

OFFICE OF THE OMBUDSMAN

ANNUAL REPORT

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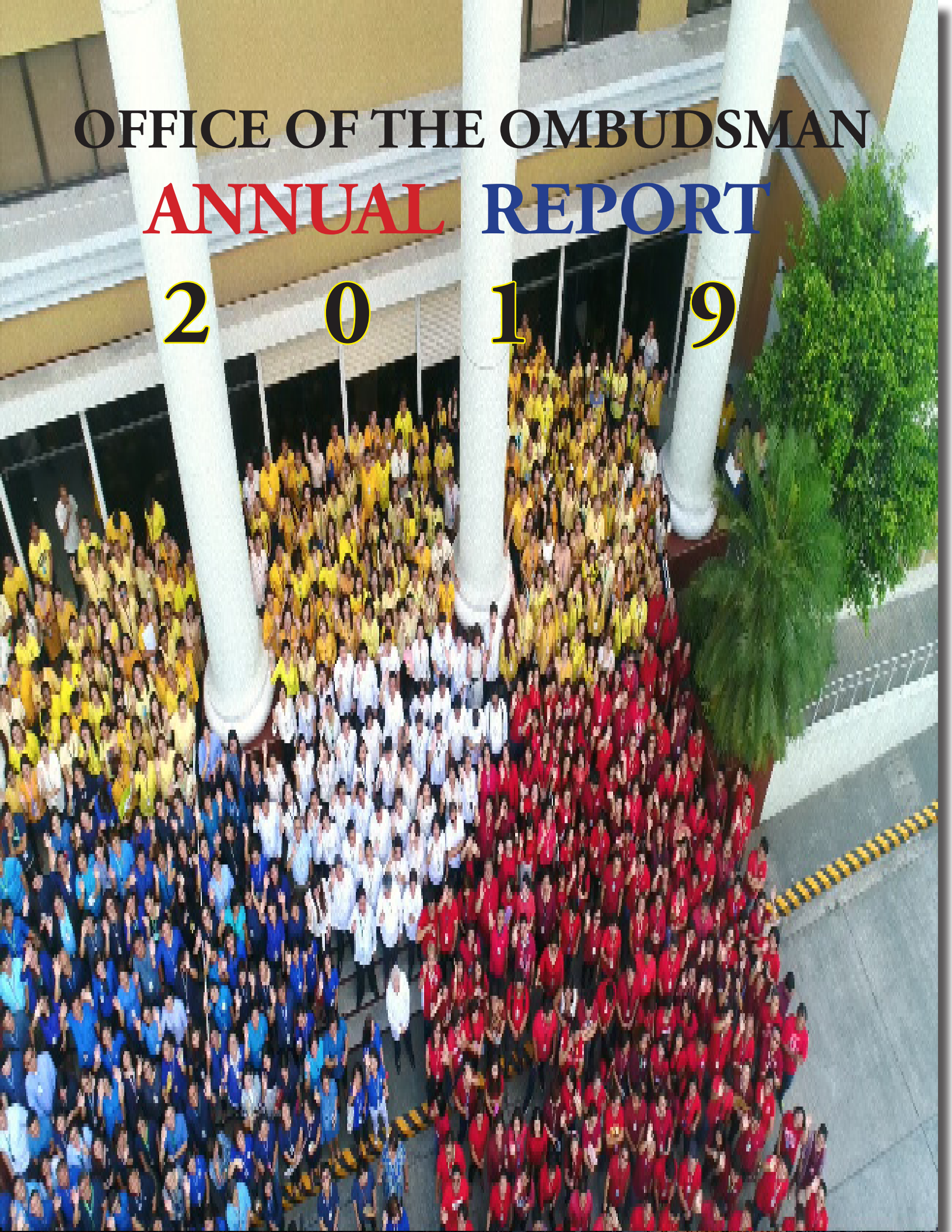


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THE 2019 A/R COVER:

This drone shot is one of the highlights of the OMB Institutional Film (Buo Ang Loob). The MTV was launched in May 2019 at the 31st anniversary celebration of the Office of the Ombudsman

Photo credit:
Red Border Cinema

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The OMB building had a welcome makeover. The repainting job was done in time for its anniversary month in May 2019.

Photo credit:
Red Border Cinema





Tayo'y may
pagkakaisa



Sulong na't
magkakaisa



Korapsyon ...
mas labanan pa

OMBUDSMAN'S MESSAGE



It is time once again to present to the Filipino people the gains and accomplishments of the Office of the Ombudsman. Although the fiscal year 2019 presented unique challenges, the year also saw the Office united more than ever. Impelled by our sense of accountability, we took on the bull's horn with precision and prudence.

While the numbers and graphs are “cold and impartial judge,” so to speak, they must be read in conjunction with the way they played out in the operations of the Office. Context is king, journalists always emphasize, and I completely agree with this ‘dictum’ even in public administration because, by and large, organizational culture gives life, character and relevance to cold statistics.

We put forward the operational framework known as the *Public Accountability Blueprint* in 2018 to serve as guideposts of this Office until 2025. A year hence, this accomplishment report reflects the synergy of effective deployment of human resources

and efficient fiscal management. This resource-optimum strategy is the hallmark of the retrofitting and re-engineering which we envisioned right after I assumed office. More than anything, this decision to recalibrate is informed by our duty and obligation to provide an excellent quality of public service to the Filipino people.

We have ramped-up efforts in instilling integrity and fighting corruption by maximizing the currency of our shared advocacy and strong linkages with educational institutions. We have doubled down on further streamlining our case management system and in ensuring that our lawyers become top-caliber prosecutors through actual courtroom experience, in-house training programs or under the auspices of a wide range of development partners.

We believe that our accomplishments in 2019 will knock-on greater feats into the next year as the Office parlays this momentum into life-changing stories in the lives of our stakeholders, especially the poor and the underprivileged.

As a symbolic closing, the line in our institutional song always finds resonance among the 1,100-strong workforce of the Office of the Ombudsman: **“BUO ANG LOOB: SULONG NA’T MAGKAISA, KORA-PSYON ... MAS LABANAN PA.”**

SAMUEL R. MARTIRES

EXECUTIVE SUMMARY

1. COMPLAINTS

For the Calendar Year 2019, the Office of the Ombudsman received a total of 9,251 new complaints. This is 1,608 less than that of 2018 or a 14.81% decrease. For the total workload for 2019, we have to add the 2,430 carry-over cases from the previous year (2018) which will push the volume of cases for evaluation to **11,681**.

Of the total workload, 9,029 cases were evaluated which corresponds to a **77% complaints evaluation rate**. Of the cases evaluated, 4,361 cases or 48.3% were docketed as RAS, MED, and FF. Of the docketed cases, 34.8% went into RAS, 33.7% went into docketing as OMB cases and 31.5% went into fact-finding.

OMB MOLEO posted the highest evaluation rate at 90.12% and followed by OMB Central at 79.53%.

2. REQUEST FOR ASSISTANCE (RAS)

There was an intake of 2,595 newly-instituted RAS cases for CY 2019 in addition to the 549 carry-over RAS cases (2018). Thus, the total RAS workload stood at 3,144.

Of the total RAS workload, 2,698 cases were resolved. The RAS disposition rate for 2019 is pegged at 86% with OMB Central and OMB MOLEO posting the highest RAS disposition rates among OMB offices at 94%.

With respect to Other Forms of Assistance or OFA, the total OFA workload stood at 18,157, of which, 18,093 OFA cases were resolved for an OFA disposition rate of 99.6%. It is significant to mention that OMB Central (5,034), MOLEO (1,258) and Luzon (2,077) posted 100% OFA disposition rates.

For Investment Ombudsman (IO) cases, the disposition rate is 78%. Only OMB Visayas took on IO cases for CY 2019.

3. ADMINISTRATIVE CASES

There was an intake of 1,382 administrative cases for CY 2019 plus the 2,823 cases carried-over from 2018 for a total of 4,205 total administrative workload. Of the total workload, 624 cases were disposed. Thus, the disposition rate for administrative cases stands at 15%.

Of the disposed cases, 126 cases or 20% resulted to an imposition of penalty with suspension (for more than a month) and dismissal from service (DFS) getting the two highest percentages at 46.8% and 23.8%, respectively.

4. FORFEITURE CASES

For forfeiture cases, the total case workload is 62. With Only six cases disposed, the disposition rate for forfeiture cases stands at 10%.



EXECUTIVE SUMMARY

5. CRIMINAL CASES

The total case workload for criminal cases is 3,947 which is composed of 2,791 carry-over cases (2018) and 1,156 for CY 2019. Of the total workload, 617 cases were disposed for a 16% disposition rate.

Of the disposed cases, 13% (83 cases) resulted in filing of Information with the courts, to wit: regular courts (49 cases), appropriate courts (23 cases) and Sandiganbayan (11 cases).

6. CONVICTION RATE

Conviction rate over decided cases is pegged at 56%, which is 21% lower than the 71% conviction rate posted by the Office in 2018.

As an aside, 308 out of the 753 (41%) total number of accused in cases filed with the Sandiganbayan are HIGH-RANKING OFFICIALS (HRO).

7. INFORMATIONS FILED IN SB

There were 173 Informations filed against HROs and their co-accused with the Sandiganbayan.

8. MOST COMMON OFFENSES

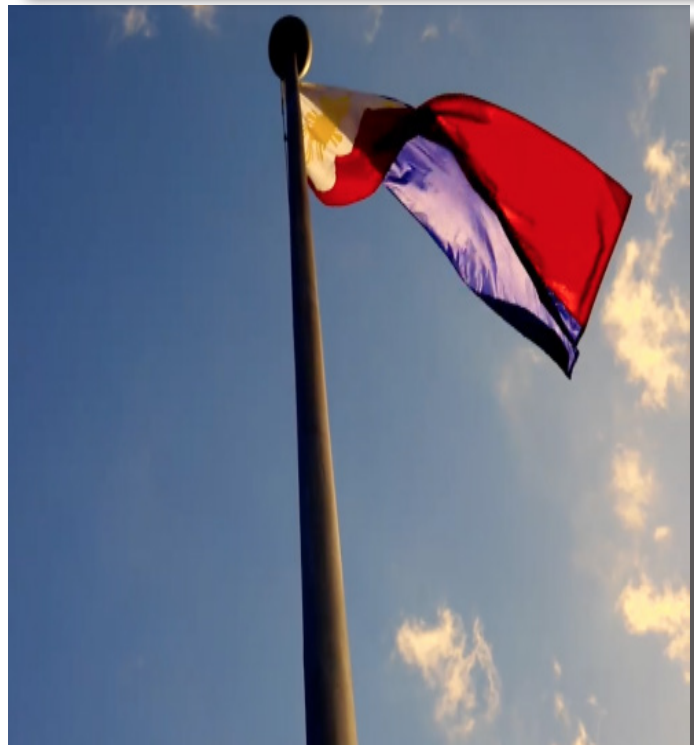
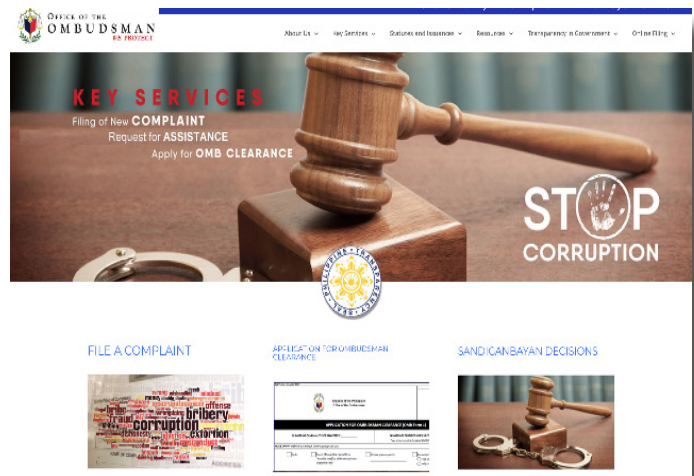
The top five most common offenses or laws violated:

- > Violation of Section 3(e), RA 3019
- > Failure of Accountable Officer to Render Accounts
- > Malversation of Public Funds or Property (Article 217, RPC)
- > Violation of Section 6(b) in relation to Section 52(g) of RA 8291 (GSIS Act)
- > Complex Crime of Malversation of Public Funds through Falsification of Public Documents

9. TOP GOVERNMENT AGENCIES/OFFICES WITH CASES IN SANDIGANBAYAN

The government agencies or offices with more than 10 cases in the Sandiganbayan:

- > Local Government Units (90)
- > House of Representatives (41)
- > Tanjay Water District (16)



LEGAL & 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, Republic Act 6770).

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 corruption (Article II, Section 27). It also declares the avowed State policy that public office is a public trust and that public officers & 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 (Article XI, Section 1).

The framers of the 1987 Constitution envisioned the Ombudsman as an independent constitutional authority in government and clothed with full power to ensure that the actions of all public officials and employees are aboveboard and 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 agency of the government. It was created to put the Ombudsman at the helm of an effective and active Office, vesting him with adequate authority that would prevent the Ombudsman from being a “toothless tiger”. (cf journal, Session No. 15, August 17, 1987). In fulfilling its constitutional and statutory mandates, the Office of the Ombudsman discharges the following functions:

1. **INVESTIGATION** - The Office of the Ombudsman has the power to investigate on its own (*motu proprio*), or based on a 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 functions 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 and accomplices before the *Sandiganbayan*. It can also prosecute criminal cases involving public officials and employees before the regular courts.
4. **PUBLIC ASSISTANCE** - Republic Act No. 6770 empowers the Office of the Ombudsman to extend assistance to people who complain against the inaction or impropriety of officials or employees. 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 official duties.
5. **CORRUPTION PREVENTION** - The Office of the Ombudsman is mandated by law to take effective measures, both reactionary and preventive, against graft and corruption. It has the duty to determine the cause 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.

LEGAL & INSTITUTIONAL FRAMEWORK

ON MATTERS OF 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 or instrumentality thereof, including government-owned or controlled corporations, as well as over private individuals who have acted in conspiracy with public officials. Also, it has disciplinary authority over all elective and appointive officials of the government except over those who may be removed only by impeachment, or over members of Congress and the Judiciary. Parenthetically, 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 the *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, Deputy Ombudsman for Luzon and MOLEO, and the Special Prosecutor hold office in Quezon City. The Deputy Ombudsman 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.

Further, the ones mentioned after this paragraph are the various directorates and allied services under the Ombudsman, with counterpart bureaus or units in area/sectoral offices.

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)
7. General Administration Office (GAO)

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

OMBUDSMAN OFFICIALS

Hon. Samuel R. Martires

Ombudsman

Hon. Edilberto G. Sandoval

Special Prosecutor /

Acting Overall Deputy Ombudsman

Hon. Cornelio L. Somido

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

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 - Legal Affairs

Atty. Caesar D. Asuncion

Assistant Ombudsman

Field Investigation Office 1

Atty. Joselito P. Fangon

Assistant Ombudsman

Field Investigation Office II

Atty. Moreno F. Generoso

Officer-in-Charge

*Preliminary Investigation, Administrative Adjudication
and Monitoring Office 1*

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 Service*

Atty. Mary Susan S. Guillermo

Acting Assistant Ombudsman

Public Assistance and Corruption Prevention Office

Atty. Adoracion A. Agbada

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. Manuel T. Soriano, Jr.

Deputy Special Prosecutor

Atty. Omar L. Sagadal

Deputy Special Prosecutor

Atty. Lalaine D. Benitez

Acting Deputy Special Prosecutor

Atty. Irineo M. Paldeng

Acting Deputy Special Prosecutor

OMBUDSMAN OFFICIALS

Atty. James G. Viernes

Director IV

*Preliminary Investigation, Administrative Adjudication
and 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

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. Rhodora Fenix-Galicia

Officer-in-Charge

*Community Coordination Bureau &
National Integrity Center*

Mr. Dennis Russell D. Baldago

Director IV

Project Management Bureau

Mr. Edgardo C. Diansuy

Director IV

Finance & 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

OMBUDSMAN OFFICIALS

Atty. Joaquin F. Salazar

Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - A*

Atty. Adoracion A. Agbada

Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - B*

Atty. Margie G. Fernandez-Calpatura

Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - C*

Atty. Gil Felix A. Hidalgo

Director

*Preliminary Investigation,
Administrative Adjudication & 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.

Acting Director

*Case Records Evaluation, Management and
Enforcement Bureau*

Atty. Floriza A. Briones

Director IV

Finance and Administrative Bureau

Atty. Euphemia B. Bacalso

Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - A*

Atty. Jane Aguilar

Acting Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - B*

Atty. Gaudioso J. Melendez

Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - C*

Atty. Philip C. Camiguing

Acting Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - D*

Atty. Alfred Yann G. Oguis

Acting Director

Field Investigation Bureau

Atty. Eduardo B. Kangleon

Acting Director

Public Assistance and Corruption Prevention Bureau

Atty. Sarah Jo A. Vergara

Acting Director

*Case Records Evaluation, Management and
Enforcement Bureau*

Atty. Imelda Marie B. Beltran

Acting Director - Finance and Administrative Bureau

Atty. R Epicurus Charlo Salcedo

Acting Director - Regional Office VI (Iloilo)

Atty. Janice Gabrito

Acting Director - Regional Office VII (Tacloban)

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 & Prosecution Bureau - A*

Atty. Marco Anacleto P. Buena

Acting Director

*Preliminary Investigation,
Administrative Adjudication & Prosecution Bureau - B*

OMBUDSMAN OFFICIALS

Atty. Marie Josephine B. de Vera

Acting Director IV

Preliminary Investigation,

Administrative Adjudication & Prosecution Bureau - D

Atty. Samuel P. Naungayan

Officer-in-Charge

Case Records Evaluation, Management and

Enforcement Bureau

Atty. Milagros J. Macaraig

Officer-in-Charge - Field Investigation Bureau

Atty. Alan R. Cañares

Acting Director

Public Assistance and Corruption Prevention Bureau

Atty. Dennis L. Garcia

Acting Director

Preliminary Investigation,

Administrative Adjudication & Prosecution Bureau - A

Atty. Yvette Marie S. Evaristo

Acting Director

Preliminary Investigation,

Administrative Adjudication & Prosecution Bureau - B

Atty. Dyna I. Camba

Acting Director

Preliminary Investigation,

Administrative Adjudication & Prosecution Bureau - C

Atty. Maria Teresa L. Lee-Rafols

Acting Director - Field Investigation Bureau

Atty. Lyn L. Llamasares-Gonzalez

Acting Director

Case Records Evaluation, Management and

Enforcement Bureau

Atty. Mariter V. Delfin-Santos

Acting Director - Prosecution Bureau I

Atty. Janet Leah M. Ramos

Acting Director - Prosecution Bureau II

Atty. Arieta P. Say

Acting Director - Prosecution Bureau III

Atty. Agnes B. Autencio-Daquis

Acting Director - Prosecution Bureau IV

Atty. Ma. Christina Marallag-Batacan

Acting Director - Prosecution Bureau V

Atty. Reza M. Casila-Derayunan

Acting Director - Prosecution Bureau VI

Atty. Louella Mae Oco-Pesquera

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. Uy

Director

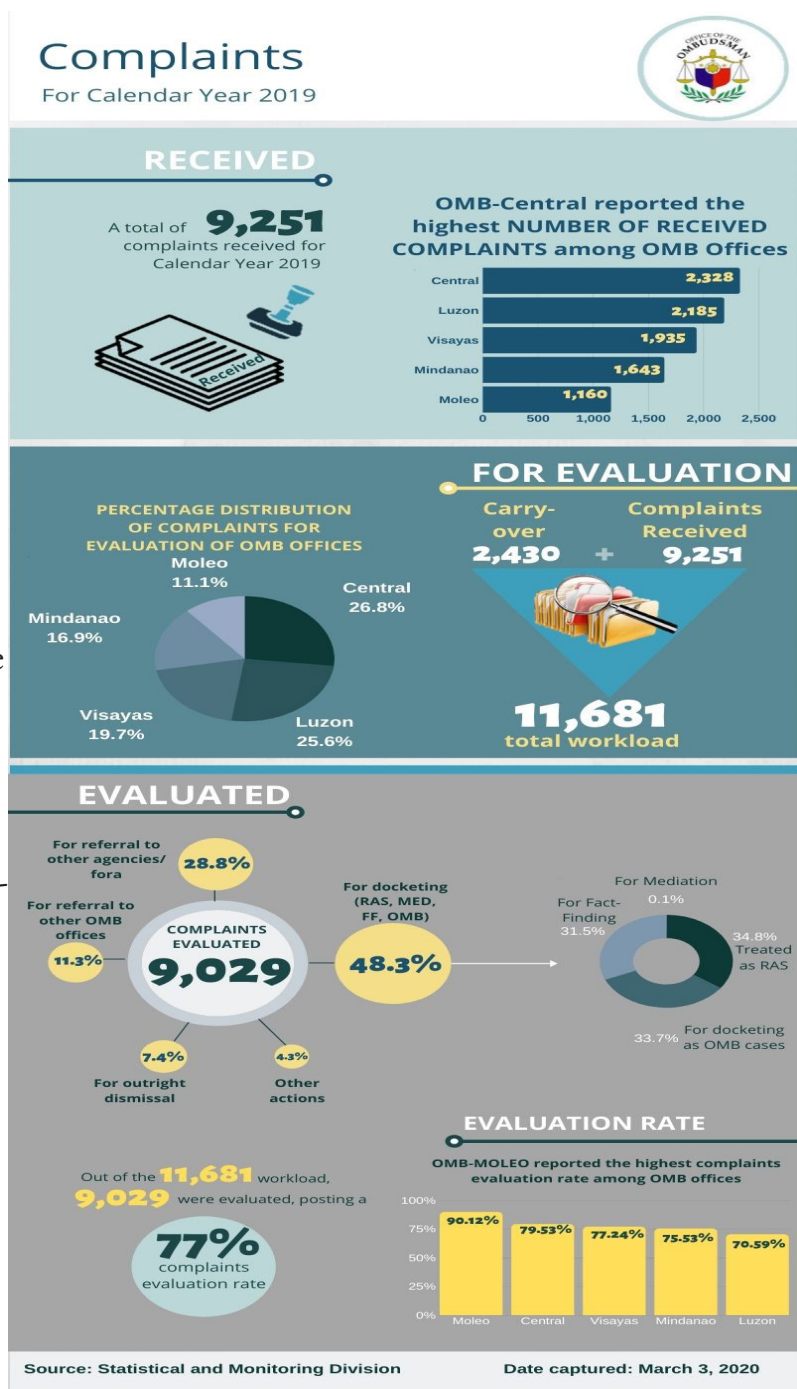
Appellate and Special Actions Bureau

STATISTICS & INFOGRAPHICS

COMPLAINTS for Calendar Year 2019

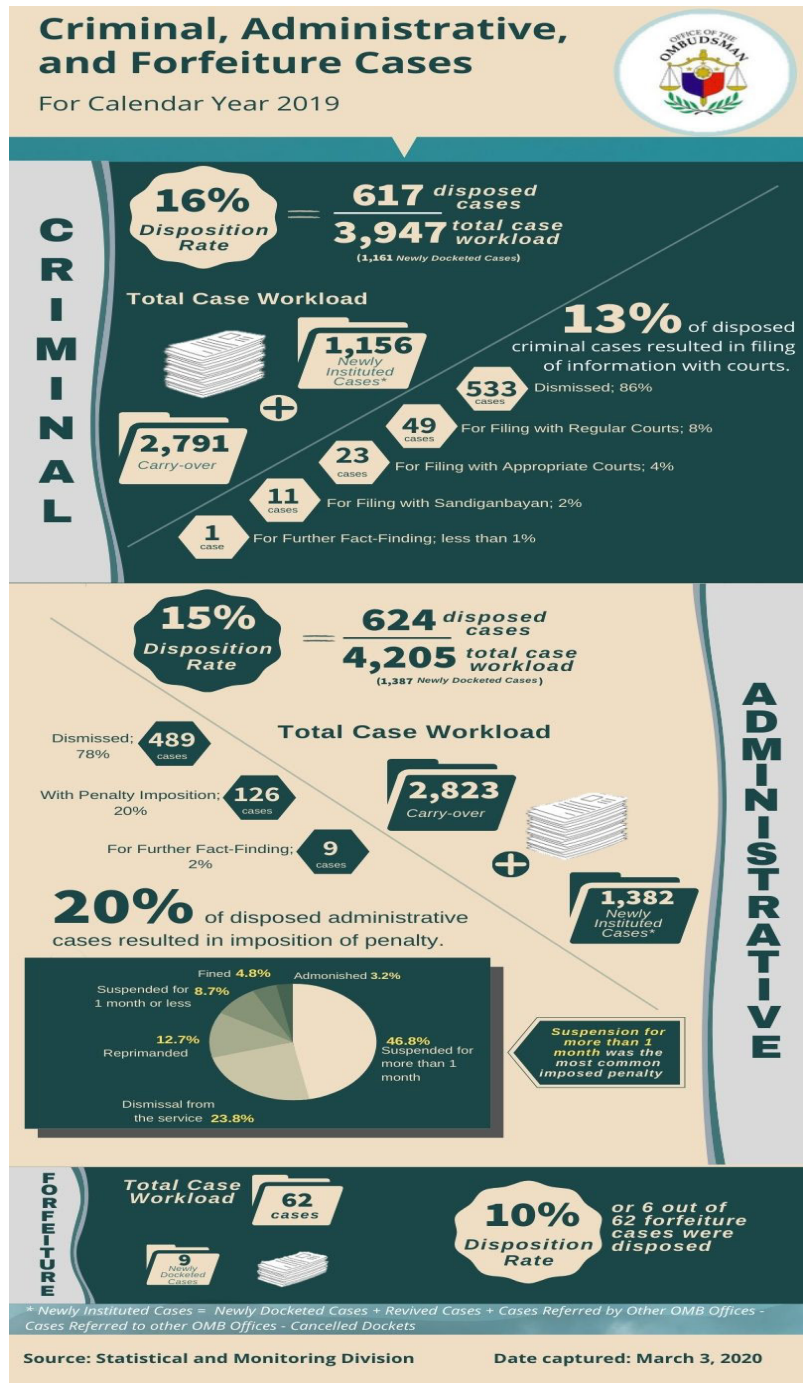


Ombudsman cases are complaints filed in or taken cognizance of by the Office of the Ombudsman charging any public officer or employee, including those in government-owned or controlled corporations, with any act or omission that is alleged to be illegal, unjust, improper or inefficient.



STATISTICS & INFOGRAPHICS

CASES FOR DISPOSITION for Calendar Year 2019



STATISTICS & INFOGRAPHICS

CASES FOR PROSECUTION for Calendar Year 2019

Cases for Prosecution

For Calendar Year 2019



Informations Filed



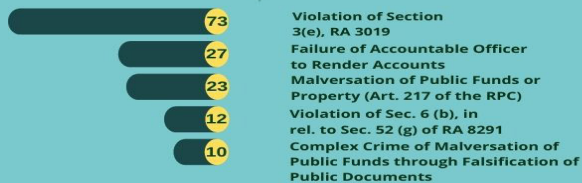
There are **173** informations filed against High Ranking Officials (HRO) and their cohorts with the Sandiganbayan



Government Agencies With More Than 10 Cases Filed With the Sandiganbayan



Top 5 Most Common Offense/Laws Violated



The remaining 28 is attributed to violations with less than 10 cases filed

Conviction Over Decided Cases

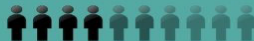
CONVICTION RATE



56%

Conviction rate decreased by 21% as compared to 71% in CY 2018

41% or 308 out of the 753 total number of **accused** in cases filed with the Sandiganbayan are **HIGH RANKING OFFICIALS (HRO)** or approximately 4 in every 10 docketed cases are HRO



*Number of Conviction is the number of cases resulted in the conviction of one or more accused. (Includes pleaded guilty, denied demurrer to evidence (demurrer filed in court), and guilty beyond reasonable doubt)

Total Criminal Cases Acted Upon



1,423

623 Convicted
(44%)
503 Acquitted
(35%)
154 Withdrawn
(11%)
106 Archived
(7%)
37 Dismissed
(3%)

Source: Statistical and Monitoring Division

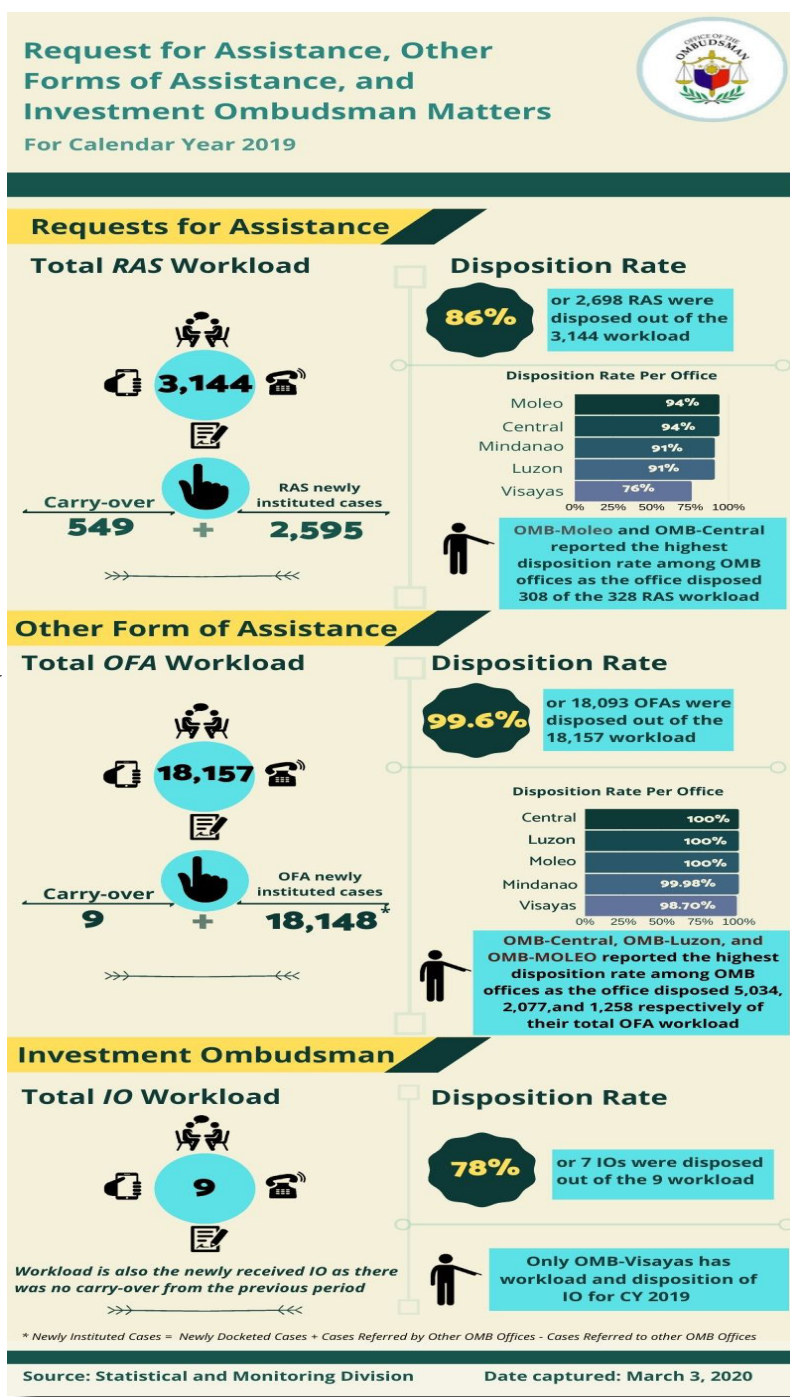
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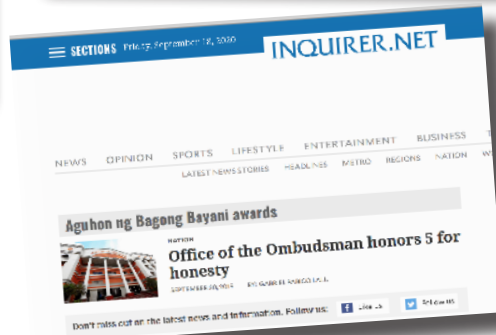
REQUEST FOR ASSISTANCE & INVESTMENT OMBUDSMAN MATTERS for Calendar Year 2019



A Request for Assistance (RAS) refers to any form of grievance or concern seeking 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 parameters of its powers, function and jurisdiction.



PROJECTS & PROGRAMS



AGUHON NG BAGONG BAYANI AWARDS

Not all heroes wear capes; but all are morally and ethically invincible.

The *Aguhon ng Bagong Bayani Awards* is a veritable who's who in the world of "lived integrity". The brainchild of Ombudsman Samuel Martires himself, the project gives recognition to ordinary people, both in the private & public sectors, who have demonstrated extraordinary moral courage & professional integrity in the face of pressing

economic needs and daunting tasks. Their moral compass or "aguhon" is beyond question.

The first batch of awardees includes:



1Lt John Frederick Savellano of the Philippine Marines (posthumous), **Ronald Gadayan**, a utility worker at the NAIA-1; **Sixto "Jun" Brillante**, a utility worker at the NAIA-2; **Grace Laxamana**, member of the indigenous group Aeta & a cleaner at the Clark Int'l Air port; and **Agustin Laude, Jr.**, a student from Baliuag, Bulacan .

PROJECTS & PROGRAMS



CAMPUS INTEGRITY CRUSADERS (CIC)

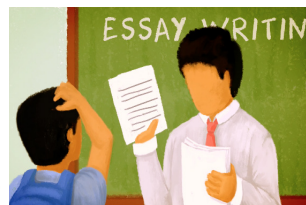
The 5th Campus Integrity Crusaders Congress (National Capital Region)

Accredited organizations under the CIC program converged at the Philippine Science High School Auditorium in March 2019. The highlight of the Congress was a Recognition Program for outstanding CIC organizations.



The **Campus Integrity Crusaders Program** is the developmental platform upon which the Office of the Ombudsman deploys its pro-active and preventive approaches relative to its anti-corruption mandate.

For 2019, there were 263 CIC-accredited organizations which were able to come up with a diverse line-up (958 to be exact) of integrity and social responsibility activities.



PROJECTS & PROGRAMS



The Office of the Ombudsman inked a partnership with the Commission on Higher Education and the University of the Philippines System in September 26, 2019 in order to produce educational programs and IEC or information, education, and communication materials related to anti-corruption, such as but not limited to short video programs, drama anthologies, and documentaries. For ethics and accountability discourse to also penetrate the curriculum of higher education institutions, said partnership will also be utilized. Exchanges of education and anti-corruption experts for identified purposes will also be part of the program to be developed under the agreement.

VALUES FORMATION IN EDUCATION

TOP PHOTO: (L-R) Commission on Higher Education (CHED) Chairperson Prospero de Vera, University of the Philippines (UP) President Danilo Concepcion and Ombudsman Samuel Martires formalize the tripartite program in a MOU signing ceremonies.

LEFT & RIGHT PHOTOS: The members of the Technical Working Group from the CHED, UP and Ombudsman have started working on the finer details of the program.

PROJECTS & PROGRAMS



The ITAPS is an integrity promotion program which engenders the cultivation of values and norms of conduct for public servants. The seminar-workshop set-up amplifies the relevance of anti-corruption laws in the context of community, local administration or governance and nation-building.

INTEGRITY, TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC SERVICE (ITAPS)



In the latter part of 2019, a new composition of the technical working group of the Integrity Management Program was organized. The remainder of the year was used to initially assess what has been achieved over the last years and correspondingly design a joint planning session with the Office of the President to craft the plan for the year 2020 focusing primarily on training new sets of coaches who could immediately be deployed to assist IMP implementing agencies.

“zero tolerance _____
_____ **to corruption”**

PROJECTS & PROGRAMS

INTERNATIONAL REPRESENTATION AND MEMBERSHIP

Remaining to be a member of the Southeast Asia Parties Against Corruption or SEA-PAC, the Office of the Ombudsman has been represented in both the SEA-PAC's Principals and Secretariat Meetings for 2019. A major development during the July 2019 Secretariat Meeting and October 2019 Principal Meeting is a move to change the name of the body from SEA-PAC to ASEAN-PAC.

Providing an annual platform for anti-corruption dialogues, the Office of the Ombudsman was able to deliver a country report during the Principals Meeting on some of the best practices, challenges and strategies it employs in its anti-corruption agenda. The Office of the Ombudsman also reported on the result of its participation to the Senior Officials Conference on Gender Mainstreaming in the ASEAN Political-Security Community (APSC) Sectoral Bodies which was held in Manila from 11 to 13 September 2019 wherein the Office has been sent as an official SEA-PAC representative.



PARTNERSHIP FORGED

A Memorandum of Understanding has been signed between the Office and the IDLO on April 8, 2019, officially jumpstarting the implementation of the Third Phase of the EICPP Project.



INTER-AGENCY ENGAGEMENTS

Through the invitation of the Department of the Interior and Local Government (DILG) which chairs the Inter-Agency Task Force (IATF) on Federalism, the Office of the Ombudsman has been invited to chair the Cluster on Accountability of Public Officer (APO) which is tasked to look into the provisions on Article XIV of the draft Bayanihan Federalism Document and provide alterations or enhancements thereto.

COURTESY VISITS

Based on the request of the Complaints Reception Office, Municipality of Shanghai, China, a courtesy visit has been paid to the Office of the Ombudsman on December 10, 2019. In order to provide a fuller presentation of the works of the Office, the Assistant Ombudsmen of the Public Assistance and Corruption Prevention Office and Field Investigation Office, and a Deputy Special Prosecutor has been tasked by the Ombudsman to brief the visitors on their respective field of specialization. The visitors have been received by the Ombudsman, together with the Assistant Ombudsmen of Ombudsman Proper.

PROJECTS & PROGRAMS



ADVANCED TRIAL TECHNIQUES TRAINING

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A **project collaboration** between the National Integrity Center (NIC) of the **Office of the Ombudsman** and the **International Development Law Organization (IDLO)**, the 4-day moot court is in fact *sui generis*. In March 2019, the Bureau of International Narcotics and Law Enforcement Affairs (INL) granted funding to the International Development Law Organization (IDLO) to implement Phase 3 of the Enhancing the Institutional Capacity of Prosecutors of the Philippines (EICPP). This initiative has the overall goal of improving the capacity of the Office of the Ombudsman prosecutors in handling preliminary investigation and criminal prosecution. It is also a continuation of IDLO's cooperation with the Office which began in 2016.



PROJECTS & PROGRAMS



(L-R) UP President Danilo Concepcion, COA Chair Michael Aguinaldo, CHED Chair Prospero de Vera, Executive Sec. Salvador Medialdea, Ombudsman Samuel Martires, DOJ Sec. Menardo Guevarra, CSC Chair Alicia Bala, QC Mayor Joy Belmonte, PCW representative Ms. Josephine Sasuman, and (inset) Manila Mayor Francisco “Isko Moreno” Domagoso.



SIKHAY* LABAN SA KORAPSYON (SILAK**)

**A Public Accountability Summit
(Best Practices in Anti-Corruption)
in observance of the
International Anti-Corruption Day
December 9, 2019
Manila Diamond Hotel**



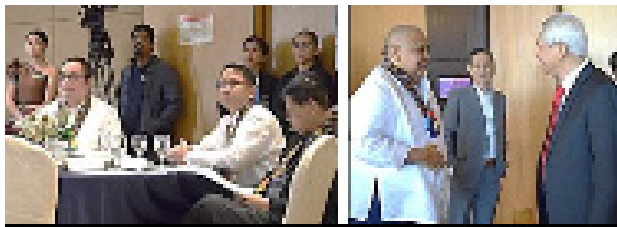
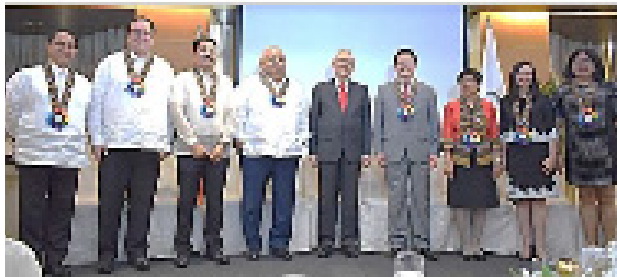
The Public Accountability Summit is just one of the expected outputs of the SILAK program which is essentially “a collaborative research platform to facilitate knowledge sharing and exchange of timely and relevant studies, insights, and lessons learned among policy makers.”

* sikhay *Tag.* noun - zeal or diligence; masikhay (adjective) - hardworking, zealous

** silak *Bin./Ceb.* noun - luster, glow, the quality of being bright



PROJECTS & PROGRAMS



SYNTHESIS OF TOPICS/BEST PRACTICES:

1. The crafting of ways to introduce courses on ethics as elective subjects to reinforce the academic institutions role on values formation;
2. The push for programs that can be developed in coupling professional excellence and values-driven public service;
3. Revisiting of the procurement rules and systems to offer solutions in making them more efficient and public service-oriented in contrast with merely making them stringent and punitive;
4. The push for awareness on how corruption impacts gender discourse and how it possibly curtail the rights of our women and other vulnerable sectors; and
5. Advocating for innovative & emerging trends that the new breed of leaders can adopt in trying to curb corruption in local governments.

Sikhay Laban sa Korupsyon

is a Filipino phrase which means 'assiduity and diligence in the fight against corruption'



ORGANIZATIONAL DEVELOPMENT

Troubleshooting is a calibrated and educated process of trial and error. There are technical issues which are difficult to assess, mainly as to what could have caused a problem. However, having implemented a Network and Application Performance Monitoring System, troubleshooting has become less tedious as the system itself now provides information that will help in isolating whether such problem is related on application, server, client or network.



While the Central Office has sufficient facility for videoconferencing, its counterpart facilities in OMB Cebu and Davao have lesser capability as borne out by poor video and audio quality, as well as the limited number of participants in the said activity. With the upgrade of existing video conferencing system, the facilities of Cebu and Davao are now comparable with that of the Central Office.



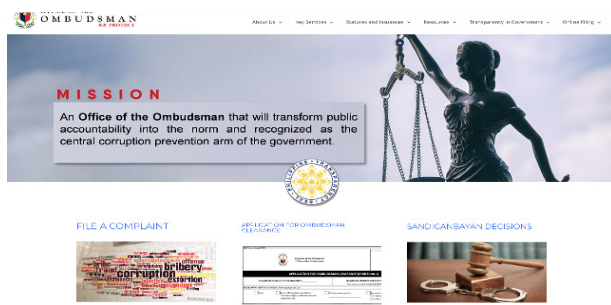
Physical security controls in the Server Room of the Annex Building was strengthened with the completion of a door access system with face recognition capability. Access to said room is now being logged by the system.

ORGANIZATIONAL DEVELOPMENT



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 television-mediated multi-display information system which synchronizes the time and flow of information. The TV screens have become the focal points of announcements, live and breaking news from TV stations and even materials for institutional building.

The television display system is also used to relay live coverages of office events like institutional anniversary and christmas programs, and other special events. The system allows the viewing of activities and events even for those who can't be accommodated in the auditorium. To push for maximum participation, tv screens are now installed along hallways of the main and Annex buildings. This system can also be replicated by OMB Cebu and Davao in their respective offices.



The Office started using Secure Socket Layer (SSL) Certificates. The SSL is another layer of security that is put place to ensure that the OMB website (ombudsman.gov.ph), e-mail (mail.ombudsman.gov.ph) and *intranet* (intranet.ombudsman) are safe to use for those who are going to access them, whether employees or stakeholders.

Further, the Office started to adopt the use of a uniform computerized system in case monitoring way back 2013. The magnitude of its scope and the urgency of maximizing its full potential prompted the Office to use an incremental approach in systems management in order to slowly build up its functionality. Since 2013, various systems have been implemented. The most recent addition came in 2018 when the facility for tracking cases brought before appellate courts was fully realized.

Named as Appellate, Special Review and Inquiry System (ASRI), it represents the last piece in the completion of the Office's goal of having a uniform case management system. The system may likewise be used for researching documents pertaining to special review, legal inquiries, opinions and other matters handled by OLA and ASAB.



ORGANIZATIONAL DEVELOPMENT

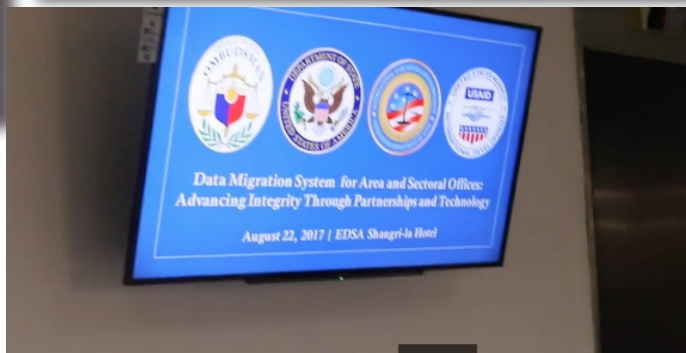


A new Queuing System for PAB-Clearance Section was designed, developed and implemented. The system aims to reduce customer waiting periods and improve staff productivity. It has three major components: 1) the self-service touch screen ticketing kiosk, which acts as an on-site gatekeeping facility for customers and applicants, thus providing them the capacity to self-manage their transaction/s; 2) a multi-media display which provides information to customers on the real-time status of service delivery; 3) a back-end control panel for the staff to help them out in managing customer traffic, calling customers forward, and generating 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 Leave Ledger facility - a module which allows for the monitoring of historical leave increases, accruals, leave consumption information and running balances. It is one of the modules that forms part of the upcoming Human Resource Information System (HuRIS). The Leave Ledger module was implemented by the OSP-Admin in June 2018.



ORGANIZATIONAL DEVELOPMENT

ENHANCEMENTS ON EXISTING SYSTEMS

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

- [.] Generation of reports that will help in identifying cases which need updating or further validation;
- [.] Incorporation of display status of enforcement of administrative penalties in search and report modules;
- [.] Generation of reports on aging of disposed cases which reflects the year the cases were docketed. The primordial function of this added feature is to facilitate the extraction of details pertaining to inordinate delay;
- [.] Revision of OPCR reports of PI/AA and fact-finding offices to reflect changes based on the result of the 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 be able to 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”. The enhancement also paved the way for the ability of the system in generating additional reports needed.

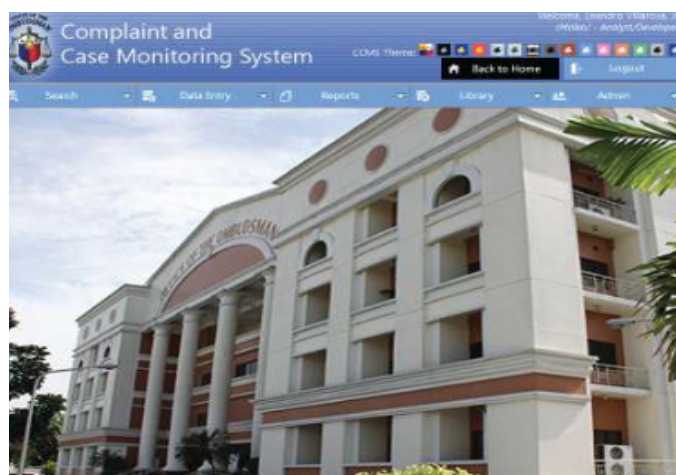
PARTICIPATION IN SPECIAL PROJECTS

The CCMS Data Validation. The MISS, through the SDD, took the lead in the validation of data encoded in the CCMS. As of December 30, 2017, the actual number of pending cases declared by the records offices 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. The project sought to complete case information encoded in the CCMS covering the period 2003-2012. Part of the Data Migration System project is archival in nature, *i.e.*, scanning of documents and making them accessible through CCMS.

ISO 9001:2015 Certification. The MISS, in collaboration with selected offices, endeavored to comply with, maintain and implement the requirements of ISO 9001:2015 Quality Management System.

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



ACTIVITIES



Ombudsman Samuel Martires delivers a pep talk to assistant ombudsmen and directors of the Office of the Ombudsman in his speech at the Strategic Planning Seminar/Workshop in February 2019



The Strategic Planning was also an opportune time to rollout the **WE PROTECT** program - the Public Accountability Blueprint of the Office for 2018-2025. **WE PROTECT** stands for **Working to Establish Public Responsibility Outcomes Through Enforcement, Collaboration and Transformation.**



Ombudsman Samuel Martires is flanked by his team from the Office of the Ombudsman as well as the contingent from the Anti-Red Tape Authority (ARTA) led by Deputy Director General for Legal Services Ernesto V. Perez. The ARTA is mandated to oversee the implementation of RA 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act. One of the operational mechanisms of RA 11032 is the revision of the Citizens' Charter of all government agencies. The Office of the Ombudsman has complied with the ARTA directive as early as August 2019 when the Office conducted a 2-day survey-workshop participated in by 77 agencies.

ACTIVITIES



The United States government has always had strong support for the Office of the Ombudsman as affirmed by a wide array of engagements between the Office and the the US Embassy led by Ambassador Sung Kim and the US Department of Justice (US DOJ). For 2019, the US DOJ helped beef-up the cyber terrorism forensics capabilities of Ombudsman officials.



ACTIVITIES

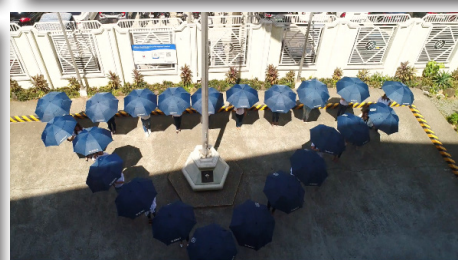


Ombudsman Samuel Martires gives out a proud smile in this group photo with the Service Awardees of the Office of the Ombudsman. The service awards were given out as part of the 31st anniversary of the Office in May 2019.



The winning entries for the theme and logo contests.

OMBUDSMAN @ 31: Building Integrity Through Values Formation by Myra Valdez of the Public Information & Media Relations Bureau (PIMRB) and the winning logo is a digital rendition of Herlan Leuterio from PIMRB, as well. The exhibit is a trip down memory lane



The V-sequence is the Gender-Umbrella segment of the first-ever institutional video of the Office of the Ombudsman. Entitled “BUO ANG LOOB”, it was musically and visually produced by homegrown talents/employees, and the 6-minute MTV distills the institutional ethos of the Office in line with WE PROTECT. The Executive Producers were AO Kristine Macalalad, HEA Josef Martires and PIMRB Director Rawnslé Lopez. Creative Direction by Jerry Rosete of PIMRB.

ACTIVITIES



The **UNITY CARAVAN TEAM** put out all the stops to ensure that the event was a logistical success. OMB employees came away with a wide range of government services and products.



OH MAY BONGGANG SHOW (OMB SHOW) is a game show mashed up with a high-octane musical and dance production numbers. With OMB Luzon FIB Acting Director Mei Henson and Atty. Karym Laidan as production heads, the show was anything but amazing. Here in these photos, the vocalists in their rehearsal vibe and pre-show jitters. Down below, officials are goofin' around while having their time for rehearsals galore in their once-in-a-lifetime appearance as game show gems.



ACTIVITIES



CHILDREN'S HOUR

For its 31st Anniversary, the Office partnered with the National Commission for Culture and the Arts (NCCA) for arts and crafts projects like accordion fans, paper cup telephones, funny corner book-marks. The activity also became an opportunity for the young children to interact with the Ombudsman. Ombudsman Samuel R. Martires assisted the children in creating crafts after delivering a brief message encouraging the children to take care of themselves for they are the future generation of the country.



The Children's Hour is an activity usually being held during the Office's Anniversary Celebration and is intended for the kids of the employees in the Office of the Ombudsman and those enrolled at the Office's Child Development Center (CDC).

A total of twenty-six (26) kids, ages 3-12 years old, were able to express themselves through these art projects.



FINANCIAL STATEMENTS

OFFICE OF THE OMBUDSMAN NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2019

1. Agency Profile

The consolidated financial statements of the Office of the Ombudsman were authorized for issue on February 14, 2020 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 Acting Overall Deputy Ombudsman Edilberto G. Sandoval.

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 Acting Overall Deputy Ombudsman (ODO) Edilberto G. Sandoval. The area/sectoral offices in Luzon, Visayas and Mindanao are led by Deputy Ombudsmen Cornelio L. Somido, 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 consolidated 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 consolidated financial statements have been prepared on the basis of historical cost, unless otherwise stated. The Statement of Cash Flows is prepared using the direct method.

3. Summary of Significant Accounting Policies

3.1. Basis of accounting

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

FINANCIAL STATEMENTS

3.2 Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity and all controlled entities.

The controlled entities are those entities over which the controlling entity has the power to govern financial and operating policies. The controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases.

Inter-group transactions, balances and unrealized gains and losses on transactions between members of the group are eliminated in full.

The accounting policies of the controlled entities are consistent with the policies adopted by the controlling entity.

The controlled entities referred to as area/sectoral offices are the Office of the Ombudsman for Luzon, Office of the Ombudsman for Visayas, Office of the Ombudsman for Mindanao, MOLEO, and the OSP.

All controlled entities are fully consolidated with the controlling entity.

3.3 Cash and Cash Equivalents

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

3.4. 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.

3.5. 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:

FINANCIAL STATEMENTS

- 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 as at the date of acquisition.

The cost of PPE is the cash price equivalent, or for PPE acquired through non-exchange transaction, its cost is its fair value as 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.

FINANCIAL STATEMENTS

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 shall be 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.

FINANCIAL STATEMENTS

3.6. 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.

3.7 Intangible Assets

Recognition and Measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

Subsequent Measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life is amortized over its useful life.

An intangible asset with indefinite useful lives was not be amortized.

Intangible assets with an indefinite useful life or an intangible asset not yet available for use were assessed for impairment whenever there is an indication that the asset may be impaired.

Gains or losses arising from derecognition of an intangible asset were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the surplus or deficit when the asset is derecognized.

3.8. 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 in surplus or deficit.

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

FINANCIAL STATEMENTS

- 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.

3.9 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 at 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.

FINANCIAL STATEMENTS

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.

3.10 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.

3.11 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.

FINANCIAL STATEMENTS

3.12 Impairment of Non-Financial Assets

Impairment of non-cash-generating assets

The Office of the Ombudsman assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Office of the Ombudsman estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

3.13 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 shortterm 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

The Office of the Ombudsman has determined those errors of prior periods requiring corrections and adjustments.

As a result, fundamental errors of prior years were corrected using the Accumulated Surplus (Deficit) account including, among others, those unrecorded expenses for unrecognized consumptions/adjustments of office supplies and other supplies and adjustments in Property, Plant and Equipment accounts, including disposals/transfers among area/sectoral offices that were recognized directly as adjustments in the net assets/equity account.

5. Cash and Cash Equivalents

Accounts	As of December 31, 2019	As of December 31, 2018
Cash on Hand	332,631.62	837,663.90
Cash in Bank - Local Currency	84,999,665.66	154,613,450.40
Total Cash and Cash Equivalents	85,332,297.28	155,451,114.30

FINANCIAL STATEMENTS

5.1 **Cash on Hand** includes the collections from OMB-Central Office and OMB-Mindanao that were deposited in January 2020 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. The respective ATM payroll accounts of area/sectoral offices was closed as of December 31, 2019 due to the centralization of the payroll.

6. Receivables

Receivables	2019	2018
Inter-Agency Receivables	3,381,600.85	2,872,075.45
Intra-Agency Receivables	300.00	182,726.82
Other Receivables	2,215,623,130.15	460,591,983.16
Total Receivables	2,219,005,031.00	463,646,785.43

6.1 Aging / Analysis of Other Receivables

As of December 31, 2019:

Accounts	Total	Not past due	Past due		
			< 30 days	30 - 60 days	> 60 days
Receivables – Disallowances/Charges	9,606.30	0.00	0.00	0.00	9,606.30
Due from Officers and Employees	104,427.11	0.00	0.00	0.00	104,427.11
Other Receivables	2,215,509,096.74	2,215,509,096.74	0.00	0.00	0.00
Total	2,215,623,130.15	2,215,509,096.74	0.00	0.00	114,033.41

6.2 Inter-Agency Receivables

Accounts	2019		2018	
	Current	Non-Current	Current	Non-Current
Due from National Government Agencies	3,369,480.85	0.00	2,865,355.45	0.00
Due from Government-Owned and/or Controlled Corporations	12,120.00	0.00	6,720.00	0.00
Total	3,381,600.85	0.00	2,872,075.45	0.00

6.3 Intra-Agency Receivables

Accounts	2019		2018	
	Current	Non-Current	Current	Non-Current
Due from Regional Offices	0.00	0.00	182,726.82	0.00
Due from Other Funds	300.00	0.00	0.00	0.00
Total	300.00	0.00	182,726.82	0.00

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7. Inventories

Inventories Held for Consumption	Inventories carried at the lower of cost and net realizable value 2019	Inventories carried at the lower of cost and net realizable value 2018
Office Supplies Inventory		
Carrying Amount, January 1	25,219,536.02	12,850,510.96
Purchased during the year	20,911,622.60	32,186,868.06
Expensed during the year except write-down	(20,705,695.21)	(19,769,569.05)
Write-down during the year	(0.00)	(236,092.89)
Reversal of Write-down during the year	0.00	187,818.94
Carrying Amount, December 31	25,425,463.41	25,219,536.02
Accountable Forms, Plates and Stickers Inventory		
Carrying Amount, January 1	514,310.36	370,167.50
Purchased during the year	536,500.00	621,550.00
Expensed during the year except write-down	(646,195.00)	(477,407.14)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	404,615.36	514,310.36
Drugs and Medicine Inventory		
Carrying Amount, January 1	6,682.50	7,002.50
Purchased during the year	1,097,512.00	1,058,209.00
Expensed during the year except write-down	(1,097,512.00)	(1,058,529.00)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	6,682.50	6,682.50
Medical, Dental and Laboratory Inventory		
Carrying Amount, January 1	8,156.16	59,962.00
Purchased during the year	237,490.00	459,905.58
Expensed during the year except write-down	(151,525.00)	(511,711.42)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	94,121.16	8,156.16
Fuel, Oil and Lubricants Inventory		
Carrying Amount, January 1	0.00	0.00
Purchased during the year	46,000.00	0.00
Expensed during the year except write-down	(46,000.00)	(0.00)
Write-down during the year	(0.00)	(0.00)
Reversal of Write-down during the year	0.00	0.00
Carrying Amount, December 31	0.00	0.00
Other Supplies Inventory		
Carrying Amount, January 1	548,454.38	283,277.07
Purchased during the year	3,601,380.75	5,144,254.69
Expensed during the year except write-down	(3,551,521.24)	(4,879,077.38)
Write-down during the year		
Reversal of Write-down during the year		
Carrying Amount, December 31	599,339.05	548,454.38
Total Carrying Amount, December 31	26,530,221.48	26,297,139.42
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 1		

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8. Property, Plant and Equipment

	Land and Other Improvements	Buildings and Other Structures	Leasehold Improvements	Transportation Equipment	Exhaustion, Depletion and Amortization	Construction InProgress	Other Assets Requiring Depreciation	Other Property, Plant and Equipment	TOTAL
Carrying Amount, January 1, 2018	282,475,277.67	182,137,285.95	10,367,823.94	25,267,254.43	22,126,297.27	687,764,243.17	0.00	1,807,507,969.44	1,940,378,188.36
Less: Accumulated depreciation and other adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization for 2018	1,281,228.94	1,247,968.74	1,223,561.68	1,256,875.63	0.00	16,567,627.94	0.00	0.00	1,989,683.39
Adjusted Carrying Amount, January 1, 2019	283,756,506.61	183,385,254.69	11,591,385.62	26,524,130.06	22,126,297.27	704,331,871.11	0.00	1,807,507,969.44	1,942,367,171.74
Buildings/Improvements	26,062,263.67	421,562,961.47	23,122,288.16	14,419,000.00	6,027,542.74	40,480,074.21	4,774,841.48	1,567,414.48	1,069,869,931.73
Land	15,999,242.94	1,228,692,252.83	10,265,096.46	40,105,130.06	16,100,754.53	40,480,074.21	4,774,841.48	5,763,321.17	1,816,942,108.71
Deposits/Transferred to Other Governmental Funds	11,564,999.99	11,564,999.99	11,564,999.99	11,564,999.99	11,564,999.99	0.00	0.00	0.00	55,264,999.99
Construction/Other Assets Requiring Depreciation and Amortization (Excluded)	0.00	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)	285,037,735.55	184,633,254.69	12,815,387.61	27,781,005.72	22,126,297.27	720,899,499.32	0.00	1,807,507,969.44	1,944,193,730.43
Less: Other Governmental Funds/Other Governmental Funds/Buildings	285,037,735.55	1,147,562,177.73	11,734,477.16	14,419,000.00	16,100,754.53	40,480,074.21	4,774,841.48	5,763,321.17	1,942,712,167.34
Less: Accumulated Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Land and Other Improvements	Buildings and Other Structures	Leasehold Improvements	Transportation Equipment	Exhaustion, Depletion and Amortization	Construction In Progress	Other Property, Plant and Equipment	TOTAL
Carrying Amount, January 1, 2018	282,475,277.67	182,137,285.95	10,367,823.94	25,267,254.43	22,126,297.27	687,764,243.17	0.00	1,940,378,188.36
Less: Accumulated depreciation and other adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization for 2018	1,281,228.94	1,247,968.74	1,223,561.68	1,256,875.63	0.00	16,567,627.94	0.00	1,989,683.39
Adjusted Carrying Amount, January 1, 2019	283,756,506.61	183,385,254.69	11,591,385.62	26,524,130.06	22,126,297.27	704,331,871.11	0.00	1,942,367,171.74
Buildings/Improvements	0.00	1,477,962,126.54	23,271,134.12	14,419,000.00	17,352,261.25	11,517,766.79	1,767,321.42	1,512,412,619.12
Land	283,756,506.61	514,234,210.21	12,266,112.50	11,591,385.62	23,265,036.02	489,234,275.27	1,767,321.42	1,446,150,867.19
Deposits/Transferred to Other Governmental Funds	0.00	0.00	14,125,042.00	12,815,387.61	16,777,732.00	0.00	0.00	53,743,261.63
Deposits/Transferred to Other Governmental Funds/Buildings	0.00	124,166,211.23	10,411,141.16	11,591,385.62	1,191,782.79	0.00	0.00	151,362,712.80
Deposits/Transferred to Other Governmental Funds/Buildings	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)	285,037,735.55	184,633,254.69	12,815,387.61	27,781,005.72	22,126,297.27	720,899,499.32	0.00	1,944,193,730.43
Less: Other Governmental Funds/Other Governmental Funds/Buildings	285,037,735.55	1,147,562,177.73	11,734,477.16	14,419,000.00	16,100,754.53	40,480,074.21	4,774,841.48	1,942,712,167.34
Less: Accumulated Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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There were significant increases in the Property, Plant and Equipment accounts for CY 2019 detailed as follows:

The Buildings account significantly increased due to reclassification of Construction in Progress account which 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.

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 Information and Communication Technology Equipment, Communication Equipment and Sports Equipment accounts due to the acquisition of 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 5 units Toyota Hi-Ace 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.

Leased Assets Improvements, Building account represents the cost of conversion of COA Canteen into Ombudsman Holding Area as per COA-OMB Memorandum of Agreement dated July 4, 2016.

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9. Intangible Assets

	Computer Software	TOTAL
Carrying Amount, January 1, 2019	271,406.00	271,406.00
Add: Additions-Internally Developed	0.00	0.00
Additions-Purchased/Acquired thru exchange on nonexchange transaction	1,870,988.60	1,870,988.60
Amortization recognized (As per Statement of Financial Performance)	0.00	0.00
Impairment Loss Reversed (As per Statement of Financial Performance)	0.00	0.00
Total	2,142,394.60	2,142,394.60
Dispose/s	0.00	0.00
Amortization recognized (As per Statement of Financial Performance)	0.00	0.00
Impairment Loss (As per Statement of Financial Performance)	0.00	0.00
Other Changes	0.00	0.00
Carrying Amount, December 31, 2019 (As per Statement of Financial Position)	2,142,394.60	2,142,394.60
Gross Cost (Asset Account Balance per Statement of Financial Position)	2,142,394.60	2,142,394.60
Less: Accumulated Amortization (including accumulated impairment loss)	0.00	0.00
Carrying Amount, December 31, 2019 (As per Statement of Financial Position)	2,142,394.60	2,142,394.60

The useful life of the intangible asset is assessed as indefinite. Thus, it was not amortized.

	Computer Software	TOTAL
Carrying Amount, January 1, 2018	192,200.00	192,200.00
Add: Additions-Internally Developed	0.00	0.00
Additions-Purchased/Acquired thru exchange on nonexchange transaction	79,966.00	79,966.00
Amortization recognized (As per Statement of Financial Performance)	0.00	0.00
Impairment Loss Reversed (As per Statement of Financial Performance)	0.00	0.00
Total	271,406.00	271,406.00
Dispose/s	0.00	0.00
Amortization recognized (As per Statement of Financial Performance)	0.00	0.00
Impairment Loss (As per Statement of Financial Performance)	0.00	0.00
Other Changes	0.00	0.00
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	271,406.00	271,406.00
Gross Cost (Asset Account Balance per Statement of Financial Position)	271,406.00	271,406.00
Less: Accumulated Amortization (including accumulated impairment loss)	0.00	0.00
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	271,406.00	271,406.00

Intangible assets with an indefinite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

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10. Other Assets

10.1 Other Current and Non-Current Assets

Particulars	2019		
	Current	Non-Current	Total
Advances	2,004,331.53	0.00	2,004,331.53
Prepayments	7,163,650.61	0.00	7,163,650.61
Deposits	301,549.34	2,903,825.73	3,205,375.07
Other Assets	0.00	53,612,150.28	53,612,150.28
Total	9,469,531.48	56,515,976.01	65,985,507.49

Particulars	2018		
	Current	Non-Current	Total
Advances	10,514,981.47	0.00	10,514,981.47
Prepayments	4,957,228.47	0.00	4,957,228.47
Deposits	338,349.34	2,845,261.55	3,183,610.89
Other Assets	0.00	55,395,242.79	55,395,242.79
Total	15,810,559.28	58,240,504.34	74,051,063.62

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.

11. Financial Liabilities

11.1 Payables

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Payables				
Accounts Payable	52,438,623.81	0.00	62,590,258.29	0.00
Due to Officers and Employees	11,005,666.21	0.00	3,893,517.89	0.00
Total Payables	63,444,290.02	0.00	66,483,776.18	0.00

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The Accounts Payable represents the current obligation of the Office of the Ombudsman to its suppliers in CY 2019.

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.

12. Inter-Agency Payables

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Due to BIR	30,289,295.66	0.00	26,331,691.72	0.00
Due to GSIS	11,553,800.27	0.00	9,628,176.67	0.00
Due to Pag-IBIG	1,444,652.03	0.00	638,387.14	0.00
Due to PhilHealth	1,207,059.37	0.00	564,340.39	0.00
Due to NGAs	483,320.00	0.00	297,676.89	0.00
Due to GOCCs	.20	0.00	2,300.20	0.00
Total Inter-Agency Payables	44,978,127.53	0.00	37,462,573.01	0.00

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

13. Intra-Agency Payables

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Due to Other Funds	4,165,375.50	0.00	9,642,382.94	0.00
Total Intra-Agency Payables	4,165,375.50	0.00	9,642,382.94	0.00

Effective September 2019 the Office of the Ombudsman has implemented the centralization of its Payroll Management System

14. Trust Liabilities

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Trust Liabilities	262,997.62	56,989,814.11	116,399.34	56,834,263.22
Guaranty/Security Deposits Payable	5,025,202.96	2,853,608.22	218,448.08	3,116,281.63
Total Trust Liabilities	5,288,200.58	59,843,422.33	334,847.42	59,950,544.85

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.

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15. 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 2020.

16. Service & Business Income

Particulars	2019	2018
Service Income		
Clearance and Certification Fees	6,597,942.00	5,860,865.74
Fines and Penalties	8,701,606.00	19,798,922.91
Business Income		
Interest Income	113,584.69	191,795.36
Total Service and Business Income	15,413,132.69	25,851,584.01

17. Personnel Services

17.1 Salaries and Wages

Particulars	2019	2018
Salaries and Wages – Regular	964,916,102.85	848,391,748.31
Total Salaries and Wages	964,916,102.85	848,391,748.31

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.

17.2 Other Compensation

Particulars	2019	2018
Personal Economic Relief Allowance (PERA)	32,487,596.91	31,379,749.61
Representation Allowance (RA)	43,340,819.11	44,022,649.50
Transportation Allowance (TA)	42,086,263.88	42,746,937.60
Clothing/Uniform Allowance	8,172,348.04	7,917,316.67
Honoraria	128,808.08	569,170.85
Hazard Pay	481,560.06	473,465.87
Longevity Pay	198,366.52	70,200.00
Overtime and Night Pay	4,454,318.02	4,824,798.94
Year End Bonus	88,896,431.80	89,109,732.54
Cash Gift	6,742,500.00	6,637,500.00
Other Bonuses and Allowances	105,409,473.10	128,411,538.17
Total Other Compensation	332,398,485.52	356,163,059.75

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17.3 Personnel Benefits Contributions

Particulars	2019	2018
Retirement and Life Insurance Premiums	103,830,271.22	102,419,656.77
Pag-IBIG Contributions	1,483,800.00	1,719,063.40
PhilHealth Contributions	6,752,676.85	6,673,549.24
Employees Compensation Insurance Premiums	1,481,001.42	2,392,549.52
Total Personnel Benefit Contributions	113,547,749.49	113,204,818.93

The 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.

17.3 Other Personnel Benefits

Particulars	2019	2018
Pension Benefits	44,941,556.28	32,087,876.08
Retirement Gratuity	0.00	15,215,400.00
Terminal Leave Benefits	36,199,793.39	11,749,783.41
Other Personnel Benefits	85,218,192.71	85,083,413.93
Total Other Personnel Benefits	166,359,542.38	144,136,473.42

The material increase in Other Personnel Benefits accounts were attributed to the terminal leave benefits paid to retired or separated employees.

18. Maintenance and Other Operating Expenses

18.1 Travelling Expenses

Particulars	2019	2018
Traveling Expenses – Local	23,202,910.61	29,543,591.54
Traveling Expenses – Foreign	15,629,694.90	6,099,485.56
Total Traveling Expenses	38,832,605.51	35,643,077.10

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.

Traveling Expenses – Foreign increased due to attendance to several Ombudsman regional conferences, workshops and meetings.

18.2 Training and Scholarship Expenses

Particulars	2019	2018
Training Expenses	15,906,799.05	19,492,332.93
Total Training and Scholarship Expenses	15,906,799.05	19,492,332.93

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

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18.3 Supplies and Materials Expenses

Particulars	2019	2018
Office Supplies Expenses	19,939,262.20	20,169,669.33
Accountable Forms Expenses	703,545.00	538,531.39
Non-Accountable Forms Expenses	0.00	3,000.00
Drugs and Medicines Expenses	1,106,609.40	1,060,532.76
Medical, Dental and Laboratory Supplies Expenses	168,748.25	555,535.72
Fuel, Oil and Lubricants Expenses	5,079,073.43	5,730,404.17
Semi-Expendable Machinery and Equipment Expenses	7,625,654.75	7,191,070.39
Semi-Expendable Furniture, Fixtures and Books Expenses	4,050,161.80	1,777,699.90
Other Supplies and Materials Expenses	6,204,057.15	8,078,967.53
Total Supplies and Materials Expenses	44,877,111.98	45,105,411.19

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

18.4 Utility Expenses

Particulars	2019	2018
Water Expenses	4,438,275.65	3,860,632.62
Electricity Expenses	41,569,046.46	45,315,230.87
Total Utility Expenses	46,007,322.11	49,175,863.49

18.5 Communication Expenses

Particulars	2019	2018
Postage and Courier Services	2,966,444.41	3,845,850.35
Telephone Expenses	12,362,143.25	12,717,184.34
Internet Subscription Expenses	3,857,009.20	2,875,544.80
Cable, Satellite, Telegraph and Radio Expenses	33,342.90	28,656.25
Total Communication Expenses	19,218,939.76	19,467,235.74

18.6 Confidential, Intelligence & Extraordinary Expenses

Particulars	2019	2018
Confidential Expenses	7,885,933.00	13,351,079.00
Extraordinary and Miscellaneous Expenses	11,631,234.41	11,728,656.59
Total Confidential, Intelligence and Extraordinary Expenses	19,517,167.41	25,079,735.59

18.7 Professional Services

Particulars	2019	2018
Auditing Services	293,838.18	212,657.68
Consultancy Services	68,965.52	2,036,755.34
Other Professional Services	36,298.00	31,039.47
Total Professional Services	399,101.70	2,280,452.49

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18.8 General Services

Particulars	2019	2018
Janitorial Services	17,686,842.85	21,168,623.59
Security Services	39,577,316.46	44,623,082.84
Other General Services	34,113,667.92	36,873,040.93
Total General Services	91,377,827.23	102,664,747.36

18.9 Repairs and Maintenance

Particulars	2019	2018
Repairs and Maintenance - Buildings and Other Structures	404,880.15	4,184,871.73
Repairs and Maintenance - Machinery and Equipment	2,730,644.00	424,191.00
Repairs and Maintenance - Transportation Equipment	2,657,145.58	3,210,741.04
Repairs and Maintenance - Furniture and Fixtures	0.00	4,032.00
Repairs and Maintenance – Semi Expendable Machinery and Equipment (Office Equipment)	3,430.00	3,050.00
Repairs and Maintenance - Other Property, Plant and Equipment	260,680.00	161,330.00
Total Repairs and Maintenance Expenses	6,056,779.73	7,988,215.77

There is significant decrease in the Repairs and Maintenance –Buildings and Other Structure account with the repair/rehabilitation of waterproofing system in the concrete roof deck of the OMB Mail Building was made in 2018.

The significant increase in Repairs and Maintenance - Machinery and Equipment is due to the quarterly hardware maintenance and software subscription for Hitachi Storage Hardware and Software Support.

18.10 Taxes, Insurance Premiums and Other Fees

Particulars	2019	2018
Taxes, Duties and Licenses	206,670.89	187,798.87
Fidelity Bond Premiums	1,938,462.12	1,885,750.61
Insurance Expenses	7,340,963.75	5,395,223.76
Total Taxes, Insurance Premiums and Other Fees	9,486,096.76	7,468,773.24

18.11 Other Maintenance & Operating Expenses

Particulars	2019	2018
Advertising Expenses	32,256.00	69,000.96
Printing and Publication Expenses	231,758.55	703,241.61
Representation Expenses	2,838,160.55	3,071,677.95
Transportation and Delivery Expenses	43,579.00	67,429.54
Rent/Lease Expenses	7,546,607.49	9,562,494.46
Subscription Expenses	5,911,190.91	4,042,671.22
Donation	0.00	546,471.02
Other Maintenance and Operating Expenses	1,777,151.95	1,721,706.17
Total Other Maintenance and Operating Expenses	18,380,704.45	19,784,692.93

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19. Financial Expenses

Particulars	2019	2018
Interest Expenses	0.00	555,936.05
Bank Charges	3,600.00	31,570.00
Total Financial Expenses	3,600.00	587,506.05

In 2018, 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.

20. Non-Cash Expenses

20.1 Depreciation

Particulars	2019	2018
Depreciation – Land Improvements	135,639.46	79,001.04
Depreciation - Buildings and Other Structures	35,746,190.24	28,186,711.22
Depreciation - Machinery and Equipment	40,190,368.27	37,815,484.09
Depreciation - Transportation Equipment	14,407,118.21	13,351,531.36
Depreciation - Furniture, Fixtures and Books	4,502,839.50	1,130,485.76
Depreciation – Leased Assets Improvements	15,132.96	13,871.88
Depreciation - Other Property, Plant and Equipment	1,628,672.15	1,612,573.13
Total Depreciation	96,625,960.79	82,189,658.48

21. Net Financial Assistance/Subsidy

21.1 Financial Assistance/Subsidy from NGAs

Particulars	2019	2018
Subsidy from National Government	4,639,834,227.47	2,844,081,404.21
Total Financial Assistance/Subsidy from NGAs	4,639,834,227.47	2,844,081,404.21

Less: Financial Assistance/Subsidy to NGAs

Particulars	2019	2018
Subsidy to Other Funds	535,464.64	333,396.06
Total Financial Assistance/Subsidy to NGAs	535,464.64	333,396.06

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.

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22. Non-Operating Income, Gains or Losses

22.1 Non-Operating Income/Gain

Particulars	2019	2018
Gain on Sale of Property, Plant and Equipment	360,070.00	186,402.93
Miscellaneous Income	25,492.56	3,076,971.40
Total Non-Operating Income/Gain	385,562.56	3,263,374.33

Miscellaneous Income is recognized for liquidated damages charged to supplier of goods and services for failure to satisfactorily deliver within the period specified in the contract.

22.2 Non-Operating Losses

Particulars	2019	2018
Loss on Sale of Property, Plant and Equipment	2,256,677.54	0.00
Total Non-Operating Losses	2,256,677.54	0.00

Loss on Sale of Property, Plant and Equipment is due to disposal of unserviceable Property, Plant and Equipment through sale.

23. Prior Period Adjustments

23.1 Office of the Ombudsman - Central Office

Prior Period Adjustments/Unrecorded Income and Expenses:	
Set-up of Payment of various expenses and other personnel benefits, liquidation of cash advances and Intra-agency fund transfers to area/sectoral offices charged against Fiscal Autonomy Fund	(823,202,368.70)
Disposal of PPE and Transfer of PPE from/to area/sectoral offices	(222,170,416.87)
Net Adjustment	(1,045,372,785.57)

23.2 Office of the Ombudsman - Office of the Deputy Ombudsman for Luzon

Prior Period Adjustments/Unrecorded Income and Expenses:	
Adjustment of PPE (prior years record) due to reconciliation with the Property Section	21,712.00
Adjustment on the Cash Advance granted in prior years	6,200.00
Net Adjustment	27,912.00
Other Adjustments:	
Closing of Cash Treasury Account to Accumulated Surplus	(1,861,931.93)
Closing of Other Receivable Account in relation to fund transfer from OMB Luzon CIPAG Account to OMB Central CIPAG Account	(3,692,407.02)
Adjustment of net revenue recognized directly on net receivable	12,167.51
Others Adjustment	(28,610,435.05)
Net Adjustment	(34,152,899.49)

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23.3 Office of the Ombudsman - Office of the Deputy Ombudsman for Visayas

Other Adjustments:	
Prior period adjustment	630,000.00
CFAG counterpart AJE	(3,927,570.21)
Adjustment directly to Accumulated Surplus	(182,726.82)
Other Adjustment	(25,482,811.34)
Net Adjustment	(28,963,108.37)

23.4 Office of the Ombudsman - Office of the Deputy Ombudsman for Mindanao

Other Adjustments:	
Adjustment of Other Payable	4,600.67
Adjustment of Accounts Payable	112.03
Adjustment of Stale Check	200.00
Remittance to Central Office	(12,251,189.14)
Transfer of PPEs to Operating Unit	(36,810.30)
Receipt of PPEs from Central Office	222,080,901.87
Other Adjustment	70,621.77
Net Adjustment	209,868,436.90

23.5 Office of the Ombudsman - Office of the Deputy Ombudsman for MOLEO

Other Adjustments:	
Transfer of Funds to/(from) CFAG account	(15,540,255.59)
Interest Income remitted to BTR	(3,717.60)
Other Adjustment	(4,990,815.42)
Net Adjustment	(20,534,788.61)

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23.6 Office of the Ombudsman - Office of the Special Prosecutor

Other Adjustments:	
Payment/adjustment of prior years expenses	(962,395.17)
Adjustment to the unearmarked of CFAG account	2,630,618.42
Transfer of savings to OMB-Central Office	(35,483,487.12)
Adjustment on the remittances made by OMB-Central Office	(8,952,758.15)
Closure and transfer of balance of ATM payroll to OMB-Central	(663,291.50)
To revert the dormant and long outstanding payables aged more than 2 years	442,369.70
Net Adjustment	(42,988,943.82)

24. Reconciliation of Net Cash Flows from Operating Activities Non-Operating Surplus/(Deficit)

Particulars	2019
Surplus/Deficit for the year	2,668,928,883.82
Non-cash Movement	(2,666,512,990.73)
Depreciation	96,625,960.79
Gains on sale of property, plant and equipment	(360,070.00)
Loss on sale of property, plant and equipment	2,256,677.54
Closing of Cash - Treasury/Agency Deposit, Regular	(29,818,351.36)
(Increase)/Decrease in Receivables	(1,755,358,245.57)
(Increase)/Decrease in Inventory	828,979.16
(Increase)/Decrease in Other Current Assets	(6,341,027.80)
(Increase)/Decrease in Deposits	(58,564.18)
(Increase)/Decrease in Other Assets	1,783,092.51
Increase/(Decrease) in Financial Liabilities	(2,550,385.75)
Increase/(Decrease) in Inter-Agency Payables	7,515,554.52
Increase/(Decrease) in Intra-Agency Payables	(5,477,007.44)
Increase/(Decrease) in Trust Liabilities	4,953,353.16
Increase/(Decrease) in Other Payables	(1,325,224.50)
Other Adjustments	(979,187,731.81)
Net Cash Flows from Operating Activities	2,415,893.09

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24.1 The composition of Other Adjustments is as follows:

	Amount
Office of the Ombudsman – Central Office	(864,374,681.57)
Office of the Ombudsman for Luzon	(22,467,165.95)
Office of the Ombudsman for Visayas	(35,128,295.24)
Office of the Ombudsman for Mindanao	(12,713,543.29)
Office of the Ombudsman for MOLEO	(22,725,927.94)
Office of the Special Prosecutor	(21,778,117.82)
Other Adjustments	(979,187,731.81)

Office of the Ombudsman – Central Office

Other Adjustments	
Adjustments in funding source and reclassification of various accounts	97,721,195.39
Prior Period Adjustments and Other Adjustments (See Statement of Changes in Net Assets/Equity)	(962,095,876.96)
Net Adjustment	(864,374,681.57)

Office of the Deputy Ombudsman for Luzon

The Other Adjustments comprises of P75,097.62 Insurance Expense, P95,312.22 Fidelity Bond Premiums, P19,900.00 Increase in Petty Cash Fund, P1,983,610.95 Difference in Withholding Tax and P20,673,864.84 Subsidy from National Government.

Office of the Deputy Ombudsman for Visayas

The Other Adjustments consists of P35,128,295.24 Net Revenue recognized directly in Net Assets/Equity.

Office of the Deputy Ombudsman for Mindanao

The Other Adjustments consists of P12,713,543.29 Net Revenue recognized directly in Net Assets/Equity.

Office of the Deputy Ombudsman for MOLEO

The Other Adjustments includes the P14,777,130.23 Subsidy from National Government, P6,108,280.70 Subsidy from Central Office which was received in the following year and P1,840,517.01 difference in withholding taxes remitted.

Office of the Special Prosecutor

The Other Adjustments consists of P1,864,846.41 increase in Property, Plant and Equipment and P23,642,964.23 Set-up of Other Personnel Benefits.



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