



Public Financial Management Assessment Tool for Local Government Units (PFMAT for LGUs)



Department of Budget and Management



European Union

Public Financial Management
Assessment Tool for
Local Government Units
(PFMAT for LGUs)

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Message



From the moment President Benigno S. Aquino III assumed leadership of the country, this Administration has campaigned not just for good governance—it has also intensified its efforts to rebuild public institutions, so that government departments and agencies can facilitate socio-economic change, especially in areas rife with poverty and corruption.

Part and parcel of these efforts is our drive for improved public financial management (PFM) through transparent and accountable leadership. The PFM is an essential and enabling mechanism through which we can aggregate fiscal discipline, create sound strategies for resource allocation, and finally, ensure the efficient delivery of public goods and services.

Fine-tuning our public financial management system is particularly important for local government units (LGUs), where fund management and service delivery create a quicker, more direct impact on the lives of their constituents. President Benigno S. Aquino III himself believes in the greater devolution of public services to local governments. This—among others—is why considerable funds for programs have been allotted to projects for LGU implementation, including Bottom-up Budgeting and Planning, the PAMANA program, and the Performance Challenge Fund.

Implicit in this devolution of key services is the need for LGUs to be more responsible and accountable for the funds entrusted to them, primarily through an open and effective PFM system. If we are to institutionalize such a system, however, baseline information on the current state of PFM systems must be made available,

most especially for LGUs. Similarly, the mechanisms for identifying PFM areas that require improvement should be firmly established.

In response to the demand for a standard tool to evaluate PFM systems in LGUs, we present to you the Public Financial Management Assessment Tool for Local Government Units (PFMAT for LGUs). This tool is designed to help institutionalize governance reforms by enabling LGUs to assess and improve their PFM systems, as well as generate information that will serve as bases for their PFM Improvement Plans (PFMIPs).

I trust that by continually strengthening our PFM system in government, we can help sustain the culture of good governance, fiscal transparency, and accountable leadership that this Administration stands for, particularly among our peers serving in local government. Only in this manner can we do justice to our work as public servants, and only in this fashion can we effectively transform the Philippines—not just at the local level, but also at the national level.

As our late and much-beloved colleague, Sec. Jesse Robredo said, “Successful local governments, driven by constituencies who are well-informed, constructively engaged, and willing to share the burden of community building, can build our country.” May we always draw inspiration from Sec. Robredo’s legacy of integrity and leadership, as well as remain committed to the spirit of public service that he embodied to the very end.

Mabuhay kayong lahat!

Sincerely,



FLORENCIO B. ABAD
Secretary

Acknowledgment

“Synergy is the highest activity of life; it creates new untapped alternatives; it values and exploits the mental, emotional, and psychological differences between people.”

~Stephen Covey

The Public Financial Management Assessment Tool for Local Government Units (PFMAT for LGUs) exemplifies *synergy* at its best.

The Tool is finally being issued after a long and arduous process of review, writeshops, consultations, pilot-testing and refinement by multiple stakeholders.

The development of the PFMAT for LGUs was made possible through the financial and technical assistance of the **European Union Delegation to the Philippines (EUD-PH)**. The EUD-PH has continually supported PFM reforms over the last five years and has kindly allowed the Department of Budget and Management (DBM) to build on one of the outputs of its Technical Assistance.

The pursuit of further reforms in LGU PFM is bolstered by the visionary leadership of the **Honorable DBM Secretary Florencio B. Abad** who provided the impetus for the immediate issuance of the PFMAT.

The PFMAT for LGUs is, by and large, the work of the Project Management Office (PMO) on LGU-PFM Project Team, which is composed of the **DBM Regional Directors** and some **DBM RO staff**. Under the capable direction of the PMO on LGU-PFM Executive Committee Chair, **Undersecretary Mario L. Relampagos**, and Project Manager, **Director Julian Ll. Pacificador, Jr.**, the Project Team had patiently and thoroughly reviewed and revised the tool to what it is now.

Kudos goes to the PFMAT for LGUs **Technical Working Group (TWG)** led by **Assistant Secretary Janet B. Abuel** for incorporating the results of the tool’s pilot-tests and providing the much needed refinement to the tool. Special thanks also go to **Director Liza B. Fangsilat** (DBM-CAR) and **Director Ruby R. Esteban** (DBM-NCR) for hosting and supporting the lengthy TWG meetings.

The PFMAT for LGUs would not be complete sans the invaluable inputs from the **Department of the Interior and Local Government (DILG)**, particularly from its **Bureau of Local Government Development (BLGD)** and **Bureau of Local Government Supervision (BLGS)**, and the **Department of Finance – Bureau of Local Government Finance (BLGF)**.

Finally, the PFMAT is what it is now due to the inputs and suggestions of the *most important stakeholder* – the **LGUs**. Utmost gratitude goes to all the LGUs where the PFMAT was pilot tested:

National Capital Region (NCR)

City of Caloocan
City of Pasay
City of Manila
City of Taguig
City of Marikina
City of Valenzuela

Cordillera Autonomous Region (CAR)

Province of Benguet
Province of Ifugao
City of Baguio
City of Tabuk
Municipality of Tayum, Abra
Municipality of Bakun, Benguet
Municipality of Alfonso Lista, Ifugao

Region I

Province of Ilocos Norte
Province of La Union
City of San Fernando
City of Urdaneta
Municipality of Bangar, La Union
Municipality of Bauang, La Union

Region II

Province of Cagayan
Province of Isabela
City of Tuguegarao
City of Cauayan
Municipality of Peñablanca, Cagayan
Municipality of San Pablo, Isabela

Region III

Province of Bulacan
Province of Zambales
City of Balanga
City of San Fernando, Pampanga
Municipality of Guiguinto, Bulacan
Municipality of Moncada, Tarlac

Region IV-A

Province of Rizal
Province of Cavite
City of Antipolo
City of Calamba
Municipality of Pagsanjan, Laguna
Municipality of Sta. Cruz, Laguna

Region IV-B

Province of Oriental Mindoro
Province of Palawan
City of Calapan
City of Puerto Princesa
Municipality of Naujan, Oriental Mindoro
Municipality of Aborlan, Palawan

Region V

Province of Albay
Province of Sorsogon
City of Naga
City of Iriga
Municipality of Calabanga, Camarines Sur
Municipality of Camalig, Albay

Region VI

Province of Capiz
Province of Guimaras
City of Bago
City of Cadiz
Municipality of Nueva Valencia, Guimaras
Municipality of Banga, Aklan

Region VII

Province of Cebu
Province of Bohol
City of Lapu-lapu
City of Talisay
Municipality of Tabogon, Cebu

Region VIII

Province of Eastern Samar
Province of Northern Samar
City of Calbayog
City of Catbalogan
Municipality of Alang-alang, Leyte
Municipality of Matalom, Leyte

Region IX

Zamboanga del Norte
Zamboanga del Sur
City of Zamboanga
City of Isabela
Municipality of Ipil, Zamboanga Sibugay
Municipality of Sindangan, Zamboanga del Norte

Region X

Province of Camiguin
Province of Misamis Occidental
City of Valencia
City of Cagayan de Oro
Municipality of Mambajao, Camiguin
Municipality of Tubod, Lanao del Norte

Region XI

Province of Compostela Valley
Province of Davao Oriental
Island Garden City of Samal
City of Mati
Municipality of Compostela, Compostela Valley
Municipality of San Isidro, Davao Oriental
Municipality of Kapalong, Davao del Norte

Region XII

Province of Sarangani
Province of South Cotabato
City of Koronadal
City of Tacurong
Municipality of Alabel, Sarangani
Municipality of Isulan, Sultan Kudarat

Region XIII

Province of Surigao del Norte
Province of Surigao del Sur
City of Butuan
City of Cabadbaran
Municipality of Claver, Surigao del Norte
Municipality of Barobo, Surigao del Sur

Acronyms

ABC	Approved Budget for the Contract
AFR	Annual Financial Report
AIP	Annual Investment Program
APP	Annual Procurement Plan
APR	Agency Purchase Request
BAC	Bids and Awards Committee
BESF	Budget of Expenditures and Sources of Financing
BLGF	Bureau of Local Government Finance
BMB	Budget and Management Bureau
BOM	Budget Operations Manual for LGUs
BOS	Budget Operations Statement
BPR	Budget Performance Report
BRM	Budget Review Matrix
CDP	Comprehensive Development Plan
CLUP	Comprehensive Land Use Plan
COA	Commission on Audit
CSO	Civil Society Organization
DBM	Department of Budget and Management
DILG	Department of the Interior and Local Government
DOF	Department of Finance
DOH	Department of Health
EC	European Commission
EIS	Executive Information System
ELA	Executive Legislative Agenda
e-NGAS	Electronic New Government Accounting System
EO	Executive Order

Acronyms

e-SRE	Electronic Statement of Receipts and Expenditures
ETS	Expenditure Tracking System
F1	Formula One
FMA	Finance Management Assessment
FMIS	Financial Management Information System
FMR	Financial Monitoring Report
FS	Financial Statement
FY	Fiscal Year
GAB	General Appropriations Bill
GAAM	Government Accounting and Auditing Manual
GOP	Government of the Philippines
GPIS	Government Procurement Information System
GPPB	Government Procurement Policy Board
GTZ	German Technical Cooperation
HR	Human Resources
HSPSP	Health Sector Policy Support Programme
IAS	Internal Audit Service
ICB	International Competitive Bidding
IMF	International Monetary Fund
IRA	Internal Revenue Allotment
IT	Information Technology
JMC	Joint Memorandum Circular
LAM	Local Assessors Manual
LBM	Local Budget Matrix
LBO	Local Budget Officer

Acronyms

LCE	Local Chief Executive
LDC	Local Development Council
LDIP	Local Development Investment Program
LDIS	Local Development Indicators System
LEP	Local Expenditure Program
LFC	Local Finance Committee
LGC	Local Government Code of 1991
LGOO	Local Government Operations Officer
LGPMs	Local Governance Performance Management System
LGTOM	Local Government Treasury Operations Manual
LGU	Local Government Unit
LPDC	Local Planning and Development Coordinator
LPDO	Local Planning and Development Officer
LTO	Local Treasury Operations
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
MFO	Major Final Output
MOOE	Maintenance and Other Operating Expenses
MTBF	Medium-Term Budget Framework
MTEF	Medium-Term Expenditure Framework
NCA	Notice of Cash Allocation
NEDA	National Economic and Development Authority
NGAS	New Government Accounting System
OPIF	Organizational Performance Indicator Framework
OVI	Objectively Verifiable Indicator

Acronyms

PA	Provincial Administrator
PAP	Programs, Activities and Projects, same as PPA
PDPFP	Provincial Development and Physical Framework Plan
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMAT	Public Financial Management Assessment Tool
PFMIP	Public Financial Management Improvement Plan
PhilGEPS	Philippine Government Electronic Procurement System
Php	Philippine Peso
PI	Performance Indicator
PIDS	Personal Information Database System
PLG	Provincial Local Government
PLGU	Provincial Local Government Unit
PPA	Program, Project, Activities, same as PAP
PPDO	Provincial Planning and Development Officer
PPO	Provincial Planning Officer
PPSAF	Plantilla of Personnel and Salary Adjustments Form
RPTAR	Real Property Tax Account Register
RO	Regional Office
SAOB	Statement of Allotments, Obligations and Balances
SPBC	Synchronized Planning-Budgeting Calendar
SRE	Statement of Receipts and Expenditures
STE	Short Term Expert
TA	Technical Assistance
TOR	Terms of Reference

Table of Contents

1	INTRODUCTION	1
	What is Public Financial Management (PFM)?	1
	Why Assess PFM?	2
2	PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL (PFMAT)	4
	Definition	4
	Value of the PFMAT.	4
	Operative Principles	4
	PFMAT Framework	5
	Critical Dimensions of Performance of a Good PFM System	6
3	CONDUCTING A PFM ASSESSMENT	14
	Getting Started.	14
	Procedures for Using the PFMAT	15
	Scoring Methodology	16
	Using the Results of the PFMAT	20
4	ANNEX A: SCORING AND DATA TABLES	21
	Planning and Development Office	23
	Budget Office	30
	Treasurer's Office.	48
	General Services Office / Engineering Office / Bids and Awards Committee	58
	Office of the Local Chief Executive (LCE)	66
	Accounting Office	72
5	ANNEX B: PFM IMPROVEMENT PLAN	83

Tables

1	SUMMARY TABLES	
	Table 1	8
	Table 2	13
	Table 3	17
	Table 4	19

2	DATA TABLES	
	Data Table 1	25
	Data Table 2	27
	Data Table 3	28
	Data Table 4	32
	Data Table 5	34
	Data Table 6	35
	Data Table 7	37
	Data Table 8	39
	Data Table 9	41
	Data Table 10	44
	Data Table 11	50
	Data Table 12	51
	Data Table 13	52
	Data Table 14	53
	Data Table 15	54
	Data Table 16	55
	Data Table 17	56
	Data Table 18	57
	Data Table 19	59
	Data Table 20	60
	Data Table 21	61
	Data Table 22	63
	Data Table 23	65

Tables

2	DATA TABLES	
	Data Table 24	68
	Data Table 25	69
	Data Table 26	71
	Data Table 27	73
	Data Table 28	74
	Data Table 29	76
	Data Table 30	77
	Data Table 31	79
	Data Table 32	80
	Data Table 33	82

Introduction

As set forth in the 1987 Philippine Constitution and in the Local Government Code of 1991 (LGC), it is the State's policy to ensure that the territorial and political subdivisions of the State enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals.

Toward this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units (LGUs) shall be given more powers, authority, responsibilities, and resources.

And for LGUs to discharge these expanded fiscal, planning and regulatory powers and functions resulting from decentralization, there should be in every LGU an *accountable, efficient, and dynamic organizational structure and operating mechanism* that will meet the priority needs and service requirements of its communities.

Public Financial Management is an *integral* part of such organizational structure and operating mechanism as it provides the general framework for: (1) generating revenues; (2) allocating resources; and (3) managing expenditures, all of which are necessarily entailed in the fulfillment of the LGU's mandates.

What is Public Financial Management?

Public Financial Management (PFM) is a system of rules, procedures and practices for government to manage public finances. It encompasses:

- ◆ Budgeting;
- ◆ Accounting;
- ◆ Auditing;
- ◆ Cash Management;
- ◆ Management of Public Debt;
- ◆ Revenue Generation; and
- ◆ Public Reporting on Public Sector Financial Operations.

PFM seeks to address the key challenges of *controlling government spending and making agencies operate efficiently and effectively*. It drives government policy-makers, managers and implementers to ask:



Is government spending within limits?



Is it spending on the right things?



Does it obtain best value for money?

At the LGU level, PFM is primarily governed by the LGC, specifically Book II on Local Taxation and Fiscal Matters.

Why Assess PFM?

PFM largely and directly affects the delivery of public goods and services to the LGU's constituents, in that:

- ◆ It encourages the LGU to generate its own sources of revenues, hence, ensuring availability of resources to meet the people's priority needs. At the same time, PFM encourages curbing spending to available resources, thus, promoting sustainability of development programs and projects.
- ◆ It ensures that spending will be limited to programs, projects and activities, which are truly needed by the constituents, and which are shown to be directly relevant to the achievement of the LGU's, as well as the national government's, development goals.

This is achieved, to a large extent, by adherence to the synchronized guidelines on planning and budgeting, whereby planning is a participatory and objective-oriented process, and budgeting is strictly based on approved development plans.

- ◆ It ensures that public funds will always be spent in a cost-effective manner and will always be advantageous to government.

Our procurement laws, rules and regulations are among the primary implementing tools for achieving "value for money." By resorting to procurement methods sanctioned by law, LGUs will be able to obtain and deliver high quality goods and services at the lowest price possible.

Considering the impact of PFM on public service delivery, it is imperative for LGUs to ensure that the system is working as it should. Flaws and bottlenecks in the PFM system should be immediately identified and addressed to ensure the attainment of: (1) fiscal discipline; (2) strategic allocation of resources; and (3) efficient service delivery.

A pivotal question, at this point, however, is how to determine whether the PFM system is working or not, and how to measure the extent to which PFM reforms are generating improvement in the overall performance of the LGU.

Cognizant therefore of the vital role of a sound PFM system in the delivery of public services and in the attainment of the beneficial aims of good governance, the European Commission (EC), under the auspices of the Health Sector Policy Support Programme (HSPSP), and the Department of Budget and Management (DBM) commissioned the development of a tool which will:

- ◆ Describe the dimensions of a sound and credible LGU PFM system; and
- ◆ Measure the performance of the LGU PFM system using indicators related to every dimension of a good PFM system.

In 2010, a team of Experts developed what is to be known as the LGU Public Financial Management Assessment Tool (PFMAT) for Local Government Units (LGUs). The initial version was largely based on the Public Expenditure and Financial Accountability (PEFA) PFM Measurement Framework but the language was “localized” to fit the Philippine sub-national setting.

The PFMAT for LGUs would be further improved and refined to what it is now through a series of consultations and workshops involving the DBM, particularly the Regional Offices (ROs), Department of the Interior and Local Government - Bureau of Local Government Development (BLGD) and Bureau of Local Government Supervision (BLGS), and Department of Finance – Bureau of Local Government Finance (BLGF).

Public Financial Management Assessment Tool (PFMAT)

Definition

The PFMAT is a self-assessment instrument designed to assist LGUs in evaluating their PFM performance.

The tool describes the characteristics of a good PFM system, identifies performance indicators to gauge how the LGU is actually doing in a particular area of PFM, and identifies the sources of information which will help the LGUs establish their compliance with graduated levels of performance.

Value of the PFMAT

Generally, the tool will allow LGUs to:

- ♦ measure all or some aspects of its PFM that require attention;
- ♦ benchmark against other LGUs' performance;
- ♦ adopt new best practices through the development of a PFM Improvement Plan (PFMIP); and
- ♦ facilitate accreditation for future donor support.

Operative Principles

The developed PFMAT adopts the following operative principles:

- 1. The PFMAT identifies the data sources and pinpoints the responsible LGU department or unit for the financial information**

The PFMAT instrument identifies the sources of data for each line of questioning. For each PFMAT measurement, the related LGU plans, reports, or other sources of data have been identified. The department or unit responsible for such information is likewise known.

2. The PFMAT establishes baseline data for benchmarking

The results of the PFMAT can be used for different levels of assessment and can be comparable to other standards of performance measurement. Thus, from the completion of each PFM assessment, the LGU will understand its local rating, national rating, and rating against international standards. The PFMAT results for the pilot LGUs may also serve as the baseline data to determine the industry average for future benchmarking as the use of the PFMAT is replicated in all LGUs.

3. The PFMAT uses indicators that utilize only quantitative data

The PFMAT has utilized indicators which can be measured quantitatively, hence, provide an indication of what corrections must be undertaken to receive a higher ranking. The indicators used generally measure the objective, verifiable and quantitative information available in the LGU department concerned. Data tables are provided to facilitate scoring and show evidence of compliance of a particular requirement.

4. The PFMAT as a self-administered instrument

The PFMAT is designed in a manner that it can be self-administered. Its use does not require an outside agency or individuals to complete the instrument. The linkages between data source, responsible office/officer, and use of performance indicators make the PFMAT relevant as a management tool for LGUs.

The PFMAT is designed to fit within the normal schedules of work in the LGUs. The timing of the application of the PFMAT, when utilized by the LGU as a self-administered tool, should set directions for the Local Chief Executive (LCE) and the Local Sanggunian to introduce targeted interventions that will enhance delivery of goods and services to the people.

PFMAT Framework

The enabling mechanisms for sound PFM is adequately provided in the LGC. Though it can be considered the minimum requirements, the context within which the PFMAT shall operate has been set by the LGC. It is the environment that sets the legal and policy framework, with emphasis on the following key elements:

1. Budgeting;
2. Accounting;
3. Auditing;
4. Cash Management;
5. Procurement;
6. Revenue Generation; and
7. Public Reporting on Public Sector Financial Operations.

The PFMAT framework identifies seven (7) critical dimensions and twenty (20) performance indicators of an open and orderly PFM system. While the initial application of the Tool will gauge the present status of the PFM of the LGUs, the repeated application thereof will provide information on whether its PFM performance is improving or not, and to what extent. The necessary intervention between these processes is the adoption by the LGU of policy and reform measures to improve its PFM, particularly through the development and implementation of a PFMIP.

Each of the indicators is selected to measure LGU performance of key PFM elements using a five-point scale from 0 to 4. Guideposts have been developed on what performance would meet a particular score for each of the indicators. The highest score is earned for an individual indicator if the core PFM element meets the relevant objective in a complete, orderly, accurate, timely and coordinated way. The set of high-level indicators therefore focuses on the basic qualities of a PFM system based on the minimum requirements of the LGC and other pertinent laws, rules and regulations, as well as on the existing good international practices rather than on the latest innovations in PFM.

The selection of indicators was not only based on which indicators are applicable to the three levels of LGUs but also on indicators which are considered as key, and which can be self assessed using the LGUs' available capacity. The assumption is that the assessments shall be done by the LGUs themselves and verified by internal and external audit.

Critical Dimensions of Performance of a Good PFM System

Given the seven (7) key elements of the PFM system, the framework identifies the critical dimensions of performance of an open and orderly PFM system, as follows:

1. **Policy-based Budgeting** – contains indicators that measure if the budget is prepared with due regard to government policy.
2. **Comprehensiveness and Transparency** – contains indicators that measure if budget information provide a complete picture of revenue forecasts, prior, current and budget years' expenditures, and the expected outputs. They also measure whether fiscal and budget information are accessible to the public.
3. **Credibility of the Budget** – contains indicators that measure whether or not the budget is realistic and is implemented as intended.
4. **Predictability and Control in Budget Execution** – contains indicators that measure if the budget is implemented in an orderly and predictable manner and whether or not there are arrangements for the exercise of control and supervision in the use of public funds.

5. **Accounting, Recording and Reporting** – contains indicators that measure whether or not adequate records and information are produced, maintained, and disseminated for purposes of decision-making, control, management, and reporting on operations.
6. **Internal and External Audit** – contains indicators that examine the arrangements for scrutiny of public finances and follow-up by the LCE and/or the Local Sanggunian.
7. **Citizens' Participation** – contains indicators that measure the extent by which the LGU encourages concerned citizens organized as Civil Society Organizations (CSOs) become partners of the LGU in the formulation, monitoring, evaluation and improvement of the local budget.

Table 1 summarizes the different indicators that fall under each of the critical dimensions with lists of the sources of information, both supporting documents, reports, forms and records, and the responsible units.

Table 1 PFM Critical Dimensions, Performance Indicators and Sources of Information

Critical Dimension	Main Responsible Unit	Indicator/s	Sub-indicator/s	Source/s of Information
1. Policy-based Budgeting – The indicators measure if the budget is prepared with due regard to government policy.	Planning and Development Office	1. Multi-year perspective in fiscal planning and budgeting	Linkage between Provincial Development and Physical Framework Plan (PDPFP)/ Comprehensive Development Plan (CDP) and Local Development Investment Program (LDIP)	PDPFP / CDP; LDIP; Minutes of LDC Meetings
			Linkage between LDIP and Annual Investment Program (AIP)	LDIP; AIP
			Linkage between AIP and Appropriation Ordinances covering the Budgets	AIP; Appropriation Ordinances covering Annual / Supplemental Budgets
	Budget Office	2. PFM improvement policies are included in the budgets covered by Appropriation Ordinances		Local Sanggunian Resolutions; Appropriation Ordinances covering Annual / Supplemental Budgets
		3. Orderliness of activities in the annual budget preparation and authorization phases	Adherence to a fixed calendar for budget preparation and authorization phases	Budget Call issued by LCE; Appropriation Ordinance covering the Annual Budget
			Timely enactment and approval of the Appropriation Ordinance authorizing the Annual Budget	Appropriation Ordinance covering Annual Budget
			Timely submission of the Appropriation Ordinance authorizing the Annual Budget to the appropriate reviewing authority	Appropriation Ordinance covering Annual Budget; Proof/s of receipt by reviewing authority
		4. Financial self-reliance of Local Economic Enterprises (LEEs) / Public Utilities (PUs)		LEEs' Statements of Income and Expenditures; Appropriation Ordinances covering Annual / Supplemental Budgets

Critical Dimension	Main Responsible Unit	Indicator/s	Sub-indicator/s	Source/s of Information
2. Comprehensiveness and Transparency The indicators measure if budget information provide a complete picture of revenue forecasts, prior, current and budget years' expenditures and the expected outputs. They also measure whether fiscal and budget information are accessible to the public.	Budget Office	5. Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget		Appropriation Ordinance authorizing Annual Budget
	Office of the LCE	6. Public access to key information		Reports required under the "Full Disclosure Policy" of the DILG
3. Credibility of the Budget The indicators measure whether or not the budget is realistic and is implemented as intended.	Treasurer's Office	7. Actual local revenue collections compared with estimated revenues in the budget		Treasurer's Statements of Receipts and Expenditures (SREs); Appropriation Ordinances covering Annual and Supplemental Budgets
	Budget Office	8. Actual expenditures compared with appropriations by allotment class	Total allotments released compared with total appropriations	Statements of Allotments, Obligations and Balances (SAOBs); Appropriation Ordinances covering Annual and Supplemental Budgets
			Total actual obligations compared with total allotments released	SAOBs; Local Budget Matrix (LBM); Allotment Release Orders (AROs)
			Total actual disbursements compared with total obligations	Report of Disbursements; SAOBs

Critical Dimension	Main Responsible Unit	Indicator/s	Sub-Indicator/s	Source/s of Information
4. Predictability and Control in Budget Execution The indicators measure if the budget is implemented in an orderly and predictable manner and whether or not there are arrangements for the exercise of control and supervision in the use of public funds.	Treasurer's Office	9. Real Property Tax (RPT) Accomplishment Rate		Assessor's /Treasurer's Reports; SREs
		10. Effectiveness of tax enhancement measures	Computerized RPT database system linkages	Database Map / Manual
			Effectiveness of implementing tax collection strategies for delinquent RPT	RPT Account Register; Certified List of all RPT Delinquencies
			Effectiveness of civil remedies on tax payment (For provinces and cities only)	Treasurer's Records / Reports; Certified List of Delinquencies
			Planning and monitoring of tax mapping	Local Tax Mapping System / Database
		11. Predictability in the availability of cash for commitment of expenditures	Cash availability to support budgeted programs, projects and activities, and liabilities	LBM; Cash Program; Cash Flow Forecast; Trial Balance; SAOB
			Preparation and updating of cash flow forecasts and cash flow analysis	Cash Flow Forecast; Cash Flow Analysis
	General Services Office/ Engineering Office/BAC	12. Value for money and controls in procurement	Use of public bidding for the procurement of goods (excluding common-use supplies and equipment), civil works and consulting services in accordance with R.A. No. 9184 and its IRR	Annual/ Supplemental Procurement Plan and Procurement Monitoring Reports; PhilGEPS Abstract; Notices of Award; BAC Resolutions recommending: (1) Resort to Alternative Mode of Procurement, (2) Award of Contract, (3) Failure of Bidding, (4) Others;
			Procurement of Common-Use Supplies and Equipment from DBM – Procurement Service	APP-CSE Monitoring Report; Subsidiary Ledgers for Supplies and Equipment; Agency Purchase Requests
			Effectiveness of procurement	A/S Procurement Plans; Delivery and Acceptance Reports
			Publication of procurement - related activities	PhilGEPS Abstract; Delivery and Acceptance Reports; Procurement-related Notices / Documents
			Timeliness of completed procurement activities	A/S Procurement Plans; Delivery and Acceptance Reports

Critical Dimension	Main Responsible Unit	Indicator/s	Sub-Indicator/s	Source/s of Information
	Accounting Office	13. Effectiveness of payroll controls		SAOB; COA Audit Observation Memoranda (AOMs); COA Annual Audit Report (AAR)
		14. Effectiveness of internal controls for non-Personal Services (PS) expenditures		SAOB; COA AOMs; COA AAR
5. Accounting, Recording and Reporting The indicators measure whether or not adequate records and information are produced, maintained, and disseminated for purposes of decision-making, control, management, and reporting on operations.	Accounting Office	15. Timeliness and regularity of accounts reconciliation	Regularity of bank reconciliation	Bank Reconciliation Statements; COA AOMs; COA AAR
			Timeliness of reconciliation and liquidation of cash advances	Statement of Cash Advances; Liquidation Reports
		16. Quality and timeliness of regular financial reports and annual financial statements		Financial Reports and Statements; COA AOMs; COA AAR
6. Internal and External Audit These indicators examine the arrangements for scrutiny of public finances and follow-up by the LCE and/ or the Local Sanggunian.	Office of the LCE	17. Effectiveness of internal audit	Existence of an operational Internal Audit Service (IAS)	Local Sanggunian Resolution establishing IAS; Internal Audit Manuals; Internal Audit Reports;
			Frequency and distribution of internal audit reports	Internal Audit Reports; Proof of the Report's Receipt by Management
			Extent of management action on internal audit findings	Documentation of Management's Action on Findings;
	Accounting	18. Follow up on external audit	Compliance with audit recommendations	Management response to COA AOMs; COA Annual Audit Report
			Extent of COA disallowances	COA Annual Audit Report
			Magnitude of COA disallowances settled	COA Annual Audit Report

Critical Dimension	Main Responsible Unit	Indicator/s	Sub-Indicator/s	Source/s of Information
7. Citizens' Participation The indicators measure the extent by which the LGU encourages concerned citizens organized as CSOs to become partners of the LGU in the formulation, monitoring, evaluation and improvement of the local budget.	Planning and Development Office	19. Civil Society Organization (CSO) accreditation by the Local Sanggunian		Transcript / Minutes of Local Sanggunian Proceedings; Local Sanggunian Resolution(s) on CSO Accreditation
	Budget Office	20. Degree of citizens' participation in the budget process		Transcript / Minutes of Budget Process Proceedings; Attendance Sheets during Budget Hearings / Fora

Table 2, on the other hand, summarizes the key elements of PFM and the related performance indicators. The matrix indicates the correlation between the different elements of PFM systems by showing the performance indicators that cut across the different elements. By determining the performance indicators which cut across different offices / departments in the LGU, the responsible offices will also be able to determine the areas where coordination and working together are necessary.

TABLE 2 KEY ELEMENTS OF PFM AND RELATED PERFORMANCE INDICATORS

PERFORMANCE INDICATOR PFM COMPONENT	I				II		III		IV						V		VI		VII	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Revenue Generation				x		x	x		x	x	x									
Budgeting	x	x	x	x	x	x	x	x											x	x
Procurement						x						x							x	x
Accounting						x		x			x	x	x	x	x	x				
Auditing						x						x	x	x	x	x	x	x		
Cash Management						x		x			x				x					
Public Reporting on Public Financial Operations	x					x		x				x				x			x	x

Legend:

I. Policy-based Budgeting				
1	Multi-year perspective in fiscal planning and budgeting		11	Predictability in the availability of cash for commitment of expenditures
2	PFM improvement policies are included in the budgets covered by Appropriation Ordinances		12	Value for money and controls in procurement
3	Orderliness of activities in the annual budget preparation and authorization phases		13	Effectiveness of payroll controls
4	Financial self-reliance of Local Economic Enterprises (LEEs)/Public Utilities (PUs)		14	Effectiveness of internal controls for non-Personal Services expenditures
II. Comprehensiveness and Transparency			V. Accounting, Recording and Reporting	
5	Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget		15	Timeliness and regularity of accounts reconciliation
6	Public access to key information		16	Quality and timeliness of regular financial reports and annual financial statements
III. Credibility of the Budget			VI. Internal and External Audit	
7	Actual local revenue collections compared with estimated revenues in the budget		17	Effectiveness of internal audit
8	Actual expenditures compared with appropriations by allotment class		18	Follow-up on external audit
IV. Predictability and Control in Budget Execution			VII. Citizens' Participation	
9	Real Property Tax Accomplishment Rate		19	Civil Society Organization (CSO) accreditation by the Local Sanggunian
10	Effectiveness of tax enhancement measures		20	Degree of citizens' participation in the budget process

Conducting a PFM Assessment

In keeping with the beneficial aim of providing the LGUs with a credible management tool for planning and implementing reforms, particularly in PFM, a periodic evaluation of the LGU PFM system is strongly recommended.

The PFM assessment is undertaken using the *self-administered instrument* known as the PFMAT.

Getting Started

Step 1: Local Chief Executive (LCE) organizes the PFM Team

Prior to the conduct of the PFM Assessment, it is imperative for the LCE to formally organize its PFM Team by issuing the pertinent executive issuance (e.g., Executive Order). This is to ensure better coordination and sustainability of PFM reforms.

The PFM Team shall be composed of the Department Heads of the following Offices/Units in the LGU:

- ♦ Treasury;
- ♦ Accounting;
- ♦ Budget;
- ♦ General Services;
- ♦ Bids and Awards Committee;
- ♦ Planning and Development; and
- ♦ Internal Audit, if any.

A representative from the Office of the LCE should also be designated as member of the PFM Team.

A PFM Focal Person (*PFM Team Leader*) shall be designated by the LCE to spearhead the PFM Team and coordinate its activities.

The PFM Team shall take the lead in advocating the rationale for and the benefits of conducting regular PFM assessments.

Step 2: PFM Team meets to review the PFMAT

Before using the tool, the PFM Team should convene to discuss the contents of the tool. It is important for the members to establish a common understanding of the context and the specific contents of the PFMAT.

Knowledge and understanding of the PFMAT will not only help the LGU concerned personnel to appreciate its value but will also facilitate the collection of the information needed to accomplish the evaluation tool.

The PFMAT summarizes the information and sources of information needed to establish the PFM performance. It also identifies the units / offices responsible for such information. Responsibility for gathering the information needed shall then be distributed based on Table 1 of the PFMAT (page 8).

Step 3: PFM Team orients the LCE and Local Sanggunian

It is also suggested that prior to the administration of the PFMAT, the PFM Team should orient the LCE and the Local Sanggunian on the PFMAT. Technical Assistance on this matter may be sought from the DBM ROs.

Procedures for Using the PFMAT

Step 4: PFM Team ensures availability of access to required data / information

The PFMAT uses performance indicators that are objectively verifiable. Scoring is based on compliance with requirements usually set forth under the LGC and other official issuances affecting LGU PFM.

In order to properly use the PFMAT, therefore, it is imperative that the information required for filling out the data tables under each performance indicator are readily available.

Step 5: PFM Team distributes the PFMAT to the responsible Units/Offices

Actual administration of the tool begins by distributing pertinent portions of the tool to the responsible Units/Offices.

Step 6: Responsible Unit/Office accomplishes assigned portion of the PFMAT

Based on the relevant reports and other sources of information, the responsible Unit/Office fills out the data tables under each performance indicator / sub-indicator.

The data tables serve as bases for determining the LGU's score for each indicator. For indicators with sub-indicators, the average score is determined using a separate summary table provided for the purpose.

Scoring Methodology

While most of the indicators can be assessed against a five-point scale from 0 to 4, with 4 as the highest (Scoring methodology 1 - **M1**), some can be assessed by getting an overall score based on the average of two or more sub-indicators (Scoring methodology 2 - **M2**).

M1 is used for indicators that **do not** have any sub-indicators while **M2** is used for scoring an indicator with two or more sub-indicators. Each sub-indicator is also given numeric scores ranging from 0-4, with 4 as the highest. The overall score under M2 is determined by **averaging** the scores of the sub-indicators.

Some indicators require data for three years. The assessment is based on performance of the three years to allow for abnormal situations outside the control of the administration. A score of **1** is considered the residual to be applied if the requirements for any higher score are not met.

Each indicator or sub-indicator has a set of questions or descriptions of the criteria that have to be satisfied by the LGU or concerned Department. A corresponding score is assigned to each of the requirements, ranging from 0 to 4, with 4 as the highest. **To score, the rater shall simply encircle the point score that corresponds to the requirement met by the LGU.**

Table 3 tabulates the scores by critical dimension and spots that PFM area where the LGU is significantly strong or weak.

Table 3. Summary of Scores by Critical Dimension

Critical Dimension	Indicator/s	Score	Average Score*
1. Policy-based Budgeting	1. Multi-year perspective in fiscal planning and budgeting		
	2. PFM improvement policies are included in the budgets covered by Appropriation Ordinances		
	3. Orderliness of activities in the annual budget preparation and authorization phases		
	4. Financial self-reliance of Local Economic Enterprises (LEEs) / Public Utilities (PUs)		
	Sub-total		
2. Comprehensiveness and Transparency	5. Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget		
	6. Public access to key information		
	Sub-total		
3. Credibility of the Budget	7. Actual local revenue collections compared with estimated revenues in the budget		
	8. Actual expenditures compared with appropriations by allotment class		
	Sub-total		
4. Predictability and Control in Budget Execution	9. Real Property Tax Accomplishment Rate		
	10. Effectiveness of tax enhancement measures		
	11. Predictability in the availability of cash for commitment of expenditures		
	12. Value for money and controls in procurement		
	13. Effectiveness of payroll controls		
	14. Effectiveness of internal controls for non-Personal Services (PS) expenditures		
	Sub-total		

Critical Dimension	Indicator/s	Score	Average Score*
5. Accounting, Recording and Reporting	15. Timeliness and regularity of accounts reconciliation		
	16. Quality and timeliness of regular financial reports and annual financial statements		
	Sub-total		
6. Internal and External Audit	17. Effectiveness of internal audit		
	18. Follow-up on external audit		
	Sub-total		
7. Citizens' Participation	19. Civil Society Organization (CSO) accreditation by the Local Sanggunian		
	20. Degree of citizens' participation in the budget process		
	Sub-total		
Total Average Score**			

* To get average score per critical dimension, divide the sub-total by the number of applicable indicators under each critical area. Indicators with zero or no answers shall be included in determining the average score. Only indicators which are NOT APPLICABLE shall be excluded in the divisor.

** To get total average score, add all average scores in all critical dimensions and divide total score by seven (7).

Table 4, on the other hand, provides guidance on how to analyze the scores obtained by the LGU in the different critical dimensions of an open and orderly PFM system. It also provides a quick assessment of the current state of the LGU's PFM system.

Table 4. Analysis of Scores

AVERAGE SCORE	DESCRIPTION
4.0	<ul style="list-style-type: none"> Elements of an open and orderly PFM system are complete and fully operational. LGU needs to sustain / improve further its current PFM performance.
3.0 – 3.9	<ul style="list-style-type: none"> Elements of an open and orderly PFM system are complete but are not fully operational. LGU needs to formulate measures to fully operationalize all the elements of an open and orderly PFM system by improving performance on all the critical dimensions.
2.0 – 2.9	<ul style="list-style-type: none"> Elements of an open and orderly PFM system are not complete but are fully operational. LGU needs to formulate measures to complete and fully operationalize all the elements of an open and orderly PFM system by improving performance on all the critical dimensions.
.01 – 1.9	<ul style="list-style-type: none"> Elements of an open and orderly PFM system are not complete and are not fully operational. LGU needs to formulate measures to complete and fully operationalize all the elements of an open and orderly PFM system by improving performance on all the critical dimensions.
0	<ul style="list-style-type: none"> All elements of an open and orderly PFM system are not in place. LGU needs to formulate measures to establish and operationalize all the elements of an open and orderly PFM system.

Using the Results of the PFMAT

1. PFM Assessment Report (PFM-AR)

More than having a rapid indicator-based diagnostic of the LGU's PFM systems, the PFMAT should be able to provide credible and objective information, which shall serve as jumping board for improving PFM performance and institutionalizing governance reforms.

For a more effective presentation for use in executive decisions, among others, the results of the PFMAT should be summarized in a concise and standard manner through the PFM Assessment Report (PFM-AR).

The PFM-AR is a concise document containing the following:

1. **Executive Summary** providing a snapshot of the scores obtained by the LGU in each of the critical dimension of an open and orderly PFM system and quick analysis of the scores.
2. **Introduction** presenting the context and process of conducting the PFM assessment and preparation of the report.
3. **Background Information** on the LGU that will be necessary in understanding the indicator-led and overall assessment of the PFM systems in the LGU. Such information may include a brief description of the LGU's economic conditions, the legal and institutional framework for its PFM system, and the current state of its PFM systems.
4. **Assessment of the LGU's PFM Systems** which evaluates in detail the performance of the LGU's current PFM systems, processes and institutions based on the indicators. It should also describe ongoing PFM reforms in the LGU.
5. **Recommendations** to improve PFM systems in the LGU.

2. PFM Improvement Plan (PFMIP)

The details of the recommendations should be presented in the PFM Improvement Plan (PFMIP). The PFMIP outlines the programs/projects/activities which will be undertaken to improve PFM systems in the LGU. A suggested format is provided under Annex B hereof.

Annex A: Scoring and Data Tables

Reminders on Using the PFMAT:

1. Prior to encircling the score representing the LGU's performance in the scoring table for each Indicator / Sub-indicator, it is imperative that the related Data Table be first accomplished. The accomplished Data Tables will guide the LGU in determining the appropriate score for the Indicator / Sub-indicator.
2. For Indicators with Sub-indicators, the LGU must first establish its scores in the Sub-Indicator(s) before being able to determine its over-all score in the related Indicator. Use the score box on the upper right hand portion of the page as guide in computing the score for Indicators with Sub-indicators.
3. Only the following Indicators/Sub-indicators may be answered as NOT APPLICABLE:
 - a. Indicator 4: Magnitude of transfers / advances to Local Economic Enterprise (LEEs)/Public Utilities (PUs) - if the LGU has no LEEs/PUs;
 - b. Indicator 10, Sub-indicator 2: Effectiveness of implementing tax collection strategies for delinquent Real Property Tax (RPT) – if the Province or City has no delinquent RPTs, or the LGU is a municipality; and
 - c. Indicator 10, Sub-indicator 3: Effectiveness of civil remedies on tax payment – if the LGU has no delinquent accounts.
4. If a NO ANSWER is indicated by the LGU for Indicator(s)/Sub-indicator(s) other than those enumerated above, the same will be treated as a ZERO score. A zero score is considered in computing the overall score for an indicator and in the computation of the average score in a critical dimension. Only Indicators/Sub-indicators which are **Not Applicable** are **excluded** from the number of Indicators/Sub-indicators used as divisor(s) for purposes of determining average scores.

Planning and Development Office

Indicator	Score
Indicator No. 1: Multi-year perspective in fiscal planning and budgeting	
Indicator No. 19: Civil Society Organization (CSO) accreditation by the Local Sanggunian	

Critical Dimension 1: Policy-Based Budgeting

Indicator No. 1: Multi-year perspective in fiscal planning and budgeting

Sub-indicator 1: Linkage between Provincial Development and Physical Framework Plan (PDPFP) / Comprehensive Development Plan (CDP) and Local Development Investment Program (LDIP)¹

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicator 3 :	_____
	Sub-indicators total score:	_____
	Overall Score	_____
	(Divide sub-indicator total by 3)	

Instruction: Complete **Data Table 1** on the next page, then use it as basis for determining the appropriate score that corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of the number of programs /projects/activities in the duly approved LDIP were based on the duly approved PDPFP in the case of Provinces or CDP in the case of cities and municipalities.
3	90% - 99% of the number of programs /projects/activities in the duly approved LDIP were based on the duly approved PDPFP in the case of Provinces or CDP in the case of cities and municipalities.
2	80% - 89% of the number of programs /projects/activities in the duly approved LDIP were based on the duly approved PDPFP in the case of Provinces or CDP in the case of cities and municipalities.
1	70% - 79% of the number of programs /projects/activities in the duly approved LDIP were based on the duly approved PDPFP in the case of Provinces or CDP in the case of cities and municipalities.
0	Less than 70% of the number of programs /projects/activities in the duly approved LDIP were based on the duly approved PDPFP in the case of Provinces or CDP in the case of cities and municipalities; OR the LGU has no duly approved LDIP or PDPFP / CDP.

¹ LDIP is a basic document linking the local plan to the budget. It contains a prioritized list of PPAs which are derived from the CDP in the case of cities and municipalities, and the PDPFP in the case of provinces, matched with financing resources, and to be implemented annually within a 3 – 6 year period. The first 3 years of the LDIP shall be firmed up along the priorities of the incumbent LCEs. (DILG-NEDA-DBM-DOF JMC No. 1, s. 2007)

Data Table 1: Instruction - Based on the duly approved LDIP, fill-in the total number of the PPAs. Compare the said PPAs with the PPAs in the PDPFP / CDP to determine the total number of PPAs derived from the PDPFP / CDP.

Total Number of PPAs in the duly approved LDIP (a)	Total Number of PPAs in the duly approved LDIP derived from the duly approved PDPFP/CDP (b)	% of PPAs in the duly approved LDIP derived from the duly approved PDPFP /CDP (c = b / a)

Sub-indicator 2: Linkage between the LDIP and Annual Investment Program (AIP)

Instruction: Complete **Data Table 2** on the next page, then use it as basis for determining the appropriate score that corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL the last three years ¹ , 100% of the number of programs/projects/activities in the duly approved AIP ² was based ³ on the annual slice of the duly approved LDIP.
3	TWICE in the last three years, 100% of the number of programs/projects/activities in the duly approved AIP was based on the annual slice of the duly approved LDIP.
2	ONCE in the last three years, 100% of the number of programs /projects/activities in the duly approved AIP was based on the annual slice of the duly approved LDIP.
1	In ANY of the last three years, 70%-99% of the number of programs /projects/activities in the duly approved AIP was based on the annual slice of the duly approved LDIP.
0	In ALL the last three years, less than 70% of the number of programs /projects/activities in the duly approved AIP was based on the annual slice of the duly approved LDIP; OR the LGU has NO approved LDIP or AIP.

¹ Last three (3) years are reckoned from the year immediately preceding the current year, e.g., current year is 2012, last three years are 2011, 2010, 2009.

² The **Annual Investment Program (AIP)**, including **Supplemental AIPs**, referred to under this Sub-indicator covers the annual slice of the LDIP for **Capital Expenditures (CAPEX)**. Using general definition, **CAPEX** are expenditures made for assets with useful lives of more than one year. They are usually incurred to acquire, build, improve or fix an asset.

³ The term “based” shall be understood to mean that the programs/projects/activities in the AIP were derived from the annual slice of the LDIP.

Data Table 2: Instruction - Based on the duly approved LDIP, indicate the total number of PPAs programmed under each of the last three years. Based on the duly approved AIP/s for the last three years, indicate the number of PPAs per year which were derived from the pertinent annual slice of the LDIP.

Year	Total number of PPAs in the Annual Slice of the duly approved LDIP (a)	Total number of PPAs in the duly approved AIP which were derived from the Annual Slice of the duly approved LDIP (b)	% of PPAs in the duly approved AIP derived from the Annual Slice of the duly approved LDIP (c = b / a)
Year 1			
Year 2			
Year 3			

Sub-indicator 3: Linkage between AIP and Appropriation Ordinances covering the Budgets

Instruction: Complete **Data Table 3** on the next page, then use it as basis for determining the appropriate score that corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL the last three years, 100% of the Appropriation Ordinances covering the annual and supplemental budgets were based on the duly approved AIP.
3	TWICE in the last three years, 100% of the Appropriation Ordinances covering the annual and supplemental budgets were based on the duly approved AIP.
2	ONCE in the last three years, 100% of the Appropriation Ordinances covering the annual and supplemental budgets were based on the duly approved AIP.
1	In ANY of the last three years, 70% - 99% of the Appropriation Ordinances covering the annual and supplemental budgets were based on the duly approved AIP.
0	In ALL the last three years, less than 70% of the Appropriation Ordinances covering the annual and supplemental budgets were based on the duly approved AIP.

Data Table 3: From the last three years’ Appropriation Ordinances covering the budgets, indicate the total number of PPAs which were derived from the pertinent duly approved AIP.

Year	Total number of PPAs in the Appropriation Ordinances covering the budgets (a)	Total number of PPAs in the Appropriation Ordinances covering the budgets derived from the duly approved AIP (b)	% of PPAs in the Appropriation Ordinances derived from the duly approved AIP (c = b / a)
Year 1			
Year 2			
Year 3			

Critical Dimension 7: Citizens' Participation

Score: _____

Indicator No. 19: Civil Society Organization (CSO) accreditation by the Local Sanggunian

Instruction: Encircle the appropriate score that corresponds to the minimum requirement that your LGU has satisfied.

Score	Criteria
4	At least three (3) CSOs have been accredited by the Local Sanggunian.
3	Two CSOs have been accredited by the Local Sanggunian.
2	One CSO has been accredited by the Local Sanggunian.
1	There is an existing CSO accreditation system but no CSO has been accredited.
0	There is no CSO accreditation system in the LGU.

Budget Office

Indicator	Score
Indicator No. 2: PFM improvement policies are included in the budgets covered by Appropriation Ordinances	
Indicator No. 3: Orderliness of activities in the annual budget preparation and authorization phases	
Indicator No. 4: Financial self-reliance of Local Economic Enterprises (LEEs) / Public Utilities (PUs)	
Indicator No. 5: Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget	
Indicator No. 8: Actual expenditures compared with appropriations by allotment class	
Indicator No. 20: Degree of citizens' participation in the budget process	

Critical Dimension 1: Policy-Based Budgeting

Score: _____

Indicator No. 2: PFM improvement policies are included in the budgets covered by Appropriation Ordinances

Instruction: Complete **Data Table 4** on the next page, then use it as basis for determining the appropriate score that corresponds to the minimum requirement that your LGU has satisfied. Please encircle chosen score.

Score	Criteria
4	Over the last three years, the LGU included at least seven (7) PFM improvement policies ¹ in the budgets covered by Appropriation Ordinances.
3	Over the last three years, the LGU included five to six (5 - 6) PFM improvement policies in the budgets covered by Appropriation Ordinances.
2	Over the last three years, the LGU included three to four (3 – 4) PFM improvement policies in the budgets covered by Appropriation Ordinances.
1	Over the last three years, the LGU included one to two (1 – 2) PFM improvement policies in the budgets covered by Appropriation Ordinances.
0	Over the last three years, the LGU has not included any PFM improvement policy in the budgets covered by Appropriation Ordinances.

¹ To obtain a score of 4, appropriations for **each of the seven (7) key elements of PFM** should be provided. Several PFM improvement policies pertaining to one and the same key element will be counted as one for purposes of determining the number of policies provided with appropriations.

Data Table 4: Based on the approved Appropriation Ordinances **for the last 3 years**, cite PFM improvement policies related to the seven (7) key elements of PFM¹ that have been included in the annual/supplemental budgets for the last three years.

PFM Improvement Policy	Source Sanggunian Resolution / Executive Issuance	Related Key Element of PFM	Covering Appropriation Ordinance	Amount of Appropriations Provided ²
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Examples: Adoption of electronic budgeting system, Adoption of the e-NGAS, Establishment of Internal Audit Service (IAS), Institutionalization of Cash Flow Analysis and Forecasting in the LGU, Adoption of the I-Tax System, Policy reiterating compliance with the Full Disclosure Policy

¹ **Seven key elements of PFM:** (1) Budgeting; (2) Accounting; (3) Auditing; (4) Cash Management; (5) Procurement; (6) Revenue Generation; and (7) Public Reporting on Public Sector Financial Operations.

² Appropriations provided for PFM improvement policies may refer to funds entirely devoted for the policies or may be attributable to existing PPAs in the budget *intended to enhance PFM*.

Critical Dimension 1: Policy-Based Budgeting

Indicator No. 3: Orderliness of activities in the annual budget preparation and authorization phases

Sub-indicator 1: Adherence to a fixed calendar for budget preparation and authorization phases

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicator 3 :	_____
	Sub-indicators total score:	_____
	Overall Score	_____
	(Divide sub-indicator total by 3)	

Instruction: Complete **Data Table 5** on the next page, then use it as basis for determining the appropriate score that corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	The existing annual calendar for budget preparation and authorization phases is strictly observed and adhered to.
3	The existing annual calendar for budget preparation and authorization phases is observed but there are delays in not more than 2 steps , <i>excluding Steps 8 and 9</i> .
2	The existing annual calendar for budget preparation and authorization phases is observed but there are delays in 3 but not more than 4 steps , <i>excluding Steps 8 and 9</i> .
1	The existing annual calendar for budget preparation and authorization phases is observed but there are delays in more than 4 steps , <i>excluding Steps 8 and 9</i> .
0	The existing annual calendar for budget preparation and authorization phases is totally not observed and adhered to.

Data Table 5: Instruction - On the following data table, write the actual timelines based on the budget preparation and authorization activities undertaken in the immediately preceding year¹. Compare the standard calendar with the actual dates and note the reason for delay.

Year	Budget Process	Fixed Budget Calendar	Actual Period Completed	Remarks (Reasons for Delay)
1	AIP Preparation	January 1 to June 15		
2	Issuance of Budget Call	June 16 to June 30 or 1st week of July		
3	Submission to LCE of [certified 3-year] detailed statement of income and expenditures	On or before the 5th day of July		
4	Preparation and submission of budget proposal	July 1-15		
5	Conduct of technical budget hearings on budget proposals submitted by Department Heads	July 16 to August 31		
6	Consolidation of Budget Proposals into the Local Expenditure Program (LEP) and preparation of the Budget of Expenditures and Sources of Financing (BESF)	September 16 to 30		
7	Preparation of the Budget Message and submission of Executive Budget to the Sanggunian, pursuant to Section 318 of the Local Government Code of 1991	Not later than October 16		
8	Enactment of the Appropriation Ordinance authorizing the Annual Budget of the ensuing fiscal year by the Local Sanggunian	Upon receipt of the Executive Budget up to December 31		
9	Approval / veto of the Appropriation Ordinance by the LCE	within fifteen (15) days from receipt of the AO (Provinces); within ten (10) days from receipt of AO (Cities/Municipalities)		
10	Submission of the Annual or Supplemental Budgets to the appropriate reviewing authority	Within three (3) days from the approval by the LCE of the Annual or Supplemental Budgets		

¹ If current year is 2012 then immediately preceding year is 2011.

Sub-indicator 2. Timely enactment and approval of the Appropriation Ordinance authorizing the Annual Budget

Instruction: Complete **Data Table 6** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL the last three years, the Appropriation Ordinance authorizing the Annual Budget was enacted by the Local Sanggunian AND approved by the Local Chief Executive PRIOR to the start of the budget year.
3	TWICE in the last three years, the Appropriation Ordinance authorizing the Annual Budget was enacted by the Local Sanggunian AND approved by the Local Chief Executive PRIOR to the start of the budget year.
2	ONCE in the last three years, the Appropriation Ordinance authorizing the Annual Budget was enacted by the Local Sanggunian AND approved by the Local Chief Executive PRIOR to the start of the budget year.
1	In ALL the last three years, the Appropriation Ordinance authorizing the Annual Budget was enacted by the Local Sanggunian PRIOR to the start of the budget year BUT was approved by the LCE AFTER the start of the budget year.
0	In ALL the last three years, the Appropriation Ordinance authorizing the Annual Budget was enacted by the Local Sanggunian AND approved by the Local Chief Executive AFTER the start of the budget year.

Data Table 6: Instruction - Indicate the actual dates when the Appropriation Ordinances authorizing the Annual Budget for the past three years were enacted by the Sanggunian and approved by the LCE.

Fiscal Year	Actual Date of Enactment of the Appropriation Ordinance	Actual Date of Approval / Veto of the Appropriation Ordinance	Source Documents
Year 1			
Year 2			
Year 3			

Sub-indicator 3. Timely submission of the Appropriation Ordinance authorizing the Annual Budget to the appropriate reviewing authority.

Instruction: Complete **Data Table 7** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle chosen score.

Score	Criteria
4	In ALL of the last three years, the Appropriation Ordinance ¹ authorizing the Annual Budget was submitted to the appropriate reviewing authority within three days after its approval. ²
3	TWICE in the last three years, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority within three days after its approval, and ONCE beyond three days after its approval.
2	ONCE in the last three years, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority within three days after its approval, and TWICE beyond three days after its approval.
1	In ALL of the last three years, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority but beyond three days after its approval.
0	In ANY of the last three years, the Appropriation Ordinance authorizing the Annual Budget was not at all submitted to the appropriate reviewing authority.

¹ The Appropriation Ordinance submitted should include the requisite supporting documents as enumerated under the BOM for LGUs (BESF, AIP, Personnel Schedule, Transmittal Letter, Budget Message, LCE Veto Message (if any), Sanggunian action on the veto (if any).

² The term approval includes partial veto of the Appropriation Ordinance by the LCE.

Data Table 7: Instruction - Indicate the actual dates when the Appropriation Ordinance authorizing the Annual Budgets for the past three years were submitted to the appropriate reviewing authority.

Fiscal Year	Date When:		Date Appropriation Ordinance was submitted to the Appropriate Reviewing Authority (<i>based on the date of receipt by the Post Office, if submission is thru registered mail; or date of actual receipt by reviewing office, if AO is personally submitted</i>)
	Appropriation Ordinance was Approved ¹	LCE Veto was Overridden by the Local Sanggunian	
Year 1			
Year 2			
Year 3			

¹ The term approval includes partial veto of the Appropriation Ordinance by the LCE.

Critical Dimension 1: Policy-Based Budgeting

Score: _____

Indicator No. 4: Financial self-reliance¹ of Local Economic Enterprises (LEEs)² and Public Utilities (PUs)³

Instruction: Complete **Data Table 8** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL the last three years, 100% of the total financial requirements for operations of all LEEs / PUs was funded by their respective incomes.
3	TWICE in the last three years, 100% of the total financial requirements for operations of all LEEs / PUs was funded by their respective incomes.
2	ONCE in the last three years, 100% of the total financial requirements for operations of all LEEs / PUs was funded by their respective incomes.
1	In ANY of the last three years, 1%-50% of the total financial requirements for operations of all LEEs / PUs was funded by their respective incomes.
0	In ALL of the last three years, more than 50% of the total financial requirements for operations of all LEEs / PUs was not funded by their respective incomes but by LGU transfers / advances ⁴ .

¹ For this Indicator, financial self-reliance shall be understood as the total financial requirements for operations of the LEE / PU can be funded by its income.

² LEEs are income-generating establishments created for the purpose of improving production and delivery of basic goods or services for a specific market or client which may include, but are not limited to, public markets or shopping malls, slaughterhouses, cemeteries, sports, cultural and recreation centers, parking lots, ice plants, hospitals and special and tertiary schools (BOM for LGUs).

³ Public Utilities are revenue-raising undertakings created by the LGU for the purpose of providing a basic need or service to the general public which otherwise cannot be provided adequately by the private sector which may include, but are not limited to, water and sewerage services, garbage collection and disposal, telephone system, electric and power services and public transport and terminal station services (BOM for LGUs).

⁴ For this Indicator, LGU transfer / advance to LEE / PU shall be understood as any amount transferred from the General Fund of the LGU to subsidize the financial requirements for the operations of an LEE / PU.

Data Table 8: Instruction – Based on all LEEs’/PUs’ Approved Budgets for the last three years, fill in the total financial requirements for operations of all LEEs / PUs. Based on the LEEs’ / PUs’ Statement of Income and Expenditures, fill in the total income of all LEEs / PUs. Based on the Appropriation Ordinances covering Annual and Supplemental budgets of the LGU concerned for the last three years, please indicate the total LGU transfers/advances to LEEs / PUs. Compute the percentage of the total financial requirements for operations of all LEEs/PUs funded by their respective incomes and by LGU transfers/advances.

Year	Total Financial Requirements for Operations of All LEEs / PUs (a)	Total Income of All LEEs/PUs (b)	Total LGU Transfers / Advances to LEEs / PUs (c)	% of Total Financial Requirements of all LEEs Covered by Income of All LEEs / PUs (d=b/a)	% of Total Financial Requirements of All LEEs Covered by Transfers / Advances to LEEs / PUs (e=c/a)
1					
2					
3					

Critical Dimension 2: Comprehensiveness and Transparency

Indicator No. 5: Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget

Score: _____

Instruction: Complete **Data Table 9** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL of the last three years, the budget information contained in the Appropriation Ordinance covering the Annual Budget is comprehensive (100% score in all the last three years) .
3	TWICE in the last three years, the budget information contained in the Appropriation Ordinance covering the Annual Budget is comprehensive (100% score in two of the last three years) .
2	ONCE in the last three years, the budget information contained in the Appropriation Ordinance covering the Annual Budget is comprehensive (100% score in one of the last three years) .
1	In ANY of the last three years, three to five of the mandatory budget documentary requirements were in prescribed forms (50% - 99% score in any of the last three years) .
0	In ALL of the last three years, less than three of the mandatory budget documentary requirements were in prescribed forms (less than 50% score in all of the last three years) .

Data Table 9: Instruction - Using the budget documentation from the last three years, identify whether or not the following documents forming part of the Appropriation Ordinance covering the ANNUAL BUDGET were completely accomplished in the prescribed form:

Supporting Documents		The document is complete and in the prescribed format (Yes/No)		
		Year 1	Year 2	Year 3
1	Appropriation Ordinance			
2	Budget Expenditures and Sources of Financing			
3	Annual Investment Program			
4	Personnel Schedule			
5	Transmittal Letter			
6	Budget Message			
7	LCE Veto Message, if any			
8	Sanggunian's action on veto, if any			
% of Documents which are complete and in prescribed form (No. of Yes answers / 8)		%	%	%

Critical Dimension 3: Credibility of the Budget

Indicator No. 8: Actual expenditures compared with appropriations by allotment class

Sub-indicator 1. Total allotments released compared with total appropriations¹

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicator 3 :	_____
	Sub-indicators total score:	_____
Overall Score		_____
(Divide sub-indicator total by 3)		

Instruction: Rows 13-15 of **Data Table 10 (page 45)** show the Total Allotments Released as a percentage of Total Approved Appropriations. **All the data cells by Allotment Class on the last 4 columns** are the bases for the scoring. Encircle the appropriate score that corresponds to the minimum requirement that your LGU has satisfied.

Score	Criteria
4	In ALL of the last three years, total released allotments for each allotment class was 90% - 100% of the total appropriations.
3	TWICE in the last three years, total released allotments for each allotment class was 90% - 100% of the total appropriations.
2	ONCE in the last three years, total released allotments for each allotment class was 90% - 100% of the total appropriations.
1	In ANY of the last three years, total released allotments for each allotment class was 70% -89% of the total appropriations.
0	In ALL of the last three years, total released allotments for each allotment class was less than 70% of the total appropriations.

¹ Appropriations and allotments *exclude continuing appropriations* and pertain to the amounts approved and released for the given year only.

Sub-indicator 2. Total actual obligations compared¹ with total allotments released

Instruction: Rows 16-18 of **Data Table 10** (page 45) show the Actual Obligations as a percentage of Total Allotments Released. **All the data cells by Allotment Class on the last 4 columns** are the bases for the scoring. Encircle the appropriate score that corresponds to the minimum requirement that your LGU has satisfied.

Score	Criteria
4	In ALL of the last three years, total actual obligations for each allotment class was 90% - 100% of the total allotments released.
3	TWICE in the last three years, total actual obligations for each allotment class was 90% - 100% of the total allotments released.
2	ONCE in the last three years, total actual obligations for each allotment class was 90% - 100% of the total allotments released.
1	In ANY of the last three years, total actual obligations for each allotment class was 70% -89% of the total allotments released.
0	In ALL of the last three years, total actual obligations for each allotment class was less than 70% of the total allotments released.

Sub-indicator 3. Total actual disbursements² compared with total obligations

Instruction: Rows 19-21 of **Data Table 10** (page 45) show the Actual Disbursements as a percentage of Total Obligations. **All the data cells by Allotment Class on the last 4 columns** are the bases for the scoring. Encircle the appropriate score that corresponds to the minimum requirement that your LGU has satisfied.

Score	Criteria
4	In ALL of the last 3 years, total actual disbursements for each allotment class was 90% - 100% of the total obligations incurred.
3	TWICE in the last 3 years, total actual disbursements for each allotment class was 90% - 100% of the total obligations incurred.
2	ONCE in the last 3 years, total actual disbursements for each allotment class was 90% - 100% of the total obligations incurred.
1	In ANY of the last 3 years, total actual disbursements for each allotment class was 70% -89% of the total obligations incurred.
0	In ALL of the last 3 years, total actual disbursements for each allotment class was less than 70% of the total obligations incurred.

¹ Total obligations exclude expenditures incurred chargeable against continuing appropriations.

² Total disbursements cover the amount paid for "current year" obligations only, i.e., disbursements for obligations incurred within the given year.

Data Table 10: Instruction - From the last three years' budgets, fill-in the total appropriated amounts (Source: last three years' Appropriation Ordinances covering Annual and Supplemental budgets). From the year-end Statements of Allotments, Obligations and Balances (SAOBs), fill-in the released allotments and obligations (Source: last three years' SAOBs). From the year-end Report of Disbursements, fill-in total disbursements.

Compare the amount available for obligation versus the authorized level of public spending by computing the % of allotments released vis-à-vis the total appropriations. Determine whether the amount duly appropriated was spent as intended by computing the % of obligations by allotment class vis-à-vis the released allotments. Determine the magnitude of obligations actually paid by comparing disbursements with obligations.

PARTICULARS		PS	MOOE	Capital Outlays	Special Purpose Appropriations	TOTAL
1	Appropriations (a)					
	Allotments (b)					
	Obligations (c)					
	Disbursements (d)					
2	Appropriations (e)					
	Allotments (f)					
	Obligations (g)					
	Disbursements (h)					
3	Appropriations (i)					
	Allotments (j)					
	Obligations (k)					
	Disbursements (l)					

PARTICULARS		PS	MOOE	Capital Outlays	Special Purpose Appropriations ¹	TOTAL
Allotments as % of Appropriations	Year 1 (b/a)					
	Year 2 (f/e)					
	Year 3 (j/i)					
Obligations as % of Allotments	Year 1 (c/b)					
	Year 2 (g/f)					
	Year 3 (k/j)					
Disbursements as % of Obligations	Year 1 (d/c)					
	Year 2 (h/g)					
	Year 3 (l/k)					

¹ Under the BOM for LGUs, **Special Purpose Appropriations (SPA)** are provided for the following purposes: Development Projects (20% DF), Local Disaster Risk Reduction and Management Fund (LDRRMF), Debt Service, LGU Transfers / Advances to Local Economic Enterprises / Public Utilities, Aid to Barangays, and other authorized special purposes. **HOWEVER**, for purposes of filling out the column for SPA, the same shall be understood to cover only items that **cannot be broken down by allotment class**.

Critical Dimension 7: Citizens' Participation

Score: _____

Indicator No. 20: Degree of citizens' participation in the budget process

Instruction: Encircle the appropriate score that corresponds to the minimum requirement that your LGU has satisfied.

Score	Criteria
4	Partner Civil Society Organizations (CSOs) have participated in budget preparation, budget execution and budget accountability phases of the budget cycle. ¹
3	Partner Civil Society Organizations (CSOs) have participated in two out of the three budget phases enumerated above.
2	Partner Civil Society Organizations (CSOs) have participated in one of the three budget phases enumerated above.
1	Partner Civil Society Organizations (CSOs) have been invited to participate but did not participate in all of the three budget phases enumerated above.
0	Partner Civil Society Organizations (CSOs) have not been invited to participate in any of the three budget phases enumerated above.

¹ In determining the degree of citizens' participation in the budget process, only the budget preparation, budget execution and budget accountability phases are considered since the citizens' participation required to be engaged is within the control of the Executive Department. On the other hand, in budget authorization, citizen participation will depend on the discretion of the Local Sanggunian, while in budget review, action will have to be initiated by the citizens themselves.



Illustration 1: The Budget Process

**Citizens' Participation in the Budget Process:
Budget Preparation:**

1. Represent the aggregate needs of the people, particularly the weak and disadvantaged;
2. Provide relevant inputs in the formulation of policy decisions embodied in the AIP; and
3. Provide inputs to department heads of line agencies as bases for accurate determination of targets / beneficiaries.

Budget Authorization:

1. At the discretion of the Local Sanggunian, participate in the Sanggunian deliberation of the budget during public hearings and consultations.

Budget Review:

1. Relay information to the reviewing authority on the consistency or inconsistency of the appropriations with the AIP and other provisions of law.

Budget Execution:

1. Assist implementers in advocating the benefits of the PPAs to prospective clients;
2. Assist the LGU in providing for the service gaps due to fund constraints; and
3. Ensure that standards of service delivery are observed by the LGU.

Budget Accountability:

1. Serve as monitors during PPA implementation to ensure that services and goods are properly delivered to target beneficiaries.

Treasurer’s Office

Indicator	Score
Indicator No. 7: Actual local revenue collections compared with estimated revenues in the budget	
Indicator No. 9: Real Property Tax (RPT) Accomplishment Rate	
Indicator No. 10: Effectiveness of tax enhancement measures	
Indicator No. 11: Predictability in the availability of cash for commitment of expenditures	

Critical Dimension 3: Credibility of the Budget

Score: _____

Indicator No. 7: Actual local revenue¹ collections compared with estimated revenues in the budget

Instruction: **Complete Data Table 11** on the next page. The last 3 columns indicate the actual local revenue collections as % of estimated revenues. **The last 3 columns, Row 7** are the bases for scoring. Encircle the appropriate score that corresponds to the minimum requirement that your LGU has

Score	Criteria
4	In ALL of the last three years, total actual local revenue collections was 90% - 100% of the estimated local revenues.
3	TWICE in the last three years, total actual local revenue collections was 90% - 100% of the estimated local revenues.
2	ONCE in the last three years, total actual local revenue collections was 90% - 100% of the estimated local revenues.
1	In ANY of the last three years, total actual local revenue collections was 70% -89% of the estimated local revenues.
0	In ALL of the last three years, total actual local revenue collections was less than 70% of the estimated local revenues.

Illustration:

TOTAL ACTUAL LOCAL REVENUE COLLECTIONS AS A % OF ESTIMATED REVENUES			SCORE
Year 1	Year 2	Year 3	
95%	96%	97%	4
90%	85%	95%	3
85%	86%	90%	2
80%	84%	81%	1
69%	68%	65%	0

¹ Per BLGF definition, local revenues or locally-sourced revenues pertain to the share of revenues that are under LGU control and results from local economic activity. Locally sourced revenues include income from business and other local taxes, real property taxes, economic enterprises, fees and charges.

Data Table 11: Instruction - From the last three years' budgets, fill-in the estimated revenues (excluding external sources) (Source: last three years' Annual Budgets). From the year-end Statements of Receipts and Expenditures (SREs), fill-in the actual local revenue collections, (excluding external sources) (Source: last three years' SREs).

Row #	Income Type	Year 1		Year 2		Year 3		Actual Revenues as % of Estimated Revenues		
		Estimated Revenues (a)	Actual Revenues (b)	Estimated Revenues (c)	Actual Revenues (d)	Estimated Revenues (e)	Actual Revenues (f)	Y1 (b/a)	Y2 (d/c)	Y3 (f/e)
1	RPTs									
2	Income from business taxes									
3	Other Local Taxes									
4	Income from LEEs / PUs ¹									
5	Fees and Charges									
6	Other Income									
Totals										

¹ Income from LEEs / PUs refers to income earned by the LEE/PU in excess of: (1) cost of improvement, repair and other related expenses of the LEE / PU; and (2) return of advances or loans made for the LEE / PU. Section 313 of the LGC provides, in part, "x x x Profits or income derived from the operation of public utilities and other economic enterprises, after deduction for the cost of improvement, repair and other related expenses of the public utility or economic enterprise concerned, shall first be applied for the return of the advances or loans made therefor. Any excess shall form part of the general fund of the local government unit concerned."

Critical Dimension 4: Predictability and Control in Budget Execution

Score: _____

Indicator No. 9: Real Property Tax (RPT) Accomplishment Rate

Instruction: Complete **Data Table 12** below. The last 3 columns indicate the actual RPT as % of the total RPT due for the year as estimated from the assessed value of taxable real properties, and serve as bases for scoring. Encircle the appropriate score that corresponds to the minimum requirement that your LGU has satisfied.

Score	Criteria
4	In ALL of the last three years, Real Property Accomplishment Rate was 90% - 100% .
3	TWICE in the last three years, Real Property Accomplishment Rate was 90% - 100% .
2	ONCE in the last three years, Real Property Accomplishment Rate was 90% - 100% .
1	In ANY of the last three years, Real Property Accomplishment Rate was 70% - 89% .
0	In ALL of the last three years, Real Property Accomplishment Rate was less than 70% .

Data Table 12: Instruction - From the last 3 years' Treasurer / Assessor's Reports, fill-in the RPT due¹ as estimated from the assessed value of taxable real properties **but limited to the LGU's share only** (Source: last 3 years' Treasurer / Assessor's Reports). From the year-end Statement of Receipts and Expenditures (SREs), fill-in the actual RPT collected (Source: last 3 years' SREs).

Row #	Income Type	Year 1		Year 2		Year 3		Actual Revenues as % of Estimated Revenues		
		Estimated Revenues (a)	Actual Revenues (b)	Estimated Revenues (c)	Actual Revenues (d)	Estimated Revenues (e)	Actual Revenues (f)	Y1 (b/a)	Y2 (d/c)	Y3 (f/e)
1	Real Property Taxes									

¹ RPT due should be **net of cash discounts** actually given as incentives for early payment.

Critical Dimension 4: Predictability and Control in Budget Execution

Indicator No. 10: Effectiveness of tax enhancement measures

Sub-indicator 1. Computerized RPT database system linkages

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicator 3 :	_____
	Sub-indicator 4 :	_____
	Sub-indicators total score:	_____
	Overall Score	_____
	(Divide sub-indicator total by 4)	

Instruction: Complete **Data Table 13** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	LGU has a computerized RPT database system that is linked to all three departments.
3	LGU has a computerized RPT database system that is linked to two of the three departments.
2	LGU has a computerized RPT database system that is linked to one of the three departments.
1	LGU has a computerized RPT database system but is NOT linked to any of the three departments.
0	LGU has no computerized RPT database system.

Data Table 13: Instruction - Please answer the following questions on the space provided and use answers as bases for scoring.

Question	Answer
1. Do you have a computerized database for RPT?	Yes/No
2. Is the database linked to: (1) Assessor's Office; (2) Treasurer's Office; and (3) Accounting Office?	Yes/No
3. How many of the concerned departments enumerated above are linked to the database?	

Sub-indicator 2. Effectiveness of implementing tax collection strategies for delinquent Real Property Tax (RPT)

Instruction: Complete **Data Table 14** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	RPT collection strategies contributed to at least 20% increase in percentage of delinquent RPT collected in the last two years.
3	RPT collection strategies contributed to a 15%-19% increase in percentage of delinquent RPT collected in the last two years.
2	RPT collection strategies contributed to a 10%-14% increase in percentage of delinquent RPT collected in the last two years.
1	RPT collection strategies contributed to a 1%-9% increase in percentage of delinquent RPT collected in the last two years.
0	RPT collection strategies did not contribute to any increase in percentage of delinquent RPT collected in the last two years.

Data Table 14: Instruction - Using the Real Property Tax Account Register, fill-in the amounts of delinquent accounts for the next preceding and immediately preceding years. Based on the Certified List of All RPT Delinquencies, fill-in the amounts of delinquent accounts settled for the next preceding and immediately preceding years:

Next Preceding Year's Collection			Immediately Preceding Year's Collection			Increase in % Collected
Amount Due (a)	Actual Collections (b)	% Collected (c = b/a)	Amount Due (d)	Actual Collections (e)	% Collected (f = e/d)	
						(g = f-c)

Primary strategies resulting to the increase in collection of delinquent accounts (e.g., Issuance of Demand Letters, Strict Enforcement of Sanctions):

1. _____
2. _____
3. _____

Sub-indicator 3. Effectiveness of civil remedies on tax payment (For provinces and cities ONLY)

Instruction: Complete **Data Table 15** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	Institution of civil remedies resulted in settlement of 100% of total accounts in the Certified List of Delinquency (CLD).
3	Institution of civil remedies resulted in settlement of 90%-99% of total accounts in the CLD.
2	Institution of civil remedies resulted in settlement of 80%-89% of total accounts in the CLD.
1	Institution of civil remedies resulted in settlement of 70%-79% of total accounts in the CLD.
0	Institution of civil remedies resulted in settlement of less than 70% of total accounts in the CLD.

Data Table 15: Instruction - From the Treasurer's CLD, fill-in the number of delinquent account listed and settled in the **immediately preceding year**.

Question	Number of Accounts
Delinquents accounts auctioned (a)	
Accounts settled (b)	
% of accounts settled vs. accounts auctioned (b/a)	%

Sub-indicator 4. Planning and monitoring of tax mapping

Instruction: Complete **Data Table 16** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	A tax map ¹ exists and is updated every time there is a subdivision or consolidation of lots.
3	A tax map exists and is updated at least every three years.
2	A tax map exists and is updated at least every five years.
1	A tax map exists but has never been updated.
0	There is no tax map in the LGU.

Data Table 16: Instruction – Answer the questions below as bases for determining the minimum requirements which your LGU has satisfied.

Question	Answer
Do you have a tax map?	Yes / No
Is it being updated?	Yes / No
How often is updating done?	

¹ By general definition, a tax map, accurately drawn to scale, shows all the real properties within the local government. These maps are used to locate parcels and obtain other information required in appraisal work. As changes take place in ownership, size, or shape of the properties, the tax map system must be updated.

Critical Dimension 4: Predictability and Control in Budget Execution

Indicator No. 11: Predictability in the availability of cash for commitment of expenditures

Sub-indicator 1. Cash availability to support budgeted programs, projects, activities (PPAs) and liabilities

Score: Sub-indicator 1 : _____
 Sub-indicator 2 : _____
 Sub-indicators total score: _____
Overall Score _____
 (Divide sub-indicator total by 2)

Instruction: Complete **Data Table 17** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL the last three years, 100% of allotments including liabilities have available cash.
3	TWICE in the last three years, 100% of allotments including liabilities have available cash.
2	ONCE in the last three years, 100% of allotments including liabilities have available cash.
1	In ANY of the last three years, 70% - 99% of allotments including liabilities have available cash.
0	In ALL of the last three years, less than 70% of allotments including liabilities have available cash.

Data Table 17: Instruction - From the last three years' Statement of Allotments, Obligations and Balances (SAOBs), fill-in the allotments (current year and continuing appropriations). Based on the Trial Balances for the year immediately preceding the given year, indicate the prior year's ending balance for accounts payable. Based on the Statement of Cash Flows for the given year, indicate the amount of available cash for PPAs and liabilities.

YEAR	ALLOTMENTS				Cash Available	% of Allotments with Available Cash
	Current year	Continuing Appropriations	Prior Year's Liabilities	Total		
Year 1						
Year 2						
Year 3						

Sub-indicator 2. Preparation and updating of cash flow forecasts and cash flow analysis

Instruction: Complete **Data Table 18** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	A cash flow forecast ¹ is updated at least quarterly based on the cash flow analysis. ² (Yes to Q1, Q2 & Q3)
3	A cash flow forecast is updated semi-annually based on the cash flow analysis. (Yes to Q1 & Q2 only)
2	A cash flow forecast is updated once a year based on the cash flow analysis. (Yes to Q1 & Q2 only)
1	A cash flow forecast is prepared but is not updated at all. (Yes to Q1 only)
0	No cash flow forecast is prepared. (No to Q1)

Data Table 18: Instruction - Answer the following questions with Yes or No. Indicate the evidences supporting the answers.

Question	Yes/No	Evidence
1. Is a Cash Flow Forecast prepared?		
2. If yes to Q1, is the Cash Flow Forecast updated based on the Cash Flow Analysis?		
3. If yes to Q2, is the Cash Flow Forecast updated quarterly? If not, specify how often the Cash Flow Forecast is updated. _____		

¹ Cash Flow Forecast is a schedule of anticipated receipts and disbursements of the LGU for the fiscal year with a quarterly breakdown to show the beginning and ending cash balances for each quarter (BOM for LGUs).

² A Cash Flow Analysis is a critical tool in the control of cash outflows matched with cash inflows to ensure that sufficient cash is available to settle obligations as they fall due (BOM for LGUs).

**General Services Office / Engineering Office /
Bids and Awards Committee**

Indicator	Score
Indicator No. 12: Value for money and controls in procurement	

Critical Dimension 4: Predictability and Control in Budget Execution

Indicator No. 12: Value for money controls of procurement

Sub-indicator 1. Use of public bidding for the procurement of goods (excluding common-use supplies and equipment), civil works and consulting services in accordance with R.A. No. 9184¹ and its IRR

Score: Sub-indicator 1 : _____
 Sub-indicator 2 : _____
 Sub-indicator 3 : _____
 Sub-indicator 4 : _____
 Sub-indicator 5 : _____
 Sub-indicators total score: _____
Overall Score _____
 (Divide sub-indicator total by 5)

Instruction: Complete **Data Table 19** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of total number of contracts is awarded through public bidding.
3	90% - 99% of total number of contracts is awarded through public bidding.
2	80% - 89% of total number of contracts is awarded through public bidding.
1	70% - 79% of total number of contracts is awarded through public bidding.
0	Less than 70% of total number of contracts is awarded through public bidding.

Data Table 19: Instruction - Please fill up the data table below using immediately preceding year's data and use answers in scoring.

Total No. of Procurement Activities / Contracts (a)	Total No. of Procurement Activities / Contracts Undertaken through Public Bidding (b)	% Activities / Contracts Awarded through Public Bidding (c = b/a)

¹ Republic Act No. 9184, otherwise known as the Government Procurement Reform Act.

Sub-indicator 2. Procurement of Common-Use Supplies and Equipment from DBM - Procurement Service (PS)

Instruction: Complete **Data Table 20** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.
3	90% - 99% of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.
2	80% - 89% of total purchases of common-use supplies and were covered by APRs submitted to DBM-PS.
1	70% - 79% of total purchases of common-use supplies and were covered by APRs submitted to DBM-PS.
0	Less than 70% of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.

Data Table 20: Instruction – Based on the LGU’s Annual Procurement Plan – Common-Use Supplies and Equipment (APP-CSE) Monitoring Report and Agency Purchase Requests (APRs), please fill up the data table below using immediately preceding year’s data and use answers in scoring.

Total Amount of CSE Purchased for the Year (a)	Amount of CSE Covered by APRs Submitted to DBM-PS ¹ (b)	% of Total Amount of CSE Purchased covered by APRs submitted to DBM-PS (c = b/a)	Amount of CSE ACTUALLY Purchased from DBM-PS (d)

¹ The APRs submitted to DBM PS should be stamped received by the DBM PS. The indicator intends to measure the extent to which the LGU complied with the provisions of R.A. No. 9184 and its IRR and Administrative Order No. 17 dated 28 July 2011 mandating all LGUs to procure common-use supplies and equipment (CSE) from the DBM PS. However, cognizant of the non-availability of some stocks with the DBM PS, the LGU will still be given credit provided that its first option in the procurement of CSE is to go to DBM PS as evidenced by the LGU’s submission of APRs to the latter.

Sub-indicator 3. Effectiveness of procurement

Instruction: Complete **Data Table 21** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of LGU procurement is in accordance with the approved Annual / Supplemental Procurement Plan (A/S PP).
3	90% - 99% of LGU procurement is in accordance with the approved A/S PP.
2	80% - 89% of LGU procurement is in accordance with the approved A/S PP.
1	70% - 79% of LGU procurement is in accordance with the approved A/S PP.
0	Less than 70% of LGU procurement is in accordance with the approved A/S PP.

Data Table 21: Instruction - Please fill up the data table below using immediately preceding year's data and use answers in scoring

a. Number of procurement activities actually undertaken in accordance with the amounts, technical specifications / scope of work and timelines provided in the approved A/S PP	
b. Total number of procurement activities as per approved A/S PP	
c. % of actual procurement in accordance with the approved A/S PP ($c = a / b$)	
d. Reasons for deviations from the approved A/S PP:	

Sub-indicator 4. Publication of procurement-related activities

Instruction: Complete **Data Table 22** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	ALL procurement-related notices and documents are published / posted in the mandatory places / sites for posting / publication AND within the prescribed period under R.A. No. 9184 and its IRR.
3	ALL procurement-related notices and documents are published / posted in the mandatory places/sites for posting / publication BUT not within the prescribed period under R.A. No. 9184 and its IRR.
2	NOT all procurement-related notices and documents are published / posted in the mandatory places/sites for posting / publication within the prescribed period under R.A. No. 9184 and its IRR.
1	ALL procurement-related notices and documents are published / posted BUT not in all the mandatory places/sites for posting / publication within the prescribed period under R.A. No. 9184 and its IRR
0	ALL procurement-related notices and documents are NOT published / posted in the mandatory places/sites for posting / publication within the prescribed period under R.A. No. 9184 and its IRR.

PRESCRIBED PERIOD FOR PUBLICATION OF PROCUREMENT-RELATED DOCUMENTS:

ACTIVITY	DEADLINE	GOODS		INFRASTRUCTURE		CONSULTING SERVICES	
		ABC ₱2M & below	ABC above ₱2M	ABC ₱5M & below	ABC above ₱5M	ABC ₱1M & below	ABC above ₱1M
Advertisement of Invitation to Bid / Request for Expression of Interest in newspaper of national and general circulation			Once in the 7 cd period		Once in the 7 cd period		Once in the 7 cd period
Posting of Invitation to Bid / Request for Expression of Interest in PhilGEPS and in conspicuous places		7 cd	7 cd	7 cd	7 cd	7 cd	7 cd
Issuance and Availability of Bidding Documents	From first day of posting / advertisement until deadline for submission of bids						
Issuance of Supplemental / Bid Bulletin	7 cd before deadline for submission of bids						
Posting of Notice of Award	Within 3 cd from its issuance						
Posting of Notice to Proceed and Approved Contract	Within 15 cd from issuance of NTP						

Sub-indicator 5. Timeliness of completed procurement activities

Instruction: Complete **Data Table 23** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of requested goods and services, civil works and consulting services are delivered / completed on time.
3	90% - 99% of requested goods and services, civil works and consulting services are delivered / completed on time.
2	80% - 89% of requested goods and services, civil works and consulting services are delivered / completed on time.
1	70% - 79% of requested goods and services, civil works and consulting services are delivered / completed on time.
0	Less than 70% of requested goods and services, civil works and consulting services are delivered / completed on time.

Data Table 23: Instruction - Using the Approved Annual / Supplemental Procurement Plan and Procurement Monitoring Reports as bases, fill up the data below using the **immediately preceding year's data**.

No. of Procurement Activities Completed per Approved Annual / Supplemental Procurement Plan (a)	No. of Completed Procurement Activities Delivered / Implemented According to Planned / Required Delivery Dates (b)	% of Completed/Delivered/ Implemented Procurement Activities According to Planned / Required Delivery Dates (c=b/a)

Office of the LCE

Indicator	Score
Indicator No. 6: Public access to key information	
Indicator No. 17: Effectiveness of internal audit	

Critical Dimension 2: Comprehensiveness and Transparency

Score: _____

Indicator No. 6: Public access to key information

Instruction: Complete **Data Table 24** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In the immediately preceding year, there was 100% compliance with the posting of reports pursuant to the Full Disclosure Policy of the DILG.
3	In the immediately preceding year, there was 90% - 99% compliance with the posting of reports pursuant to the Full Disclosure Policy of the DILG.
2	In the immediately preceding year, there was 80% - 89% compliance with the posting of reports pursuant to the Full Disclosure Policy of the DILG.
1	In the immediately preceding year, there was 70% - 79% compliance with the posting of reports pursuant to the Full Disclosure Policy of the DILG.
0	In the immediately preceding year, there was less than 70% compliance with the posting of reports pursuant to the Full Disclosure Policy of the DILG.

Data Table 24: Instruction - Using the immediately preceding year's data, determine whether or not the enumerated reports have been posted pursuant to the "Full Disclosure Policy" enunciated under DILG Memorandum Circular No. 2010-83 dated 8 October 2010. In order to get full credit for each type of report, posting requirements must be fully complied with.

Type of Report		Period of Posting	Complied With (Yes/No)
A. ANNUAL			
1	Annual Budget	On or before January 15 of each year or not later than 15 days after approval of the Local Sanggunian	
2	Annual Procurement Plan or Procurement List	On or before January 31 of each year	
3	SEF Income and Expenditure Estimates	One week after the approval by the Local School Board of the SEF Income and Expenditure Report	
4	Statement of Debt Service	One week after the approval of the LCE of the Statement of Debt Service Annual Report	
5	Annual GAD Accomplishment Report	Not later than the end of January of the ensuing year	
6	Statement of Receipts and Expenditures (SREs)	One week after approval of the LCE of the SREs	
B. QUARTERLY			
1	Quarterly Statement of Cash Flows	Within ten days after the end of every quarter	
2	Items to be Bid	Within the prescribed period under R.A. No. 9184 and its IRR, and to be updated quarterly	
3	Report of SEF Utilization	One week after the end of each quarter	
4	Trust Fund (PDAF) Utilization	One week after the end of each quarter	
5	Bid Results on Civil works and Goods and Services	Within the prescribed period under R.A. No. 9184 and its IRR, and to be updated quarterly	
6	Abstract of Bid as Calculated	Within the prescribed period under R.A. No. 9184 and its IRR, and to be updated quarterly	
7	20% Component of the IRA Utilization	One week after the end of each year	
C. MONTHLY			
1	Supplemental Procurement Plan	NLT than 15 days after approval of the Head of the Procuring Entity	
% of compliance with Full Disclosure Policy (No. of Yes Answers / 14 reports)			

Critical Dimension 6: Internal and External Audit

Indicator No. 17: Effectiveness of internal audit

Sub-indicator 1. Existence of an operational Internal Audit Service (IAS)

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicator 3 :	_____
	Sub-indicators total score:	_____
	Overall Score	_____
	(Divide sub-indicator total by 3)	

Instruction: Complete **Data Table 25** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	There is a fully operational Internal Audit Service (IAS). (Yes to Q1, Q3, Q4, Q5 and Q6)
3	There is a partially operational IAS. (Yes to Q1 and to any of Q3, Q4, Q5 and Q6)
2	There is an existing but NOT operational IAS. (Yes to Q1 and No to all of Q3, Q4, Q5 and Q6)
1	There are initial efforts to establish IAS but the same are not yet completed. (No to Q1 and Yes to Q2)
0	There is no effort to establish IAS. (No to Q1 and Q2)

Data Table 25: Instruction - Identify whether internal audit is operational by answering the questions below.

Question	Yes/No
1. Is there an established IAS in the LGU?	
If no to Q1: 2. Are there initial efforts to establish an IAS in the LGU?	
If yes to Q1: 3. Does the IAS conduct appraisal of the adequacy of internal controls in the LGU? 4. Does the IAS conduct management audit? 5. Does the IAS evaluate the results of operations? 6. Does the IAS prepare reports to document the results of its activities and its corresponding recommendations?	

Sub-indicator 2. Frequency and distribution of internal audit reports

Instruction: **Complete Data Table 26** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	Internal Audit Reports are regularly prepared AND submitted to the LCE.
3	Internal Audit Reports are not regularly prepared BUT submitted to the LCE
2	Internal Audit Reports are regularly prepared BUT not submitted to the LCE
1	Internal Audit Reports are not regularly prepared AND not submitted to the LCE
0	Internal Audit Reports are not actually prepared

Sub-indicator 3. Extent of management action on internal audit findings

Instruction: Complete **Data Table 26** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	Action by management on internal audit findings completed within 5 working days from receipt of audit report.
3	Action by management on internal audit findings completed within 6-10 working days from receipt of audit report.
2	Action by management on internal audit findings completed within 11-20 working days from receipt of audit report.
1	Action by management on internal audit findings completed within 21-30 working days from receipt of audit report.
0	Action by management on internal audit findings completed after 30 working days from receipt of audit report.

Accounting Office

Indicator	Score
Indicator No. 13: Effectiveness of payroll controls	
Indicator No. 14: Effectiveness of internal controls for non-Personal Services (PS) expenditures	
Indicator No. 15: Timeliness and regularity of accounts reconciliation	
Indicator No. 16: Quality and timeliness of regular financial reports and annual financial statements	
Indicator No. 18: Follow up on external audit	

Critical Dimension 4: Predictability and Control in Budget Execution

Score: _____

Indicator No. 13: Effectiveness of payroll controls

Instruction: **Data Table 27** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of Personal Services (PS) expenditures have no adverse COA audit findings.
3	90% - 99% of PS expenditures have no adverse COA audit findings.
2	80% - 89% of PS expenditures have no adverse COA audit findings.
1	70% - 79% of PS expenditures have no adverse COA audit findings.
0	Less than 70% of PS expenditures have no adverse COA audit findings.

Data Table 27: Instruction - Using the immediately preceding year's SAOB, indicate the total amount of PS expenditures. Based on the Annual Audit Report (AAR) for the immediately preceding year, indicate how much of PS expenditures have no adverse COA audit findings. Compute the percentage of PS expenditures that have no adverse COA findings

Total PS Expenditures for the Immediately Preceding Year (a)	Total PS Expenditures which have adverse COA findings (b)	Total PS Expenditures which have no adverse COA findings (c = a - b)	% of PS Expenditures which has no adverse COA findings (d = c/a)

Critical Dimension 4: Predictability and Control in Budget Execution

Score:

Indicator No. 14: Effectiveness of internal controls for non-Personal Services (PS) expenditures

Instruction: Complete **Data Table 28** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of Non-PS (MOOE & Capital Outlays) expenditures have no adverse findings.
3	90% - 99% of Non-PS (MOOE & Capital Outlays) expenditures have no adverse findings.
2	80% - 89% of Non-PS (MOOE & Capital Outlays) expenditures have no adverse findings.
1	70% - 79% of Non-PS (MOOE & Capital Outlays) expenditures have no adverse findings.
0	Less than 70% of Non-PS (MOOE & Capital Outlays) expenditures have no adverse findings.

Data Table 28: Instruction - Using the immediately preceding year’s SAOB, indicate the total amount of **Non-PS Expenditures (MOOE and Capital Outlays)**. Based on the Audit Observation Memoranda (AOMs) or Annual Audit Report (AAR) for the immediately preceding year, indicate how much of Non-PS expenditures have been disallowed in audit. Compute the percentage of Non-PS expenditures allowed in audit.

Total Non-PS Expenditures for the Immediately Preceding Year (a)	Total Non-PS Expenditure Disallowed in Audit (b)	Total Non-PS Expenditure Allowed in Audit (c = a - b)	% of Non-PS Expenditures Allowed in Audit (d = c/a)

Critical Dimension 5: Accounting, Recording and Reporting

Indicator No. 15: Timeliness and regularity of accounts reconciliation

Sub-indicator 1. Regularity of bank reconciliation

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicators total score:	_____
	Overall Score	_____
	(Divide sub-indicator total by 2)	

Instruction: **Complete the Data Table 29** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
3	90% - 99% of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
2	80% - 89% of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
1	70% - 79% of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
0	Less than 70% of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.

Data Table 29: Instruction - Using the immediately preceding year's Bank Reconciliation Statements, indicate the number of monthly bank reconciliations undertaken within five working days from receipt of the bank statements.

Month	Date of Receipt of Bank Statement	Date of Bank Reconciliation Statement	Reconciliation Undertaken Within Five Working Days from Receipt of Bank Statement? (Yes / No)
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
% of Bank Reconciliation Undertaken Within 5 Working Days from Receipt of Bank Statement (No. of Yes Answers / 12)			

Sub-indicator 2. Timeliness of reconciliation and liquidation of cash advances

Instruction: Complete **Data Table 30** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
3	90% - 99% of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
2	80% - 89% of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
1	70% - 79% of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
0	Less than 70% of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.

Data Table 30: Instruction - Using the immediately preceding year's Monthly Status of Cash Advances and Reports of Liquidation, determine the number of cash advances liquidated within the prescribed period.

Total Amount of Cash Advances (a)	Total Amount of Cash Advances Liquidated within Prescribed Deadlines (b)	% of Total Amount of Cash Advances Liquidated within Prescribed Deadlines (c=b/a)

Critical Dimension 5: Accounting, Recording and Reporting

Score: _____

Indicator No. 16: Quality and timeliness of regular financial reports and annual financial statements

Instruction: Complete **Data Table 31** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	In ALL the past three years, there were no adverse COA audit findings on both the quality and timeliness of the regular financial reports and annual financial statements. (Yes to Q1; and No to Q2 AND Q3 for ALL THREE Years).
3	TWICE in the past three years, there were no adverse COA audit findings on both the quality and timeliness of the regular financial reports and annual financial statements. (Yes to Q1; and No Q2 AND Q3 for TWO of THREE Years).
2	ONCE in the past three years, there were no adverse COA audit findings on both the quality and timeliness of the regular financial reports and annual financial statements. (Yes to Q1; and No to Q2 AND Q3 for ONE of THREE Years).
1	In ANY of the past three years, there were adverse COA audit findings on EITHER the quality or timeliness of the regular financial reports and/or annual financial statements. (Yes to Q1; and Yes to Q2 OR Q3 for ANY of THREE Years).
0	In ALL of the past three years, there were adverse COA audit findings on BOTH the quality and timeliness of the regular financial reports and/or annual financial statements. (Yes to Q1; and Yes to Q2 AND Q3 for ALL THREE Years).

Data Table 31: Instruction - Based on the COA Audit Observation Memoranda and Annual Audit Reports for the past three years, answer the following questions with Yes or No.

Questions	Year 1	Year 2	Year 3
	Yes/No	Yes/No	Yes/No
1. Were regular financial reports and annual financial statements prepared?			
2. Were there adverse COA audit findings on the TIMELINESS of ANY of the regular financial reports and annual financial statements prepared? (Presupposes that ALL financial reports and statements were submitted within prescribed periods)			
3. Were there adverse COA audit findings on the QUALITY of ANY of the regular financial reports and annual financial statements prepared? (Presupposes that ALL financial reports and statements are complete and prepared in accordance with standard financial reporting standards)			

Critical Dimension 6: Internal and External Audit

Indicator No. 18: Follow up on external audit

Sub-indicator 1: Compliance with audit recommendations

Score:	Sub-indicator 1 :	_____
	Sub-indicator 2 :	_____
	Sub-indicator 3 :	_____
	Sub-indicators total score:	_____
	Overall Score	_____
	(Divide sub-indicator total by 3)	

Instruction: Complete **Data Table 32** below, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of COA recommendations were implemented.
3	90% - 99% of COA recommendations were implemented.
2	80% - 89% of COA recommendations were implemented.
1	70% - 79% of COA recommendations were implemented.
0	Less than 70% of COA recommendations were implemented.

Data Table 32: Instruction - Using the next preceding year's¹ COA Annual Audit Report (AAR), fill in the data table below.

No. of COA Recommendations in AAR for the Next Preceding Year (a)	No. of COA Recommendations Implemented (b)	% of COA Recommendations Implemented (c = b/a)

¹ If 2012 is the current year, next preceding year is 2010.

Sub-indicator 2. Extent of COA disallowances

Instruction: Complete **Data Table 33** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	No disallowances in the COA Annual Audit (Zero answer to Question C).
3	1% - 10% of total expenditures was disallowed in the COA Annual Audit.
2	11% - 20% of total expenditures was disallowed in the COA Annual Audit.
1	21% - 30% of total expenditures was disallowed in the COA Annual Audit.
0	More than 30% of total expenditures was disallowed in the COA Annual Audit.

Sub-indicator 3. Magnitude of COA disallowances settled

Instruction: Complete **Data Table 33** on the next page, then use it as basis for determining the appropriate score which corresponds to the minimum requirement that your LGU has satisfied. Please encircle the chosen score.

Score	Criteria
4	100% of COA disallowances were settled.
3	90% - 99% of COA disallowances were settled.
2	80% - 89% of COA disallowances were settled.
1	70% - 79% of COA disallowances were settled.
0	Less than 70% of COA disallowances were settled.

Data Table 33: Instruction - Using the next preceding year's COA Annual Audit Report, please fill in the required data on disallowances. Using the next preceding year's accounting data on disallowances, please fill in the rest of the information needed.

#	Description	Total Amount
a	Total amount of expenditures in the next preceding year	
b	Amount of disallowances in the next preceding year per COA Annual Audit Report	
c	% of total expenditures disallowed in Audit ($c = b/a$)	
d	Disallowances settled in Pesos	
e	% of disallowances settled ($e = d/b$)	

Annex B: Public Financial Management Improvement Plan (PFMIP)

PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT PLAN (PFMIP)

CY _____

LGU: _____

REGION: _____

A. CRITICAL DIMENSION:												
PFMAT INDICATOR / SUB-INDICATOR (1)	PFMAT SCORE (2)	PROGRAM / PROJECT / ACTIVITY (3)	EXPECTED RESULTS (4)	IMPLEMENTATION PERIOD (5)		RESPONSIBLE OFFICE/S (6)	PROPOSED BUDGET (7)			FUNDING SOURCE (8)		
				START	END		Y1	Y2	Y3	Y1	Y2	Y3

Prepared by PFM Team:

Approved by:

PFM Team Leader

Local Chief Executive

Instructions:

- A. *Indicate the Critical Dimension of an open and orderly PFM system to be improved (Policy-based Budgeting, Comprehensiveness and Transparency, Credibility of the Budget, Predictability and Control in Budget Execution, Accounting, Recording and Reporting, Internal and External Audit, and Citizens' Participation).*
- B. Fill out the columns of the PFMIP considering the following:
 - Column 1: Indicate the PFMAT indicators or sub-indicators wherein the LGU obtained low scores. The said indicators / sub-indicators hint which PFM areas need improvement.
 - Column 2: Indicate the score obtained for each of the indicator / sub-indicator in the assessment conducted using the PFMAT.
 - Column 3: Specify the Programs/Projects/Activities (PPAs) geared towards improving performance on the PFM critical dimension sought to be strengthened, specifically guided by the indicators / sub-indicators.
 - Column 4: Indicate the expected results from the implementation of the PPAs. Expected results are expressed in terms of the target and the corresponding performance indicator (e.g., 20% Increase in Percentage of Delinquent Real Property Tax Collections).
 - Column 5: Identify the target implementation period by specifying the target start and end dates of the PPA implementation.
 - Column 6: Identify the Office/s responsible for implementing the PPA/s. Indicate which Office shall take the lead.
 - Column 7: Indicate the proposed budget for the implementation of the PPA/s. If the PPA/s will be implemented over several years, the proposed budget should be broken down by year.
 - Column 8: Identify the funding source for the proposed budget. If the budget will cover more than one year, the funding source per year should likewise be identified.

PROJECT MANAGEMENT OFFICE on LGU-PFM (PMO on LGU-PFM)

ORGANIZATIONAL COMPOSITION

PMO on LGU-PFM EXECUTIVE COMMITTEE

Chairperson : Undersecretary Mario L. Relampagos

Members : Assistant Secretary Luz M. Cantor
Assistant Secretary Gil P. Montalbo
Director Carmencita N. Delantar
Director Julian Ll. Pacificador, Jr.

PMO on LGU-PFM MANAGEMENT TEAM

Project Manager : Director Julian Ll. Pacificador, Jr.

Asst. Project Managers:

Assistant Secretary Janet B. Abuel (Luzon)
Director Imelda C. Laceras (Visayas)
Director Alikhan B. Marohombsar (Mindanao)

Members : All DBM Regional Directors

Director Ruby R. Esteban (NCR)
Director Liza B. Fangsilat (CAR)
Director Isabel C. Taguinod (RO II)
Director Elisa D. Salon (RO III)
Director Renato M. De Vera (RO IV-B)
Director Rebecca B. Olayon (RO V)
Director Alfonso B. Bedonia, Jr. (RO VI)
Director Carmela S. Fernan (RO VII)
Director Nilda J. Cemine (RO IX)
Director Annabelle M. Atillo (RO X)
Director Achilles Gerard C. Bravo (RO XI)
Director Joecel F. Obenza (RO XIII)

PMO on LGU-PFM SUPPORT STAFF

Project Coordinator	:	Atty. Leila Magda G. Rivera
PFM Specialist	:	Mr. Orlando R. Garcia
Finance Specialist	:	Ms. Rozanne B. Bulayo
Administrative and Financial Assistant	:	Ms. Rowena M. Marte
Administrative Assistant	:	Ms. Ma. Gina C. Manuel



Department of Budget and Management

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