



AGENCY BUDGET NOTES

For FY 2023



DEPARTMENT OF JUSTICE



P26.69B
TOTAL NEW APPROPRIATIONS FOR 2023

COST STRUCTURE

General Admin and Support	P4,214.5M (15.8%)
Support to Operations	P178.3M (0.7%)
Operations	P22,293.6M (83.5%)

ALLOCATION BY AGENCY*

OSEC P8.45B (31.7%)	 BUCOR P5.91B (22.1%)	 PAO P5.03B (18.9%)	 NBI P1.86B (7.0%)
 BI P1.61B (6.1%)	 LRA P1.27B (4.8%)	 OSG P1.22B (4.6%)	Other Agencies P1.33B (5.0%)

*Note: Totals may not add up due to rounding off.

BREAKDOWN OF OPERATIONS BUDGET*

 P7,309.3M (32.8%) Law Enforcement	 P4,769.2M (21.4%) Public Legal Assistance
 P4,521.1M (20.3%) Prisoners Custody and Safekeeping	 P1,170.0M (5.2%) Crime Detection and Investigation
 P1,163.3M (5.2%) Border Control and Management	 P3,360.7M (15.1%) Other Programs

*The Program budget incorporates already the allocations for component projects.

2021 BUDGET UTILIZATION

OBLIGATIONS TO APPROPRIATIONS RATIO	UNUSED APPROPRIATIONS
83.4%	NBI 430.9M
81.6%	BI 345.2M
96.7%	OSEC 320.0M
97.1%	BUCOR 143.3M
91.5%	OSG 120.7M
92.7%	PPA 83.5M
96.9%	LRA 56.9M
93.1%	PCGG 13.8M
98.4%	OGCC 4.2M
100.0%	PAO N/A
94.8%	OVERALL 1,518.5M

QUICK FACTS

WORLDWIDE GOVERNANCE INDICATORS (WGI): RULE OF LAW

		Singapore	Brunei	Malaysia	Thailand	Vietnam	Indonesia	Philippines	Lao PDR	Cambodia	Myanmar
Score	2015	1.81	0.41	0.50	-0.15	-0.34	-0.42	-0.34	-0.80	-0.98	-1.24
	2020	1.88	0.93	0.66	0.12	-0.13	-0.34	-0.55	-0.85	-0.95	-1.18
Percentile Rank	2015	94.23	66.83	69.23	50.96	43.75	39.42	43.27	23.56	14.90	7.69
	2020	98.56	80.29	73.08	57.69	48.56	41.83	31.73	20.67	17.79	10.58

Note: The WGI covers 214 economies. Its Rule of Law indicator measures abidance by societal rules, including the quality of contract enforcement, property rights, and the likelihood of crime and violence. Scores range from -2.5 to +2.5. Higher percentile rank means better performance.

PHILIPPINES: RULE OF LAW INDEX 2021

Selected Factor and Indicators

Particulars	Percentile Rank	
	2019	2021
Overall Criminal Justice Factor		
PDP Target	27.00	29.00
Actual Accomplishment	10.32	13.67
Key Indicators of Criminal Justice		
Criminal investigation system is effective.	50.00	56.12
Criminal adjudication system is timely and effective.	9.52	10.79
Correctional system is effective in reducing criminal behavior.	9.52	12.23
Criminal system is impartial.	5.56	7.19
Criminal system is free of corruption.	46.83	43.17
Criminal system is free of improper government influence.	19.05	15.11
Due process of the law and rights of the accused are respected.	8.73	2.88

Note: The latest Rule of Law Index (2021) of the World Justice Project covered 139 economies. Higher percentile rank means better performance.

KEY PROSECUTION STATISTICS



Particulars	Latest Data (2021)	PDP Target (2022)
% of Preliminary Investigation Backlogs	31	25
% of Cases Disposed / Total Inventory of Cases	93	90
Prosecutor-to-court ratio	1:2	1:1

Source of basic data: Statistical Indicators of Philippine Development, Philippine Statistics Authority.

Prison Congestion

as of December 2021



National Prisons	Capacity	Persons Deprived of Liberty (PDL) Population	Occupancy Rate (%)
New Bilibid	6,435	28,642	445
CIW-Mandaluyong	1,008	3,334	331
Iwahig	675	2,715	402
Davao	1,354	6,370	471
CIW-Mindanao	102	560	548
San Ramon	733	2,279	311
Sablayan	994	2,435	245
Leyte Regional	679	2,166	319
Total	11,981	48,501	405

Source of basic data: Bureau of Corrections

Notes: Iwahig, Davao, San Ramon, and Sabayan also include penal farms.

Occupancy rate is computed by dividing the PDL population by prison capacity.

Disposition of Top 5 Criminal Cases by Trial Courts Nationwide (2020)

Particulars	Number of cases	% Share to Number of Cases		
		Conviction	Dismissal / Acquittal	Others*
Overall	261,219	48.6	29.0	22.4
1 Rape	119,613	37.6	32.3	30.1
2 Dangerous Drugs	67,256	83.6	12.5	4.0
3 Bouncing Check	11,481	10.2	47.3	42.5
4 Illegal Gambling	10,442	86.1	7.0	6.9
5 Trafficking in Persons	7,928	27.6	47.5	24.9

Source of basic data: DOJ Open Data (2020)

* Others include the cases archived and successfully mediated

HIGHLIGHTS

- ❑ *Expenditure Program.* The proposed FY 2023 expenditure program of the Department of Justice (DOJ) amounts to P28.2 billion—of which P26.7 billion is new appropriations (94.7%) and P1.5 billion is automatic appropriations (5.3%). In terms of agency share, about 70.5% of the total budget will go to only three DOJ units, namely, the Office of the Secretary (OSEC) with 30.9% (P8.7 billion), the Bureau of Corrections (BUCOR) with 21% (P5.9 billion), and the Public Attorney’s Office (PAO) with 18.6% (P5.2 billion).
- ❑ *Expense Class.* By expense class, about P22.7 billion or 80.6% of the DOJ budget in 2023 will go to Personal Services (PS). Maintenance and Other Operating Expenses (MOOE) will account for 18% or P5.1 billion, while Capital Outlay (CO) will receive the remaining 1.5% share or P410.5 million.
- ❑ *New Appropriations by Cost Structure.* The proposed new appropriations of DOJ amounts to P26.7 billion—of which the bulk or 83.5% (P22.3 billion) will go to Operations. Meanwhile, General Administration and Support (GAS) and Support to Operations (STO) will have budget shares of 15.8% (P4.2 billion) and 0.7% (P178.3 million), respectively.
- ❑ *Allocation by Major Programs.* The DOJ has 14 major programs with a proposed allocation of P22.3 billion equivalent to the Operations budget for 2023. The top programs receiving more than P1 billion budget are as follows: Law Enforcement of the OSEC (P7.3 billion), Public Legal Assistance of PAO (P4.8 billion), Prisoners Custody and Safekeeping of BUCOR (P4.5 billion), Crime Detection and Investigation of the National Bureau of Investigation (P1.2 billion), Border Control and Management of the Bureau of Immigration (P1.2 billion), and Land Titling and Registration of the Land Registration Authority (P1.1 billion)
- ❑ *Budget Utilization and Unused Appropriations.* On average, the overall budget utilization rate of DOJ units/agencies for the past three years (2019-2021) is at 92.2%. The obligation to appropriations ratio (OAR) of the entire DOJ has steadily increased, from 89.1% in 2019 to 94.8% in 2021. With increasing OARs, the total unused appropriations has decreased from P2.9 billion in 2019 to P1.5 billion in 2021. The P1.5 billion unused appropriations in 2021 consists of unreleased appropriations (12.6%) and unobligated allotments (87.4%).
- ❑ *Compliance with Audit Recommendations.* Annual Audit Reports (AARs) for 2021 show that 48% or 257 out of the 530 audit recommendations made to the DOJ in prior years remain unimplemented. The following agencies posted compliance rates below 40% of prior years’ audit recommendations: PCGG (36%), Office of the Secretary (38%), Land Registration Authority (38%). In contrast, the Office of the Government Corporate Counsel, Office of the Solicitor General, and Parole and Probation Administration managed to implement more than 90% of COA PYRs.

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DEPARTMENT OF JUSTICE*

I. MANDATE AND ORGANIZATIONAL OUTCOMES

- 1.1 The updated Philippine Development Plan (PDP) 2017-2022 envisions an enhanced civil, criminal, commercial and administrative justice system to ensure the swift and fair administration of justice. To achieve this vision, the PDP adopts a number of key strategies to guide government reforms to ensure swift and fair delivery of justice: (1) streamlined processes to ensure the speedy resolution of criminal and civil cases; (2) greater access to justice by the poor, vulnerable and marginalized groups; and (3) pursuit of jail decongestion and corrections reforms.
- 1.2 The Department of Justice (DOJ) is the principal law agency of the government, mandated to act as both its legal counsel and prosecution arm. As administrator of the criminal justice system, the DOJ investigates crimes, prosecutes offenders, and manage the correction system. It implements laws on the admission and stay of aliens, citizenship, land titling system, and settlement of land problems. It also provides free legal services to indigent members of the society (Sec. 1, Chapter 1, Title III, 1987 Administrative Code).
- 1.3 To ensure the swift and fair administration of justice, the DOJ has 11 component units/agencies that receive annual appropriations to deliver the following Organizational and budgetary Outcomes (OO):
- **Office of the Secretary (OSEC):** Justice effectively and efficiently administered
 - **Public Attorney's Office (PAO):** Accessible, efficient and effective legal service to indigents and other qualified persons assured
 - **Bureau of Corrections (BUCOR):** National prisoners effectively and efficiently kept safe and rehabilitated
 - **Parole and Probation Administration (PPA):** Community-based rehabilitation and re-integration of offenders upgraded
 - **National Bureau of Investigation (NBI):** Efficient and effective investigation ensured
 - **Bureau of Immigration (BI):** Immigration enforcement and border control effectively and efficiently administered
 - **Office of the Solicitor General (OSG):** Efficient legal service for government and the public ensured

* This document was prepared by Julius I. Dumangas as input to the deliberations of the House Committee on Appropriations on the FY 2023 proposed National Budget. The report benefitted from the inputs of Director Pamela Diaz-Manalo, Executive Director Novel V. Bangsal, and from the overall guidance of Director General Romulo E.M. Miral, Jr., Ph.D. The layout/design of the infographics and Quick Facts by Carla P. Soriano is also acknowledged. The views, perspectives, and interpretations in this ABN do not reflect the positions of the House of Representatives as an institution or its individual Members. A copy of this publication is available at the CPBRD's website: cpbrd.congress.gov.ph.

- **Office of the Government Corporate Counsel (OGCC):** Efficient legal services for Government Corporations ensured
- **Land Registration Authority (LRA):** Land registration services effectively delivered
- **Presidential Commission on Good Government (PCGG):** Ill-gotten wealth effectively and efficiently recovered
- **Office of Alternative Dispute Resolution (OADR):** Use of alternative dispute resolution effectively promoted and developed.

II. SOURCES OF APPROPRIATIONS

2.1 Table 1 shows the sources of funds of the Department of Justice from 2021 to 2023: (i) *new appropriations*, (ii) *automatic appropriations* [e.g., earmarked funds], (iii) *continuing appropriations* [i.e., unused appropriations from past years' General Appropriations Act (GAA),] and (iv) *budgetary adjustments* [e.g., transfers from Special Purpose Funds (SPFs) and other agencies].

TABLE I
SOURCES OF FUNDS, 2021-2023
DEPARTMENT OF JUSTICE

Particulars	Amounts (In Million Pesos)			Share to Total Appropriations		
	2021	2022	2023	2021	2022	2023
New Appropriations	23,097.8	25,247.2	26,686.5	79.3	91.0	94.7
Supplemental Appropriations	-	-	-	-	-	-
Automatic Appropriations	1,633.7	1,434.9	1,504.7	5.6	5.2	5.3
Continuing Appropriations	1,732.9	1,064.4	-	5.9	3.8	-
Budgetary Adjustments	2,677.2	-	-	9.2	-	-
Total Available Appropriations	29,141.6	27,746.5	28,191.2	100.0	100.0	100.0
LESS: Unused Appropriations	1,518.5	1,064.4	-	5.2		
Total Obligations	27,623.1	26,682.0	28,191.2	94.8		

Source of basic data: FY 2023 National Expenditure Program (NEP)

- 2.2 For 2023, the total appropriations for the DOJ amounts to P28.2 billion, consisting of 94.7% (P26.7 billion) in new appropriations and 5.3% (P1.5 billion) in automatic appropriations. The automatic appropriations includes P934.5 million for the Retirement and Life Insurance Premiums (RLIP) of government employees, and P570.2 million for the special account of the Land Registration Authority (LRA). The share of new appropriations to total available appropriations is higher in 2023 because budgetary adjustments and continuing appropriations (which are recorded at the end of the fiscal year) are not yet included in the 2023 total available appropriations of the department.
- 2.3 The continuing appropriations of the DOJ for 2022 amounts to P1.1 billion which is P668.4 million lower than 2021 year-end figure of P1.7 billion. Except for the P2.2 million

from the 2020 GAA (RA 11565), all of the 2022 continuing appropriations of the department are authorized under RA 11518 (2021 GAA). Meanwhile, the net budgetary adjustments of the DOJ in 2021 amounted P2.7 billion, which is P392.7 million higher than the 2020 figure of P2.3 billion. These included *transfers from* two SPFs in the 2021 GAA: the Miscellaneous Personnel Benefits Fund (P1.2 billion) and the Pension and Gratuity Fund (P2.0 billion), and agency *transfers to* Overall Savings (P450.9 million) under RA 11465 (2020 General Appropriations Act)

III. EXPENDITURE PROGRAM

By Agency

3.1 The 2023 expenditure program (P28.2 billion) of the DOJ is 5.7% (P1.5 billion) higher than current year's program of P26.7 billion (*Table 2*). Similar to previous years, the OSEC has the biggest share (30.9%) of the 2023 DOJ budget. Moreover, its budget for next year will also increase sharply by P951.4 million or 12.3% from current year's level. The 2023 budgets of BUCOR and PAO will be P646.6 million (12.3%) and P298.4 million (6%) higher than their 2022 budget allocations. In contrast, the 2023 budget of the NBI, PPA, and PCGG will be lower by 19.3% (P465.7 million), 11.4% (P122.2 million) and 7.9% (P13.2 million), respectively, compared to current year's level.

TABLE 2
EXPENDITURE PROGRAM BY AGENCY, 2021-2023

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2021	2022	2023	2021	2022	2023
OSEC	9,407.1	7,766.5	8,718.0	34.1	29.1	30.9
BUCOR	4,821.6	5,271.4	5,917.9	17.5	19.8	21.0
BI	1,529.9	1,676.0	1,701.9	5.5	6.3	6.0
LRA	1,761.2	1,805.4	1,933.0	6.4	6.8	6.9
NBI	2,163.7	2,417.9	1,952.2	7.8	9.1	6.9
OGCC	256.0	220.6	228.6	0.9	0.8	0.8
OSG	1,305.0	1,271.1	1,305.0	4.7	4.8	4.6
PPA	1,061.6	1,070.5	948.3	3.8	4.0	3.4
PCGG	186.9	166.9	153.7	0.7	0.6	0.5
PAO	5,130.1	4,945.3	5,243.7	18.6	18.5	18.6
OADR	-	70.5	88.9	0.0	0.3	0.3
TOTAL	27,623.1	26,682.0	28,191.2	100.0	100.0	100.0

Source of basic data: BESF 2023

3.2 OSEC’s budget share next year is higher than this year’s level despite the separate allocation for the Office for Alternative Dispute Resolution (OADR). The services provided by this new agency previously formed part of the OSEC’s Legal Services Program under the budget item, “alternative dispute resolution services.” Meanwhile, despite increased budget allocations, the 2023 budget shares of BI and OSG to the total budget of the department will be lower compared to 2022 levels.

By General Expense Class

3.3 Table 3 shows the expenditure program of the DOJ by expense class. On average (2021-2023), 79.5% of the DOJ budget is for Personal Services (PS) while 18.1% is for Maintenance and Other Operating Expenses (MOOE), and 2.4% is for Capital Outlay (CO). PS expenditures of the DOJ in 2023 (amounting to P22.7 billion) will be P2.0 billion or 9.8% from this year’s level. However, the 2023 allocation for CO will be reduced sharply by 45.1% (P337.0 million) compared to the 2022 level. Likewise, MOOE will be 3.6% (or P189.8 million) lower than current year’s level of P5.3 billion.

3.4 All DOJ units/agencies except the OGCC and PPA will have higher PS allocations in 2023 compared to current year’s level (*Annex 1*). Biggest increases in 2023 PS allocations will go to OSEC (P805.2 million), BUCOR (P684.7 million), and PAO (P293.5 million).

**TABLE 3
EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023
(AMOUNTS IN MILLION PESOS)**

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2021	2022	2023	2021	2022	2023
PS	22,214.0	20,676.3	22,712.2	80.4	77.5	80.6
MOOE	4,567.8	5,258.3	5,068.4	16.5	19.7	18.0
CO	841.2	747.5	410.5	3.0	2.8	1.5
Fin Ex	-	-	-	-	-	-
TOTAL	27,623.1	26,682.0	28,191.2	100.0	100.0	100.0

Source of basic data: BESF 2023

3.5 While the total MOOE of the department will decrease by P189.8 million, the MOOE allocations of the LRA, OGCC, OSG, PAO, and OADR will be higher in 2023 compared to current year’s level. In contrast, the NBI will suffer the biggest cut (P119.4 million) in MOOE, followed by OSEC (P54.8 million), BUCOR (P38.1 million), and BI (P37.9 million). Meanwhile, the sharp reduction in CO by P337.0 million can be traced largely to the budget cuts in the CO allocations of the NBI (P406.5 million) and PPA (P110.3 million). In comparison, the CO allocations of the OSEC and BI from 2022 to 2023 will increase by P201.1 million and P15.6 million, respectively.

3.6 Some expense items dominate the agency budget. On average (2021-2023), PS constitutes 97.0% and 90.5% of the PAO and OSEC budget while it only accounts for 56.9% and 62.7% in NBI and BUCOR, respectively. On the other hand, MOOE share is relatively high for agencies like BuCor (35.9%), NBI (34.0%), LRA (33.0%), and PCGG (31.1%) (*Annex 2*).

Staffing Summary

3.7 The lack of public prosecutors and attorneys and other personnel partly causes inefficiency and slow delivery of justice. The non-filling up of existing plantilla positions contributes to this problem of lack of personnel, and is not consistent with the goal of ensuring swift administration of justice as stated in the Philippine Development Plan.

3.8 The number of authorized positions in the DOJ has been consistently increasing from 2020 to the current year, and it will increase further to 28,782 next year (*Table 4*). Out of the total 26,764 permanent/authorized positions in 2021, 7,112 permanent positions (26.6%) were left unfilled. The number of plantilla positions is expected to increase to 27,782 this year, but 6,221 (22.4%) will be unfilled. For next year, 25.1% (7,221) of the 28,782 permanent/authorized positions are projected to be unfilled.

TABLE 4
NUMBER OF AUTHORIZED AND UNFILLED POSITIONS BY AGENCY, 2020-2023

Agency	Authorized Positions				Unfilled Positions			
	2020	2021	2022	2023	2020	2021	2022	2023
OSEC	6,523	6,462	6,477	6,477	1,438	1,011	897	897
BUCOR (Civilian)	297	297	297	297	139	131	133	133
BUCOR (Uniformed)	4,133	6,133	6,133	7,133	402	3,160	1,433	2,433
BI	2,772	2,795	2,795	2,795	737	718	742	742
LRA	2,994	2,938	2,938	2,938	839	778	731	731
NBI	2,018	2,018	2,021	2,021	534	585	574	574
OGCC	140	140	140	140	22	14	16	16
OSG	994	994	994	994	180	163	158	158
PPA	1,307	1,307	1,307	1,307	315	357	358	358
PCGG	147	147	147	147	70	59	58	58
PAO	3,470	3,470	3,470	3,470	205	114	99	99
OADR	-	63	63	63	-	22	22	22
TOTAL	24,795	26,764	27,782	28,782	4,881	7,112	6,221	7,221

Source: Staffing Summary 2022-2023

3.9 Table 4 further shows that the highest number of unfilled positions in 2021 was posted by BUCOR-Uniformed (3,160) and OSEC (1,011). Meanwhile, based on the 2021 actual data, the following units/agencies have relatively higher ratios in terms of unfilled-to-authorized positions: BUCOR-Civilian (44.1%), PCGG (40.1%), and NBI (29.0%).

Regional Allocation

3.10 Table 5 shows the regional distribution of the DOJ budget for the 2021-2023 period. Of the P28.2 billion expenditure program for 2023, 76% (P21.4 billion) is allocated to the Central Office. While the Central Office allocation next year is 4.5% higher than the current year, its budget share in 2023 is slightly lower than its share (76.8%) this year. This is due to the 14.2% increase (P660.9 million) in the budget allocation of NCR compared to 2022 level. Net of the budget allocations of the Central Office and NCR, the rest of the regions has a 5.2% share in the 2023 proposed budget of the department.

TABLE 5
REGIONAL DISTRIBUTION OF THE DOJ BUDGET, 2021-2023
(AMOUNTS IN MILLION PESOS)

Region	2021 Actual		2022 Program		2023 Proposed	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Nationwide	-	-	-	-	-	-
Central Office	21,878.8	79.2	20,495.3	76.8	21,423.4	76.0
NCR	4,221.7	15.3	4,646.0	17.4	5,307.0	18.8
CAR	31.1	0.1	32.0	0.1	31.6	0.1
Region 1	50.8	0.2	50.4	0.2	50.0	0.2
Region 2	38.7	0.1	63.4	0.2	38.3	0.1
Region 3	64.7	0.2	90.4	0.3	68.7	0.2
Region 4A	70.8	0.3	70.8	0.3	73.8	0.3
Region 4B	259.9	0.9	283.8	1.1	281.2	1.0
Region 5	48.2	0.2	48.7	0.2	51.4	0.2
Region 6	69.0	0.2	69.7	0.3	69.3	0.2
Region 7	78.3	0.3	79.9	0.3	85.0	0.3
Region 8	142.9	0.5	157.0	0.6	152.9	0.5
Region 9	123.7	0.4	150.6	0.6	118.1	0.4
Region 10	47.2	0.2	48.9	0.2	49.9	0.2
Region 11	441.8	1.6	342.0	1.3	339.1	1.2
Region 12	25.7	0.1	25.1	0.1	23.4	0.1
CARAGA	29.8	0.1	28.0	0.1	28.3	0.1
BARMM	-	-	-	-	-	-
TOTAL	27,623.1	100.0	26,682.0	100.0	28,191.2	100.0

Source of basic data: BESF 2023

3.11 Note that the shares of the Central Office and NCR significantly changed from the proposed to programmed and actual spending in 2021. These significant changes in shares are due to budgetary adjustments (e.g., fund transfers to agencies from Special Purpose Funds authorized in the budget) and the agencies' utilization of continuing appropriations during the budget execution phase. In 2021, the Central Office's budget share rose from 11.9% (proposed) to 43.5% (programmed), and to 79.2% (actual) (CPBRD, *Agency Budget*

Notes for the DOJ, 2020 and 2021). In comparison, the NCR's share declined from 59.6% to 22.4% and then to 15.3%, respectively.¹

IV. NEW APPROPRIATIONS

4.1 The FY 2023 proposed new appropriations of the DOJ amounts to P26.7 billion, which is 5.7% (P1.4 billion) higher than current year's new appropriations. The combined allocations of the top three highly-budgeted DOJ agencies, namely, the OSEC, BUCOR, and PAO account for P19.4 billion or 72.6% of the total proposed new appropriations (Table 6). The remaining P7.3 billion (27.4%) will be shared by the eight other DOJ units/agencies.

TABLE 6
NEW APPROPRIATIONS BY AGENCY AND COST STRUCTURE, 2023

Agency	Amounts (In Million Pesos)				Share to Total Agency (%)			
	GAS	STO	Operations	Total Agency	GAS	STO	Operations	Total Agency
OSEC	854.6	130.4	7,461.8	8,446.8	10.1	1.5	88.3	100.0
BUCOR	1,283.3	-	4,626.5	5,909.8	21.7	-	78.3	100.0
BI	451.3	-	1,163.3	1,614.6	28.0	-	72.0	100.0
LRA	147.2	48.0	1,074.8	1,270.0	11.6	3.8	84.6	100.0
NBI	686.2	-	1,170.0	1,856.2	37.0	-	63.0	100.0
OGCC	72.5	-	146.2	218.7	33.2	-	66.8	100.0
OSG	248.3	-	976.4	1,224.7	20.3	-	79.7	100.0
PPA	85.2	-	797.7	882.9	9.6	-	90.4	100.0
PCGG	82.0	-	64.5	146.5	56.0	-	44.0	100.0
PAO	261.4	-	4,769.2	5,030.5	5.2	-	94.8	100.0
OADR	42.6	-	43.3	85.8	49.6	-	50.4	100.0
TOTAL	4,214.5	178.3	22,293.6	26,686.5	15.8	0.7	83.5	100.0

Source of basic data: NEP 2023

4.2 Table 6 shows a breakdown of the DOJ budget by cost structure, consisting of P22.3 billion (83.5%) for *Operations*, P4.2 billion (15.8%) for *General Administration and Support* (GAS), and P178.3 million (0.7%) for *Support to Operations* (STO). More than three-fourths (75.6%) or P16.9 billion of the total DOJ-Operations budget will support the programs of three agencies, namely: the OSEC, PAO and BUCOR. The remaining 24.4% (P5.4 billion) will be used to fund the programs of the other DOJ attached agencies. Meanwhile, more than three-fourths or 77.7% (P3.3 billion) of the GAS budget will be allocated to four agencies (BUCOR, OSEC, NBI, BI), with the BUCOR having the highest allocation of

¹ Significant changes in budget shares of the Central Office and NCR in the proposed, programmed and actual budgets are ongoing patterns in the regional distribution of the DOJ budget over the years. For 2022, the Central Office share (41.8%) in the proposed budget is much lower than its 79.2% share in the programmed budget. Meanwhile, NCR's share (24.9%) in the proposed budget for 2022 is higher than its share in the programmed budget as presented in Table 5.

P1.3 billion. Allocation for STO amounting to P178.3 million will be shared by OSEC (P130.4 million) and LRA (P48.0 million).

- 4.3 Table 7 presents the allocation for the 14 major programs of the DOJ for the 2021-2023 period. For the 2023 proposed budget, the allocations for Programs under agency Operations exclude the allocations for projects. Unlike in the 2021 and 2022 NEP/GAA, the 2023 NEP presents separately the allocations for Programs and their component projects. The combined annual budget for Programs (which incorporate the allocations for related projects) corresponds to the total DOJ-Operations budget in the 2021 and 2022 GAA. For comparability with the 2021 and 2022 figures in the GAA, the 2023 allocations for all DOJ Programs in Table 7 incorporate the allocations for their component projects.
- 4.4 The 14 DOJ Programs under Operations will receive P22.3 billion in allocation in the 2023 proposed budget. This amount is P1.0 billion or 4.9% higher than the current year's level of P21.3 billion. Similar to the current and previous fiscal years, the Law Enforcement Program of OSEC (P7.3 billion), Public Legal Assistance Program of PAO (P4.8 billion), and Prisoners Custody and Safekeeping of BUCOR (P4.5 billion) will receive the three highest allocations. With higher budget allocations and shares compared to current year's level, the combined allocations for these three programs (P16.6 billion) account for 74.5% of the Operations/Program budget in 2023.

TABLE 7
SUMMARY OF PROGRAMS FOR 2021-2023
DEPARTMENT OF JUSTICE

Program (Implementing Agency)	Amount (In Million Pesos)			% Share to Total Program			Growth Rates '22-'23 (%)
	2021	2022	2023	2021	2022	2023	
Law Enforcement (OSEC)	6,481.0	6,671.6	7,309.3	33.0	31.4	32.8	9.6
Public Legal Assistance (PAO)	4,405.0	4,501.7	4,769.2	22.4	21.2	21.4	5.9
Prisoners Custody and Safekeeping (BUCOR)	2,798.4	3,922.3	4,521.1	14.2	18.5	20.3	15.3
Crime Detection and Investigation (NBI)	1,492.1	1,646.6	1,170.0	7.6	7.7	5.2	(28.9)
Border Control and Management (BI)	1,186.1	1,174.9	1,163.3	6.0	5.5	5.2	(1.0)
Land Titling and Registration (LRA)	988.9	993.0	1,074.8	5.0	4.7	4.8	8.2
Legal Services for NG Agencies (OSG)	903.2	945.5	976.4	4.6	4.4	4.4	3.3
Parole and Probation (PPA)	834.6	851.1	797.7	4.2	4.0	3.6	(6.3)
Legal Services for Gov't Corporations (OGCC)	140.3	147.9	146.2	0.7	0.7	0.7	(1.2)
Prisoners Rehabilitation (BUCOR)	136.5	136.5	105.4	0.7	0.6	0.5	(22.8)
Legal Services (OSEC)	164.9	118.2	113.5	0.8	0.6	0.5	(4.0)
Ill-Gotten Wealth Recovery & Admin (PCGG)	66.5	70.7	64.5	0.3	0.3	0.3	(8.8)
Alternative Dispute Resolution Advocacy and Development (OADR)	-	39.1	43.3	-	0.2	0.2	10.7
Corrections (OSEC)	42.5	36.9	39.0	0.2	0.2	0.2	5.6
TOTAL	19,640.0	21,256.0	22,293.6	100.0	100.0	100.0	4.9

Source: GAA 2021-2022 and NEP 2023

- 4.5 Seven (7) out of 14 programs of the DOJ will have lower budgets in 2023 compared to their 2022 allocations. NBI's Crime Detection and Investigation will suffer the largest budget cut of P476.6 million, equivalent to a 28.9% decrease from the program's allocation this year. Other Programs with budget cuts are PPA's Parole and Probation (-P53.4 million), -6.3%; BUCOR's Prisoner's Rehabilitation (-P31.1 million), -22.8%; and PCGG's Ill-Gotten Wealth Recovery and Administration (-P6.2 million), -8.8%.
- 4.6 The following programs will have budget increases from 2022 to 2023, as follows: LRA's Land Titling and Registration (P81.8 million), 8.2%; OSG's Legal Services for National Government Agencies (P30.9 million), 3.3%; OADR's Alternative Dispute Resolution Advocacy and Development (P4.2 million), 10.7%; and OSEC's Corrections (P2.1 million), 5.6%.

V. PERFORMANCE REVIEW

Budget Utilization

- 5.1 Underspending of appropriations by government agencies is a critical issue in budget authorization because it leads to delayed or non-delivery of goods and services and benefits to citizens. The following assesses the efficiency of DOJ units/agencies in utilizing their respective appropriations authorized by Congress.
- 5.2 Table 8 shows the budget utilization efficiency of DOJ agencies based on the extent to which they obligate or use their available appropriations. On the average (2019-2021), the obligations-appropriations ratio (OAR) of the department is 92.2% which means that an estimated 7.8% of its available appropriations for the fiscal year remain unused. The department's OAR has consistently been increasing from 2019-2020, resulting as well in the consistent declines in the level of unused appropriations. Its overall OAR increased from 89.1% in 2019 to 94.8% in 2021 while unused appropriations decreased from P2.9 billion in 2019 to P1.5 billion in 2021. Although lower than in 2019, the unused appropriations (P1.5 billion) of the DOJ in 2021 remain substantial.
- 5.3 Based on the latest available data (2021), five of the 11 DOJ units/agencies posted high obligation-appropriation rates exceeding 95%: PAO (100%), OGCC (98.4%), BUCOR (97.1%), LRA (96.9%), and OSEC (96.7%). No data is available for the OADR whose 2021 appropriations remains part of the DOJ-OSEC. On the other hand, BI (81.6%) and NBI (83.4%) had the two lowest OARs in the department in 2021.

5.4 BuCor's unused appropriations (P1.6 billion) for 2019 accounted for more than half (54.4%) of the total unused appropriations of the entire department. In 2021, however, BUCOR was able to reduce its unused appropriations substantially to P143.3 million or 9.4% of the department's total unused appropriations. While BUCOR was able to reduce its unused appropriations substantially, such is not the case for other DOJ agencies with relatively high unused appropriations in 2021: NBI (P430.9 million), BI (P345.2 million), and OSEC (P320.0 million).

TABLE 8
OBLIGATIONS-APPROPRIATIONS RATIO
AND UNUSED APPROPRIATIONS, 2019-2021

Particulars	Obligation-Appropriations Ratio (%)			Unused Appropriations (In Million Pesos)		
	2019	2020	2021	2019	2020	2021
OSEC	95.9	96.6	96.7	352.6	294.9	320.0
BUCOR	68.3	87.6	97.1	1,569.5	739.4	143.3
BI	83.7	83.9	81.6	241.4	288.8	345.2
LRA	93.0	96.7	96.9	121.8	53.2	56.9
NBI	84.7	80.5	83.4	317.6	407.5	430.9
OGCC	90.2	92.1	98.4	23.1	18.5	4.2
OSG	88.5	94.0	91.5	176.2	74.3	120.7
PPA	94.8	90.6	92.7	53.8	96.5	83.5
PCGG	92.8	80.3	93.1	12.1	34.1	13.8
PAO	99.7	100.0	100.0	15.4	-	-
OADR	-	-	-	-	-	-
TOTAL	89.1	92.7	94.8	2,883.5	2,007.2	1,518.5

Sources of basic data: NEP 2021-2023

5.5 In 2019, about 96.5% or P2.8 billion of the P2.9 billion unused appropriations of the DOJ were unobligated allotments. Only 3.5% (P100.3 million) were considered unreleased appropriations. It may be noted that the share of unobligated allotments to the total unused appropriations has declined to 90.1% (P1.8 billion) in 2020 and to 87.4% (P1.3 billion) in 2021. Meanwhile, the share of unreleased appropriations to the total unused appropriations in the department has increased from 3.5% in 2019 to 12.6% in 2021.

5.6 An agency's appropriation or allotment is considered used once obligated or contracted out. However, the actual delivery of goods or services may occur at a later date. The disbursement or payment to the contractors/suppliers indicates that procured goods or services are actually delivered and available for public use. Thus, it is important to consider the disbursement rate (i.e., the ratio of disbursements to appropriations) to gauge the agency's actual absorptive capacity to utilize its budget. Note that disbursements in a year may include payables related to prior years' obligations—thus, the disbursement rate can exceed 100%. For this reason, the indicator should be interpreted with caution.

5.7 Table 9 shows the disbursement rates of the DOJ for the period 2020-2021. Overall disbursement rate of DOJ in 2021 was 89.5%, which means that 10.5% or P3.1 billion of its appropriations (P29.1 billion) were not converted into actual goods and services. DOJ's total disbursement of P26.1 billion in 2021 was higher compared to 2020 (P22.4 billion). Its 2021 disbursement rate (89.5%) was higher than 2020 level (82.0%) and 2019 pre-pandemic level of 82.3%. Except for OSG, NBI, and LRA, all other units/agencies had higher disbursement rates in 2021 compared to 2020.

TABLE 9
DISBURSEMENT RATE BY AGENCY, 2020-2021
(AMOUNTS IN MILLION PESOS)

Particulars	2020			2021		
	Appropriations	Disbursements	Disbursement Rate (%) ^{a/}	Appropriations	Disbursements	Disbursement Rate (%) ^{a/}
OSEC	8,560.8	7,772.9	90.8	9,727.1	9,255.8	95.2
BUCOR	5,950.6	3,634.5	61.1	4,964.9	4,515.2	90.9
BI	1,794.6	1,127.5	62.8	1,875.1	1,219.2	65.0
LRA	1,635.0	1,374.6	84.1	1,818.1	1,494.5	82.2
NBI	2,093.5	1,568.8	74.9	2,594.6	1,840.3	70.9
OGCC	235.4	213.0	90.4	260.2	247.3	95.0
OSG	1,238.3	1,108.6	89.5	1,425.7	1,212.2	85.0
PPA	1,024.4	866.6	84.6	1,145.1	1,000.5	87.4
PCGG	173.6	117.6	67.7	200.7	176.6	88.0
PAO	4,653.6	4,653.6	100.0	5,130.1	5,130.1	100.0
TOTAL	27,359.8	22,437.7	82.0	29,141.6	26,091.5	89.5

a/ Disbursement rate – ratio of disbursements to appropriations
Source: SAAODB 2020-2021, DBM

5.8 In 2021, PAO, OSEC and OGCC posted the three (3) highest disbursement rates of 100%, 95.2%, and 95.0%, respectively. Note, however, that PAO's 100% disbursement rate needs to be interpreted with caution, considering a COA audit finding that the agency transferred P12.9 million in November 2021, to the Procurement Service-DBM. As of 31 December 2021, PAO's unutilized balance of fund transfers (i.e., unserved Agency Procurement Request) to PS-DBM amounted to P17.5 million (2021 Annual Audit Report for PAO, p.44).

5.9 The OSEC and BuCor which are the top two highly budgeted DOJ units were able to disburse 95.2% and 90.9% of their respective appropriations in 2021. Aside from the BI which had the lowest disbursement rate (65.0%), other agencies with disbursement rates below 90% include the following: NBI (70.9%), LRA (82.2%), OSG (85.0%), PPA (87.4%) and PCGG (88.0%).

5.10 Table 10 shows the budget utilization efficiency of the DOJ's 13 major programs in 2021 based on two indicators: (i) the ratio of obligations over appropriations (obligation rate), and (ii) the ratio of disbursements over appropriations (disbursement rate). On average, the 13 DOJ major programs posted an obligation rate of 96.4% and a disbursement rate

of 92.7%. Total unobligated appropriations of the 13 DOJ programs in 2021 amounted to P748.0 million while undisbursed appropriations reached P1.5 billion. Of the P20.2 billion obligated appropriations, P788.3 million (3.9%) was not disbursed.

TABLE 10
BUDGET UTILIZATION BY MAJOR PROGRAM, 2021
(AMOUNTS IN MILLION PESOS)

Program / Implementing Agency	Appropriations	Obligations	Disbursements	Obligation Rate (%) ^{a/}	Disbursement Rate (%) ^{b/}
Law Enforcement Program (OSEC)	6,593.8	6,553.7	6,527.3	99.4	99.0
Corrections Program (OSEC)	45.8	36.7	36.5	80.2	79.6
Legal Services Program (OSEC)	184.8	120.0	117.9	64.9	63.8
Border Control and Management Program (BI)	1,344.2	1,232.9	994.9	91.7	74.0
Land Titling and Registration Program (LRA)	977.6	929.8	924.0	95.1	94.5
Ill-Gotten Wealth Recovery and Administration (PCGG)	66.5	72.9	72.0	109.6	108.2
Crime Detection and Investigation Program (NBI)	1,558.3	1,304.8	1,091.3	83.7	70.0
Public Legal Assistance Program (PAO)	4,405.0	4,405.0	4,405.0	100.0	100.0
Legal Services for Government Corporation Program (OGCC)	143.8	142.7	141.2	99.3	98.2
Legal Services for National Government Agencies Program (OSG)	964.6	852.0	809.2	88.3	83.9
Parole and Probation Program (PPA)	896.1	829.1	779.2	92.5	87.0
Prisoners Rehabilitation Program (BUCOR)	145.4	125.5	109.3	86.3	75.2
Prisoners Custody and Safekeeping Program (BUCOR)	3,613.6	3,586.2	3,395.3	99.2	94.0
TOTAL	20,939.4	20,191.3	19,403.1	96.4	92.7

a/ Obligation rate – ratio of obligations to appropriations

b/ Disbursement rate – ratio of disbursements to appropriations

Source: SAAODB 2021 (FAR No. 1 in Transparency Seal)

5.11 The top two programs with 100% obligation rates or higher in 2021 were PCGG's *Ill-Gotten Wealth Recovery* and PAO's *Public Legal Assistance*. Four other programs had high obligation rates falling within the 95%-99%: *Law Enforcement* (OSEC), *Legal Services for Government Corporations* (OGCC), *Prisoner's Custody and Safekeeping* (BUCOR), and *Land Titling and Registration* (LRA). In comparison, these five (5) programs had obligation rates below 90%: *Legal Services* (OSEC), *Corrections* (OSEC), *Crime Detection and Investigation* (NBI), *Prisoner's Rehabilitation* (BUCOR), and *Legal Services for National Government Agencies* (OSG).

5.12 In 2021, only four DOJ programs had disbursement rates above 95%. These programs were the following: *Ill-Gotten Wealth Recovery and Administration* (PCGG), *Public Legal Assistance* (PAO), *Law Enforcement* (OSEC), and *Legal Services for Government Corporation* (OGCC). Aside from OSEC's *Legal Services* which has the lowest disbursement rate at 63.8%, six other programs had disbursement rates lower than 90%: *Corrections* (OSEC), *Border Control and Management* (BI), *Crime Detection and Investigation* (NBI), *Legal Services for National Government Agencies* (OSG), *Parole and Probation* (PPA), *Prisoner's Rehabilitation* (BUCOR).

Performance Indicators by Program

5.13 The Philippine Development Plan (PDP) 2017-2022 has adopted key performance indicators and targets for the justice sector based on the country's performance in international indices measuring the state of rule of law. In 2021, the country's performance (27.34) exceeded its 2021 target (27.0) in terms of its global percentile rank in the Civil Justice indicator of the World Justice Project. However, the country's 2021 performance (13.67) was short of the target (29.0) in Criminal Justice. The latest available data in 2020 also show that the country's performance (31.73) did not meet the target percentile rank (50.0) in the Worldwide Governance Indicators-Rule of Law. The DOJ is one the key government agencies responsible for meeting these justice sector targets.

TABLE II
PERFORMANCE INDICATORS OF MAJOR PROGRAMS, 2021-2023

Program/Sub-Program (Agency)	2021		2022 Target	2023 Target
	Target	Actual		
Prosecution Sub-Program (OSEC)				
<i>Outcome:</i> Percentage of successful prosecution (convictions vs-a-vis acquittal)	88.75%	91.05%	88.75%	91.05%
<i>Output:</i> Percentage of criminal complaints resolved during the period	91.50%	92.29%	91.50%	92.29%
Witness Protection Sub-Program (OSEC)				
<i>Outcome:</i> Percentage of successful prosecution in cases with witnesses covered by the program	98.50%	84.62%	98.50%	84.80%
Public Legal Assistance Program (PAO)				
<i>Outcome:</i> Percentage of cases, including the appealed cases, that were favorably disposed	81.34%	83.05%	82.57%	83.05%
<i>Output:</i> Alternative Dispute Resolution (ADR) success rate	92.75%	89.43%	92.92%	92.92%
Land Titling and Registration Program (LRA)				
<i>Outcome:</i> Percentage of clients satisfied with agency services	75.07%	73.59%	73%	73.59%
<i>Output:</i> Percentage of titles issued 20 days after submission of complete documents	90.17%	92.28%	87.50%	92.28%
Crime Detection and Investigation Program (NBI)				
<i>Outcome:</i> Percentage of cases recommended for prosecution that were upheld (filed in court) by the National Prosecution Service and Ombudsman within the year	57%	39%	57%	57%
<i>Output:</i> Number of investigations conducted and acted upon	56,500	35,569	57,000	57,000
Legal Services for Government Corporations Program (OGCC)				
<i>Outcome:</i> Percentage of cases handled during the year and won	70%	69%	70%	70%
Legal Services for National Government Agencies Program (OSG)				
<i>Outcome:</i> Percentage of client agencies who rated the OSG pleadings and services as Very Satisfactory	100%	100%	100%	100%

Source: NEP 2023

5.14 Table 11 presents the output and outcome indicators of selected seven (7) DOJ programs and sub-programs. A comparison of accomplishments vis-à-vis the targets in 2021 shows that OSEC's Prosecution Sub-Program exceeded its outcome and output targets in terms of percentage of successful prosecution and the percentage of criminal complaints resolved in 2021. However, under the Witness Protection Sub-Program, actual performance

(84.62%) was below target (98.50%) in terms of “percentage of successful prosecution in cases with witnesses covered by the program”.

- 5.15 For PAO’s Public Legal Assistance Program, actual performance of 83.05% exceeded the target (81.34%) for the outcome indicator “percentage of cases, including the appealed cases that were favorably disposed.” However, the 2021 Alternative Dispute Resolution success rate (89.43%) was below the target of 92.75%.
- 5.16 For LRA’s Land Titling and Registration Program, the target for the efficiency indicator, “percentage of titles issued 20 days after submission of complete documents”, was met. However, the program’s target of having 75.07% of its clients satisfied was not met by actual performance (73.59%).
- 5.17 In terms of both output and outcome indicators, the NBI’s Crime Detection and Investigation Program failed to meet the selected indicators pertaining to “number of investigations conducted and acted upon” and “percentage of cases recommended for prosecution that were upheld (filed in court) by the National Prosecution Service and Ombudsman.
- 5.18 On the Legal Services for Government Corporations Program of the OGCC, actual performance (69%) was slightly below target (70%) in terms of the percentage of handled cases that the agency won. For OSG’s Legal Services for National Government Agencies, actual and target performance was the same at 100%.

VI. COA FINDINGS AND RECOMMENDATIONS

- 6.1 In line with its constitutional mandate to ensure the integrity of government financial transactions, the Commission on Audit (COA) prepares and publishes Annual Audit Reports (AAR) for audited government agencies. Congress through the annual GAA also requires government agencies to submit a report to COA on the status of implementation of COA recommendations within 60 days from receipt of the AAR. Agencies shall submit copies of status reports to the DBM, the House Committee on Appropriations, and the Senate Committee on Finance.
- 6.2 Table 12 shows the status of implementation of the 530 previous years’ recommendations (PYRs) of the COA as reported in the 2021 AARs. Overall, the department implemented more than half (52%) of the total PYRs. This is a substantial improvement compared to 2020 when the department implemented only 39% of the 410 PYRs. For 2021, three (3) DOJ units/agencies posted compliance rates below 40%: PCGG (36%), LRA (38%), and OSEC (39%). In comparison, three agencies (OGCC, OSG and PPA) managed to implement more than 90% of their PYRs in 2021.

TABLE 12
STATUS OF IMPLEMENTATION OF COA RECOMMENDATIONS
(AS OF 31 DECEMBER 2021)

Particulars	Total	Implemented		Not Implemented	
		Number	(%)	Number	(%)
OSEC	91	35	38	56	62
BUCOR	47	25	53	22	47
BI	82	42	51	40	49
LRA	119	45	38	74	62
NBI	64	38	59	26	41
OGCC	8	8	100	0	0
OSG	18	17	94	1	6
PPA	30	28	93	2	7
PCGG	39	14	36	25	64
PAO	32	21	66	11	34
TOTAL	530	273	52	257	48

Source: Annual Audit Reports 2021 (Part 3)

Key Issues Involved in Unimplemented PYRs

- 6.3 Among the 10 DOJ units/agencies, the PCGG, LRA and OSEC had the highest non-compliance rates exceeding 60%. The unimplemented PYRs mentioned in the 2021 AARs involved the following key issues.

DOJ-OSEC

- ❑ *Delayed/non-submission of financial reports.* Budget and Financial Accountability Reports (BFARs) and supporting documents were not submitted within the prescribed period, preventing COA from doing timely verification or examination of the agency's financial accounts and transactions (AAR 2020, p. 82).
- ❑ *Unliquidated fund transfers.* COA could not determine the validity and accuracy of the reported balance (P342.1 million) of the *Due from NGAs* account in view of the P21.8 million unliquidated fund transfers to the then National Computer Center NCC). This fund transfer had been outstanding for more than 18 years. Thus, the COA required the DOJ-OSEC to demand for the DICT's immediate fund of the said amount (AAR 2019, p. 55).

LRA

- ❑ *Unaccounted service concession assets and liabilities.* The books of the LRA did not recognize the assets and liabilities pertaining to the implementation of Land Titling Computerization Project (LTCP) under the Build-Own-Operate (BOO) Agreement with Land Registration Systems, Inc. (LARES) (AAR 2020 item 7, pp. 97-100). The

COA asked the agency to account and record in its books the total value of the deliverables of LARES (AAR 2020, items 7 and 10, pp. 97-100; 111-118).

- ❑ *Absence of a revenue-sharing agreement with LARES that deprived the government of substantial revenue.* To ensure that LARES is not given unwarranted benefit at the expense of the public, the COA asked the LRA to incorporate amendments in the BOO Agreement for the provision of a reasonable rate of return (ROI). It further asked the LRA to show valid cause for the non-inclusion of a revenue-sharing arrangement despite the recommendation of the National Economic and Development Authority (NEDA). According to the COA, the absence of a revenue-sharing arrangement deprived the Government of around P3.1 billion in potential income (AAR 2019, item 11, pp. 102-105).
- ❑ *Non-submission of NEDA approval of IT Fees.* The validity of some Information Technology (IT) Service Fees being collected by LRA was doubtful due to non-submission of document evidencing approval from NEDA. The LRA was asked to submit any contract amendments, approval of regulatory bodies and/or such other documents that serve as basis for the collection or charging of additional IT fees by LARES (AAR 2020 item #13, pp. 123-125).
- ❑ *Weaknesses in revenue-collection systems.* A number of unimplemented PYRs of LRA aim to address the weak systems for protecting the agency revenues. These include the delayed or unremitted collections of the Register of Deeds (RoD) collecting officers; gaps in internal controls on agency collections; and non-maintenance of an updated cash receipts register to record daily collections and deposits. The COA estimated that the government lost P12.2 million as a result of internal control weaknesses on collections (AAR 2020 items 2, 18 and 19, pp. 46-48, 134-136).

PCGG

- ❑ *Failure to prepare Property Inventory Form (PIF).* The agency's management was not able to prepare and submit Property Inventory Form (PIF) to COA to support the assessment of general insurance coverage of all insurable assets and properties of the government with the Government Service Insurance System (GSIS), violation of COA Circular No. 2018-002 (2020 AAR, p. 88).
- ❑ *Doubtful balance of Property, Plant and Equipment (PPE) accounts.* The accuracy and reliability of the PPE account with an aggregate balance of P168.8 million as of 31 December 2019, was doubtful due to: (a) unreconciled difference of P22.6 million between the balance per books and the balance per Report on the Physical Count of Property, Plant and Equipment (RPCPPE); and (b) unrecorded disposal of 1,037 unserviceable properties (2019 AAR, p. 42).

- ❑ *Unreliable abandoned/surrendered property/assets account.* This account with a balance of P15.70 billion as of 31 December 2019 was unreliable for several reasons including: (a) failure to revalue/reappraise the surrendered ill-gotten wealth and provide probable impairment loss; (b) incorrect journal entry in the reclassification of accounts amounting to P21.5 million; and (c) discrepancies of P406.1 million between the number of shares of stocks per books valued at P884.5 million and per inventory of stock certificates amounting to P825.8 million. The PCGG was not able to implement COA's recommendation to hasten the sale/disposal of all abandoned/surrendered properties to avoid further loss of value and to augment the budgetary requirement of the CARP (2019 AAR, p. 47).

Key Audit Findings and Recommendations in 2021

- 6.4 In 2021, COA auditors gave unmodified audit opinions² on the FS of the OGCC, OSG, PPA, PCGG and PAO. Five of 10 DOJ units/agencies received modified auditor's opinions³ on their financial statements. The OSEC, BUCOR, BI, LRA and NBI received modified audit opinions due to accounting deficiencies (e.g., unliquidated cash advances) and accounting errors (e.g., non-recording of revenues) with corresponding amounts totaling P4.8 billion (2021 AARs). The OSEC and BI accounted for 66% (P3.2 billion) of accounting deficiencies and errors among these five DOJ units/agencies. A number of such accounting deficiencies and errors have implications on the proper use or collection of public funds.

BUCOR

- ❑ *Infrastructure projects to decongest national prisons not completed.* From November 2020 to August 2021, the Bureau received P548.3 in allotments (out of P1 billion in appropriations from the 2019 GAA) for various projects to construct, rehabilitate and improve regional prisons in Palawan, Davao, Leyte, Zamboanga and CIW. These projects were scheduled to be completed between January to February 2022. However, based on the report on the status of these projects as of 31 December 2021, the completion rates were only between 56% to 74%. The COA called on the agency to strictly monitor the physical accomplishments of the projects and address the cause of delays (2021 AAR, pp. 99-100).
- ❑ *Laxity in the implementation of internal controls.* The COA recommended for the proper monitoring and implementation of policies, rules and procedures on the supply and delivery of food subsistence to persons deprived of liberty (PDLs), in view of the following observations:

² *An unmodified opinion from auditors means that the agency's financial statements were prepared, in all material respects, according to prescribed framework for financial reporting.*

³ *A modified opinion, which includes qualified, adverse or disclaimer of opinion, is issued by COA auditors when the agency's financial statements (FS) are not free from material misstatements*

- The cooked food served by its contracted caterers was not in accordance with the agreed menu, quantity and nutritional value pursuant to existing Food Service Agreements (FSAs) (2021 AAR, p.83).
 - Of the 126 PDLs hired by the caterer AFS Eatery, only 79 have health certificates and occupational permits from the City Health Office of Muntinlupa (2021 AAR, p.84).
 - Existing policy requires that claims against government funds shall be supported with complete documentation. However, payments for food subsistence served to PDLs at the Correctional Institute for Women (CIW) totaling P4.1 million were not supported with delivery receipts, making it difficult to ascertain the descriptions, quantity and date/time of delivered food.
- ❑ *Irregular provision of maintenance medicines to Persons Deprived of Liberty (PDLs) with hypertension, diabetes and asthma.* Pursuant to the United Nations Standard Minimum Rules for the Treatment of Prisoners (UNSMTP), the safekeeping of inmates shall include decent and adequate provision of basic necessities such as medicines. However, the required number of maintenance medicines for hypertension, diabetes and asthma were not regularly provided to PDLs in the National Bilibid Prison (NBP) and Correctional Institute for Women (CIW) (2021 AAR, p.87-89).
- ❑ *Absence of policy guidelines on issuance of firearms.* BUCOR does not have policies and guidelines on the issuance and inventory system for Military, Police and Security Equipment. This gap resulted in the (a) issuance of two to seven firearms to one personnel; (b) non-retrieval of 45 firearms from officers and employees who are no longer connected with BUCOR; and (c) non-settlement for lost/missing firearms. During the annual physical inventory count in 2021, 247 firearms were not presented (2021 AAR, p. 90).
- ❑ *Utilization of the Bureau's Trust Fund for the basic necessities of PDLs.* The Bureau is authorized under Special Provisions of the FY 2021 GAA to utilize revenue proceeds from the sale of agro-industrial products (Fund 284) and income from Joint Venture Agreements and other business operations, for the basic necessities of PDLs. It utilized P545.5 million generated from the foregoing revenue sources for various purposes: PDL basic needs (P189.0 million); drugs/medicines (P33.3 million); antigen kits (P110.1 million); repairs and rehabilitation of prison facilities (P109.6 million); light and heavy equipment (P77.4 million); fire truck (P12.9 million); prison buses and security vehicles (P12.6 million). The COA commended the agency's management for these accomplishments (2021 AAR, p. 100-102).
- ❑ *Settlement of disallowances, charges and suspensions.* As of 31 December 2021, BUCOR had a total of P612.6 million in disallowances (P582.3 million) and suspensions (P30.3 million). Out of the P530.4 million disallowances, the amount of P529.6 is still under appeal with the COA (2021 AAR, p. 106).

OSEC

- ❑ *Procurement delays.* The DOJ-OSEC incurred delays in the different stages of the procurement process ranging from one to 73 days. Based on Section 38.1A and Annex C of the Revised Implementing Rules and Regulations (IRR) of the Government Procurement Reform Act (GPRA), the procurement process from the opening of bids up to the award of contract shall not exceed three months. Of the 95 contracts/purchase orders for the procurement of goods/equipment for CY 2021 amounting to P115.7 million, 11 procurements (P6.8 million) exceeded the maximum allowable time under the GPRA (2021 AAR, p. 85).
- ❑ *Unliquidated cash advances at year-end.* Cash advances totaling P75.1 million remained unliquidated at year-end contrary to existing COA regulations. The agency was asked to direct all concerned accountable officers to regularly monitor the cash advances and liquidations of agency officers and employees (2021 AAR, 93).
- ❑ *Inadequate bond for approving authorities and accountable officers.* A number of DOJ officials designated as approving authority, principal signatory, and alternate signatory/co-signatory to disbursement vouchers, checks, and Advice to Debit Account (ADA) were not adequately bonded contrary to Treasury Circular No. 02-2019 (April 2019). The OSEC management was asked to evaluate the present insurance coverage of all accountable officers (2021 AAR, p. 101-104).
- ❑ *Lack of proper supporting document for COVID-19 spending.* Of the P5.4 million expenses relative to the COVID-19 pandemic for CY 2021, P3.3 million were not properly supported by required documents to prove their validity, such as official receipts for swab tests; collection receipts from various suppliers; and consumption reports or distribution lists of items procured and distributed (2021 AAR, p. 65).

BI

- ❑ *Weaknesses in the handling of revenues.* COA's examination on the cash and accounts of the BI's Regional Collecting Officers showed deficiencies in the handling, record-keeping, and reporting of collections and remittances, and non-compliance with related control procedures (2021 AAR, p.103).
- ❑ *Validity of COVID-19 expenses.* Of the P25.8 million spent for COVID-19 measures from year 2020 to June 2021, P4.1 million were not properly supported by documents to prove their validity, contrary to COA Circular No. 2012-001. These documents include the (a) certifications that the medical items delivered and/or disinfectant services rendered by suppliers/contractors were part of their line of business; and (b) consumption reports or distribution list of items duly received by the recipients (2021 AAR, p.103-104).

LRA

- ❑ *Non-completion of the Land Titling Computerization Project (LTCP)'s deliverables.* LARES did not complete the Operations Support System within the period prescribed by the BOO Agreement with LRA. This resulted in various system errors and operational inefficiencies, hindering the full achievement of the LTCP's objective (2021 AAR, p. 91).
- ❑ *Collection of unauthorized additional IT fees.* A total of P522.1 million in additional IT fees for was charged to LRA's clients even without the approval of the NEDA Board. COA underscored that without the proper approval of the NEDA Board, the collection of IT service fees is unauthorized, and called for the discontinuance of collection of unapproved fees (2021 AAR, p. 99).

PCGG

- ❑ *Expenses for vehicle repairs and maintenance that were not economical.* The PCGG spent P8.4 million or 54% of the total acquisition cost of P15.6 million of the entire fleet of motor vehicles, for repairs and maintenance. Such expense was without due regard to the 30% allowable limit on the cost of motor vehicle repairs, pursuant to COA Circular No. 2012-003 (2021 AAR, p. 87).
- ❑ *Procurements under alternative modes without proper documentation.* The PCGG's various procurements using the alternative modes totaling P3.0 million were not properly documented, contrary to PD 1145 (Government Auditing Code of the Philippines), RA 9184 and COA Circular No. 2012-001 (2021 AAR, p. 97).

PAO

- ❑ *P17.5 million in unserved procurement request with the PS-DBM.* On 12 November 2021, PAO transferred P12.9 million to PS-DBM for the procurement of various office supplies. This is despite the fact that the PS-DBM has not yet delivered the Agency Procurement Request (APR) amounting to P4.6 million. As of 31 December 2021, the PS-DBM needs to deliver to PAO a total of P17.5 million in APR. Significant amount of funds therefore is placed in the PS-DBM. Delays in the delivery of requested supplies, to which PAO has already transferred funds for, would hinder implementation of its programs and projects (2021 AAR, p. 44).

ANNEX I
EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023
(AMOUNTS IN MILLION PESOS)

Particulars	2021				2022				2023			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
OSEC	8,687.2	561.1	158.8	9,407.1	6,983.1	711.5	71.9	7,766.5	7,788.3	656.7	273.0	8,718.0
BUCOR	2,755.1	1,891.8	174.7	4,821.6	3,325.0	1,926.3	20.0	5,271.4	4,009.7	1,888.3	20.0	5,917.9
BI	1,010.3	347.6	172.0	1,529.9	1,107.7	487.7	80.6	1,676.0	1,155.9	449.8	96.2	1,701.9
LRA	1,221.5	533.5	6.2	1,761.2	1,185.1	620.2	-	1,805.4	1,270.6	662.3	-	1,933.0
NBI	1,288.7	676.6	198.5	2,163.7	1,166.0	831.2	420.7	2,417.9	1,226.1	711.8	14.3	1,952.2
OGCC	216.5	30.6	8.9	256.0	183.8	29.1	7.7	220.6	176.4	45.2	7.0	228.6
OSG	1,121.4	182.3	1.3	1,305.0	981.5	260.5	29.0	1,271.1	1,030.3	274.7	-	1,305.0
PPA	830.8	133.7	97.1	1,061.6	809.3	150.9	110.3	1,070.5	808.9	139.4	-	948.3
PCGG	117.2	67.4	2.3	186.9	109.1	52.3	5.4	166.9	113.7	40.0	-	153.7
PAO	4,965.3	143.2	21.6	5,130.1	4,803.0	140.6	1.8	4,945.3	5,096.5	147.2	-	5,243.7
OADR	-	-	-	-	22.6	47.9	-	70.5	35.9	53.0	-	88.9
TOTAL	22,214.0	4,567.8	841.2	27,623.1	20,676.3	5,258.3	747.5	26,682.0	22,712.2	5,068.4	410.5	28,191.2

Source: FY 2023 BESF

ANNEX 2
EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023
(AS PERCENT TO TOTAL AGENCY)

Particulars	2021				2022				2023			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
OSEC	92.3	6.0	1.7	100.0	89.9	9.2	0.9	100.0	89.3	7.5	3.1	100.0
BUCOR	57.1	39.2	3.6	100.0	63.1	36.5	0.4	100.0	67.8	31.9	0.3	100.0
BI	66.0	22.7	11.2	100.0	66.1	29.1	4.8	100.0	67.9	26.4	5.7	100.0
LRA	69.4	30.3	0.4	100.0	65.6	34.4	-	100.0	65.7	34.3	-	100.0
NBI	59.6	31.3	9.2	100.0	48.2	34.4	17.4	100.0	62.8	36.5	0.7	100.0
OGCC	84.6	11.9	3.5	100.0	83.3	13.2	3.5	100.0	77.1	19.8	3.1	100.0
OSG	85.9	14.0	0.1	100.0	77.2	20.5	2.3	100.0	78.9	21.1	-	100.0
PPA	78.3	12.6	9.1	100.0	75.6	14.1	10.3	100.0	85.3	14.7	-	100.0
PCGG	62.7	36.1	1.2	100.0	65.4	31.3	3.2	100.0	74.0	26.0	-	100.0
PAO	96.8	2.8	0.4	100.0	97.1	2.8	0.0	100.0	97.2	2.8	-	100.0
OADR					32.1	67.9	-	100.0	40.4	59.6	-	100.0
TOTAL	80.4	16.5	3.0	100.0	77.5	19.7	2.8	100.0	80.6	18.0	1.5	100.0

Source: FY 2023 BESF