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Republic of the Philippines
NATIONAL POLICE COMMISSION
NATIONAL HEADQUARTERS, PHILIPPINE NATIONAL POLICE
OFFICE OF THE CHIEF, PNP
Camp BGen Rafael T Crame, Quezon City

JAN 26 2021

MEMORANDUM CIRCULAR
NO.: 2021-010

**REVISED GUIDELINES ON THE PREPARATION OF THE
PNP ANNUAL OPERATIONS PLANS AND BUDGET (AOPB)**

1. REFERENCES:

- a. Republic Act (RA) No. 11460 "An Act Declaring the Existence of a National Emergency Arising from the Corona Virus Disease 2019 (COVID-19) Situation and a National Policy in Connection Therewith, and Authorizing the President of the Republic of the Philippines for a Limited Period and Subject to Restrictions, to Exercise Powers Necessary and Proper to Carry Out the Declared National Policy and for other purposes "Bayanihan Heal As One " dated March 24, 2020;
- b. Department of Budget and Management (DBM) National Budget Circular No. 580 dated April 22, 2020 on the Adoption of Economy Measures in the Government Due to the Emergency Health Situation;
- c. Department of the Interior and Local Government (DILG) Guidelines on the Preparation and Submission of Annual Operations Plans and Budget (AOPB);
- d. National Budget Call;
- e. Approved General Appropriations Act (GAA);
- f. Two Tier Budget Approach (2TBA);
- g. Program Review Expenditure Classification (PREXC);
- h. Guidelines on the Shift to the Outcome-Based Performance-Informed Budget (PIB) for FY 2015 dated February 19, 2014;
- i. National Budget Memorandum No. 117, s. 2013 on the Adoption of the Performance-Informed Budget Structure for the National Expenditure Program (NEP) General Appropriations Act (GAA) dated March 1, 2013;
- j. Operations Plans and Budget Committee (OPBC) Circular No. 1 – Guidelines on the Preparation of the Annual Operations Plans and Budget dated October 22, 2012;
- k. Guidelines on the Review of Major Final Outputs (MFOs) and Performance Indicators (PIs) and Restructuring of Programs, Activities and Projects (PAPs) dated November 28, 2011; and
- l. NAPOLCOM Memorandum Circular No. 95-02 regarding Preparation and Submission of the 1995 Operations Plans and Budget of the Philippine National Police dated January 12, 1995.

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2. RATIONALE:

This Memorandum Circular (MC) is issued to prescribe guidelines to all the Program Directors, Ad Hoc Program Directors and to the operating units subsumed under the said Program Directors. Preparation of Operations Plans and Budget (OPB) is imperative not only to justify the budget allocation of respective program directors but more significantly to ensure accountability of program directors and all operating units in the utilization of funds. It likewise ensures sound planning and programming of programs, activities and projects that will redound in the realization of the mandate of the organization. Furthermore, it is consistent with the principle of the Organizational Performance Indicator Framework (OPIF) pursued and used by DBM in the monitoring and evaluating the performance of government offices and units that included the PNP.

3. SITUATION:

With the various reforms being implemented by the national government, there is a need to revise the guidelines in the preparation of the Philippine National Police (PNP) AOPB.

As defined by DBM, the PIB is a set of integrated processes that aims to improve the efficiency and effectiveness of public expenditure by linking funding to results by the systematic use of performance information in resource allocation and management. The PIB, was first adopted in the GAA in 2014, aimed to strengthen the linkages among planning, budgeting and outcomes; simplify budget presentation; and enhance transparency and accountability in the allocation of limited resources.

To further enhance the current PIB, the government shifted to the outcome-based PIB which was adopted in the FY 2015 Budget. The development and enhancement of the Organizational Outcomes (OOs) of the agencies and the crafting of their associated performance indicators and targets provided a clearer picture of the short-to-medium-term benefits.

The main rationale for formulating these enhanced OO statements is to establish and make explicit the agencies' intended results, enabling better transparency and accountability to Congress and to the Filipino people as a whole. The OO statements will also provide the oversight agencies with better information to prioritize, monitor and evaluate government programs. By including performance indicators and targets for each of the OOs of an agency, it is hoped that citizens, Congress, and the individual agency will be better able to track and report on the results they achieved for the resources.

With the approval of RA No. 11279 entitled "An Act Transferring The Philippine National Police Academy (PNPA) and the National Police Training Institute (NPTI) from the Philippine Public Safety College (PPSC) to the Philippine National Police (PNP), amending for the purpose Sections 24, 35, 66, 67 And 68 of Republic Act No. 6975, Otherwise Known as The "Department Of The Interior And Local Government Act Of 1990", as amended, appropriating funds therefor and for other purposes" on May 23, 2019, additional OO 3 was created to ensure that funds for PNPA and NPTI are included in the PNP appropriations.

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4. PURPOSE:

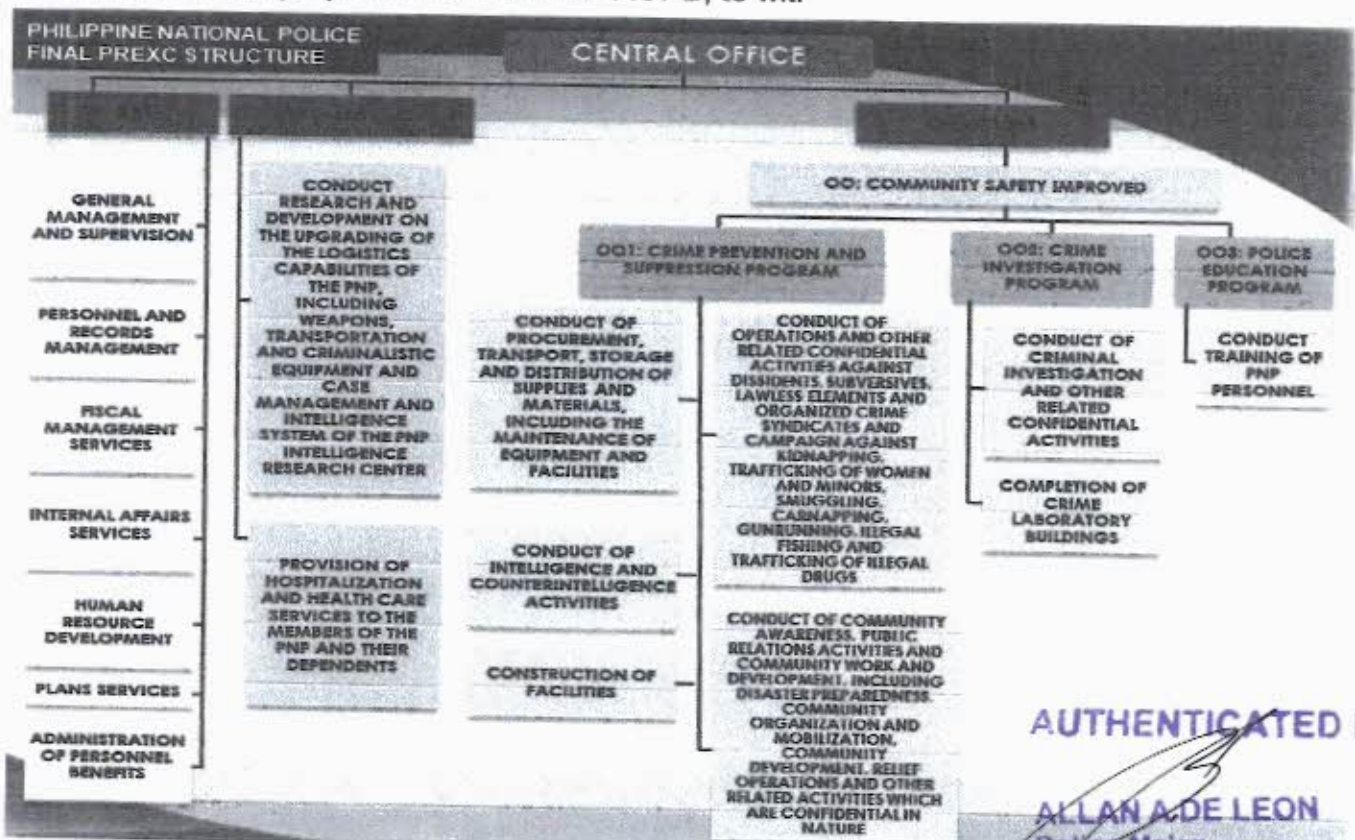
This MC is issued to prescribe guidelines to all the Program Directors, Ad Hoc Program Directors and to the operating units subsumed under the said Program Directors. Preparation of OPB is imperative not only to justify the budget allocation of respective program directors but more significantly to ensure accountability of program directors and all operating units in the utilization of funds. It likewise ensures sound planning and programming of programs, activities and projects that will redound in the realization of the mandate of the organization. Furthermore, it is consistent with the principle of the OPIF pursued and used by DBM in the monitoring and evaluating the performance of government offices and units that included the PNP.

In 2018, the PIB was strengthened through the use of the PREXC. PREXC builds on the OPIF and PIB reforms and aims to make the PIB more logical and useful for program managers.

PREXC restructures an agency's budget to group all recurring activities as well as projects under appropriate programs or key strategies. This way, performance information and costs are assigned at the program level, rather than at the agency and Major Final Output levels, which is the previous format of the budget. This provides a more concrete picture of the short to medium-term benefits of the strategies or programs which the agency employs. PREXC also strengthens the link between planning and budgeting by clearly articulating how government's strategies and investments under each program are linked to the attainment of desired sectoral and socio-economic results. Ultimately, this establishes a regime of greater accountability on how each peso spent on a program delivers measurable results.

PREXC Budget Structure and Language

PREXC provided a new budget structure and language. PREXC shall be adopted in the preparation of the PNP AOPB, to wit:



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The transfer of the Philippine National Police Academy (PNPA) and the National Police Training Institute (NPTI) from the Philippine Public Safety College (PPSC) to the PNP as stipulated in RA No. 11279 led to the inclusion of the Education and Training Program and Research and Development Activities under OO 3 or Police Education Program.

It is stated in RA No. 11279 that the amount necessary for the implementation of the said transfer shall be charged against the current year's appropriations of the PNPA and NPTI under the PPSC. Thereafter, such amount as may be necessary for its continued implementation shall be included in the annual GAA.

The Directors of PNPA and NPTI shall be designated as AdHoc Program Directors.

Organizational Outcomes and Performance Indicators

Organizational Outcome
<p>OO1 Crime Prevention and Suppression Program</p> <p>Output Indicators</p> <ol style="list-style-type: none"> 1. Number of foot and mobile patrol operations conducted; 2. Percentage change in National Index Crime Rate; and 3. Percentage of crime incidents responded within 15 minutes (in urban areas)
<p>OO2 Crime Investigation Program</p> <p>Output Indicators</p> <ol style="list-style-type: none"> 1. Number of crime investigation undertaken; 2. Percentage of most wanted persons/high value targets arrested; and 3. Percentage of arrested persons within 30 days upon the receipt of the warrant of arrest
<p>OO3 Police Education Program</p> <p>Output Indicators</p> <ol style="list-style-type: none"> 1. Number of Academic Research Conducted; 2. Percentage of total uniformed personnel completing the training programs of the PNP for the School Year; and <ol style="list-style-type: none"> a. Bacalaureate b. Mandatory Courses 3. Number of PNP uniformed personnel trained <ol style="list-style-type: none"> a. Bacalaureate b. Mandatory Courses

5. DEFINITION OF TERMS:

- a. **Program** – an integrated/cohesive group of activities and projects that contributes to an agency's continuing objective/outcome such as, General Administration and Support (GAS), Support to Operations (STO), and Operations.

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- b. **Activity** – is a work process that contributes to the fulfillment of a program, sub-program or project; is any action taken or work performed through which inputs (such as funds, technical assistance and other types of resources) are mobilized to produce specific outputs.
- c. **Project** – is a special agency undertaking or intervention within a definite timeframe (period of time), consist of a set of planned, interrelated activities that is designed to produce or achieve pre-determined goods or services (objectives) within a given budget.
- d. **PREXC** – Program Expenditure Classification.
- e. **GOAL** - is the highest order objective to which the development intervention is intended to contribute.
- f. **Performance Indicator (PI)** - is a characteristic or evidence that measures and illustrates the standard of performance by which an agency delivers its programs or outputs. Performance Indicators can measure the quantity, quality or timeliness of outputs and outcomes of an agency or a program and provide evidence that describes results such as economy, efficiency, and effectiveness. An outcome indicator measures how well a program has achieved its stated objective.

6. GUIDELINES:

a. General Guidelines and Procedures in the Formulation of the PNP AOPB

1. In formulating AOPB, assessment and evaluation reports of the PNP such as the Agency Performance Review and accomplishment reports are the bases of its oversight offices like the DILG in crafting AOPB Guidelines or Directives. The Program Review and Analysis of the previous year for instance becomes the essential part of the AOPB for the succeeding year. Budget Approach from the DBM on the other hand is an important consideration in setting funding allocation in the AOPB since it sets budget ceiling and constraints. Another equally important consideration is the directive or thrust of the incumbent administration. It is important to note though that the strategic directions in the plan are already specified by the respective oversight offices depending on the concerns and sectors. In the case of the PNP, it is the DILG.
2. The general programs in the AOPB are automatically taken from the GAA. This coincided with the Program Directors mentioned in the OPBC who have distinct functions vis-à-vis R.A. 8551. It should also be clear that these programs are irrevocable since these elucidated the respective mandates of the PNP administration and police operations. Specific activities and projects must be identified and subsumed to these general program expenditures to clarify and specify the seeming ambiguous presentation of program

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expenditures. This shall justify the classification of the respective object classes appropriate to these programs which facilitates easy justification of the funding allocation. Specific details of the activities and the projects must contain appropriate and applicable object classes. These details must be kept by program directors as well as the Police Regional Offices (PROs) to Police Provincial Offices (PPOs)/City Police Offices (CPOs) down to police stations for purpose of validation and audit. In this way, transparency and accountability is guaranteed by leaving trifling space for conversion and reclassification.

3. After consultation and regional deliberation of the AOPB, the Program Directors will submit the consolidated AOPB of their respective functional PNP offices/units concerned (e.g. DO for Operations Services of all PROs and National Support Units (NSUs); DI for Intelligence Services of all PROs and NSUs; Directorate for Police Community Relations (DPCR) for Police Relations Services of all PROs and NSUs and DIDM for Investigation Services of all PROs and NSUs, so on and so forth) to DPL. The program directors under GAS and STO shall likewise submit the consolidated AOPB of the respective functional PNP offices/units to DPL.
4. Ad Hoc Program Directors such as IG, IAS; Directors of PNPA, NPTI and Health Service (HS) shall submit their respective AOPB to DPL; and
5. Upon approval of the GAA, the PAPs as well as targets and funding requirement must be adjusted to rationalize the budget appropriated (if there are) as well as to harmonize the targets to the DILG OPB Guidelines released for the particular year.

b. Specific Guidelines in the Submission of Requirements and Timetable (AOPB for Current Year)

Timeline	Planning Activities	Expected Output from Program Directors
December	Issuance of the DILG AOPB Guidelines, the DPL will translate it into PNP Guidelines for Program Directors while DC prepare and issue a financial guideline for the same to set budget ceiling	Translate it into specific guidelines particularly on the performance measures and targets for PROs and NSUs
January	Issuance of Approved GAA	
January	Submission of Adjusted AOPB based on Approved GAA	GAA takes into effect once signed into law-RA for Fiscal Year (FY)
January (4 th week)	1 st Operations Plans and Budget Committee (OPBC) Meeting	Program Directors to discuss the Oversight Offices' Guidelines for the crafting and formulation of

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		PNP AOPB
April 10	Submission of 1 st Quarter OPB Accomplishment Report of PROs and NSUs	Consolidation of accomplishment reports
	Submission of the respective 1 st Quarter AOPB Accomplishment Report of Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS) (OOs)	Consolidate and synchronize the measures and targets of PROs based on the baseline and AOPB guidelines (OOs)
April 15	Submission of 1 st Quarter PNP AOPB Accomplishment Report to DILG	Alignment of Programs/Projects/Activities to Department priorities
July (1 st week)	2 nd OPBC Meeting	
July 10	Submission of 2 nd Quarter OPB Accomplishment Report of PROs and NSUs	Consolidation of accomplishment reports
	Submission of the respective 2 nd Quarter AOPB Accomplishment Report of Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS) (OOs)	Consolidate and synchronize the measures and targets of PROs based on the baseline and AOPB guidelines (OOs)
July 15	Submission of PNP 2 nd Quarter PNP AOPB Accomplishment Report and PNP Catch-Up Plan to DILG	Alignment of Programs/Projects/Activities to Department priorities
October 10	Submission of 3 rd Quarter OPB Accomplishment Report of PROs and NSUs	Consolidation of accomplishment reports
	Submission of the respective 3 rd Quarter AOPB Accomplishment Report of Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS) (OOs)	Consolidate and synchronize the measures and targets of PROs based on the baseline and AOPB guidelines (OOs)
October 15	Submission of PNP 3 rd Quarter PNP AOPB Accomplishment Report to DILG	Alignment of Programs/Projects/Activities to Department priorities
January 10 of the succeeding year	Submission of 4 th Quarter OPB Accomplishment Report of PROs and NSUs	Consolidation of accomplishment reports
	Submission of the respective 4 th Quarter AOPB Accomplishment Report of Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS) (OOs)	Consolidate and synchronize the measures and targets of PROs based on the baseline and AOPB guidelines (OOs)
January 15 of the succeeding year	Submission of PNP 4 th Quarter PNP AOPB Accomplishment Report to DILG	Alignment of Programs/Projects/Activities to Department priorities

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7. PROCEDURES:

a. Submission of Requirements and Timetable (AOPB + 2 Years)

Timeline	Planning Activities	Expected Output from Program Directors
January	Formulation of AOPB Guidelines re: Review and Validation for the AOPBE Preparation	Drafting of Command Memorandum Circular
January (4 th week)	1 st OPBC Meeting	
February - March	Preparation of AOPBE of PROs and NSUs for FY 2023	
April - May	Submission of AOPBE of PROs and NSUs	Forward AOPBE of PROs and NSUs to Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS) for Critiques and Comments
June	Adjustment of AOPBE based on Critiques/Comments of Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS)	
July - September	Review and Validation of the AOPBE Preparation	Program Directors/Ad Hoc Program Directors (D-Staff, HS and IAS) will give final Critiques and Comments
September	Finalization of AOPBE of PROs and NSUs	
October	Consolidation and Submission of AOPBE	Forward consolidated AOPBE to DC

b. Monitoring and Evaluation

Users of M and E Results	Indicate the Objective of the M and E Reports	Users Requirements/ Expectations
DBM	To assess the efficiency and effectiveness of the PNP in the delivery of its major final outputs or mandated services vis-à-vis resource allocation	Timeliness and efficiency of the utilization of the GAA Reduction of cost expenditure and deficit Improvement of agency savings
DILG	To monitor and evaluate the outputs of the PNP vis-à-vis its set targets and measures	Improvement in the delivery of services pertaining to crime prevention and crime solution
C, PNP	To evaluate the respective performance of its program directors (D-Staffs)	Enhancement in its policy formulation and decisions
D-Staff	To evaluate administrative	Improvement in the delivery

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Command Group
D-Staff
P-Staff

D, NSUs
RD, PROs


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	and operational effectiveness of the PROs and NSUs	of its mandate functions
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8. REPEALING CLAUSE:

- a. The DC shall issue a budget ceiling and/or guidelines for the PAPs applicable to the different D-Staff, NSUs and PROs to guide them in allocating funds on a quarterly basis;
- b. Regional and NSU Directors shall prepare their respective AOPB based on the inputs of their subordinate units. Their respective AOPB must be prepared in accordance with their historical data, challenges and opportunities as well as existing guidelines of the D-Staff;
- c. The D-Staff as Program Directorates and D, HS and IG, IAS as Ad Hoc Program Directors must consolidate in addition to their own AOPB the inputs of the NSUs under them as well as their respective concerns in the AOPB of the PROs then submit it to DPL;
- d. The DPL shall provide technical guidance in the Preparation of the PNP Regional OPBs through orientation and cascading workshop upon approval of this MC;
- e. DPL and DC shall monitor and evaluate on quarterly, semestral, and annual bases the implementation of the AOPB through accomplishment reports and program review analysis reports of program directorates and regional offices; and
- f. DICTM to formulate and implement the platforms in compliance with the New Normal scheme especially to gain access for the digitalization, information communication technology and spatial utilization of resources towards innovation and development of Policing system.

9. EFFECTIVITY:

This MC shall take effect after 15 days from filing a copy thereof at the UP Law Center in consonance with Section 3, Chapter 2, Book VII of Executive Order 292 otherwise known as the "Revised Administrative Code of 1987, "as amended.



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Police General
C, PNP

Distribution:
Command Group
D-Staff
P-Staff

D, NSUs
RD, PROs



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