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ACKNOWLEDGMENTS

Office of the Ombudsman Annual Report 2018

Inspiring greater accountability. Building a nation of integrity.



OMBUDSMAN'S MESSAGE



It is with deep pride and honor that we present the 2018 Annual Report of the Office of the Ombudsman. Through this, we showcase the accomplishments of our hard working and dedicated colleagues for 2018.

The Office celebrated its 30th anniversary in 2018. It is therefore both a challenge and an honor for me to assume office during this milestone year. It is a challenge because I must sustain the momentum that this Office has been gaining for the past years. But it is also an honor because I would be leading this dynamic organization towards new directions in the pursuit of good governance and integrity in public service.

To start, guided by the Public Accountability Blueprint 2019-2025, we will be embarking on an organizational retrofitting that will enhance operational synergies, streamline processes and promote efficiency within our ranks. We will also focus on values formation and corruption prevention initiatives, with a view to nipping corruption in the bud. I am confident that the men and women of the Office of the Ombudsman will fully support these and other reform measures that will be rolled out in the coming years.

As we look back on the successes of the past through this Annual Report, we also look forward to an even stronger campaign to fight corruption, towards truly fulfilling our mandate as protectors of the people.

Samuel R. Martires

EXECUTIVE SUMMARY

1. Complaints

For the Calendar Year 2018, the Office of the Ombudsman received a total of 10,859 new complaints, an increase of 3% from the previous year. Added to the new complaints received were 646 cases carried over from the previous year.

A total of 9,039 or 79% of the 11,505 complaints for evaluation were evaluated during the year. Out of the 9,039 cases evaluated, 71% were docketed as RAS, MED, FF, Crim and Admin Cases.

2. Request for Assistance

A total of 23,632 new requests for assistance (RAS) were received during the year. With the 895 pending RAS carried over from the previous year added to the newly received requests, the total workload was 24,527.

Out of the total workload, 23,969 or 98% were disposed so the remaining 558 or 2% are still pending.

3. Fact Finding Cases

For CY 2018, 1,786 new fact-finding cases were docketed. The total workload of fact-finding cases was 5,989 derived by adding the 4,288 cases carried over from the previous year to the 1,701 newly instituted fact-finding cases.

A total of 3,193 or 53% of fact-finding cases were disposed in 2018. Of the disposed cases, 18% resulted in docketing as OMB cases.

4. Forfeiture Cases

The total workload of forfeiture cases for CY 2018 is 69 derived from the 45 cases carried over from the previous year and the 24 newly instituted cases. With the disposal of 16 cases or 23% of the workload (12 dismissed cases, 3 cases for filing with the Sandiganbayan court, and 1 case for filing with regular courts) pending forfeiture cases stood at 53 or 77% at the end of the year.

5. Criminal Cases

A total of 2,462 criminal cases were newly docketed during the year. With the 2,601 pending cases carried over from the previous year added to the 2,443 newly instituted cases, the total workload of criminal cases was 5,044.

There were 2,243 cases or 44% of the total workload disposed. Of the disposed criminal cases, 24% resulted in the filing of information in courts.

6. Administrative Cases

For administrative cases, a total of 2,464 were newly docketed during the year. The total workload of administrative cases was reported at 5,234 as the 2,608 cases carried over from the previous year were added to the 2,626 newly instituted cases.

A total of 2,397 cases or 46% of the total workload were disposed leaving a balance of 2,837 pending cases at the end of the year. Of the disposed administrative cases, 28% resulted in the imposition of administrative penalty.

EXECUTIVE SUMMARY

7. Prosecution

For the year 2018, a total of 698 new criminal informations were filed against high ranking officials before the Sandiganbayan. Added to the new informations filed were the 81 revived cases, and the 5,732 pending criminal cases for prosecution carried over from the previous year, bringing the total workload of cases for prosecution to 6,511.

There were 1,174 cases disposed or 18% of the total workload, leaving a balance of 5,337 pending cases at the end of the year. This is a 2% decrease from the 5,468 pending cases last year.

8. Conviction Rate

The total number of decided cases for the year 2018 is 627. Of these, 443 resulted in conviction of 1 or more accused (including cases which were not yet decided/terminated but at least one of the accused pleaded guilty), while 184 resulted in acquittal, thus, posting a conviction rate of 71%, or the percentage of the total number of convictions out of the total number of decided cases.

9. Government Agencies with the most Number of Cases Filed

Out of the 698 cases that were filed with the Sandiganbayan for the year 2018, 520 cases were against officials/employees of the Local Government Units (LGUs), followed by Department of Agriculture with 37 cases, Philipine Coast Guard with 34 cases, House of Representatives with 30 cases, Local Water Utilities Administration with 14 cases, Philippine National Police with 10 cases, Senate of the Philippines with 8 cases, Philippine Aerospace Development Corporation with 7 cases, Commision on Higher Education with 6 cases, Bureau of Immigration, Bureau of Customs and Philippine National Railways all with 4 cases each, and 17 other agencies with 3 and below cases filed.



LEGAL and INSTITUTIONAL FRAMEWORK

The Ombudsman and his Deputies, as protectors of the people, shall act promptly on complaints filed in any form or manner against public officials or employees of the Government, or any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations, and shall, in appropriate cases, notify the complainants of the action taken and the result thereof. (Section 12, Article XI of the 1987 Constitution, Section 13, R.A. 670).

As enshrined under the 1987 Constitution, the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and coruption (Art. II, Sec. 27). It also declares the avowed State policy that public office is a public trust and that public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives (Art. XI, Sec. 1).

The framers of the 1987 Constitution envisioned the Ombudsman as an independent constitutional authority in government with full power and authority to see to it that the actions of all public officials and employees conform to the standards of the Constitution.

The Congress enacted Republic Act No. 6770, otherwise known as the Ombudsman Act of 1989, to operationalize the Office of the Ombudsman as the lead anti-corruption agnecy of the government. It was created to have an Ombudsman who would be an effective and active watchman, vesting the Ombudsman with adequate authority that would prevent the Ombudsman from being "toothless tiger". (cf. journal, Session No. 15, August 17, 1987). To fulfill its constitutional and statutory mandates, the Office of the Omudsman discharges the following major functions:

- 1 Investigation. The Office of the Ombudsman has the power to investigate on its own, or on complaint by any person, any act or omission of any public officer when such act or omission appears to be illegal, unjust, improper or inefficient.
- 2. Enforcement. The Office of the Ombudsman has the authority to impose administrative sanctions against elective and appointive officials of the government except members of the Congress and the Judiciary and those who may be removed only by impeachment.
- 3. Prosecution. The Office of the Ombudsman, through the Office of the Special Prosecutor, has the exclusive authority to prosecute cases against erring public officials and their cohorts before the Sandiganbayan. It can also prosecute criminal cases involving public officials and employees before the regular courts.
- 4. Public Assistance. The law empowers the Office of the Ombudsman to extend assistance to people who complain against official inaction or impropriety. It is clothed with the authority to direct any public official or employee to perform and expedite any act or duty required by law, or to stop, prevent, and correct any abuse or impropriety in the performance of duties.

LEGAL and INSTITUTIONAL FRAMEWORK

5. Corruption Prevention. The law mandates the Office of the Ombudsman to take effective measures, both reactionary and preventive, against graft and corruption. It has the duty to determine the causes of inefficiency, red tape, mismanagement, fraud and corruption in government, and make recommendations for their elimination and the observance of high standards of ethics and efficiency.

Jurisdiction

In the discharge of its functions, the Office of the Ombudsman exercises jurisdiction over officials and employees of the government, or any subdivision, agency, instrumentality thereof, including ment-owned or controlled corporations, as well as over private individuals who have acted in conspiracy with public officials. It has disciplinary authority over all elective and appointive officials of the government except over officials who may be removed only by impeachment or over members of Congress and the Judiciary. The Ombudsman has the power to investigate any serious misconduct in office committed by officials removable by impeachment for the purpose of filing a verified complaint for impeachment if warranted.

Structural Organization

The Office of the Ombudsman is led by the Ombudsman also known as Tanodbayan, ably supported by the Overall Deputy Ombudsman, Deputy Ombudsmen for Luzon, Visayas, Mindanao, and the Military and Other Law Enforcement Offices (MOLEO), and the Special Prosecutor. The Ombudsman, Overall Deputy Ombudsman, Deputy Ombudsmen for Luzon and MOLEO, and the Special Prosecutor hold office in Quezon City. The Deputy Ombudsmen for Visayas and Mindanao are stationed in the cities of Cebu and Davao, respectively. There are regional offices in the cities of Iloilo, Tacloban and Cagayan de Oro.

The Office of the Overall Deputy Ombudsman oversees and administers the operations of the different offices and performs such other functions and duties assigned by the Ombudsman such as the review of cases involving low-ranking officials.

The Office of the Deputy Ombudsman for Luzon, Visayas, and Mindanao performs various functions and duties assigned by the Ombudsman within their respective geographical jurisdictions. The Office of the Deputy Ombudsman for MOLEO has jurisdiction over officials and personnel of the Armed Forces of the Philippines, Philippine National Police, Bureau of Fire Protection, Bureau of Jail Management and Penology, Bureau of Corrections, and other agencies of the government involved in law enforcement. The Office of the Special Prosecutor prosecutes criminal cases within the jurisdiction of the Sandiganbayan under the supervision and control of the Ombudsman. It also litigates civil cases for forfeiture of unexplained wealth. It can also enter into plea bargaining agreements.

There are various directorates and allied services under the Ombudsman, with counterpart bureaus or units in its area/sectoral offices. These are the following:

- 1. Preliminary Investigation, Administrative Adjudication, and Monitoring Office (PAMO)
- 2. Field Investigation Office (FIO)
- 3. Public Assistance and Corruption Prevention Office (PACPO)
- 4. Office of Legal Affairs (OLA)
- 5. Prosecution, Information, Evaluation, and Monitoring Service (PIEMS)
- 6. Finance and Management Information Office (FMIO)
- General Administration Office (GAO).

Additionally, there are various bureaus and divisions under each office with specific functions. The area/sectoral offices of the Office of the Ombudsman generally have the same set-up as the central office.

OMBUDSMAN OFFICIALS

Hon. Samuel R. Martires Ombudsman

Hon. Melchor Arthur H. Carandang verall Deputy Ombudsman

Hon. Gerard A. Mosquera Deputy Ombudsman for Luzon

Hon. Paul Elmer M. Clemente Deputy Ombudsman for Visayas

Hon. Rodolfo M. Elman Deputy Ombudsman for Mindanao

Hon. Cyril E. Ramos
Deputy Ombudsman for the Military
and Other Law Enforcement Offices (MOLEO)

Hon. Edilberto G. Sandoval Special Prosecutor

Atty. Kristine Joy Meñez-Macalalad Assistant Ombudsman, Ombudsman Proper

Atty. Jose M. Balmeo, Jr. Assistant Ombudsman, Ombudsman Proper

Atty. Pilarita T. Lapitan Assistant Ombudsman, Ombudsman Proper

Atty. Asryman T. Rafanan Assistant Ombudsman, Office of Legal Affairs

Atty. Caesar D. Asuncion Assistant Ombudsman, Field Investigation Office I

Atty. Joselito P. Fangon Assistant Ombudsman, Field Investigation Office II

Atty. Aleu A. Amante Assistant Ombudsman, Preliminary Investigation, Administrative Adjudication and Monitoring Office I Atty. Marilou A. Mejica Assistant Ombudsman, Preliminary Investigation, Administrative Adjudication and Monitoring Office II

Atty. Weomark Ryan G. Layson Assistant Ombudsman, Finance and Management Information Office

Atty. Leilanie Bernadette C. Cabras Assistant Ombudsman, General Administration Office

Atty. Maribeth T. Padios Assistant Ombudsman, Prosecution, Information, Evaluation and Monitoring Services

Atty. Adoracion A. Agbada Acting Assistant Ombudsman, Luzon

Atty. Carla Juris Narvios-Tanco Assistant Ombudsman, Visayas

Atty. Maria Iluminada Lapid-Viva Assistant Ombudsman, Mindanao

Atty. Dennis L. Garcia Acting Assistant Ombudsman, MOLEO

Atty. Cornelio L. Somido Deputy Special Prosecutor

Atty. Manuel T. Soriano, Jr. Deputy Special Prosecutor

Atty. Mary Susan S. Guillermo Deputy Special Prosecutor and Acting Assistant Ombudsman Public Assistance & Corruption Prevention Office

Atty. Omar L. Sagadal Deputy Special Prosecutor

Atty. Irenio M. Paldeng Acting Deputy Special Prosecutor

OMBUDSMAN OFFICIALS

CENTRAL

Atty. James G. Viernes Director IV, Preliminary Investigation, Administrative Adjudicationand Review Bureau

Atty. Emma B. Suarez Director IV, Prosecution and Monitoring Bureau

Atty. Beda A. Epres Director IV, General Investigation Bureau - A

Atty. Maria Olivia Elena A. Roxas Director IV, General Investigation Bureau - B

Atty. Maria Janina J. Hidalgo Director IV, General Investigation Bureau – C

Atty. Ferdinand Q. San Joaquin Director IV, General Investigation Bureau - D

Atty. Francisca M. Serfino Director, General Investigation Bureau – E

Atty. Ryan P. Medrano Director, General Investigation Bureau – F

Atty. Medwin S. Dizon Director, Preliminary Investigation and Administrative Adjudication Bureau- A

Atty. Moreno F. Generoso Director, Preliminary Investigation and Administrative Adjudication Bureau - B

Atty. Maricel M. Marcial-Oquendo Acting Director, Preliminary Investigation and Administrative Adjudication Bureau - C

Atty. Nellie B. Golez Director, Preliminary Investigation and Administrative Adjudication Bureau - D

Atty. Anna Isabel G. Aurellano Acting Director, Preliminary Investigation and Administrative Adjudication Bureau - E

Atty. Ruth Laura A. Mella Acting Director, Preliminary Investigation and Administrative Adjudication Bureau - F

Atty. Julita M. Calderon Acting Director, Public Assistance Bureau

Atty. Mary Rawnsle V. Lopez Acting Director, Public Information and Media Relations Bureau

Atty. Hilario A. Favila, Jr. Acting Director, Bureau of Resident Ombudsman

Atty. Rhodora F. Galicia Officer-in-Charge, Community Coordination Bureau

Ms. Lourdes P. Salazar Director, National Integrity Center

Atty. Mothalib C. Onos Acting Director, Research and Special Studies Bureau

Mr. Dennis Russell D. Baldago Director IV, Project Management Bureau

Mr. Edgardo C. Diansuy Director IV, Finance and Management Information Office

Ms. Adorie T. Cornito Acting Director II, Finance & Management Service

Ms. Gina Lyn C. Lucas Director IV, Management Information System Service

Mr. Emmanuel O. Vergara Director IV, Central Administrative Service

LUZON

Atty. Adoracion A. Agbada Acting Assistant Ombudsman/ Director Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - B

Atty. Joaquin F. Salazar Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - A

Atty. Margie G. Fernandez-Calpatura Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - C

Atty. Gil Felix A. Hidalgo Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - D

Atty. Raquel Rosario M. Cunanan-Marayag Director, Public Assistance and Corruption Prevention Bureau

Atty. Maria Melinda S. Mananghaya-Henson Director, Field Investigation Bureau

Atty. Expedito O. Allado, Jr. Officer-in-Charge/ Acting Director Case Records Evaluation, Monitoring and Enforcement Bureau

Atty. Floriza A. Briones Director IV, Finance and Administrative Bureau

VISAYAS

Atty. Euphemia B. Bacalso Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - A

Atty. Jane Aquilar Acting Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - B

Atty. Gaudioso J. Melendez Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - C

Atty. Philip C. Camiguing Acting Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - D

Atty. Pio R. Dargantes Director, Regional Office VI (Iloilo)

Atty. Eduardo B. Kangleon Acting Director, Public Assistance and Corruption Prevention Bureau

Atty. Alfred Yann G. Oquis Director, Regional Office VIII (Tacloban)/ Acting Director, Field Investigation Bureau

Atty. Sarah Jo A. Vergara Acting Director, Case Records Evaluation, Monitoring and Enforcement Bureau

Atty. Imelda Marie B. Beltran Acting Director Finance and Administrative Bureau

MINDANAO

Atty. Gay Maggie B. Violan Officer-in-Charge, Public Assistance and Corruption Prevention Bureau

Atty. Hilde C. Likit Officer-in-Charge, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - A

Atty. Marco Anacleto P. Buena Acting Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - B

OMBUDSMAN OFFICIALS

MINDANAO

Atty. Marie Josephine B. de Vera Acting Director IV, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - D

Atty. Samuel P. Naungayan Officer-in-Charge, Case Records Evaluation, Monitoring and Enforcement Bureau

Atty. Milagros J. Macaraig Officer-in-Charge, Field Investigation Bureau

MOLEO

Atty. Alan R. Cañares Acting Director, Public Assistance and Corruption Prevention Bureau

Atty. Dennis L. Garcia Acting Assistant Ombudsman/ Acting Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - A

Atty. Yvette Marie S. Evaristo Acting Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - B

Atty. Dyna I. Camba Acting Director, Preliminary Investigation, Administrative Adjudication and Prosecution Bureau - C

Atty. Maria Teresa L. Lee-Rafols Acting Director, Field Investigation Bureau

Atty. Lyn L. Llamasares-Gonzalez Acting Director, Case Records Evaluation, Monitoring and Enforcement Bureau

Atty. Eric Anthony A. Dumpilo Acting Director, Finance and Administrative Bureau

OFFICE OF THE SPECIAL PROSECUTOR

Atty. Mariter V. Delfin-Santos Acting Director, Prosecution Bureau I

Atty. Janet Leah M. Ramos Acting Director, Prosecution Bureau II

Attv. Arieta P. Sav Acting Director, Prosecution Bureau III

Atty. Agnes B. Autencio-Daguis Acting Director, Prosecution Bureau IV

Attv. Ma. Christina Marallag-Batacan Acting Director, Prosecution Bureau V

Atty. Reza M. Casila-Derayunan Acting Director, Prosecution Bureau VI

Attv. Louella Mae Oco-Pesauera Acting Director, Prosecution Bureau VII

Atty. Julieta Zinnia A. Niduaza Acting Director, Prosecution Bureau VIII

Atty. Paz Judith Antonina R. Boco-Mate Acting Director, Prosecution Bureau IX

Atty. Lalaine D. Benitez Acting Director, Prosecution Bureau X

Atty. Jennifer A. Agustin-Se Acting Director, Prosecution Bureau XI

Atty. Leni B. Padaca Acting Director, Prosecution Bureau XII

Atty. Karen E. Funelas Acting Director, Prosecution Bureau XIII

Atty. Froilan S. Dayco Acting Director, Prosecution Bureau XIV

Atty. M.A. Christian O. Uv Director, Appellate and Special Actions Bureau

Atty. Bienvenida A. Gruta Acting Director, Case Revival Monitoring and Execution Bureau

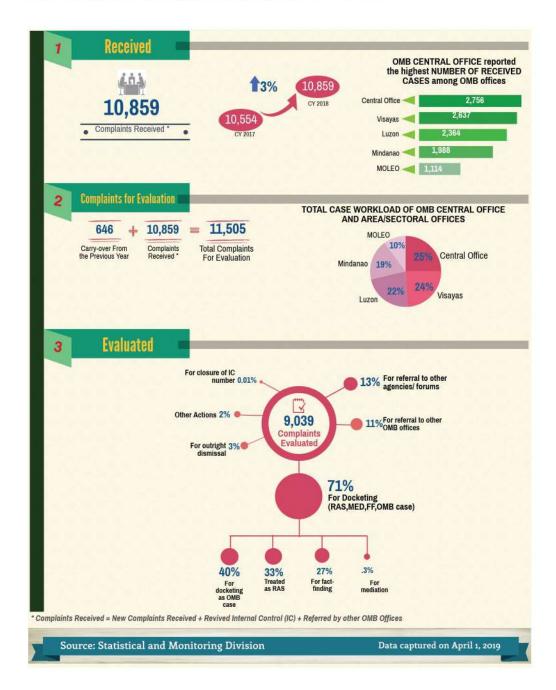
Atty. Anabelen B. Estrada-Ronguillo Acting Director, Finance and Administrative Bureau

STATISTICS





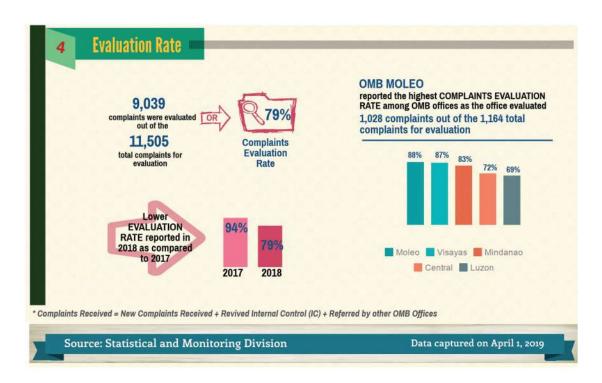
Ombudsman cases are complaints filed in or taken cognizance of by the Office of the Ombudsman charging any public officer or employee, including those in the government-owned or controlled corporations, with any act or omission that is alleged to be illegal, unjust, improper or inefficient.



STATISTICS

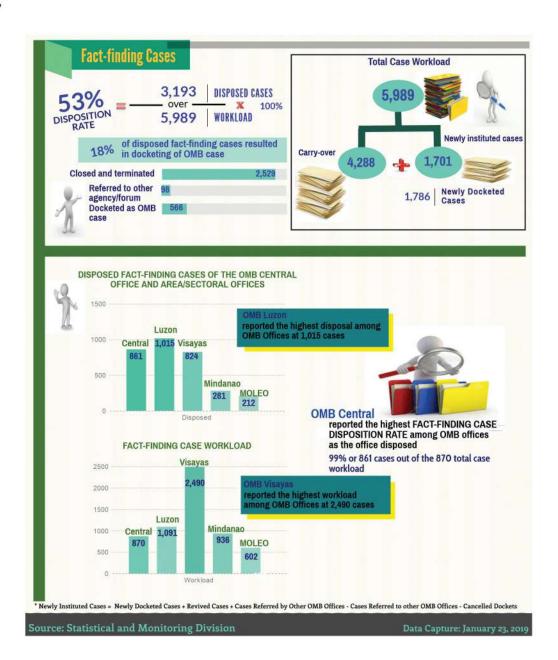






FACT-FINDING CASES For Calendar Year 2018

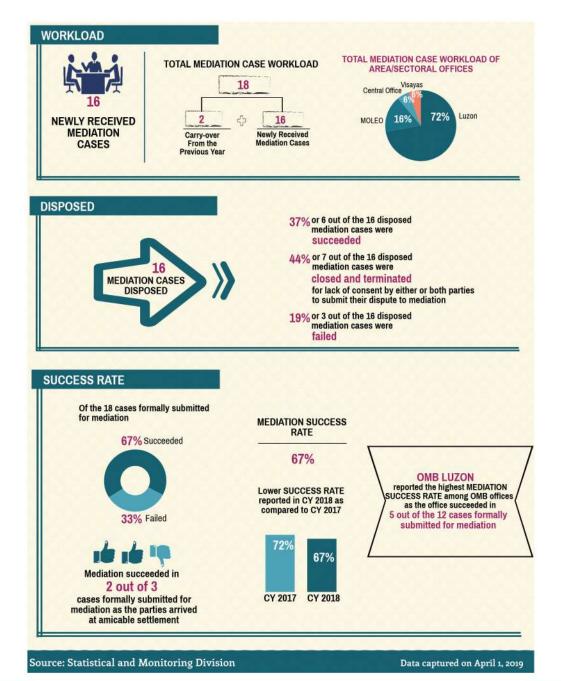




STATISTICS

Mediation is a voluntary process in which a mediator facilitates communication and negotiation between the disputing parties and assists them in reaching an agreement to settle their disputes. Mediation was adopted by the office as an effective system for the resolution of minor and non-corruption complaints.



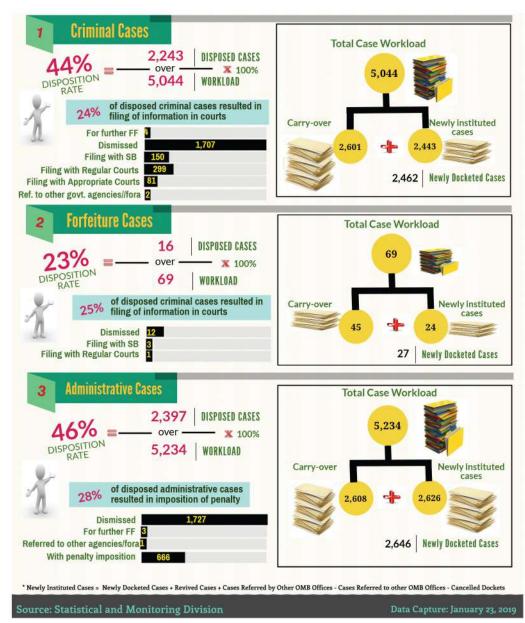




CRIMINAL, ADMINISTRATIVE, and FORFEITURE CASES

For Calendar Year 2018

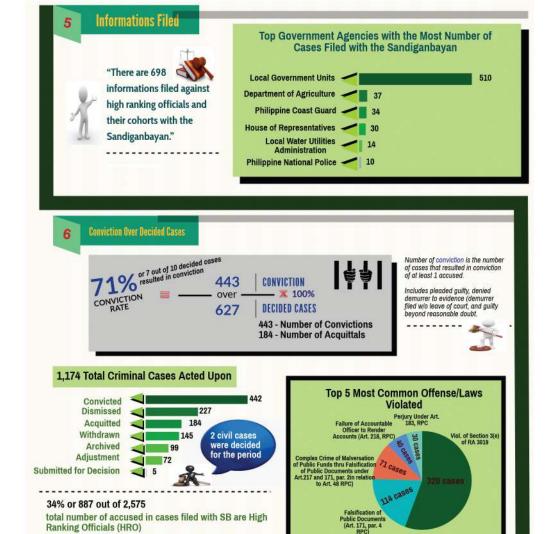




STATISTICS







15 OMB AR 2018

Ranking Officials (HRO)

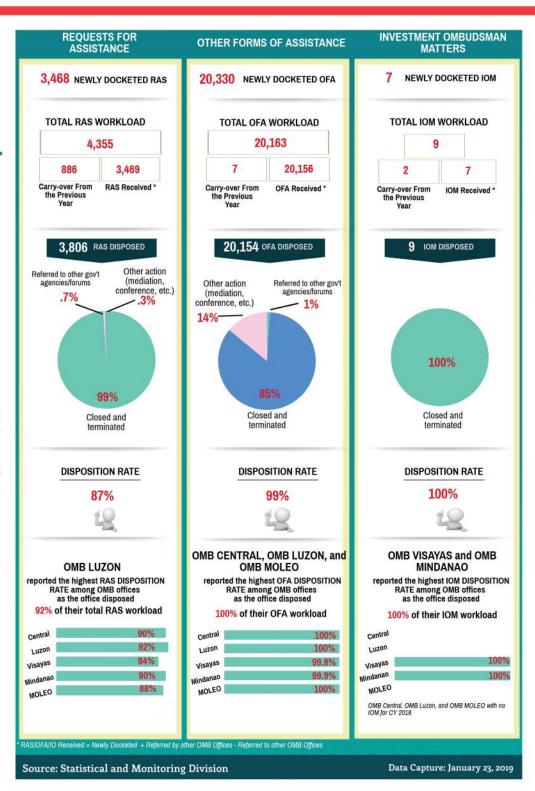
Source: Statistical and Monitoring Division

REQUEST for ASSISTANCE, OTHER FORMS of ASSISTANCE, and INVESTMENT OMBUDSMAN MATERS

For Calendar Year 2018



A Request for Assistance (RAS) refers to any form of grievance or concern seking redress, relief or public assistance, which does not necessarily amount to a criminal, administrative or forfeiture complaint, wherein the Office is mandated to intervene within the primary scope of its powers, functions, and jurisdiction.



PROJECTS and PROGRAMS

The Campus Integrity Crusaders Program is the platform through which the Office realizes the pro-active and preventive approach of the anti-corruption drive.

A total of 3,842 elementary, secondary and tertiary student-leaders were capacitated on anti-corruption and integrity development by the Office of the Ombudsman resulting to the involvement of 1,287 high school and college organizations in 1,250 activities cascading the values of integrity, honesty, transparency and accountability in schools/campuses and communities.



Close to 1,500 CIC officers accompanied by their advisers renewed their commitment as multipliers of the Office of the Ombudsman during the "4th Campus Integrity Crusaders Congress in NCR" at the Philippine Science High School Gymnasium.









Graft and Corruption Prevention Education Teaching Exemplars

Five corruption prevention modules have been developed by the Office of the Ombudsman in collaboration with the Department of Education's (Deped's) Curriculum Development Bureau.

The modules have been integrated in the lessons of Grades 7-10 subjects: ASEAN Studies, World History, Economics, Values and Contemporary Issues.

Upon the issuance of DepEd's Memoramdum Circular scheduled within the year, these modules will be used by Grades 7-10 teachers in public schools nationwide.

GRAFT & CORRUPTION PREVENTION EDUCATION TEACHING EXEMPLARS (K TO12 CURRICULUM)



JUNIOR HIGH SCHOOL

A joint project of the Office of the Ombudsman and the Department of Education





PROJECTS and PROGRAMS

Integrity Management Program (IMP) uses a highly innovative change management processes, techniques and tools in promoting, advocating and safeguarding the integrity of public sector institution and the people that comprise it in the performance of their mandates.

Its objective is to establish a systematic approach in building, improving, reinforcing and sustaining a culture of integrity in public sector institutions that is rooted in acceptable values, principles and standards of good governance.

The Integrity Management Program (IMP) was rolled out to five (5) implementing agencies in the Executive Branch, namely, the DOH, DSWD, DPWH, DOJ and BIR; and in one oversight body, the OFFICE OF THE OMBUDSMAN. The pilot implementation aimed to determine the effectiveness and responsiveness of the IMP, improve program documents and design, in preparation for the roll-out/implementation in all Departments/agencies.



The IMP proved to be very effective in identifying vulnerable areas in agency processes and helping them draw up corrective and preventive measures accordingly with the aim of establishing a systematic approach in building, improving, reinforcing and sustaining a culture of integrity in the agency. Hence in 2018, the implementation of the IMP covered fourteen (14) volunteer agencies and was initially introduced to thirteen other (13) public institution sectors.

The IMP likewise enabled the participating agencies to gather baseline figures on current levels of integrity within the agency, set targets for improvement and come up with a workable integrity management plan.

With the assistance of the program mentors, a series of IMP related activities with the participation of integrity advocates, a total of forty (40) critical processes vulnerable to corruption in six (6) IMP agencies were subjected to integrity assessment. For the systematic benchmarking and monitoring of agency efforts on corruption prevention, agencies progressively develop and implement corruption prevention measures to meet certain standards and improve organizational integrity.

Integrity, Transparency, and Accountability in Public Service (ITAPS)

An integrity promotion program that deals with norms of conduct for public servants, anti-corruption laws, and integrity. The central message of ITAPS is "ZERO tolerance to corruption".

It aims to instill awareness and to remind public officers about the ethical and moral conduct in the performance of their duties and responsibilities and understand the role of public servants and the accountability attached to the positions in government.

NTEGRITY, TRANSPARENCY AND **ACCOUNTABILITY IN** PUBLIC SERVICE An Integrity promotion program

of the Office of the Ombudsmar

It has four modules:

Module 1 **Understanding Corruption** Message: Corruption Kills. It victimizes all.

Module 3 **MODULE 3: Penalizing Corruption** Message: Corruption is a crime and crime does not pay

Module 2 MODULE 2: Answering to the People: Accountability of Public Officers Message: Public office is a public trust

Module 4 MODULE 4: Mirror Imaging the Self: Making a Difference in Public Service Message: Integrity Begins with AAn

Red Tape Assessment

This is a systematic and objective tool to assess the extent of bureaucratic red tape in the regulatory process of a government agency. Its goal is to simplify administrative procedures to reduce burden on businesses and recommend policy and administrative measures to mitigate the impact of red tape on the faithful performance of agency mandate.

In 2018, a total of 44 regulatory processes in different local government units nationwide were assessed.



ORGANIZATIONAL DEVELOPMENT

Troubleshooting has always been a process of trial and error. There are technical issues which are difficult to assess as to what could have caused a problem. Having implemented a Network and Application Performance Monitoring System, troubleshooting has been less tedious as the system provides information that will help isolate whether a problem is application, server, client or network-related.



While the Central Office has a sufficient facility for videoconferencing, its counterpart facilities in OMB Cebu and Davao have a lesser capability as shown by poor audio and video quality as well as the limited number of participants that can join a videoconference. With the upgrade of existing video conferencing system, the facilities of Cebu and Davao are now comparable with that of the Central Office, thereby improving the quality of videoconferencing.





Physical security controls in the Server Room of the Annex Building was strengthened with the completion of a door access system with face recognition capability. Access to said room is now being logged by the system.

In addition to the usual mode of disseminating Office-wide information through intranet, bulletin boards, and public address system, the Office has embarked on a multi-display information system that utilizes TV screens for synchronized display of information. These screens are now being used to display announcements and live news from different TV stations and newspapers.

Last December, the system was also used to display live telecast of the OMB Christmas Party to allow employees who cannot be accommodated in the auditorium to witness the said event. TV screens are now installed along the hallways of Main and Annex buildings of the Central Office. Moreover, the same system can also be utilized by OMB Cebu and OMB Davao.

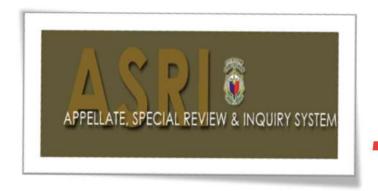


The Office started using Secure Socket Layer (SSL) Certificate, another layer of security that was put in place to assure whoever accesses the OMB website (ombudsman.gov.ph), email (mail.ombudsman.gov.ph) and intranet (intranet.ombudsman) that the sites visited are genuine and safe to use.



The Office started to adopt the use of a uniform computerized system in case monitoring way back in year 2013. The magnitude of its scope and the urgency of reaching its benefits prompted the Office to go for an incremental approach in systems development in order to slowly build up its functionality. Since then, various systems were implemented. In January 2018, a system for tracking cases brought before appellate courts was completed.

Denominated as Appellate, Special Review and Inquiry System (ASRI), the system completed the Office's goal of having a uniform case management system. The system may likewise be used for tracking documents pertaining to special review, legal opinion, inquiries and other matters handled by OLA and ASAB.



ORGANIZATIONAL DEVELOPMENT



A new Queuing System for PAB-Clearance Section was designed, developed and implemented. It aims to reduce customer waiting periods and improve staff productivity. It has three major components: the self-service touch screen ticketing kiosk, which acts as an on-premise gateway for customers and applicants, giving them a way to quickly self-manage processes like checking in or selecting service; a multimedia display that provides audio-visual means for directing customers on the real-time status of service delivery and communicate important announcements; and, a back-end control panel for the staff to manage lines, call customers forward, and generate performance statistics.



The development of a computerized Request for Assistance System (RAS) was completed and the same was implemented in January 2018. The system aims to facilitate the tracking of requests for assistance received by various PAB offices.

Personnel of the Office of the Special Prosecutor can now view their leave balances online through the use of the Leave Ledger, a module that provides a facility for monitoring of historical leave increases, accruals, and leave consumption information with a running balance total. It is one of the modules that will form part of the upcoming Human Resource Information System (HuRIS). This module was implemented to OSP-Admin last June 2018.









Public Lounge located at the PAB-Clearance Section



Enhancements made on existing systems

The Complaint and Case Monitoring System (CCMS) underwent enhancements to accommodate the following additional requirements:

- Generation of reports that will help in identifying cases that need updating / further validation;
- Display status of enforcement of administrative penalties in search and report modules;
- Generate a report on aging of disposed cases reflecting what year such cases were docketed to facilitate providing details pertaining inordinate delay;
- Revision of OPCR reports of PI/AA and Fact-Finding Offices to reflect changes based on the result of 2018 Annual Planning Workshop (revised indicators, targets and computation);
- Inclusion of a new disposition status "For Filing with Appropriate Court" to facilitate encoding of final action documents;
- Implementation of a system-generated control number for all incoming documents and generation of a new report in a transmittal format; and,
- Generation of reports that will display all complaints referred to the Internal Affairs Board (IAB) and those cases tagged as 'Environmental Cases'.

The 'Verified List of Cases' report of the Prosecution Monitoring Information System (ProMIS) was revised to incorporate additional requirements of the Prosecution Bureaus.

The Provident Fund System (ProFS) was enhanced to reflect the breakdown of Interest Income into "Earned" and "Unearned" and generate additional reports needed.

Participation in special projects

CCMS Data Validation. The MISS, through the SDD, took the lead in the validation of data encoded in the CCMS. With the cooperation of offices concerned, the actual number of pending cases declared by records offices as of December 30, 2017 reconciled with the number of cases encoded in the CCMS. Moreover, the masterlist of OMB-docketed cases from 2003 to 2018 was completed.

Data Migration System for OMB Luzon, Visayas, Mindanao and MOLEO. The MISS, through the SDD, provided technical support in the execution of the project which aimed to complete case information encoded in the CCMS covering the years 2003 to 2012. The project likewise included the scanning of some documents and making the same available in the CCMS.

ISO 9001:2015 Certification. The MISS cooperated with concerned offices in order to comply with, maintain and implement the requirements of ISO 9001:2015 Quality Management System.

Structured Cabling (OMB Visayas). The MISS, through the NOD, actively participated in the procurement, supply and delivery of structured cabling and other network components for OMB Visayas.



ACTIVITIES and HIGHLIGHTS



Ombudsman Conchita Carpio Morales entertains questions from student leaders during the Youth Empowerment Forum in Baguio City on 03 July 2018. The forum served an avenue for the students to share a light but meaningful conversation with Ombudsman Morales. It was attended by high school and college students from Baguio City who have shown academic and leadership excellence in their respective schools.

Ombudsman Conchita Carpio Morales delivers her "Ulat sa Bayan" during the multi-sectoral forum in Baguio City on 02 July 2018. She was joined by Overall Deputy Ombudsman Melchor Arthur Carandang, Deputy Ombudsman for Luzon Gerard Mosquera, Deputy Ombudsman for Visayas Paul Elmer Clemente, Deputy Ombudsman for Mindanao Rodolfo Elman, Deputy Ombudsman for the MOLEO Cyril Ramos and Special Prosecutor Edilberto Sandoval.



Ombudsman Conchita Carpio Morales delivers the keynote address during the Investing in Integrity Forum at the Asian Institute of Management, Makati City on 12 July 2018. Her message centered on the theme Investment Protection Through Anti-Corruption Initiatives and was well-received by guests from the national government, non-government organizations, professional organizations, business groups, development partners, media, among others.



Ombudsman Conchita Carpio Morales together with other distinguished resource persons during the Investing in Integrity Forum at the Asian Institute of Management, Makati City, 12 July 2018. With her are (from left to right) Department of the Interior and Local Government Undersecretary Epimaco V. Densing III, Court of Tax Appeals Presiding Justice Roman G. Del Rosario, National Economic and Development Authority Undersecretary Rosemarie G. Edillon, and Department of Trade and Industry Secretary Ramon M. Lopez.



ACTIVITIES and HIGHLIGHTS



The Office of the Ombudsman celebrated its 30th Anniversary centered on the theme: "Inspiring greater accountability. Building a nation of integrity". The week-long celebration started with the releasing of white balloons and a special number presented by the Philippine Marines Drum and Bugle Corps during the flag raising ceremony. Cash prize and a certificate were also given to the students of UP Visayas and Western Visayas State University for winning 1st place in the Integrity Caravan Corrupt-Free Video-Making Contest.









Filipino multi-media artist Toym Imao presents to Ombudsman Conchita Carpio Morales and Special Prosecutor Edilberto Sandoval the 30th Ombudsman Commemorative Sculpture at the OMB Annex Lobby last 07 May 2018.



Ombudsman Conchita Carpio Morales delivers her special message during the 30th anniversary celebration in Quezon City on 09 May 2018.







ACTIVITIES and HIGHLIGHTS



One of the major highlights of the OMB 30th Anniversary Program was the recognition of employees and officials who have rendered 30 years of service at the Office of the Ombudsman. Overall Deputy Ombudsman Melchor Arthur Carandang and Assistant Ombudsman Leilanie Bernadette Cabras pose for a group photo with the service awardees.







The OMB Chorale lead the singing of the Philippine National Anthem.



Mr. Noel Cabangon (left) performs his greatest hits.

Kontra-Gapi (right) the resident Ethnic Music and Dance Ensemble of the College of Arts and Letters from UP Diliman, entertains the audience during the 30th Anniversary celebration.











ACTIVITIES and HIGHLIGHTS



Ombudsman Conchita Carpio Morales and CHR Chairperson Chito Gascon together with top officials from the OMB and CHR pose for a photo after signing the Memorandum of Agreement at the CHR PARDEC, Commission on Human Rights, Magsaysay Ave., Diliman, Quezon City, 17 July 2018.



NEW OMBUDSMAN





Associate Justice Samuel R. Martires took his oath as the new Ombudsman of the Philippine Republic before Acting Chief Justice Antonio Carpio on August 6, 2018 at the Supreme Court session hall.

US Ambassador to the Philippines Sung Kim congratulates Justice Samuel Martires on his appointment as the 6th Ombudsman and expressed his support for the continued engagement on the Philippine anti-corruption agenda.

ACTIVITIES and HIGHLIGHTS





Ombudsman Samuel Martires ceremonially receives the compendium of anti-corruption laws with selected annotations from Mr. Brandon Hudspeth, Director, Bureau of International Narcotics and Law Enforcement Affairs. They are joined by Atty. Moin Khan, Interim Country Manager, International Development Law Organization. Ombudsman Martires was the Keynote Speaker during the event. The ceremonial soft launch was held in Marco Polo Ortigas Manila on 10 December 2018.



Auditors from TUV Rheinland and the Ombudsman Internal Control Unit members give a thumbs-up sign of approval during the ISO audit closing meeting. After a series of audit and evaluation, the Audit Team recommended the issuance of ISO 9001:2015 Quality Management System certificate to the Office of the Ombudsman on 14 November 2018.



Ombudsman Samuel Martires joins the students of the Child Development Center during the Buwan ng Wika activities.



In celebration of National Family Week, the Ombudsman Child Development Center held its Family Day activity for parents, students and loved ones on 28 September 2018.

ACTIVITIES and HIGHLIGHTS

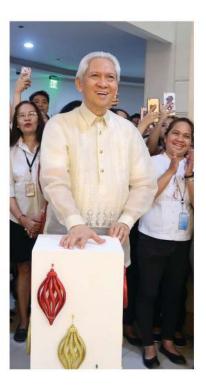


Master of ceremonies Dir. Gil Felix Hidalgo of OMB-Luzon acknowledges participants to the 2018 Mid-Year Performance Review.

Ombudsman Samuel Martires is joined by top officials during the Mid-Year Performance Review at the OMB Function Room on 03 September 2018.



Ombudsman Samuel Martires turns on the lights during the Christmas Tree Lighting event at the Annex Building Ground Floor Lobby in December. The activity marks the start of the two-week holiday program of the office.



Ombudsman Samuel Martires pose with members of the OMB Chorale during the Christmas Tree Lighting activity at the OMB Annex Building Lobby in December 2018.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ending December 31, 2018

1. Agency Profile

The financial statements of the Office of the Ombudsman were authorized for issue on February 14, 2019 as shown in the Statement of Management Responsibility for Financial Statements signed by Assistant Ombudsman for Finance and Management Information Office Weomark Ryan G. Layson and Overall Deputy Ombudsman Melchor Arthur H. Carandang.

The 1987 Constitution, in its declaration of Principles and State Policies, mandated that the State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption. It has likewise reiterated that public office is a public trust and that public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives.

Along this line, the same Constitution gave birth to the Office of the Ombudsman which it has expressly described as an independent body and the protector of the people. It has vested the Office with broad and comprehensive powers in order to institute reforms in the bureaucracy and prosecute erring government officials and employees.

The Office is headed by Ombudsman Samuel R. Martires, assisted by Overall Deputy Ombudsman (ODO) Melchor Arthur H. Carandang. The area/sectoral offices in Luzon, Visayas and Mindanao are led by Deputy Ombudsmen Gerard A. Mosquera, Paul Elmer M. Clemente and Rodolfo M. Elman, respectively; the Military and Other Law Enforcement Offices (MOLEO) by Cyril E. Ramos; and the Office of the Special Prosecutor (OSP) by Edilberto G. Sandoval.

2. Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with and comply with the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit per COA Resolution No. 2014-003 dated January 24, 2014, the Revised Chart of Accounts (RCA) issued under COA Circular No. 2013-002 dated January 30, 2013, and the Unified Accounts Code Structure (UACS) prescribed under COA-DBM-DOF Joint Circular No. 2013-1 dated August 6, 2013.

The financial statements have been prepared on the basis of historical cost. The Statement of Cash Flows is prepared using the direct method.

3. Summary of Significant Accounting Policies

3.1. Basis of accounting

The financial statements are prepared on an accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

3.2. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and trust deposit.

3.3. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Office of the Ombudsman.

3.4. Property, Plant and Equipment

Recognition

An item is recognized as property, plant and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- tangible items;
- · are held for administrative purposes; and
- are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost or fair value of the item can be measured reliably.

Measurement at Recognition

An item recognized as property, plant and equipment is measured at cost. A PPE acquired through non-exchange transaction is measured at its fair value at the date of acquisition. The cost of the PPE is the cash price equivalent, or for PPE acquired through non-exchange transaction, its cost is its fair value at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement after Recognition

After recognition, all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Office of the Ombudsman recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

Depreciation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

Initial Recognition of Depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. For simplicity and to avoid proportionate computation of depreciation expense, PPEs acquired and were made available for use in the current month were depreciated on the following month, as automatically generated in the eNGAS.

Depreciation Method

The straight line method of depreciation is adopted unless another method is more appropriate for agency operation.

Estimated Useful Life

The Office of the Ombudsman uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

The Office of the Ombudsman uses a residual value equivalent to at least 5 percent of the cost of the PPE.

Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable service amount.

Derecognition

The Office of the Ombudsman derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.5. Leases

Operating lease

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Office of the Ombudsman. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

3.6. Changes in accounting policies and estimates

The Office of the Ombudsman recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The Office of the Ombudsman recognizes the effects of changes in accounting estimates prospectively by including surplus or deficit.

The Office of the Ombudsman corrects material errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.7. Foreign currency transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate prevailing on the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates prevailing on the date when the fair value was determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except those arising from a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.8. Revenue from non-exchange transactions

Recognition and Measurement of Assets from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset were recognized as an asset if the following criteria were met:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as of the date of acquisition.

Recognition Revenue from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the Office of the Ombudsman satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and it recognizes an amount of revenue equal to that reduction.

Measurement of Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

Fees and fines not related to taxes

The Office of the Ombudsman recognizes revenues from fees and fines, except those related to taxes, when earned and the asset recognition criteria were met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Gifts and Donations

The Office of the Ombudsman recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair value is ascertained by reference to quoted prices in an active and liquid market.

Transfers

The Office of the Ombudsman recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

3.9. Revenue from Exchange transactions

Measurement of Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

3.10. Budget information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget.

3.11. Employee benefits

The employees of the Office of the Ombudsman are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The Office of the Ombudsman recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowances, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The Office of the Ombudsman recognizes expenses for accumulating compensated absences when these are paid (commuted or paid as terminal leave benefits). Unused entitlements that have accumulated at the reporting date are not recognized as expense. Non-accumulating compensated absences, like special leave privileges, are not recognized.

4. Prior Period Adjustments

4.1 Changes in Accounting Policy

Changes in accounting policy pertains to the reclassification of PPE items on capitalization threshold of P15,000.00 and the revaluation of fully depreciated PPE to 5 percent of its acquisition cost pursuant of the COA Circular No. 2015-007 as prescribed in the Government Accounting Manual.

5. Cash and Cash Equivalents

Accounts	As of December 31, 2018	As of December 31, 2017
Cash on Hand	837,663.90	623,264.30
Cash in Bank - Local Currency	154,613,450.40	126,547,712.85
Total Cash and Cash Equivalents	155,451,114.30	127,170,977.15

- 5.1 Cash on Hand includes the collections from OMB-Central Office and OMB-Mindanao that were deposited in January 2018 and the petty cash fund granted to custodians.
- 5.2 Cash in Bank Local Currency, Current Account represents deposits maintained with the Land Bank of the Philippines for the operations of the agency in the area/sectoral offices and for the trust accounts in the OMB-Central Office.

6. Receivables

Receivables	2018	2017
Inter-Agency Receivables	2,872,075.45	1,516,030.71
Intra-Agency Receivables	182,726.82	17,793,881.57
Other Receivables	460,591,983.16	563,035,421.72
Total Receivables	463,646,785.43	582,345,334.00

6.1. Aging / Analysis of Other Receivables

As of December 31, 2018:

A CONTRACTOR OF THE CONTRACTOR		***	Past due			
Accounts	Total	Not past due	< 30 days	30 - 60 days	> 60 days	
Receivables — Disallowances/Charges	39,335.13	0.00	0.00	0.00	39,335.13	
Due from Officers and Employees	56,131.83	0.00	0.00	0.00	56,131.83	
Other Receivables	460,496,516.20					
Total	460,591,983.16		0.00	0.00		

The Receivables – Disallowances/Charges account consists of amounts due from suppliers and employees are resulting from audit disallowances which have become final and executory. Due from Officers and Employees account pertains to receivables from various employees relating to overpayment of salaries, allowances and other benefits. Other Receivables account pertains to receivables from former employees relating to overpayment of salaries, allowances and other benefits. It also includes savings in allotment and cash allocation authorized and transferred to FA Fund in the exercise of the Office's fiscal autonomy.

6.2. Inter-Agency Receivables

	2018		2017		
Accounts	Current	Non- Current	Current	Non- Current	
Due from National Government Agencies	2,865,355.45	0.00	1,509,310.71	0.00	
Due from Government- Owned and/or Controlled Corporations	6,720.00	0.00	6,720.00	0.00	
Total	2,872,075.45	0.00	1.516.310.71	0.00	

Due from National Government Agencies account represents receivables from the Department of Budget and Management-Procurement Service for common-used supplies ordered but not delivered in OMB-Central Office, Luzon, Visayas, MOLEO and OSP.

Due from Government-Owned and/or Controlled Corporations account pertains to receivables from the Land Bank of the Philippines for the purchase of check booklets in OMB-Central Office.

6.3. Intra-Agency Receivables

	2018		2017		
Accounts	Current	Non- Current	Current	Non- Current	
Due from Central Office		0.00	14,674,211.98	0.00	
Due from Regional Offices	182,726.82	0.00	1,311,449.13	0.00	
Due from Other Funds			1,808,220.46		
Total	182,726.82	0.00	17,793,881.57	0.00	

Due from Regional Offices account represents the subsidy from the OMB Visayas that was not yet credited in the accounts of its regional offices in Iloilo and Tacloban on December 2018.

7. Inventories

Inventories Held for Consumption	Inventories carried at the lower of cost and net realizable value	Inventories carried at the lower of cost and net realizable value
	2018	2017
Office Supplies Inventory		
Carrying Amount, January 1	12,850,510.96	12,138,171.30
Purchased during the year	32,186,868.06	17,937,104.14
Expensed during the year except write-down	(19,769,569.05)	(17,233,538.60
Write-down during the year	(236,092.89)	(0.00)
Reversal of Write-down during the year	187,818.94	0.00
Carrying Amount, December 31	25,219,536.02	12,850,510.96
Accountable Forms, Plates and Stickers Inventory		
Carrying Amount, January 1	370,167.50	43,742.50
Purchased during the year	621,550.00	480,500.00
Expensed during the year except write-down	(477,407.14)	(154,075.00)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	514,310.36	370,167.50
Drugs and Medicine Inventory		
Carrying Amount, January 1	7,002.50	0.00
Purchased during the year	1,058,209.00	837,750.99
Expensed during the year except write-down	(1,058,529.00)	(830,748.49)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	6,682.50	7,002.50
Medical, Dental and Laboratory Inventory	0,002.30	7,002.30
Carrying Amount, January 1	59,962.00	64,473.21
Purchased during the year	459,905.58	431,316.38
Expensed during the year except write-down	(510,961.42)	(435,827.59)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	8.156.16	59,962.00
Other Supplies Inventory	4,100.10	00,002.00
Carrying Amount, January 1	283,277.07	358,843.71
Purchased during the year	5,144,254.69	5,673,189.08
Expensed during the year except write-down	(4,879,077.38)	(5,748,755.72)
Write-down during the year		(0.00)
Reversal of Write-down during the year		0.00
Carrying Amount, December 31	548,454.38	283,277.07
Total Carrying Amount, December 31	26,297,139.42	13,570,920.03

Included in the Office Supplies Inventory is an inventory of lost toners/inks valued at P586,053.60 which are the subject of a case filed against the previous janitorial service provider in the Regional Trial Court Branch 76 of Quezon City. The Property Management Section will seek relief from accountability, pursuant to Section 49 of MNGAS, Volume I.

8. Property, Plant and Equipment

	Land and Other Land Improvement	Buildings and Other Structures	Machinery and Equipment	Transport- ation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property, Plant and Equipment	TOTAL
Carrying Amount, January 1, 2018	282,058,578.67	423,186,479.50	120,227,983.94	69,014,716.98	6,509,559.91	591,285,080.68	5,810,998.30	1,498,093,397.68
Less: Revaluation of saivage value of fully depreciated assets	0.00	(630,940.69)	(352,980.11)	(72,049.44)	(11,390.20)	0.00	(115,826.08)	(1,183,186.52)
Reclassification of PPE	0.00	0.00	0.00	0.00	0.00	(186,018,118.20)	0.00	(186,018,118.20)
Adjusted Carrying Amount, January 1, 2018	282,058,578.67	422,555,538.81	119,875,003.83	68,942,667.24	6,498,169.71	405,266,962.48	5,695,172.22	1,310,892,092.96
Additions/Acquisitions	0.00	187,807,176.40	58,721,109.07	23,487,363.59	17,195,361.24	81,517,780.79	1,787,023.00	370,515,814.09
Total	282,058,578.67	610,362,715.21	178,596,112.90	92,430,030.83	23,693,530.95	486,784,743.27	7,482,195.22	1,681,407,907.05
Disposals/Transferred to Area Sectoral Offices	0.00	0.00	(4,123,641.00)	(213,597.07)	(36,797.92)	0.00	(13,842.40)	(4,387,878.39)
Depreciation (As per Statement of Financial Performance)	(79,001.04)	(28,186,711.22)	(37,815,484.09)	(13,351,531.36)	(1,130,485.76)	0.00	(1,612,573.13)	(82,175,786.60)
Impairment Loss (As per Statement of Financial Performance)	0.00	0.00	(8,721.75)	0.00	0.00	0.00	0.00	(8,721.75)
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	281,979,577.63	582,176,003.99	136,648,266.06	78,864,902.40	22,526,247.27	485,784,743.27	5,855,779.69	1,594,835,520.31
Gross Cost (Asset Account Balance per Statement of Financial Position)	282,058,578.67	958,661,966.01	337,597,727.85	164,495,339.77	32,031,903.19	486,784,743.27	18,789,106.52	2,280,419,365.28
Less : Accumulated Depreciation	(79,001.04)	(376,485,962.02)	(200,949,461.79)	(85,630,437.37)	(9,505,655.92)	0.00	(12,933,326.83)	(685,583,844.97)
Allowance for Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	281,979,577.63	582,176,003.99	136,648,266.06	78,864,902.40	22,526,247.27	486,784,743.27	5,855,779.69	1,594,835,520.31

	Land and Other Land Improvement	Buildings and Other Structures	Machinery and Equipment	Transport- ation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property, Plant and Equipment	TOTAL
Carrying Amount, January 1, 2017	280,278,600.00	451,414,875.97	88,122,198.18	53,057,815.50	7,265,265.08	548,184,847.44	4,139,223.27	1,432,462,825.44
Less: Revaluation of salvage value of fully depreciated assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reclassification of PPE	0.00	0.00	(940,935.16)	(117,432.00)	(1,818,829.31)	0.00	84,955.17	(2,792,241.30)
Adjusted Carrying Amount, January 1, 2017	280,278,600.00	451,414,875.97	87,181,253.02	52,940,383.50	5,446,435.77	548,184,847.44	4,224,178.44	1,429,670,584.14
Additions/Acquisitions	1,779,978.67	0.00	57,024,451.15	32,043,507.07	2,622,671.65	43,100,233.24	2,874,263.58	139,445,105.36
Total	282,058,578.67	451,414,875.97	144,205,714.17	84,983,890.57	8,069,107.42	591,285,080.68	7,098,442.03	1,569,115,689.51
Disposals/Transferred to Area Sectoral Offices	0.00	0.00	(264,169.44)	(5,754,325.00)	(777,880.43)	0.00	(7,410.60)	(6,803,785.47)
Depreciation (As per Statement of Financial Performance)	0.00	(28,228,396.47)	(23,713,560.79)	(10,214,848.89)	(781,667.08)	0.00	(1,280,033.13)	(64,218,506.36)
Impairment Loss (As per Statement of Financial Performance)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Land and Other Land Improvement	Buildings and Other Structures	Machinery and Equipment	Transport- ation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property, Plant and Equipment	TOTAL
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	282,058,578,67	423,186,749.50	120,227,983,94	69,014,716.68	6,509,559.91	591,285,080,68	5,810,998.30	1,498,093,397.68
Gross Cost (Asset Account Balance per Statement of Financial Position)	282,058,578.67	770,854,789.61	284,506,316.23	141,020,579.77	15,323,175.75	591,285,080.68	17,027,251.52	2,102,075,772.23
Less : Accumulated Depreciation	0.00	(347,668,310.11)	(164,278,332.29)	(72,005,863.09)	(8,813,615.84)	0.00	(11,216,253.22)	(603,982,374.55)
Allowance for Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	282,058,578 67	423,185,479.50	120,227,983.94	69,014,716.68	6,509,559.91	591,285,080.68	5,810,998.30	1,498,093,397.68

	Land and Other Land Improvement	Buildings and Other Structures	Machinery and Equipment	Transport- ation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property, Plant and Equipment	TOTAL
Carrying Amount, January 1, 2016	280,278,600.00	479,295,096.45	101,877,320.45	45,051,923.61	16,431,429.00	419,280,397.48	4,327,781.93	1,346,553,367.74
Less: Revaluation of salvage value of fully depreciated assets	0.00	(112,706.77)	(3,270,097.15)	(581,447.28)	(210,519.33)	0.00	(342,064.36)	(4,516,834.89)
Reclassification of PPE	0.00	0.00	(9,291,386.06)	(33,190.01)	(11,350,772.56)	(473,830.67)	(579,418.18)	(21,748,416.30)
Adjusted Carrying Amount, January 1, 2016	280,278,600.00	479,183,389.68	89,315,837.24	44,437,286.32	4,860,137.11	418,806,566.81	3,406,299.39	1,320,288,116.55
Additions/Acquisitions	0.00	470,130.67	20,700,913.90	17,959,559.71	3,626,128.84	129,378,280.63	1,626,203.36	173,761,217.11
Total	280,278,600.00	479,653,520.35	110,016,751.14	62,396,845.03	8,486,265.95	548,184,847.44	5,032,502.75	1,494,049,333.66
Disposals/Transferred to Area Sectoral Offices	0.00	0.00	(435,586.19)	(940,102.77)	(121,607.93)	0.00	0.00	(587,916.43)
Depreciation (As per Statement of Financial Performance)	0.00	(28,238,644,38)	(21,4581,955.54)	(8,398,927.77)	(1,099,391.53)	0.00	(893,279.48)	(60,089,209.80)
Impairment Loss (As per Statement of Financial Performance)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Carrying Amount, December 31, 2016 (As per Statement of Financial Position)	280,278,600.00	451,414,875,97	88,122,198,18	53.057,815.50	7,265,266.49	548,184,847,44	4,139,223.27	1,432,462,825,94
Gross Cost (Asset Account Balance per Statement of Financial Position)	280,278,600.00	770,854,789.61	232,950,421.99	115,966,449.77	20,827,397.17	548,184,847.44	15,418,280.54	1,984,480,786.62
Less: Accumulated Depreciation	0.00	(319,439,913.64)	(144,828,223.81)	(62,908,634.27)	(13,562,131.59)	0.00	(11,279,057.37)	(552,017,960.68)
Allowance for Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Carrying Amount, December 31, 2016 (As per Statement of Financial Position)	280,278,600.00	451,414,875.97	88,122,198,18	53,057,815.50	7,265,265,58	548,184,847.44	4,139,223.27	1,432,462,825.94

There were significant increases in the Property, Plant and Equipment accounts for CY 2018 detailed as follows:

The accounts under Machinery and Equipment consist of Office Equipment, Information and Communication Equipment, Communication Equipment, Medical Equipment, Sports Equipment and Other Machinery and Equipment. In particular, there was an increase in Office Equipment, Information and Communication Technology Equipment, Communication Equipment and Medical Equipment accounts due to the acquisition of steel filing cabinets and shelves, desktop and laptop computers, printers, scanners, multi-media projectors, perimeter security and protection of internal LAN and communications system, migration/ upgrade of existing identity, uninterruptible power supply for server room, upgrading of video conference equipment, interactive keypads, teleprompter, audio codes, u-veneer kit and handpiece air motor.

The Transportation Equipment increased significantly due to the purchase of 3 units Toyota Innova to support the increasing transportation requirement for the operations of the Office.

Transportation Equipment still included a Honda CRV with Plate No. SGS 362 and with a book value of P173,250.22 issued to former Special Prosecutor Dennis M. Villa-Ignacio which had been rendered totally unserviceable due to flash floods by typhoon "Ondoy" on September 26, 2009. As the said vehicle was comprehensively insured with the Government Service Insurance System (GSIS) from March 1, 2009 to March 1, 2010, the Office was able to recover as insurance claim from GSIS the amount of P452,000.00 per Check no. 4300003053 dated February 26, 2012.

Accordingly, the accounts under Furniture, Fixtures and Other Property, Plant and Equipment also increased significantly due to the purchase of sofa sets, conference table with glass, executive table and chair, refrigerator, paper shredders, digital camera and set of playhouse.

The Construction in Progress account consists of progress payments made by the Office to Joint Venture of Filipinas (PREFAB BLDG.) Systems, Inc. and F.F. Cruz and Co., Inc. for the construction of OMB Annex Building in Quezon City.

9. Other Assets

9.1 Other Current Assets

Particulars	2018	2017	
Advances	10,514,981.47	1,506,909.19	
Prepaym ents	4,957,228.47	2,759,926.64	
Deposits	338,349.34	327,944.00	
Total Other Current Assets	15,810,559.28	4,594,779.83	

9.2 Other Non-Current Assets

Particulars	2018	2017	
Deposits	2,845,261.55	4,019,861.53	
Other Assets	55,395,242.79	55,886,453.76	
Total Other Non-Current Assets	58,240,504.34	59,906,315,29	

The Guaranty Deposits account includes amounts deposited to Mindanao Avenue ServiceCenter, MERALCO, Pangasinan III Electric Cooperative (PANELCO III) and Philippine Long Distance Company to guarantee compliance with the terms of agreement.

Other Assets account pertains to remittance from concerned deposit banks for Carlos F. Garcia accounts in relation to Sandiganbayan Resolutions dated November 23, 2010 and December 7, 2010 for Criminal Case Nos. 28107 and SB 09-CRM 0194.

10. Financial Liabilities

10.1 Payables

	2018		2017	
Particulars	Current	Non- Current	Current	Non- Current
Payables				
Accounts Payable	62,590,258.29	0.00	90,393,260.92	0.00
Due to Officers and Employees	3,893,517.89	0.00	2,703,202.96	0.00
Total Payables	66,483,776.18	0.00	93,096,463.88	0.00

The Accounts Payable represents the current obligation of the Office of the Ombudsman to its suppliers in CY 2018.

The Due to Officers and Employees account pertains to amounts payable to OMB employees for services already rendered such as salaries, allowances, overtime and other benefits.

11. Inter-Agency Payables

	2018	2018		2017	
Particulars		Non-		Non-	
	Current	Current	Current	Current	
Due to BIR	26,331,691.72	0.00	19,425,723.98	0.00	
Due to GSIS	9,628,176.67	0.00	10,015,591.92	0.00	
Due to Pag-IBIG	638,387.14	0.00	985,195.72	0.00	
Due to PhilHealth	564,340.39	0.00	502,693.76	0.00	
Due to NGAs	297,676.89	0.00	120,420.00	0.00	
Due to GOCCs	2,300.20	0.00	5,055.53	0.00	
Total Inter-Agency Payables	37,462,573.01	0.00	31,054,680.91	0.00	

The accounts represent the entity's present obligation to remit to the respective agencies in the ensuing year.

12. Intra-Agency Payables

	2018		2017	
Particulars	Current	Non- Current	Current	Non- Current
Due to Regional Offices	0.00	0.00	311,782.19	0.00
Due to Other Funds	9,642,382.94	0.00	10,445,523.37	0.00
Total Intra-Agency Payables	9,642,382.94	0.00	10,757,305.56	0.00

13. Trust Liabilities

Particulars	2018		2017	
Farticulars	Current	Non-Current	Current	Non-Current
Trust Liabilities	116,399.34	56,834,263.22	38,850.00	57,523,860.47
Guaranty/Security Deposits Payable	218,448.08	3,116,281.63	227,467.53	2,473,118.27
Total Trust Liabilities	334,847.42	59,950,544.85	266,317.53	59,996,978.74

The Trust Liabilities account represents amounts held in trust such as the remittance from concerned deposit banks for Carlos F. Garcia accounts; interest earned on bank accounts for remittance to the Bureau of the Treasury and collections from bidding fees.

14. Other Payables

The Other Payables account pertains to amounts payable to the OMB-Provident Fund, the Ombudsman Employees Multi-Purpose Cooperative and the Ombudsman Employees Association which were subsequently remitted in January 2019.

15. Service and Business Income

Particulars	2018	2017
Service Income		
Clearance and Certification Fees	5,860,865.74	5,150,690.00
Fines and Penalties	19,798,922.91	14,866,044.56
Other Service Income	0.00	0.00
Business Income		
Interest Income	191,795.36	178,631.49
Total Service and Business Income	25,851,584.01	20,195,366.05

16. Personnel Services

16.1 Salaries and Wages

Particulars	2018	2017
Salaries and Wages – Regular	839,865,712.20	706,273,099.04
Total Salaries and Wages	839,865,712.20	706,273,099.04

The material increase in the Salaries and Wages account were attributed to the hiring of new employees, promotion of some personnel and modification in the salary schedule provided for civilian government personnel.

16.2 Other Compensation

Particulars	2018	2017
Personal Economic Relief Allowance (PERA)	30,982,149.82	30,191,214.42
Representation Allowance (RA)	44,022,649.50	41,964,499.48
Transportation Allowance (TA)	42,746,937.60	39,939,334.92
Clothing/Uniform Allowance	7,917,316.67	5,290,000.00
Productivity Incentive Allowance	0.00	0.00
Honoraria	569,170.85	620,872.20
Hazard Pay	473,465.87	303,734.29
Longevity Pay	60,000.00	133,737.55
Overtime and Night Pay	4,756,222.58	3,725,814.58
Year End Bonus	89,109,732.54	82,377,602.60
Cash Gift	6,637,500.00	5,459,000.00
Other Bonuses and Allowances	128,411,538.17	69,675,108.74
Total Other Compensation	355,686,683.60	279,680,918.78

The material increase in Other Compensation accounts were attributed to the hiring of new employees and promotion of some personnel and modification in the salary schedule provided for civilian government personnel.

16.3 Personnel Benefits Contributions

Particulars	2018	2017
Retirement and Life Insurance Premiums	102,419,656.77	80,093,252.00
Pag-IBIG Contributions	1,719,063.40	1,469,300.00
PhilHealth Contributions	6,673,549.24	4,910,237.50
Employees Compensation Insurance		
Premiums	2,392,549.52	1,464,157.31
Total Personnel Benefit Contributions	113,204,818.93	87,936,946.81

The material increase in Personnel Benefit Contributions accounts was attributed to the modification in the salary schedule provided for civilian government personnel which increased the agency's counterpart contributions to GSIS and Philhealth.

16.4 Other Personnel Benefits

Particulars	2018	2017
Pension Benefits	32,087,876.08	27,842,598.28
Retirement Gratuity	15,215,400.00	9,198,960.00
Terminal Leave Benefits	11,174,187.55	9,841,178.85
Other Personnel Benefits	85,083,413.93	55,546,514.91
Total Other Personnel Benefits	143,560,877.56	102,429,252.04

The material decrease in Other Personnel Benefits accounts were attributed to the reclassification of prior period adjustments.

17. Maintenance and Other Operating Expenses

17.1 Traveling Expenses

Particulars	2018	2017
Traveling Expenses – Local	29,504,059.04	22,099,482.16
Traveling Expenses – Foreign	6,099,485.56	5,774,595.75
Total Traveling Expenses	35,603,544.60	27,874,077.91

Travelling expenses represent the cost incurred by the Office of the Ombudsman in sending its officials and employees to attend capacity-building training programs and field investigations.

17.2 Training and Scholarship Expenses

Particulars	2018	2017
Training Expenses	19,492,332.93	15,309,714.69
Total Training and Scholarship Expenses	19,492,332,93	15,309,714.69

Training expenses account represents the cost incurred by the Office of the Ombudsman in the capacity-building of its officials and employees.

18. Supplies and Materials Expenses

Particulars	2018	2017
Office Supplies Expenses	20,171,324.67	20,695,530.19
Accountable Forms Expenses	538,531.39	177,670.21
Non-Accountable Forms Expenses	3,000.00	0.00
Drugs and Medicines Expenses	1,060,532.76	842,113.49
Medical, Dental and Laboratory Supplies		
Expenses	555,535.72	470,372.84
Fuel, Oil and Lubricants Expenses	5,702,040.21	4,261,092.36
Semi-Expendable Machinery and Equipment		
Expenses	7,191,070.39	6,536,739.93
Semi-Expendable Furniture, Fixtures and		
Books Expenses	1,777,699.90	5,825,720.08
Other Supplies and Materials Expenses	8,078,967.53	8,655,340.81
Total Supplies and Materials Expenses	45,078,702.57	47,464,579.91

The Supplies and Materials Expenses pertain to the purchase and consumption of supplies and materials, particularly Office Supplies and Other Supplies and Materials. Also, PPE items below the P15,000 threshold as Semi-Expendable Machinery and Equipment and Furniture, Fixtures and Books were included in the Supplies and Materials Expenses.

19. Utility Expenses

Particulars	2018	2017
Water Expenses	3,860,632.62	3,422,379.60
Electricity Expenses	45,315,230.87	33,034,837.28
Total Utility Expenses	49,175,863.49	36,457,216.88

20. Communication Expenses

Particulars	2018	2017
Postage and Courier Services	3,695,713.43	3,109,586.24
Telephone Expenses	12,717,184.34	11,938,161.86
Internet Subscription Expenses	2,875,544.80	3,007,353.03
Cable, Satellite, Telegraph and Radio		
Expenses	28,656.25	46,076.04
Total Communication Expenses	19,317,098.82	18,101,177.17

21. Confidential, Intelligence and Extraordinary Expenses

Particulars	2018	2017
Intelligence Expenses	0.00	1,416,736.72
Confidential Expenses	13,351,079.00	13,964,757.79
Extraordinary and Miscellaneous Expenses	11,728,656.59	10,920,153.97
Total Confidential, Intelligence and		
Extraordinary Expenses	25,079,735.59	26,301,648.48

22. Professional Services

Particulars	2018	2017
Auditing Services	212,657.68	173,967.81
Consultancy Services	2,036,755.34	3,855,565.00
Other Professional Services	31,039.47	131,200.00
Total Professional Services	2,280,452.49	4,160,732.81

23. Repairs and Maintenance

Particulars	2018	2017
Repairs and Maintenance - Buildings and		
Other Structures	4,184,871.73	564,330.01
Repairs and Maintenance - Machinery and		
Equipment	424,191.00	1,206,796.57
Repairs and Maintenance - Transportation		
Equipment	3,210,741.04	2,261,897.53
Repairs and Maintenance - Furniture and		
Fixtures	4,032.00	49,000.00
Repairs and Maintenance – Semi Expendable		
Machinery and Equipment (Office		
Equipment)	3,050.00	0.00
Repairs and Maintenance - Other Property,		
Plant and Equipment	161,330.00	142,466.63
Total Repairs and Maintenance Expenses	7,988,215.77	4,224,490.74

24. Taxes, Insurance Premiums and Other Fees

Particulars	2018	2017
Taxes, Duties and Licenses	187,798.87	176,020.12
Fidelity Bond Premiums	1,885,750.61	1,773,553.11
Insurance Expenses	5,438,872.29	2,980,565.97
Total Taxes, Insurance Premiums and Other Fees	7,512,421.77	4,930,139.20

25. Other Maintenance and Operating Expenses

Particulars	2018	2017
Advertising Expenses	69,000.96	61,743.36
Printing and Publication Expenses	703,241.61	544,965.52
Representation Expenses	3,071,677.95	1,602,623.86
Transportation and Delivery Expenses	67,429.54	28,291.50
Rent/Lease Expenses	9,562,494.46	11,090,391.67
Subscription Expenses	4,035,402.02	4,260,739.48
Donation	546,471.02	0.00
Other Maintenance and Operating Expenses	1,721,706.17	1,738,164.99
Total Other Maintenance and Operating Expenses	19,777,423.73	19,326,920.38

26. Financial Expenses

Particulars	2018	2017
Interest Expenses	555,936.05	2,702,999.49
Bank Charges	31,570.00	13,340.00
Total Financial Expenses	587,506.05	2,716,339.49

Interest Expense account pertains to the interest on the loans payable in 10 years to the National Housing Authority for the purchase of RP Lot No. 3-B-4-B-1-B-3-B-2-A, North Triangle, Quezon City; CTC No. N-291453 as permanent site for the OMB Annex Building. The 10th annual amortization was paid in April 2017 for the total amount of P16,122,146.19, of which P13,898,401.97 was attributed to the repayment of the principal amount of the loan and the balance of P2,223,744.22 pertained to the prepaid interest. This prepaid interest was amortized monthly for one (1) year from April 2017 to March 2018.

27. Non-Cash Expenses

20.1 Depreciation

Particulars	2018	2017
Depreciation – Land Improvements	79,001.04	0.00
Depreciation - Buildings and Other Structures	28,186,711.22	28,228,396.47
Depreciation - Machinery and Equipment	37,815,484.09	23,768,496.29
Depreciation - Transportation Equipment	13,351,531.36	10,214,848.89
Depreciation - Furniture, Fixtures and Books	1,130,485.76	781,667.14
Depreciation - Other Property, Plant and		
Equipment	1,612,573.13	1,222,165.53
Total Depreciation	82,175,786.60	64,215,574.32

28. Net Financial Assistance/Subsidy

Financial Assistance/Subsidy from NGAs

Particulars	2018	2017
Subsidy from National Government	2,844,081,404.21	2,406,145,177.95
Subsidy from Central Office	0.00	582,882,322.33
Subsidy from Regional Office	0.00	37,485,309.22
Total Financial Assistance/Subsidy from NGAs	2,844,081,404.21	3,178,928,853.86

Less: Financial Assistance/Subsidy to NGAs

Particulars	2018	2017
Subsidy to Regional Offices	0.00	735,298,366.69
Subsidy to Operating Units	0.00	37,485,309.22
Subsidy to Other Funds	333,396.06	224,165.45
Total Financial Assistance/Subsidy to NGAs	333,396.06	773,007,841.36

Net Financial Assistance/Subsidy	2 843 748 008 15	2,405,921,012.50
Net Financial Assistance/Subsidy	2,043,740,000.13	2,403,721,012.30

Subsidy from National Government pertains to the receipt of Notice of Cash Allocation for the operations of the Office and the constructive receipt of Tax Remittance Advice for the remittance to the Bureau of Internal Revenue.

Subsidy to Regional Offices represents the release of funds to Area/Sectoral Offices through Sub-Allotment Advice for its internal operations.

29. Non-Operating Income, Gains or Losses

29.1 Non-Operating Income/Gain

Particulars	2018	2017
Gain on Sale of Property, Plant and		
Equipment	186,402.93	0.00
Miscellaneous Income	3,076,971.40	317,140.69
Total Non-Operating Income/Gain	3,263,374.33	317,140.69

29.2 Non-Operating Losses

Particulars	2018	2017
Loss on Sale of Property, Plant and Equipment	0.00	165,864.17
Total Non-Operating Losses	0.00	165,864.17

30. Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)

Particulars	2017	
Surplus/Deficit for the year	906, 247, 155.95	
Non-cash Movement	(806, 166, 178.77)	
Depreciation	64,215,574.31	
Interest Expenses	2,702,999.49	
Gains/(Losses) on sale of property, plant and eqpt	165,864.17	
Gains/(Losses) on Foreign Currency Adjustment		
Closing of Cash - Treasury/Agency Deposit, Regular	(6, 252, 679. 75)	
(Increase)/Decrease in Receivables	(40,766,225.83)	
(Increase)/Decrease in Due from National Government Agencies	293,591.11	
(Increase)/Decrease in Due from Government-Owned and/or Contro	(1,800.00)	
(Increase)/Decrease in Due from Other Funds	(1,111,565.26)	
(Increase)/Decrease in Due from Officers and Employees	(58,939.70)	
(Increase)/Decrease in Other Receivables	(173, 437, 625.89)	
(Increase)/Decrease in Inventory	(1,951,754.59)	
(Increase)/Decrease in Advances to Officers and Employees	4,000.00	
(Increase)/Decrease in Advances to SDO	3,850,600.00	

Particulars	2017
(Increase)/Decrease in Prepayments	(704,849.42)
(Increase)/Decrease in Guaranty Deposits	(58,514.94)
(Increase)/Decrease in Other Current Assets	(307,254.81)
(Increase)/Decrease in Other Assets	(82,110.98)
Increase/(Decrease) in Accounts Payable	24, 138, 507. 03
Increase/(Decrease) in Due to Officers and Employees	(1,501,354.02)
Increase/(Decrease) in Due to BIR	8,306,231.85
Increase/(Decrease) in Due to GSIS	(2, 188, 463.00)
Increase/(Decrease) in Due to Pag-IBIG	(19,370.37)
Increase/(Decrease) in Due to PhilHealth	(171,537.50)
Increase/(Decrease) in Due to NGAs	43,560.00
Increase/(Decrease) in Due to GOCCs	5,055.53
Increase/(Decrease) in Due to Regional Offices	311,782.19
Increase/(Decrease) in Due to Other Funds	1,873,067.11
Increase/(Decrease) in Trust Liabilities	(238,385.38)
Increase/(Decrease) in Guaranty/Security Deposits Payable	866,267.05
Increase/(Decrease) in Other Payables	413,677.35
Other Adjustments	(684,504,524.52)
Net Cash Flows from Operating Activities	100,080,977.18

ACKNOWLEDGMENTS

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