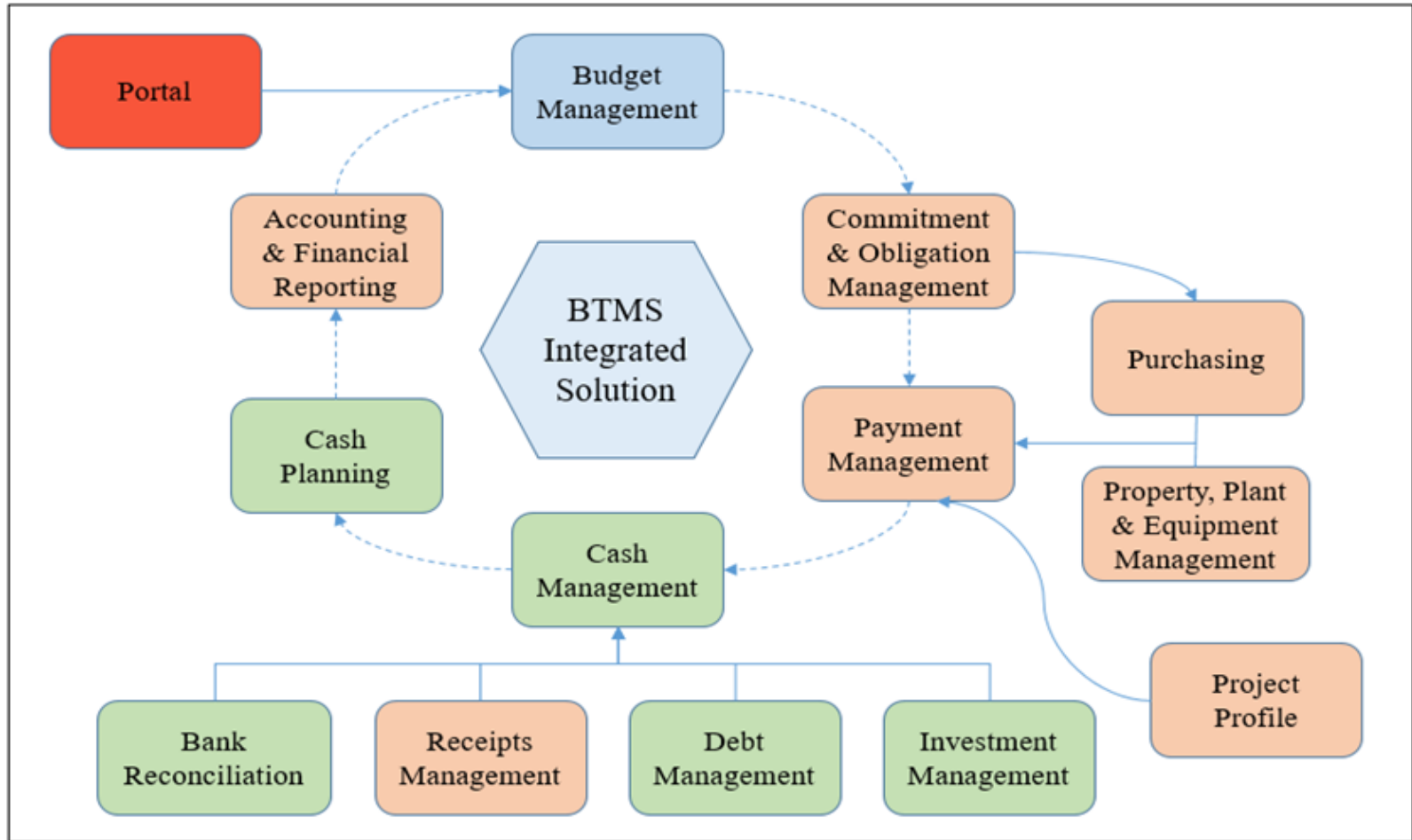


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Philippine IFMIS Target State

Source: DBM



BTMS Functional Configuration

Source: 2019/20 KSP Policy Consultation Report



Philippines: IFMIS Overview

System name: Budget and Treasury Management System (BTMS)

System modules:

Budget Management Module, Budget Utilization Module, Treasury Management Module, Accounting and Fiscal Reporting, Administration Module

Interfaces:

Modernized Philippine Government Electronic Procurement System (mPhilGEPS); Electronic Fund Transfer (Payments); Electronic Document Management System (DICT-PNPKI)

Application SW:

FreeBalance Accountability Suite Version 7 (Commercial-off-the-Shelf Software Solution) – Government Resource Planning (GRP)

Use of open source:

Open Database Support; MS SQL Server 2016 Enterprise Edition



Philippines: IFMIS Overview

Scope: National Government

of system users: 9,396 registered users

of concurrent users: 10,000 concurrent users

of National Government Agencies connected: 17 go-live agencies

Operational since: 2018

Hosting environment: DBM Data Center (Primary); DICT MK2 Center (Secondary / BCP)

Gov service bus & APIs: E-Government Master Plan (DICT); Developed System APIs

Other platform info:

Computer servers, Storage and Network Components: Dell Technologies

Security Components: Juniper, HP Tipping Point and Dell Sonic Wall

User Interface: Apache MyFaces Trinidad

Object Management and Orchestration: Spring Framework

Data Persistence and Modeling: Hibernate and JPA

Servlet-based Java Enterprise Edition

Backbone Code: Unified Accounts Code Structure (UACS)



Philippines: IFMIS Results Achieved

- ▶ Issuance of DBM Circular Letter No. 2019-4 – Guidelines on the Adoption and Use of the BTMS for Budget Utilization
- ▶ BTMS Pilot implementation (2018) – Department of Budget and Management, Bureau of the Treasury, Department of Public Works and Highways and Department of Trade and Industry
- ▶ BTMS Go-live implementation (2019-2020) of thirteen (13) more agencies including top spending agencies (Department of Social Welfare and Development, Department of Education, Department of National Defense)
- ▶ Efficient generation of Financial Accountability Reports and Financial Statements (government-wide level and agency level)
- ▶ Cementing of linkage of budgeting, procurement and utilization with mPhilGEPS interface
- ▶ Near real-time capture of estimated 54% of total expenditures based on 2020 General Appropriations Act (GAA)
- ▶ Peso values of total payments processed through BTMS as of 2020 amount to PhP 512 Million
- ▶ BTMS has facilitated remote working arrangements during pandemic.



Philippines: Selected IFMIS good practice case

- ▶ The accelerated rollout of the BTMS to the top ten (10) spending agencies made the rollout more focused on capturing a bigger percentage of budget utilization. This was also reinforced with the use of the E-Learning platform (Learning Management System) to widen the reach of capacity building and change management for all PFM practitioners.
- ▶ The envisioned linkages for the IFMIS have been initially identified, thus, providing direction for the updating of the PFM Reform Roadmap for the Philippine IFMIS.



Philippines: IFMIS Challenges

- ▶ Reform fatigue leading to initial resistance of adoption by national government agencies
- ▶ Change management for the integration of BTMS in existing processes and in re-engineering user tasks
- ▶ Complexities and limitations due to implementation of COTS
- ▶ Operational issues in workflow and user management and data migration
- ▶ Development and contract management delays
- ▶ Need for more effective and responsive process monitoring and controls



Philippines: Selected key challenges

Innovation Challenge / Question:

- ▶ How might we mitigate issues related to the implementation of a COTS for the core of the IFMIS?
- ▶ What change management strategy should be employed in moving forward with the IFMIS in the Philippines?
- ▶ How might we implement a more effective system for process monitoring and controls (e.g. process mining)?



Philippines: IFMIS Modernization Plans & Future Directions

Planned / Ongoing IFMIS improvements:

- ▶ Full development of target interfaces
- ▶ Business Process Management (BPM) and Business Process Re-engineering (BPR)
- ▶ Benchmarking with development partners (Knowledge Sharing Program under auspices of South Korea; BPM Capacity Building assisted by Australia Awards Program)
- ▶ Use of Data Analytics tools for data mining (World Bank)
- ▶ Institutionalization of the BTMS and IFMIS-related reforms through governance mechanisms and legislation of the Budget Modernization Bill
- ▶ Updating by the PFM Committee of the PFM Reform Roadmap as basis for strategic direction and maturity framework for IFMIS
- ▶ Continued accelerated BTMS rollout to spending agencies
- ▶ Explore applicability of process mining for process monitoring and control
- ▶ Development of system linkages to achieve IFMIS target state