



Case Study 17

HR/OD Intervention Focus: Financial Projections for Economic Enterprise

Effective and Responsive Local Governance

Improving services for its constituents is any Local Government Unit's (LGU) dream. For the Province of Aklan however, this dream is being translated into reality with the help of PAHRODF scholars through Australia Awards Scholarships (AAS).

An Executive Order issued by the Governor mandated nine scholars to create a business plan for the Province to improve government services while at the same time trying to remain

profitable. The marching orders for Raymond Eumir Atienza, an understudy officer at the Provincial Audit Office, were to crunch the numbers to ensure the feasibility of proposed government projects and to watch the bottom line.

Atienza was selected as part of this first batch of scholars from the Province of Aklan in 2012, when he was still with the provincial accounting office. While almost all the other scholars pursued courses related to Human Resource and Organisational Development (HR/OD), he and another colleague took a different path. Atienza graduated from the University of Newcastle with a master's degree in Applied Finance. While on scholarship, he took courses that are closely aligned to his work in Aklan: financial analysis, financial projections and accounting. "My goal was personal development and, of course, to help my province," he shares. Atienza's self-advancement clearly meant gains for his organisation – the Provincial Government of Aklan.

Though not all scholars took the HR/OD track, necessitating a slight modification in their key result areas, the local government's end-goal of combining all of their scholars' learnings to improve government services has not changed. In fact, Atienza thinks that so far, this has worked to the province's advantage as they seem to have covered all possible concerns. "Kasi most scholars in our batch are about HR and organizational development. Napasok lang kaming dalawa sa finance. Pero naabot naman lahat ng concerns ng province nung pumasok yung Australia Awards Scholarships. (Most of the scholars in our batch were in HR and organisational development. Only two of us were in finance. But all of the government's concerns seem to have been addressed anyway with the Australia Awards Scholarships.)"

Financial projections for the province

When Atienza returned from his scholarship in September 2013, he focused his REAP on the economic enterprises of the Province, which includes seven departments, three hospitals, an Academic Centre for nurses, a quarry, sand and gravel services, and a jetty port.

Developed with the assistance of his mentor, Atienza's REAP was designed to make use of his primary role in the organisation and take advantage of his learnings in Australia. "Gamitin yung computations na natutunan ko doon - the projections, analysis - para makakatulong ito para na mas palaguin pa yung income ng province sa lahat ng services like sa port, hospitals and everything else." ("To use the computations I learned—the projections, analysis... this will help grow our income in the province for all the services, like the port, hospitals and everything else.")

Atienza admits that he is still in the early stages of implementing his REAP. "As of now, nagsisimula pa lang kami (We have just started). We have two years to complete the REAP. We started last April with the jetty port operations."

Because the jetty port is the gateway to Boracay, one of the top tourist destinations in the Philippines, its operations is of prime importance. With arrivals rising each year, the Province of Aklan needs to focus on how it can best serve the needs of its visitors and look at effective ways to generate income from the port's operations. Atienza's expertise in the field of finance makes his role essential.

"Right now, we are working on the Jetty Port Business Plan and I am responsible for generating financial projections from 2015 to 2017. With the expertise I got from the University of Newcastle, I can help project the income of the jetty port. Dahil sa Boracay, talagang dumadami yung pumupuntang tourists doon (Because of Boracay, tourists going through the jetty port are on the rise)," he says.

The Provincial Governor's plan to have a new jetty port in Caticlan could only mean that Mr. Atienza's scope of work would expand. Given the size of the project, sound business planning and spot-on financial projections are crucial to ensure its viability and success. Atienza reveals, "May bago pang mga project yung Governor namin na ipapa-implement ngayon like yung reclamation ng part ng Caticlan na gagawing bagong port so kailangan naming gawaan ng business plan iyon para gawing successful rin yun kasi malaki din gastos noon. (There are new projects that the Governor plans to implement, like the new jetty port in the reclaimed parts of Caticlan. We need to make a business plan to ensure its success since it will cost a lot.)"

Atienza confides that he and his team are almost done with the projections for the existing jetty port and will shortly start work on the next projects. "We walked through the operations, examined contracts, and analysed financial statements and income. We are about to finish the projections for the jetty port and will soon move to other economic enterprises."

Making headway despite the odds

Getting to this point in his REAP did not come easy. Aside from the operational hurdles that the team needed to overcome, they also had to deal with some resistance, not to mention

raised eyebrows from jetty port employees. “The Caticlan Port operates 24/7, so we cannot just stop the operations to gather the data we needed. We just marched on despite this challenge.”

To complicate matters, resentment from port employees became evident as they distrusted Atienza and his team who were perceived as intruding or meddling with the operations.

“Parang nag-audit kami o nagsu-scrutinize sa mga operations.” (“It is as if we were auditing and scrutinizing their operations.”) He shares that it was not that easy to deal with them since they were not as cooperative.

In the end, the perseverance and commitment of Atienza and his team eventually paid off.

“Na-overcome namin at nai-set aside yung negative comments na naririnig namin. Tuloy tuloy lang ang trabaho. (We managed to set aside the negative comments and just carried on with the work.) Eventually, realising that our directive came straight from the governor and that what we were doing was to benefit the Province of Aklan, the port employees appreciated our work more and became supportive.”

Far-reaching implications

While Atienza concedes that his work may not involve frontline interaction with the constituents, he believes that the transparency in accounting of public funds will not be lost on the people. “Makikita nila na walang ginagawang anomalya, at makakatulong pa kami sa pag-project ng future income ng probinsya. (They will see that there are no anomalies in the handling of funds and that we can be helpful in projecting the future income of the province.)”

Atienza is confident that his knowledge on financial management can have positive ramifications on his work and eventually the entire Provincial Government. Though these are

actually not much different from what he already knows, he shares that Australia’s advanced financial standards has most enhanced his old ways of computing accounting equations.

With all of his slides and notes from his classes intact for reference, Atienza feels that the knowledge he gained will also help speed up the implementation and completion of his REAP. He proudly states, “I kept all my slides from our classes and I am using these now to implement my REAP. With these calculations, I think I can complete my REAP more quickly because of the advanced technology and my studies in Australia.”

He points out, “Gagamitin ko yung computations na natutunan ko doon para makatulong ito sa lalong pagpapalago ng income ng province sa lahat ng services like sa port, hospitals, and everything else. (I will use the computation techniques I learned in Australia to help increase provincial revenue from the port, hospital and others.)” Though the jetty port may just be the start, Atienza’s contribution may possibly extend beyond what he initially sought to implement in his REAP especially as the province embarks on more economic enterprises. With Atienza’s expertise on business planning and financial management, upgraded services and increased locally generated funds may be in sight for the Province of Aklan.

Eumir Raymund Atienza finished his Master of Applied Finance from the University of Newcastle, Newcastle in 2014. His REAP was all about Financial Projection of Economic Enterprise Development Department of LGU-Aklan