



# **ENHANCED PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL FOR LOCAL GOVERNMENT UNITS**

**(ePFMAT for LGUs)**

TA-9766 REG: Southeast Asia Public Management,  
Financial Sector, and Trade Policy Facility  
Asian Development Bank (ADB)

2022 EDITION

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# ACRONYMS

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

<b>ETS</b>	Expenditure Tracking System
<b>FMIS</b>	Financial Management Information System
<b>FS</b>	Financial Statements
<b>FY</b>	Fiscal Year
<b>GAB</b>	General Appropriations Bill
<b>GAAM</b>	Government Accounting and Auditing Manual
<b>GOP</b>	Government of the Philippines
<b>GPIS</b>	Government Procurement Information System
<b>HR</b>	Human Resources
<b>IAS</b>	Internal Audit Service
<b>IMF</b>	International Monetary Fund
<b>IT</b>	Information Technology
<b>JMC</b>	Joint Memorandum Circular
<b>LAM</b>	Local Assessors Manual
<b>LBO</b>	Local Budget Officer
<b>LCE</b>	Local Chief Executive
<b>LDC</b>	Local Development Council
<b>LDIP</b>	Local Development and Investment Program
<b>LEP</b>	Local Expenditure Program
<b>LFC</b>	Local Finance Committee
<b>LG00</b>	Local Government Operations Officer
<b>LGPMs</b>	Local Government Performance Management System
<b>LGU</b>	Local Government Unit
<b>LPDC</b>	Local Planning and Development Coordinator
<b>LPDO</b>	Local Planning and Development Officer
<b>LTO</b>	Local Treasury Operations
<b>LTOM</b>	Local Treasury Operations Manual
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MDG</b>	Millennium Development Goal

<b>MFO</b>	Major Final Output
<b>MOOE</b>	Maintenance and Other Operating Expenses
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NCA</b>	Notice of Cash Allocation
<b>NEDA</b>	National Economic and Development Authority
<b>NGAS</b>	New Government Accounting System
<b>OPIF</b>	Organization Performance Indicator Framework
<b>PAP</b>	Programs, Activities and Projects, same as PPA
<b>PDPFP</b>	Provincial Development and Physical Framework Plan
<b>PEFA</b>	Public Expenditure and Financial Accountability
<b>PFM</b>	Public Financial Management
<b>PFMAR</b>	Public Financial Management Assessment Report
<b>PFMIP</b>	Public Financial Management Improvement Plan
<b>PhilGEPS</b>	Philippine Government Electronic Procurement System
<b>PHP</b>	Philippine Peso
<b>PI</b>	Performance Indicator
<b>PLGU</b>	Provincial Local Government Unit
<b>PPA</b>	Programs, Projects, Activities, same as PAP
<b>PPDO</b>	Provincial Planning and Development Officer
<b>RPTAR</b>	Real Property Tax Account Register
<b>RO</b>	Regional Office
<b>SAOB</b>	Statement of Allotments, Obligations and Balances
<b>SPBC</b>	Synchronized Planning-Budgeting Calendar
<b>SRE</b>	Statement of Receipts and Expenditures
<b>TA</b>	Technical Assistance
<b>TOR</b>	Terms of Reference

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## 1.0

# INTRODUCTION

**P**ublic Financial Management (PFM) is an integral part of the organizational structure and operating mechanism of the LGUs as it covers three critical areas - (1) generating revenues, (2) allocating resources, and (3) managing expenditures. How much funds are collected, how the resources are apportioned or distributed, and how the funds are spent, will impact on the operations of the LGUs. These areas must always function properly to effectively support the delivery of basic services of the LGUs. To ensure that the financial systems and procedures are operating smoothly, the LGUs must have an available diagnostic tool to be able to conduct a regular assessment of the systems.

In 2012, the Department of Budget and Management, with the assistance of the European Union, Delegation to the Philippines, prepared and published the first Public Financial Management Assessment Tool (PFMAT) for Local Government Units. The initial version was largely based on the 2005 Public Expenditure and Financial Accountability (PEFA)<sup>1</sup> PFM Financial Measurement Framework but the contents were modified to suit to the financial rules and regulations being followed by the local government units in the Philippines. The same measurement framework was updated by PEFA in 2016.<sup>2</sup>

After ten years and considering the PEFA 2016 update and other changes in local finance, the need to update the PFMAT to catch up with the developments has become imperative. This project, Enhancement of the PFMAT, funded by the Asian Development Bank (ADB) is not only timely but will make assessment easy. The enhanced PFMAT will be an electronic version.

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<sup>1</sup> The PEFA program was initiated in 2001 by seven international development partners: the European Commission, International Monetary Fund, World Bank, and the governments of France, Norway, Switzerland and the United Kingdom. In 2019, the Ministry of Finance of Slovak Republic and the Ministry of Finance of Grand Duchy of Luxemburg joined the PEFA partnerships program, [www.pefa.org](http://www.pefa.org)

<sup>2</sup> PEFA 2016: Framework for assessing public financial management, [www.pefa.org](http://www.pefa.org)



## What is Public Financial Management (PFM)?

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

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

PFM seeks to address the key challenges of collecting revenues, managing government spending, and making government agencies operate efficiently and effectively. It drives government policymakers, managers and implementors to ask:

- a. Is government spending within limits?
- b. Is it spending on the right things?
- c. Does it obtain best value for money?

## Why Assess Public Financial Management?

PFM directly affects the delivery of public goods and services by the LGU to its constituents, in that:

- It encourages the LGU to generate and expand its own sources of revenues to ensure the availability of resources to fund its programs, activities, and projects (PAPs).
- It ensures that spending will be limited to the PAPs which are truly needed based on its development plan.
- It makes sure that public funds will always be spent in a cost-effective manner.

Considering the vital importance of PFM on public service delivery, it is a must for the LGUs to always check that the existing system is working as it should. Any problems in the financial system must be addressed immediately.

## What is New in the Updated PFMAT?

### 1. The updated PFMAT is a fully computerized system, thus it is now named as the ePFMAT

The system has the facility to record the scores and generate the assessment results at the LGU level, regional level, and national level. Scoring is made easy by connecting each criterion of the scoring matrix to its corresponding score. The score of the sub-indicator is automatically transferred to the score of the mother indicator and the scores of the indicators are automatically transferred to the score box of the specific Pillar of PFM. Subsequently, all the average scores of the seven (7) Pillars together with the indicators and sub-indicators are captured in a summary table.

### 2. Shift from Critical Dimension of PFM to Pillars of PFM

In the initial edition of the PFMAT for LGUs (2012), the term Critical Dimension was used to refer to the seven (7) areas of PFM that play key roles in the public financial system.

In 2016, the PEFA updated its PFM Financial Measurement Framework and shifted from the use of the term “Critical Dimension of PFM” to “Pillars of PFM.”

Following the PEFA update of its PFM Financial Measurement Framework, the ePFMAT will also adopt the phrase Pillars of PFM.

### 3. The use of the immediately preceding year's data in lieu of the two-year and three-year periods data

The phrase “immediately preceding year's data” refers to the information of the year being assessed. To illustrate, if in 2021 an assessment has been conducted on the FY 2020 PFM of an LGU, then the financial information of FY 2020 is the immediately preceding year's data.

In the 2012 edition of PFMAT, 19 data tables use one year data, 12 data tables use 3 years data, and 2 data tables use 2 years data.

In the ePFMAT, only one year data will be used which is taken from the immediately preceding year.

#### **4. Sequence of presentation of the Seven (7) Pillars of PFM**

The sequence of presentation of the 2012 PFMAT was based on the main responsible unit that fills out the information in the scoring matrices and data tables of the indicators. However, since the main responsible units handle a mix of indicators coming from different Pillars, it results in situations where the mixed indicators are presented together.

In the ePFMAT, the indicators and sub-indicators will be presented only under its mother Pillar. Each Pillar of PFM with its indicators and sub-indicators will be presented together. Hence, it is easy to come up with a summary of scores of one Pillar with its indicators and sub-indicators.

#### **5. Reduction of indicators and sub-indicators**

In the ePFMAT, the indicators have been reduced from 20 to 18. The sub-indicators Effectiveness of Payroll Controls and Effectiveness of internal controls for non-PS expenditures were dropped as they are covered by external audit's indicator *Extent of Disallowances*. Two sub-indicators of the indicator Effectiveness of internal audit under Pillar of PFM no. 6 – Internal and External Audit were merged to form a new sub-indicator *Conduct of Internal Audit and Reporting*.

#### **6. Scoring Matrix and Data Table**

Under the 2012 PFMAT, the table for scoring has no label. To differentiate it from the Data Table, it is now labeled as Scoring Matrix. The Scoring Matrix is a table that presents the different levels of scoring criteria for measuring the performance of indicators and sub-indicators. Every Scoring Matrix is complemented by a Data Table which serves as a source of information for purposes of scoring. There are also Data Tables that complement more than one Scoring Matrix, i.e., Data Table No. 3.2.1 covers Scoring Matrix nos. 3.2.1, 3.2.2, and 3.2.3; Data Table No. 6.2.2 covers Scoring Matrix nos. 6.2.2 and 6.2.3; and Data Table No. 7.1 covers Scoring Matrix nos. 7.1 and 7.2.

#### **7. Updates of Data Tables**

Data Table No. 2.2 (formerly Data Table 24) which complements Scoring Matrix No. 2.2 is entirely based on the full disclosure policy of the DILG. The issuance by DILG of Memorandum Circular (MC) No. 2019-149 dated 30 August 2019 necessitates the replacement of the 2013 MC which was used in the 2012 PFMAT. Likewise, Data Table No. 4.4.4 (formerly Data Table 22) has also been

updated using the 2016 Revised Implementing Rules and Regulations of R.A. 9184 dated 31 March 2021.

Due to the shift from the 3-year data to the immediately preceding year's data, the criteria for the 14 data tables using 3 years or 2-year data were modified.

## **8. Guide to interpretation and analysis of scores**

The ePFMAT has added a guide for interpretation and analysis of scores. In Annex B, there are synopsis tables for each Pillar that provide sample descriptions that would help LGUs prepare their PFM Assessment Report. These tables, however, only serve as guides which the LGU PFMAT Team may use and modify to present their own analysis of the PFM performance based on the scores.

## 2.0

# **ELECTRONIC PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL (ePFMAT) FOR LOCAL GOVERNMENT UNITS**

### **Definition**

The ePFMAT for LGUs is a web-based electronic self-assessment instrument designed to be used by the LGUs in evaluating the performance of their PFM system.

The tool describes the pillars or characteristics of a good PFM system, identifies quantifiable performance indicators and sub-indicators to gauge how the LGU is performing in a particular area of PFM, and identifies the financial information which the LGUs will use to rate their performance.

### **Value of the ePFMAT for LGUs**

Generally, the tool will give LGUs the opportunity to check the operation of their financial system at any time of the year.

Specifically, it will:

- measure the performance of the various areas in their PFM;
- identify problems in their PFM processes and address them immediately through the crafting of a PFM Improvement Plan (PFMIP);
- benchmark their PFM performance against other LGUs; and
- adopt new best practices in PFM.

## The ePFMAT for LGUs Framework

The enabling mechanism for the financial management structure, processes, and procedures of LGUs in the Philippines is the Local Government Code (LGC) of 1991 (R.A. No. 7160). The LGC lays down the legal and policy framework as well as the fundamental principles that will govern the conduct and management of financial affairs, transactions, and operations of the LGUs under which the ePFMAT will operate 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

Using the PEFA 2016 Framework for assessing the performance of public financial management and incorporating modifications to suit to the LGU systems and processes, the ePFMAT for LGUs identifies seven (7) Pillars of PFM, eighteen (18) performance indicators and twenty-seven (27) sub-indicators.

## Operative Principles of the ePFMAT for LGUs

The ePFMAT for LGUs adopts the following operative principles:

- 1. Identifies the data sources and the LGU department or unit responsible for providing the financial information.**

The PFMAT identifies the sources of data for each performance indicator or sub-indicator of a particular pillar of PFM as well as the department or unit responsible for such information.

**2. Establishes baseline data for benchmarking.**

The results of the PFMAT can be used for different levels of assessment and can be comparable to standards of performance measurement. Thus, upon the completion of each PFM assessment, the LGU will know its rating and compare it with the ratings of other LGUs province-wide, region-wide, as well as with the average national rating. The PFMAT results for each year of assessment by the LGUs will serve as the baseline data for purposes of benchmarking.

**3. Uses indicators that utilize quantitative data.**

Only performance indicators (PIs) that can be measured quantitatively are used. The PIs generally measure the objective, verifiable and quantitative information available in the LGU department concerned. Data tables, which must be accomplished by the responsible department, facilitate scoring and served as evidence of compliance to the scoring criteria.

**4. It is a self-administered instrument.**

The ePFMAT is designed as a self-administered instrument. It does not require an outside agency or individual to use it.

**5. Uses the immediately preceding year's data so that LGUs can address the weaknesses in PFM in real time.**

The ePFMAT for LGUs now uses a one-year data in lieu of the 3-year data which was used in some performance indicators in the 2012 PFMAT for LGUs. The shift would allow real time improvement policies to address the weaknesses identified in the PFM assessment.

**6. It is evidence based.**

Each score must be backed up by evidence. The Data Tables and the sources of information serve as the evidence to support the scoring.

## The Seven (7) Pillars of a Good PFM System

The PFMAT for LGUs identifies the seven pillars of a good PFM System, as follows:

1. **POLICY-BASED BUDGETING** – contains performance indicators that measure if the budget is prepared with due regard to government policy.

This Pillar focuses on the linkage between the approved development plan and budget. It is based on Section 305(i), R.A. No. 7160 (Local Government Code of 1991) which states that the “*Local budgets shall operationalize approved local development plans.*” The preparation of plans by the LGUs is mandated under Section Nos. 106 and 109 of Republic Act (R.A) No. 7160, DILG Memorandum Circular Nos. 2019-189 and 2019-172, NEDA-DILG-DBM-DOF JMC No. 1, s. 2016, Budget Operations Manual for LGUs, 2016 ed. and NEDA and ADB Guidelines on Provincial/Local Planning and Expenditure Management, 2007.

Also included is the policy of implementing PFM improvement programs to make the conduct of assessment meaningful. The policy on local economic enterprises is likewise included under this Pillar.

2. **COMPREHENSIVENESS AND TRANSPARENCY** – contains performance indicators that measure if budget information provide a complete picture of revenue forecasts, prior, current, and budget year’s expenditures and the expected outputs. They also measure whether fiscal and budget information are accessible to the public.

This Pillar finds bases on the Budget Operations Manual for LGUs, 2016 ed. (Local Budget Circular No. 112 dated June 10, 2016), and the Department of Interior and Local Government’s Memorandum Circular No. 2019-149 dated August 30, 2019.

3. **CREDIBILITY OF THE BUDGET** – contains performance indicators that measure whether the budget is realistic and is implemented as intended.

Under Section 336, R.A. No. 7160, “*Funds shall be available exclusively for the specific purpose for which they have been appropriated.*” The complete process of appropriating local funds is comprehensively discussed under the Budget Operations Manual for LGUs, 2016 ed. Revenue projections and collections are covered by the Local Treasury Operations Manual dated October 1, 2007.

4. **PREDICTABILITY AND CONTROL IN BUDGET EXECUTION** – contains performance indicators that measure if the budget is implemented in an orderly



and predictable manner and whether there are arrangements for the exercise of control and supervision in the use of public funds.

Title Two - Real Property Taxation of R.A. No. 7160 and R.A. No. 9184 (Government Procurement Reform Act) provide the legal mandates for this Pillar.

5. **ACCOUNTING, RECORDING, AND REPORTING** – contains performance indicators that measure whether adequate records and information are produced, maintained, and disseminated for purposes of decision-making, control management, and reporting on operations.

The requirements for this Pillar is based on the Government Accounting and Auditing Manual of the Commission on Audit.

6. **INTERNAL AND EXTERNAL AUDIT** – contains performance indicators that examine the arrangements for scrutiny of public finances and follow-up by the LCE and/or the Local Sanggunian.

Creation of Internal Audit Service in LGUs is mandated by Administrative Order No. 278 dated 28 April 1992 and reiterated under Administrative Order No. 70 dated April 14, 2003.

External audit is mandated under Presidential Decree No. 1445, *The Government Auditing Code of the Philippines, 1978*.

7. **CITIZENS' PARTICIPATION IN THE BUDGET PROCESS** – contains performance indicators that measure the extent by which the LGU encourages concerned citizens organized as Civil Society Organizations (CSOs) to become partners of the LGU in the formulation, monitoring, evaluation, and improvement of the local budget.

The Handbook on the Participation of CSOs in the Local Budget Process (Local Budget Circular No. 106, June 9, 2015) provides that participatory budgeting allows citizens through civil society organizations (CSOs) to take part in the process of allocating resources.

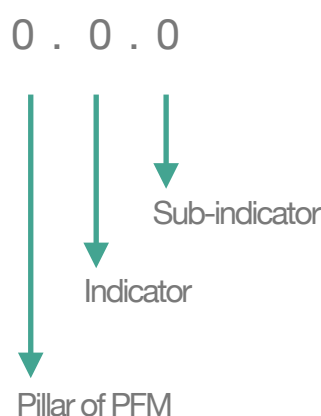
The Handbook implements the provision of the Local Government Code which states that the *“Participation of the private sector in local governance, particularly in the delivery of basic services, shall be encouraged to ensure viability of local autonomy as an alternative strategy for sustainable development.”*

## Numbering of Pillars, Indicators, and Sub-Indicators

The performance of each Pillar of PFM is measured by the performance indicators and sub-indicators. Only quantifiable indicators are used and only those that are back up by documentary evidence is accepted.

For easy tracking, the Pillars of PFM are numbered from one (1) to seven (7). The indicators and sub-indicators always follow the number of its mother Pillar. As illustrated under Figure No. 1 below, the first digit would refer to the Pillar, the second digit would refer to the indicator and the third digit to the sub-indicator. Thus, the number 1.1.1 would be understood as Pillar of PFM no. 1 – Policy-based Budgeting, Indicator no.1 - Multi-year perspective in fiscal planning and budgeting, and Sub-indicator no.1 – Linkage between PDPFP/CDP and LDIP. While 2.2. will be read as Pillar of PFM no. 2 - Comprehensiveness and Transparency, and Indicator no. 2 - Public access to key information. If the number has only two digits, it means that the indicator has no sub-indicator.

**Figure No. 1.** Numbering of the Pillars, Indicators, and Sub-indicators



**Summary Table No. 1** summarizes the various performance indicators and sub-indicators that will be used to measure each of the pillars of PFM including the lists of the sources of information, and the responsible units.

*Summary Table No. 1:*

### **PFM Pillars, Main Responsible Units, Indicators, Sub-Indicators, and Sources of Information**

<b>PFM PILLAR</b>	<b>RESPONSIBLE UNIT</b>	<b>INDICATOR</b>	<b>SUB-INDICATOR</b>	<b>SOURCES OF INFORMATION</b>
<b>1. Policy-based budgeting</b>  The indicators measure if the budget is prepared with due regard to government policy.	Planning and Development Office	1.1 Multi-year perspective in fiscal planning and budgeting	1.1.1 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
			1.1.2 Linkage between LDIP and Annual Investment Program (AIP)	LDIP; AIP
			1.1.3 Linkage between AIP and Appropriation Ordinances covering the Budgets	AIP; Appropriation Ordinances covering Annual/ Supplemental Budgets

# Enhanced Public Financial Management Assessment Tool for Local Government Units

PFM PILLAR	RESPONSIBLE UNIT	INDICATOR	SUB-INDICATOR	SOURCES OF INFORMATION
	Budget Officer	<b>1.2</b> PFM improvement policies address weaknesses identified in the assessment		PFMIP, PFMAR
		<b>1.3</b> Orderliness of activities in the annual budget preparation and authorization phases	<b>1.3.1</b> Adherence to a fixed calendar for budget preparation and authorization phase	Budget Call issued by LCE; Appropriation Ordinances covering the annual and supplemental budgets
			<b>1.3.2</b> Timely enactment and approval of the Appropriation Ordinance authorizing the Annual Budget	Appropriation Ordinance covering Annual Budget
			<b>1.3.3</b> 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
		<b>1.4</b> Financial self-reliance of Local Economic Enterprises (LEE) and Public utilities (PU)		LEEs' Statements of Income and Expenditures; Appropriation Ordinances covering Annual/ Supplemental Budgets

# Enhanced Public Financial Management Assessment Tool for Local Government Units

PFM PILLAR	RESPONSIBLE UNIT	INDICATOR	SUB-INDICATOR	SOURCES OF INFORMATION
<b>2. Comprehensiveness and Transparency</b>  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	<b>2.1</b> Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget		Appropriation Ordinance authorizing Annual Budget
	Office of the LCE	<b>2.2</b> Public access to key information		Reports required under the Full Disclosure Policy" of the DILG
<b>3. Credibility of the Budget</b>  The indicators measure whether the budget is implemented as intended.	Treasurer's Office	<b>3.1</b> 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	<b>3.2</b> Actual expenditures compared with appropriations	<b>3.2.1</b> Total allotments released compared with total appropriations	Statements of Allotments, Obligations and Balances (SAOBs); Appropriation Ordinances covering Annual and Supplemental Budgets

# Enhanced Public Financial Management Assessment Tool for Local Government Units

PFM PILLAR	RESPONSIBLE UNIT	INDICATOR	SUB-INDICATOR	SOURCES OF INFORMATION
			<b>3.2.2</b> Total actual obligations compared with total allotments released	SAOBs; Local Budget Matrix (LBM); Allotment Release Orders (AROs)
			<b>3.2.3</b> Total actual disbursements compared with total obligations	Report of Disbursements ; SAOBs
<b>4. Predictability and Control in Budget Execution</b>  The indicators measure if the budget is implemented in an orderly and predictable manner and whether there are arrangements for the exercise of control and supervision in the use of public funds.	Treasurer's Office	<b>4.1</b> Real Property Tax (RPT) Accomplishment Rate		Assessor's / Treasurer's Reports; SREs
		<b>4.2</b> Effectiveness of tax enhancement measures	<b>4.2.1</b> Computerized RPT database system linkages	Database Map/ Manual
			<b>4.2.2</b> Effectiveness of implementing tax collection strategies for delinquent RPT	RPT Account Register; Certified List of all RPT Delinquencies
			<b>4.2.3</b> Effectiveness of civil remedies on tax payment (For provinces and cities only)	Treasurer's Records/ Reports; Certified List of Delinquencies
			<b>4.2.4</b> Planning and monitoring of tax mapping	Local Tax Mapping System/ Database

# Enhanced Public Financial Management Assessment Tool for Local Government Units

PFM PILLAR	RESPONSIBLE UNIT	INDICATOR	SUB-INDICATOR	SOURCES OF INFORMATION
		<b>4.3</b> Predictability in the availability of cash for commitment to expenditures	<b>4.3.1</b> Cash availability to support budgeted programs, projects and activities, and liabilities	LBM; Cash Program; Cash Flow Forecast; Trial Balance; SAOB
			<b>4.3.2</b> Preparation and updating of cash flow forecasts and cash flow analysis	Cash Flow Forecast; Cash Flow Analysis
	Administrative Services Office/ Engineering Office/BAC Services	<b>4.4</b> Value for money and controls in procurement	<b>4.4.1</b> 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
			<b>4.4.2</b> Procurement of Common- Use Supplies and Equipment from DBM – Procurement Service	APP-CSE Monitoring Report; Subsidiary Ledgers for Supplies and Equipment; Agency Purchase Requests

## Enhanced Public Financial Management Assessment Tool for Local Government Units

PFM PILLAR	RESPONSIBLE UNIT	INDICATOR	SUB-INDICATOR	SOURCES OF INFORMATION
			<b>4.4.3</b> Effectiveness of Procurement	A/S Procurement Plans; Delivery and Acceptance Reports
			<b>4.4.4</b> Publication of procurement related activities	PhilGEPs Abstract; Delivery and Acceptance Reports; Procurement-related Notices/ Documents
			<b>4.4.5</b> Timeliness of completed procurement activities	A/S Procurement Plans; Delivery and Acceptance Reports
<b>5. Accounting, Recording, and Reporting</b>  The indicators measure whether adequate records and information are produced, maintained, and disseminated for purposes of decision- making, control, management and reporting on operations.	Accounting Office	<b>5.1</b> Timeliness and regularity of accounts reconciliation	<b>5.1.1</b> Regularity of bank reconciliation	Bank Reconciliation Statements; COA AOMs;
			<b>5.1.2</b> Timeliness of reconciliation and liquidation of cash advances	Statement of Cash Advances; Liquidation Reports
		<b>5.2</b> Quality and timeliness of regular financial reports and annual financial statements		Financial Reports and Statements; COA AOMs; COA AAR



## Enhanced Public Financial Management Assessment Tool for Local Government Units

PFM PILLAR	RESPONSIBLE UNIT	INDICATOR	SUB-INDICATOR	SOURCES OF INFORMATION
<b>6. Internal and External Audit</b>  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	<b>6.1</b> Effectiveness of internal audit	<b>6.1.1</b> Conduct of Internal Audits and Reporting	Internal Audit Reports and report submission
			<b>6.1.2</b> Extent of management action on internal audit findings	Documentation of management's action on findings
	Accounting Office	<b>6.2</b> Follow up on external audit	<b>6.2.1</b> Compliance with audit recommendations	Management response to COA AOMs; COA Annual Audit Report
			<b>6.2.2</b> Extent of COA Disallowances	COA Annual Audit Report
<b>7. Citizens' Participation in the Budget Process</b>  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	<b>7.1</b> Civil Society Organization (CSO) accreditation by the Local Sanggunian		Transcript / Minutes of Local Sanggunian Proceedings; Local Sanggunian Resolution(s) on CSO Accreditation
	Budget Office	<b>7.2</b> Degree of citizens' participation in the budget process		Transcript / Minutes of Budget Process Proceedings; Attendance Sheets during Budget Hearings / Fora

**Summary Table No. 2** summarizes the elements of PFM and identifies under what element the performance indicators fall. It also shows the different elements where the performance indicators cut across, thus the responsible units will be able to determine the areas where coordination and working together are necessary.

*Summary Table No. 2:*

### Key Elements of PFM Where the Indicators Fall

KEY ELEMENTS	BUDGETING	REVENUE GENERATION	ACCOUNTING	AUDITING	PROCUREMENT	CASH MANAGEMENT	PUBLIC REPORTING ON PUBLIC SECTOR FINANCIAL OPERATIONS
PERFORMANCE INDICATORS							
Multi-year perspective in fiscal planning and budgeting	√						
PFM improvement policies included in the PFMIP address the weaknesses identified in the PFM assessment	√						
Orderliness of activities in the annual budget preparation and authorization phases	√						

## Enhanced Public Financial Management Assessment Tool for Local Government Units

KEY ELEMENTS	BUDGETING	REVENUE GENERATION	ACCOUNTING	AUDITING	PROCUREMENT	CASH MANAGEMENT	PUBLIC REPORTING ON PUBLIC SECTOR FINANCIAL OPERATIONS
PERFORMANCE INDICATORS							
Financial self-reliance of LEEs and PUs	√						
Comprehensiveness of budget information contained in the Appropriation Ordinance covering the annual budget	√						
Public access to key information							√
Actual local revenue collections compared with estimated revenues in the budget		√					
Actual expenditures compared with total appropriations	√						

# Enhanced Public Financial Management Assessment Tool for Local Government Units

KEY ELEMENTS	BUDGETING	REVENUE GENERATION	ACCOUNTING	AUDITING	PROCUREMENT	CASH MANAGEMENT	PUBLIC REPORTING ON PUBLIC SECTOR FINANCIAL OPERATIONS
PERFORMANCE INDICATORS							
Real Property Tax accomplishment rate		√					
Effectiveness of tax enhancement measures		√					
Predictability in the availability of cash for commitment to expenditures						√	
Value for money and controls in procurement					√		
Timeliness and regularity of accounts reconciliation			√				
Quality and timeliness of regular financial reports and annual financial statements			√				
Effectiveness of internal audit				√			

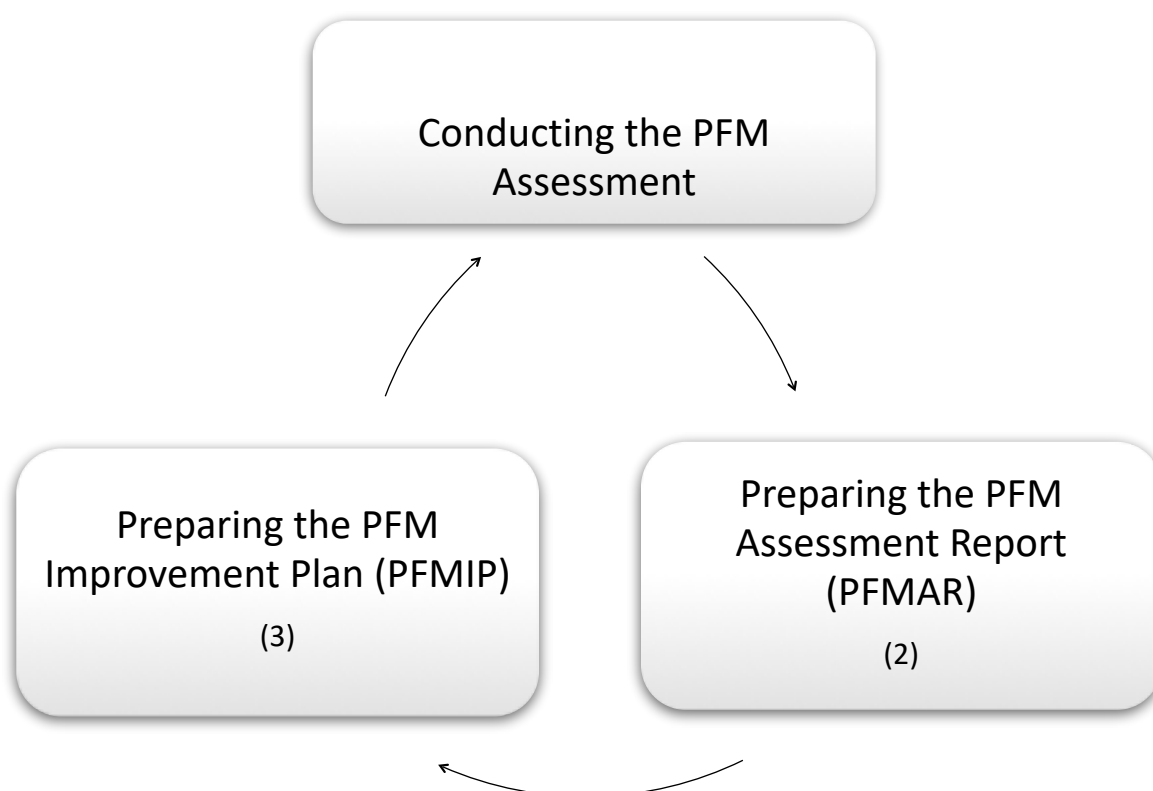
## Enhanced Public Financial Management Assessment Tool for Local Government Units

KEY ELEMENTS	BUDGETING	REVENUE GENERATION	ACCOUNTING	AUDITING	PROCUREMENT	CASH MANAGEMENT	PUBLIC REPORTING ON PUBLIC SECTOR FINANCIAL OPERATIONS
PERFORMANCE INDICATORS							
Follow up on external audit				√			
Civil Society organization accreditation by the local sanggunian	√						
Degree of citizens' participation in the budget process	√						

## 3.0

# THE ePFMAT PROCESS

**Figure No. 2.** The ePFMAT Process



The whole ePFMAT process involves three phases, as follows:

1. Conducting the PFM assessment;
2. Preparing the PFM Assessment Report (PFMAR); and
3. Preparing the PFM Improvement Plan (PFMIP).

As in every process, each phase is an input to the succeeding phases. The result of the assessment is used in preparing the PFM Assessment Report (PFMAR). The assessment report is the basis of preparing the PFM Improvement Plan (PFMIP). While the PFMIP provides direction where interventions will be undertaken and progress may be checked in the next assessment.

## 3.1

# Conducting the PFM Assessment

The PFM assessment is undertaken using the web-based ePFMATv3.0.

## Getting Started

### Step 1. The ePFMAT Team.

Organizing the ePFMAT Team is the first step in the conduct of the assessment. The local chief executive must issue an imprimatur, e.g., executive order, designating the people that would compose the team and detailing the functions of the Team.

The team members must be people who are in charge of the data that would be used in the assessment. Given the areas that would be covered by the assessment, the following Department Heads of the LGU should be named as members including those involved in procurement and internal audit:

- Budget
- Treasury
- Accounting
- Planning and Development
- General Services
- Bids and Awards Committee, and
- Internal Audit

A representative from the Office of the Local Chief Executive may also be designated as a member of the team.

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

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

**Step 2.** Review and understand the ePFMAT.

The Team's next step is to review and understand the assessment process using the ePFMAT. Each responsible unit should focus on the particular area which it will handle.

Before any assessment may be conducted, it is imperative that each member of the team thoroughly understands the importance of the PFMAT and how it works. If help is needed, the Team could ask the assistance of the DBM Regional Offices.

To have a better grasp of the ePFMAT, it is advisable that the Team practice the conduct of assessment by simulating the whole process. Since the ePFMAT is now fully computerized, doing simulation will not be so difficult.

**Step 3.** Orient the LCE and the Sanggunian of the ePFMAT.

One very difficult task for the Team is to sell the ePFMAT to the local officials. Unless they are convinced of the benefit of doing assessment, PFM assessment will never be successful. To do this, it is necessary that the Team conduct an orientation for the local officials. Explain and emphasize to them that the ePFMAT is purely self-diagnosis that would help only the LGU to strengthen its financial system. Through the ePFMAT, the LGU could identify the snags or problems in the financial system and by preparing the PFM Improvement Plan (PFMIP), improvement policies could address the problems immediately.

## **Application of the ePFMAT**

**Step 4.** Ensure the availability of data/information.

ePFMAT is evidence-based. As such, its reliability is totally dependent on the data that is available. The assessment cannot be undertaken without the data tables.

The Team must ensure that the information to fill out the data tables are available.

**Step 5.** Assessment by each responsible unit of their assigned areas.

Using the fully filled out data tables, each responsible unit accomplishes the assessment using the ePFMAT.



## Scoring Methodology

The ePFMAT uses a **SCORING MATRIX** complemented by a **DATA TABLE** to measure the performance of the indicators and sub-indicators of each Pillar of PFM (Please refer to Annex A). A scoring matrix contains five levels of criteria from which the performance of the LGU is rated using the information in the complementary data table. Each level of criterion corresponds to a specific score based on a **five-point scale** from **0 to 4** with 4 as the highest. Indicators and sub-indicators under each Pillar will be rated using this.

Scoring of the indicators varies. The PFMAT uses two scoring methodologies, as follows:

Methodology no.1 (**M1**) involves rating the indicator directly based on the score of the criterion which the LGU has satisfied. For example, if the score of a specific criterion is 3 then that particular indicator gets that score.

Methodology no. 2 (**M2**), on one hand, is used to rate Indicators with sub-indicators. Scoring of the mother indicator is done by getting the average score of two or more sub-indicators under it. Stated otherwise, the sub-indicators of an indicator are rated first and then their individual scores are added and divided by the number of the sub-indicators to get the average score of their mother indicator.

## 3.2

# Preparing the Public Financial Management Assessment Report (PFMAR)

The second phase of the ePFMAT process is the preparation of the PFMAR that will present the assessment result including the methodology, process, conclusions, and recommendations.

The PFMAR is a document containing the following:

1. **Executive Summary** - a very brief presentation of the overall result of the assessment usually not more than two (2) pages which can be found in the first pages of the report. Its purpose is to give management the big picture of the whole report.

An easy way to start this is to:

- a. Begin with a one paragraph descriptive summary of the state of the PFM of LGU using the overall average score of the seven (7) Pillars. But remember that the use of the overall average score is only as a marker.

If there has been an assessment conducted in the past year, compare the results to show whether the PFM of the LGU has improved or declined.

- b. Present the scores by Pillar of PFM with a short descriptive interpretation for each. The LGU may make use of the Synopsis Table nos. 1 to 8 on the interpretation and analysis of the scores.

## 2. Introduction

This section should start on what the report is all about, e.g., “This report presents the results of the PFM assessment conducted on June 15, 2021.”

Enumerate who were involved in the assessment and what tool and process were used, e.g., “The assessment was conducted using the Electronic PFM Assessment Tool for LGUs (ePFMAT). The whole assessment process involved the actual conduct of the assessment, the preparation of the PFM Assessment Report and the crafting of the PFM Improvement Plan. The entire PFM Team actively participated in this activity. All heads of departments and those directly involved in procurement provided the information and their full cooperation”

### **3. Assessment Results of the LGU PFM**

This is the meat of the report. It is in this section that the result of the assessment is shown. It is important that the actual results be reported to show to the local officials the condition of the financial system in the LGU. The entire Summary Table No. 3 - Overall Average Score of the Seven (7) Pillars of PFM, should be presented here. Expound the results by making use of the patterns in Synopsis Table nos. 1 to 8. Give life to the numbers by providing a descriptive interpretation and analysis of the individual scores.

### **4. Conclusion/Recommendations**

Using the results data, present the general conclusion and recommendations.

Write one sentence recommendation using action verbs. For example, if there is a weak link between the AIP and the Appropriation Ordinance, the recommendation would be - “No projects should be funded in the budget unless listed in the AIP or Only projects listed in the AIP should be funded in the budget.” If it is necessary to explain the recommendation, present it as a separate paragraph following the recommendation.

### **5. Signatories**

The PFMAR shall be signed by the PFM Team Leader as the one preparing the report and noted by the local chief executive.

### 3.3

## Preparing the Public Financial Management Improvement Plan (PFMIP)

The last phase in the PFMAT process is the preparation of the PFMIP. This document details the recommendations specifying the improvement policies and actions to address the weaknesses identified in the assessment. It goes without stating in the PFMIP that the LGUs shall sustain its performance in PFM areas where they are strong. Below is the format.

## PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT PLAN (PFMIP)

FY \_\_\_\_\_

**LGU:** \_\_\_\_\_

**Date of Assessment:** \_\_\_\_\_

**REGION:** \_\_\_\_\_

**Fiscal Year Assessed:** \_\_\_\_\_

Pillar of PFM Indicator Sub-indicator	Assessment Score	Key Element	Improvement Policies / Actions	Expected Results	Schedule of Implementation		Office	Cost
					Start	End		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)

Prepared by PFM Team:

Approved:

\_\_\_\_\_  
(Name and Signature)  
PFM Team Leader

\_\_\_\_\_  
(Name and Signature)  
Local Chief Executive

### Instructions:

Fill out the columns of the PFMIP considering the following:

*Column 1:* Indicate the Pillar of PFM followed by the indicators or sub-indicators wherein the LGU obtained low scores (below 3). The said indicators / sub-indicators hint which PFM areas need improvement.

*Column 2:* Indicate the score obtained for each of the indicator/sub-indicator.

*Column 3:* Identify under what element the indicator falls. See Summary Table No. 2.

*Column 4:* Specify the improvement policies or actions geared towards improving performance on the Pillar of PFM

*Column 5:* Indicate the expected results from the implementation of the improvement policies/actions. 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 6:* Identify the target implementation period by specifying the start and end dates.

*Column 7:* Identify the Office to lead in the implementation of the improvement policies.

*Column 8:* Estimate the cost for the implementation of the improvement policies or actions

## **ANNEX A**

# **SCORING MATRICES AND DATA TABLES**

In the conduct of assessment, each main unit is responsible for processing the data tables and the scoring matrices of indicators including their sub-indicators.

### Coverage of Main Responsible Units

MAIN RESPONSIBLE UNIT	SCORING MATRIX AND DATA TABLE
Planning and Development Office	1.1 Multiyear perspective in fiscal planning and budgeting. 7.1 Civil Society Organization (CSO) accreditation by the local sanggunian.
Budget Office	1.2 PFM improvement policies address weaknesses identified in the assessment. 1.3 Orderliness of activities in the annual budget preparation and authorization phases. 1.4 Financial self-reliance of Local Economic Enterprises (LEEs)/Public Utilities (PUs). 2.1 Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget. 3.2 Actual expenditures compared with appropriations. 7.2 Degree of citizens' participation in the budget process.
Treasurer's Office	3.1 Actual local revenue collections compared with estimated revenues in the budget. 4.1 Real Property Tax (RPT) Accomplishment Rate. 4.2 Effectiveness of tax enhancement measures. 4.3 Predictability in the availability of cash for commitment of expenditures.
General Services Office / Engineering Office / Bids and Awards Committee	4.4 Value for money and controls in procurement.
Office of the LCE	2.2 Public access to key information. 6.1 Effectiveness of internal audits.



Accounting Office	5.1 Timeliness and regularity of accounts reconciliation. 5.2 Quality and timeliness of regular financial reports and annual financial statements. 6.2 Follow up on external audit.
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## Reminders on Using the Enhanced PFMAT

1. In the conduct of assessment, the data tables must first be accomplished which will serve as the basis of scoring.
2. For indicators with sub-indicators, the scores of sub-indicators must first be established before the score of the mother indicator could be computed.
3. Only the following indicators/sub-indicators may be answered as NOT APPLICABLE (N/A):
  - a. Indicator No. 1.4: Financial self-reliance of Local Economic Enterprises (LEEs) and Public Utilities (PUs) - IF THE LGU HAS NO LEEs/PUs.
  - b. Indicator No 4.2.2: Effectives of implementing tax collection strategies for delinquent Real Property Tax (RPT) - IF THE LGU HAS NO DELINQUENT RPTs.
  - c. Indicator No. 4.2.3: Effectiveness of civil remedies on tax payment - IF THE LGU IS A MUNICIPALITY.
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 the computation of the average score in a Pillar of PFM. 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.

**PILLAR OF PFM NO. 1: POLICY-BASED BUDGETING****Indicator No. 1.1:****Multi-year perspective in fiscal planning and budgeting**

Score:

Sub-indicator 1.1.1: \_\_\_\_\_

Sub-indicator 1.1.2: \_\_\_\_\_

Sub-indicator 1.1.3: \_\_\_\_\_

Sub-indicators total score: \_\_\_\_\_

**Average score Indicator No. 1.1** \_\_\_\_\_

(Divide sub-indicators total score by 3)

**Sub-indicator 1.1.1:****Linkage between Provincial Development and Physical Framework Plan (PDPFP) / Comprehensive Development Plan (CDP) and Local Development Investment Program (LDIP)<sup>1</sup>**

Sub-indicator 1.1.1 \_\_\_\_\_

**Scoring Matrix No. 1.1.1**

Instruction: Fill out Data Table No. 1.1.1 then use it as basis for determining the appropriate score that corresponds to the minimum requirement of a specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	<b>100%</b> 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	<b>At least 90%</b> 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.

<sup>1</sup> 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. 2016).

<b>2</b>	<b>At least 80%</b> 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.
<b>1</b>	<b>At least 70%</b> 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.
<b>0</b>	<b>Less than 70%</b> 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.

**Data Table No. 1.1.1**

Instruction: Based on the latest duly approved LDIP as of the immediately preceding year, fill out the first two columns and compute in column (C) the percentage of PPAs derived from the PDPFP / CDP.

<b>TOTAL NUMBER OF PPAS IN THE DULY APPROVED LDIP</b>	<b>TOTAL NUMBER OF PPAS IN THE DULY APPROVED LDIP DERIVED FROM THE DULY APPROVED PDPFP/CDP</b>	<b>% OF PPAS IN THE DULY APPROVED LDIP DERIVED FROM THE DULY APPROVED PDPFP/CDP</b>
<b>(A)</b>	<b>(B)</b>	<b>(C) = (B/A) 100</b>

**Sub-indicator 1.1.2:****Linkage between the LDIP and Annual Investment Program (AIP)**

Score: Sub-indicator 1.1.2 \_\_\_\_\_

**Scoring Matrix No. 1.1.2**

Instruction: Fill out Data Table No. 1.1.2 then use as basis for determining the appropriate score that corresponds to the minimum requirement of a specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, <b>100%</b> of the number of programs/projects/activities in the duly approved AIP were based on the annual slice of the LDIP.
<b>3</b>	In the immediately preceding year, <b>at least 95%</b> of the number of programs/projects/activities in the duly approved AIP were based on the annual slice of the LDIP.
<b>2</b>	In the immediately preceding year, <b>at least 90%</b> of the number of programs/projects/activities in the duly approved AIP were based on the annual slice of the LDIP.
<b>1</b>	In the immediately preceding year, <b>at least 85%</b> of the number of programs/projects/activities in the duly approved AIP were based on the annual slice of the LDIP.
<b>0</b>	In the immediately preceding year, <b>less than 85%</b> of the number of programs/projects/activities in the duly approved AIP were based on the annual slice of the LDIP.

Note:

1. The AIP, including the supplemental AIP, covers the annual slice of the LDIP for Capital Expenditures (CAPEX).
2. CAPEX are expenditures usually incurred to acquire, build, improve or fix an asset with useful lives of more than one year. The term “based” shall be understood to mean that the PPAs were derived from the annual slice of the LDIP.

**Data Table No. 1.1.2**

Instruction: Based on the latest duly approved AIP of the immediately preceding year, fill out the first two columns and compute in the 3rd column the percentage of PPAs in the AIP derived from the LDIP.

TOTAL NUMBER OF PPAS IN THE DULY APPROVED AIP	TOTAL NUMBER OF PPAS IN THE DULY APPROVED AIP DERIVED FROM THE ANNUAL SLICE OF THE DULY APPROVED LDIP	% OF PPAS IN THE DULY APPROVED AIP DERIVED FROM THE ANNUAL SLICE OF THE DULY APPROVED LDIP
(A)	(B)	(C) = (B / A)100

**Sub-indicator 1.1.3: Linkage between AIP and Appropriation Ordinance covering the Budgets**

Score: Sub-indicator 1.1.3 \_\_\_\_\_

**Scoring Matrix No. 1.1.3**

Instruction: Fill out Data Table No. 1.1.3 then use it as basis for determining the appropriate score that corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, <b>100%</b> of the items of appropriation in the Appropriation Ordinances covering the Annual and Supplemental Budgets were based on the duly approved AIP.
<b>3</b>	In the immediately preceding year, <b>at least 95%</b> of the items of appropriation in the Appropriation Ordinances covering the Annual and Supplemental Budgets were based on the duly approved AIP.
<b>2</b>	In the immediately preceding year, <b>at least 90%</b> of the items of appropriation in the Appropriation Ordinances covering the Annual and Supplemental Budgets were based on the duly approved AIP.
<b>1</b>	In the immediately preceding year, <b>at least 85%</b> of the items of appropriation in the Appropriation Ordinances covering the Annual and Supplemental Budgets were based on the duly approved AIP.
<b>0</b>	In the immediately preceding year, <b>less than 85%</b> of the items of appropriation in the Appropriation Ordinances covering the Annual and Supplemental Budgets were based on the duly approved AIP.

**Data Table No. 1.1.3**

Instruction: From the immediately preceding year's Appropriation Ordinances (AO) covering the annual and supplemental budgets, fill out columns (B) and (C) and compute for the percentage of PPAs in the AO derived from the duly approved AIP using the formula under column (D).

<b>FISCAL YEAR</b>	<b>TOTAL NUMBER OF PPAS IN THE AO COVERING THE BUDGETS</b>	<b>TOTAL NUMBER OF PPAS IN THE AO COVERING THE BUDGETS DERIVED FROM THE DULY APPROVED AIP</b>	<b>% OF PPAS IN THE AO DERIVED FROM THE DULY APPROVED AIP</b>
<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D) = (C/B)100</b>

**PILLAR OF PFM NO. 1: POLICY-BASED BUDGETING**

**Indicator No. 1.2:**  
**PFM improvement policies included in the PFMIP address the weaknesses identified in the PFM assessment**

Score: Indicator No. 1.2 \_\_\_\_\_

**Scoring Matrix No. 1.2**

Instruction: Fill out Data Table No. 1.2 then use it as basis for determining the appropriate score that corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	Based on the latest approved PFMIP of the LGU, <b>100%</b> of the weaknesses identified in the immediately preceding year's assessment were addressed by improvement policies in the PFMIP.
<b>3</b>	Based on the latest approved PFMIP of the LGU, <b>at least 80%</b> of the weaknesses identified in the immediately preceding year's assessment were addressed by improvement policies in the PFMIP.
<b>2</b>	Based on the latest approved PFMIP of the LGU, <b>at least 60%</b> of the weaknesses identified in the immediately preceding year's assessment were addressed by improvement policies in the PFMIP.
<b>1</b>	Based on the latest approved PFMIP of the LGU, <b>at least 40%</b> of the weaknesses identified in the immediately preceding year's assessment were addressed by improvement policies in the PFMIP.
<b>0</b>	Based on the latest approved PFMIP of the LGU, <b>below 40%</b> of the weaknesses identified in the immediately preceding year's assessment were addressed by improvement policies in the PFMIP.



**Data Table No. 1.2**

Instruction: Based on the approved PFMIIP, specify the indicator or sub-indicator of the weakness being addressed by the PFM improvement policies. Identify the key PFM element under which the specific indicator/sub-indicator fall. Count all the weaknesses based on the assessment and the improvement policies included in the PFMIIP. The computed percentage in column (D) will be the basis for scoring by comparing it with the criteria in Scoring Matrix no. 1.2.

INDICATOR/ SUB-INDICATOR	WEAKNESS	PFM IMPROVEMENT POLICIES	% OF IMPROVEMENT POLICIES VS WEAKNESSES	KEY PFM ELEMENT WHERE THE INDICATOR/ SUB-INDICATOR FALL
(A)	(B)	(C)	(D) = (C/B)100	(E)

## Notes:

1. Weakness refers to indicators or sub-indicators with scores “lower than 3” in the assessment using the PFMAT which will have to be addressed by improvement policies in the PFMIIP.
2. Improvement policies refer to specific actions or steps to take aimed at strengthening PFM processes that were considered weak based on the assessment. For counting purposes, improvement policies that address two or more weaknesses shall be counted as two or more, depending on the number of the weaknesses being addressed.
3. Key PFM elements where the indicator/sub-indicator fall are Budgeting, Accounting, Auditing, Cash Management, Procurement, Revenue Generation, and Public reporting on public sector financial operations. Please refer to Summary Table No. 2.

## PILLAR OF PFM NO. 1: POLICY-BASED BUDGETING

### Indicator No. 1.3:

#### Orderliness of activities in the annual budget preparation and authorization phases

Score: Sub-indicator 1.3.1 \_\_\_\_\_  
 Sub-indicator 1.3.2 \_\_\_\_\_  
 Sub-indicator 1.3.3 \_\_\_\_\_  
 Sub-indicators Total Score: \_\_\_\_\_  
 Average Score: Indicator No. 1.3 \_\_\_\_\_  
 (Divide sub-indicators total score by 3)

### Sub-indicator 1.3.1:

#### Adherence to a fixed calendar for budget preparation and authorization phases

Score: Sub-indicator 1.3.1 \_\_\_\_\_

### Scoring Matrix No. 1.3.1

Instruction: Fill out Data Table No. 1.3.1 then use it as basis for determining the appropriate score that corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	In the immediately preceding year, the existing annual calendar for budget preparation and authorization phases was <b>100%</b> observed and adhered to.
3	In the immediately preceding year, the existing annual calendar for budget preparation and authorization phases was observed but there were delays in <b>not more than 2 steps</b> , <i>excluding Steps 8 and 9</i> .
2	In the immediately preceding year, the existing annual calendar for budget preparation and authorization phases was observed but there were delays in <b>3 but not more than 4 steps</b> , <i>excluding Steps 8 and 9</i> .
1	In the immediately preceding year, the existing annual calendar for budget preparation and authorization phases was observed but there were delays in <b>more than 4 steps</b> , <i>excluding Steps 8 and 9</i> .
0	In the immediately preceding year, the existing annual calendar for budget preparation and authorization phases was <b>entirely not</b> observed and adhered to.

**Data Table No. 1.3.1**

Instruction: Fill out the following data table by indicating the actual timelines based on the budget preparation and authorization activities undertaken in the immediately preceding year. Compare the standard calendar with the actual dates and note the reason for delay, if any.

STEPS	BUDGET PROCESS	FIXED BUDGET CALENDAR	ACTUAL DATE OR PERIOD COMPLETED	REMARKS (REASONS FOR DELAY, IF ANY)
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 by the Departments	Not later than July 15		
5	Conduct of technical budget hearings on budget proposals submitted by the Department Heads	July 16 to August 31		
6	Consolidation of Budget Proposals into the Local Expenditure Program (LEP)	September 16 to 30		

<b>7</b>	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		
<b>8</b>	Enactment of the Appropriation Ordinance authorizing the Annual Budget for the ensuing fiscal year by the Local Sanggunian	Upon receipt of the Executive Budget up to December 31		
<b>9</b>	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)		
<b>10</b>	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		

**Sub-indicator 1.3.2.****Timely enactment and approval of the Appropriation Ordinance authorizing the Annual Budget**

Score: Sub-indicator 1.3.2 \_\_\_\_\_

**Scoring Matrix No. 1.3.2**

Instruction: Fill out Data Table No. 1.3.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was <b>enacted</b> by the Local Sanggunian <b>AND approved</b> by the Local Chief Executive <b>PRIOR</b> to the start of the budget year.
3	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was <b>enacted</b> by the Local Sanggunian <b>PRIOR</b> to the start of the budget year BUT was <b>approved</b> by the Local Chief Executive <b>AFTER</b> the start of the budget year.
2	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was <b>both enacted</b> by the Local Sanggunian AND <b>approved</b> by the Local Chief Executive <b>during the 1<sup>st</sup> quarter</b> of the budget year.
1	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was <b>both enacted</b> by the Local Sanggunian AND <b>approved</b> by the Local Chief Executive <b>AFTER the 1<sup>st</sup> quarter</b> of the budget year.
0	In the immediately preceding year, the LGU <b>has not passed</b> the Appropriation Ordinance authorizing the Annual Budget thus it is operating under a reenacted budget.

**Data Table No. 1.3.2**

**Instruction:** Fill out the data table by indicating the actual dates when the Appropriation Ordinance authorizing the Annual Budget for the immediately preceding year was enacted by the Sanggunian and approved by the LCE.

FISCAL YEAR BEING ASSESSED (PLS SPECIFY)	DATE OF ENACTMENT BY THE SANGGUNIAN OF THE APPROPRIATION ORDINANCE	DATE OF APPROVAL BY THE LCE OF THE APPROPRIATION ORDINANCE
(A)	(B)	(C)

**Sub-indicator 1.3.3.**

**Timely submission of the Appropriation Ordinance authorizing the Annual Budget to the appropriate reviewing authority**

Score: Sub-indicator 1.3.3 \_\_\_\_\_

**Scoring Matrix No.1.3.3**

Instruction: Fill out Data Table No. 1.3.3 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of a specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority <b>within three (3) days</b> after its approval.
<b>3</b>	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority <b>within four (4) to ten (10) days</b> after its approval.
<b>2</b>	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority <b>within eleven (11) days to fifteen (15) days</b> after its approval.
<b>1</b>	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was submitted to the appropriate reviewing authority <b>beyond fifteen (15) days</b> after its approval.
<b>0</b>	In the immediately preceding year, the Appropriation Ordinance authorizing the Annual Budget was <b>not at all submitted</b> to the appropriate reviewing authority.

Note:

1. The Appropriation Ordinance (AO) submitted should include the requisite supporting documents as enumerated under the latest edition of the Budget Operations Manual for LGUs, i.e., Transmittal Letter, Budget

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Message, Sanggunian approved AIP, veto message if any, Sanggunian action on the veto if any.

2. The term “approval” includes partial veto of the AO by the LCE.

**Data Table No. 1.3.3**

Instruction: Fill out the data table by indicating the actual dates when the Appropriation Ordinance authorizing the Annual Budget in the immediately preceding year was approved by the LCE, and submitted to the appropriate reviewing authority.

FISCAL YEAR	DATE APPROPRIATION ORDINANCE WAS APPROVED BY LCE	DATE APPROPRIATION ORDINANCE (AO) WAS SUBMITTED TO THE APPROPRIATED REVIEWING AUTHORITY (BASED ON THE DATE OF RECEIPT BY THE POST OFFICE, IF SUBMISSION IS THRU REGISTERED MAIL, OR ANY COURIER COMPANY; OR DATE OF ACTUAL RECEIPT BY REVIEWING AUTHORITY, IF AO IS PERSONALLY SUBMITTED)



**PILLAR OF PFM NO. 1: POLICY-BASED BUDGETING**

**Indicator No. 1.4:**  
**Financial self-reliance of Local**  
**Economic Enterprises (LEEs) and Public**  
**Utilities (PUs)**

Score: Indicator No.1.4 \_\_\_\_\_

**Scoring Matrix No. 1.4**

Instruction: Fill out Data Table No. 1.4 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, <b>100%</b> of the total financial requirements for operations of all LEEs / PUs were funded by their respective incomes.
<b>3</b>	In the immediately preceding year, <b>at least 90%</b> of the total financial requirements for operations of all LEEs / PUs were funded by their respective incomes.
<b>2</b>	In the immediately preceding year, <b>at least 80%</b> of the total financial requirements for operations of all LEEs / PUs were funded by their respective incomes.
<b>1</b>	In the immediately preceding year, <b>at least 70%</b> of the total financial requirements for operations of all LEEs / PUs were funded by their respective incomes.
<b>0</b>	In the immediately preceding year, <b>less than 70%</b> of the total financial requirements for operations of all LEEs / PUs were funded by their incomes.

Note:

1. If your LGU has no LEE or PU, please place N/A. If your answer is N/A don't include in the counting of the divisor for purposes of computing the average score.
2. Financial self-reliance shall be understood that the total financial requirements for the operations of the LEE/PU can be funded by its income.

3. LEEs are income-generating establishments created for the purpose of improving production and delivery of basic goods or services for a specific market of 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).
4. Public Utilities are revenue-raising undertakings created by the LGU for the purpose of providing 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).
5. LGU transfer/advance to LEE/PU shall be understood as any amount transferred from the General Fund of the LGUs to subsidize the financial requirements for the operations of an LEE/PU.

#### **Data Table No. 1.4**

Instruction: Fill out the data table using all LEEs'/PUs' Approved Operating Budgets for the immediately preceding year and 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 column total income of all LEEs/PUs. Based on the Appropriation Ordinances covering Annual and Supplemental budgets of the LGU concerned for the immediately preceding year, 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 in column (D).

YEAR	TOTAL FINANCIAL REQUIREMENTS FOR OPERATIONS OF ALL LEES / PUS	TOTAL INCOME OF ALL LEES/PUS	TOTAL LGU TRANSFERS / ADVANCES TO LEES / PUS	% OF TOTAL FINANCIAL REQUIREMENTS OF ALL LEES COVERED BY INCOME OF ALL LEES / PUS
	(A)	(B)	(C)	(D) =(B/A)100

**SUMMARY OF SCORES: PILLAR OF PFM NO. 1**

INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
1.1 Multi-year perspective in fiscal planning and budgeting	1.1.1 Linkage between PDPFP/ CDP and LDIP		
	1.1.2 Linkage between LDIP and AIP		
	1.1.3 Linkage between AIP and Appropriation Ordinances covering the budgets		
1.2 PFM improvement policies included in the PFMIP address the weaknesses identified in the PFM assessment	N o n e	N/A	
1.3 Orderliness of activities in the annual budget preparation and authorization phases	1.3.1 Adherence to a fixed calendar for budget preparation and authorization phases		
	1.3.2 Timely enactment and approval of the Appropriation Ordinance authorizing the Annual Budget		
	1.3.3 Timely submission of the Appropriation Ordinance authorizing the Annual Budget to the appropriate reviewing authority		
1.4 Financial self-reliance of LEEs/PUs	N o n e	N/A	
<b>PILLAR OF PFM NO. 1 - POLICY-BASED BUDGETING: AVERAGE SCORE</b>			
[(Indicators' Score Nos. 1.1+1.2+1.3+1.4) / 4]			

**PILLAR OF PFM NO. 2: COMPREHENSIVENESS AND TRANSPARENCY****Indicator No. 2.1:**

**Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget**

Score: Indicator No. 2.1 \_\_\_\_\_

**Scoring Matrix No. 2.1**

Instruction: Fill out Data Table No. 2.1 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	In the immediately preceding year, the budget information contained in the Appropriation Ordinance covering the Annual Budget was <b>comprehensive and the supporting documents were complete.</b>
3	In the immediately preceding year, the budget information contained in the Appropriation Ordinance covering the Annual Budget was <b>comprehensive but one supporting document was not in the prescribed format.</b>
2	In the immediately preceding year, the budget information contained in the Appropriation Ordinance covering the Annual Budget was <b>comprehensive but at least two supporting documents were not in the prescribed format.</b>
1	In the immediately preceding year, the budget information contained in the Appropriation Ordinance covering the Annual Budget was <b>not comprehensive and one supporting document was not in the prescribed format.</b>
0	In the immediately preceding year, the budget information contained in the Appropriation Ordinance covering the Annual Budget was <b>not comprehensive and at least two supporting documents were not in the prescribed format.</b>

**Data Table No. 2.1**

Instruction: Fill out the data table by using the budget documentation from the immediately preceding year, and determine if the budget information in the Appropriation Ordinance covering the ANNUAL BUDGET was completely accomplished in the prescribed form:

	APPROPRIATION ORDINANCE AND SUPPORTING DOCUMENTS	WRITE "YES" AND DATE SUBMITTED IF SUBMITTED AND "NO" IF NOT	WRITE "YES" IF IN THE PRESCRIBED FORMAT AND "NO" IF NOT
	(A)	(B)	(C)
<b>1</b>	Appropriation Ordinance		
	a. Receipts Program		
	b. Expenditure Program		
	c. General Provision		
	d. Summary of New Appropriation		
<b>2</b>	Budget Message		
<b>3</b>	Transmittal Letter		
<b>4</b>	Annual Investment Program		
<b>5</b>	Personnel Schedule		
<b>6</b>	LCE Veto message if any		
<b>7</b>	Sanggunian action on veto if any		

Notes:

1. The AO is comprehensive if it contains (a) the four (4) components "a to d" as laid down in the 2016 BOM, and (b) all the supporting documents "2 to 7" are submitted and prepared in the prescribed format.
2. The supporting documents are complete if they are prepared in the prescribed formats.

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3. The Budget Message and Transmittal Letter have no standard formats and if submitted are presumed to be in the prescribed format.
4. The prescribed format for the AIP is the latest joint issuance of the CCC-DILG-DBM.
5. The format for the Personnel Schedule is LBPF No.3 in the 2016 ed. of the BOM.
6. In the case of LCE veto message, the prescribed format is the requirement in Section 55, R.A. 7160.
7. The format of the Sanggunian action on the veto is what is prescribed in its Internal Rules of Procedure.

The scoring is based on the comprehensiveness and completeness of the submitted documents.

1. To get a score of 4, all answers in column (b) and column (c) must be YES.
2. To get a score of 3, all answers in column (b) must be YES and only one NO answer in column (c).
3. To get a score of 2, all answers in column (b) must be YES and at least two NO answers in column (c).
4. To get a score of 1, there was a NO answer in column (b) and one NO answer in column (c).
5. To get a score of 0, there was a NO answer in column (b) and at least two NO answers in column (c).

**PILLAR OF PFM NO. 2: COMPREHENSIVENESS AND TRANSPARENCY****Indicator No. 2.2:****Public access to key information**

Score: Indicator No.2.2 \_\_\_\_\_

**Scoring Matrix No. 2.2**

Instruction: Fill out Data Table No. 2.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, there was <b>100%</b> compliance with the posting of documents in three (3) conspicuous places, the Full Disclosure Portal, and within the prescribed period pursuant to the Full Disclosure Policy of the DILG.
<b>3</b>	In the immediately preceding year, there was <b>at least 90%</b> average compliance with the posting of documents in three (3) conspicuous places, in the Full Disclosure Portal, and within the prescribed period pursuant to the Full Disclosure Policy of the DILG.
<b>2</b>	In the immediately preceding year, there was <b>at least 80%</b> average compliance with the posting of documents in three (3) conspicuous places, in the Full Disclosure Portal, and within the prescribed period pursuant to the Full Disclosure Policy of the DILG.
<b>1</b>	In the immediately preceding year, there was <b>at least 70%</b> average compliance with the posting of documents in three (3) conspicuous places, in the Full Disclosure Portal, and within the prescribed period pursuant to the Full Disclosure Policy of the DILG.
<b>0</b>	In the immediately preceding year, there was <b>less than 70%</b> average compliance with the posting of documents in three (3) conspicuous places, in the Full Disclosure Portal, and within the prescribed period pursuant to the Full Disclosure Policy of the DILG.

**Data Table No. 2.2**

Instruction: Fill out the data table using the immediately preceding year's data and determine whether the enumerated reports have been posted pursuant to the "Full Disclosure Policy" enunciated under DILG Memorandum Circular No 2019-149 dated 30 August 2019 (amending DILG MC No. 2013-140.) To get full credit for each type of document, the posting must have been done (1) in at least three (3) conspicuous places, (2) in the Full Disclosure Portal, and (3) within the prescribed period.

**A. Posting in Three (3) Conspicuous Places**

DOCUMENTS TO BE POSTED/ FREQUENCY OF POSTING	PERIOD OF POSTING	COMPLIED WITH (YES/NO)
<b>A. ANNUAL</b>		
1. Annual Budget (current year)	On or before January 20 of each year or not later than 20 days after the approval of the Local Sanggunian	
2. Annual Procurement Plan or Procurement List (current year)	On or before January 31 of each year	
3. Statement of Receipts and Expenditure (immediately preceding year)	20 days after the end of 1 <sup>st</sup> quarter	
4. Statement of Indebtedness, Payments and Balances (immediately preceding year)	On or before January 31 of each year	
5. Annual GAD Accomplishment Report (immediately preceding year)	Not later than the end of January of the ensuing year	
6. Supplemental Procurement Plan (previous year)	Not later than the end of 1 <sup>st</sup> quarter	



<b>B. QUARTERLY</b>		
1. Trust Fund Utilization	20 days after the end of each quarter	
2. 20% component of the IRA utilization	20 days after the end of each quarter	
3. Local Disaster Risk Reduction and Management Fund utilization	20 days after the end of each quarter	
4. Quarterly Statement of Cash Flows	20 days after the end of each quarter	
5. Bid Results on Civil Works, Goods and Services, and Consulting Services	Within the prescribed period under RA 9184 and its IRR, and to be updated quarterly	
6. SEF Utilization	20 days after the end of each quarter	
7. Unliquidated Cash Advance	20 days after the end of each quarter	
8. Human Resource Complement (formerly Manpower Complement)	20 days after the end of each quarter	

To answer “Yes”, the document must have been posted and within the prescribed period of posting.

**B. Posting in the Full Disclosure Portal**

DOCUMENT TO BE POSTED AND DOCUMENT PERIOD	POSTING PERIOD	COMPLIED WITH (YES/NO)
1. Annual Budget (current year) 2. Annual Procurement Plan or Procurement List (current year) 3. Statement of Indebtedness, Payments and Balances (immediately preceding year) 4. Supplemental Procurement Plan (immediately preceding year) 5. Quarterly Statement of Cash Flows (4 <sup>th</sup> quarter, immediately preceding year) 6. SEF Utilization (4 <sup>th</sup> quarter, immediately preceding year) 7. Trust Fund Utilization (4 <sup>th</sup> quarter, immediately preceding year) 8. Bid Results on Civil Works, Goods and Services, and Consulting Services (4 <sup>th</sup> quarter, immediately preceding year) 9. 20% of the IRA Utilization (4 <sup>th</sup> quarter, immediately preceding year) 10. LDRRMF Utilization (4 <sup>th</sup> quarter, immediately preceding year) 11. Unliquidated Cash Advances (4 <sup>th</sup> quarter, immediately preceding year) 12. Human Resource Complement (4 <sup>th</sup> quarter, immediately preceding year)	1 <sup>st</sup> Quarter (January 1 – March 15)	

1. Statement of Receipts and Expenditures (immediately preceding year) 2. Annual GAD Accomplishment Report (immediately preceding year) 3. Quarterly Statement of Cash Flows (1 <sup>st</sup> quarter, current year) 4. SEF Utilization (1 <sup>st</sup> quarter, current year) 5. Trust Fund Utilization (1 <sup>st</sup> quarter, current year) 6. Bid Results on Civil Works, Goods and Services, and Consulting Services (1 <sup>st</sup> quarter, current year) 7. 20% of the IRA Utilization (1 <sup>st</sup> quarter, current year) 8. LDRRMF Utilization (1 <sup>st</sup> quarter, current year) 9. Unliquidated Cash Advances (1 <sup>st</sup> quarter, current year) 10. Human Resource Complement (1 <sup>st</sup> quarter, current year)	2 <sup>nd</sup> quarter (April 1-June 15)	

1. Quarterly Statement of Cash Flow (2 <sup>nd</sup> quarter, current year) 2. SEF Utilization (2 <sup>nd</sup> quarter, current year) 3. Trust Fund Utilization (2 <sup>nd</sup> quarter, current year) 4. Bid Results on Civil Works, Goods and Services, and Consulting Services (2 <sup>nd</sup> quarter, current year) 5. 20% of the IRA Utilization (2 <sup>nd</sup> quarter, current year) 6. LDRRMF Utilization (2 <sup>nd</sup> quarter, current year) 7. Unliquidated Cash Advances (2 <sup>nd</sup> quarter, current year) 8. Human Resource Complement (2 <sup>nd</sup> quarter, current year)	3 <sup>rd</sup> quarter (July 1- September 15)	
<b>DOCUMENT TO BE POSTED AND DOCUMENT PERIOD</b>	<b>POSTING PERIOD</b>	<b>COMPLIED WITH (YES/NO)</b>
1. Quarterly Statement of Cash Flow (3 <sup>rd</sup> quarter, current year) 2. SEF Utilization (3 <sup>rd</sup> quarter, current year) 3. Trust Fund Utilization (3 <sup>rd</sup> quarter, current year) 4. Bid Results on Civil Works, Goods and Services, and Consulting Services (3 <sup>rd</sup> quarter, current year) 5. 20% of the IRA Utilization (3 <sup>rd</sup> quarter, current year) 6. LDRRMF Utilization (3 <sup>rd</sup> quarter, current year) 7. Unliquidated Cash Advances (3 <sup>rd</sup> quarter, current year) 8. Human Resource Complement (3 <sup>rd</sup> quarter, current year)	4 <sup>th</sup> quarter (October 1- December 15)	

Note:

1. To compute for percentage compliance in the posting of documents, please use the following formula:
  - A. Posting in three (3) conspicuous places:  
$$(\text{Number of YES answers}/14) \times 100$$
  - B. Posting in the Full Disclosure Portal:  
$$(\text{Number of YES answers}/38) \times 100$$
  - C. To compute for the average percentage compliance:  
$$(\text{Percentage compliance of posting in 3 conspicuous places} + \text{Percentage compliance of posting in the Full Disclosure Portal}) / 2$$

**SUMMARY OF SCORES: PILLAR OF PFM NO. 2**

INDICATORS	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATORS SCORE
2.1 Comprehensiveness of budget information contained in the Appropriation Ordinance covering the Annual Budget	None	N/A	
2.2 Public access to key information	None	N/A	
<b>PILLAR OF PFM NO. 2 - COMPREHENSIVENESS AND TRANSPARENCY: AVERAGE SCORE</b>  $[(\text{Indicators' Score Nos. 2.1} + 2.2) / 2]$			

**PILLAR OF PFM NO. 3: CREDIBILITY OF THE BUDGET****Indicator No. 3.1****Actual local revenue collections compared with estimated revenues in the budget**

Score: Indicator No. 3.1 \_\_\_\_\_

**Scoring Matrix No. 3.1**

Instruction: Fill out Data Table No. 3.1 then use it for determining the appropriate score that corresponds to the minimum requirement of a specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, total actual local revenue collections were <b>at least 90%</b> of the estimated local revenues.
<b>3</b>	In the immediately preceding year, total actual local revenue collections were <b>at least 80%</b> of the estimated local revenues.
<b>2</b>	In the immediately preceding year, total actual local revenue collections were <b>at least 70%</b> of the estimated local revenues.
<b>1</b>	In the immediately preceding year, total actual local revenue collections were <b>at least 60%</b> of the estimated local revenues.
<b>0</b>	In the immediately preceding year, total actual local revenue collections were <b>less than 60%</b> of the estimated local revenues.

Note:

Per definition of BLGF, 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 No. 3.1**

Instruction: From the immediately preceding year's budget, fill out the column for Estimated Local Revenues (excluding external sources). From the yearend Statement of Receipts and Expenditures (SRE), fill out the column for Actual Local Revenue Collections (excluding external sources).

INCOME TYPE	ESTIMATED LOCAL REVENUES	ACTUAL LOCAL REVENUE COLLECTIONS	TOTAL ACTUAL REVENUES AS % OF TOTAL ESTIMATED REVENUES
(A)	(B)	(C)	(D)=(C/B) X 100
RPT			
Income from business taxes			
Other local taxes			
Income from LEE/PU			
Fees and Charges			
Other Income			
Totals	P xxx	P xxx	(C/B) x 100

Notes:

1. Income from LEEs/PUs refers to income earned by the LEE/PU net 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, RA 7160).
2. Use the Totals to compute for (D) = Total Actual Revenues as % of Total Estimated Revenues.



**PILLAR OF PFM NO. 3: CREDIBILITY OF THE BUDGET****Indicator No. 3.2:****Actual expenditures compared with Appropriations**

Score: Sub-indicator 3.2.1 \_\_\_\_\_  
 Sub-indicator 3.2.2 \_\_\_\_\_  
 Sub-indicator 3.2.3 \_\_\_\_\_  
 Sub-indicators total score: \_\_\_\_\_

**Sub-indicator 3.2.1:****Total allotments released compared with total appropriations**

Score: Sub-indicator 3.2.1 \_\_\_\_\_

**Scoring Matrix No. 3.2.1**

Instruction: Fill out Data Table No. 3.2.1 then use the information to compute the percentage of the Total Allotments Released to Total Approved Appropriations to determine the appropriate score that corresponds to the minimum requirement of the specific criterion that the LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, total allotments released were <b>at least 95%</b> of the total appropriations.
<b>3</b>	In the immediately preceding year, total allotments released were <b>at least 90%</b> of the total appropriations.
<b>2</b>	In the immediately preceding year, total allotments released were <b>at least 85%</b> of the total appropriations.
<b>1</b>	In the immediately preceding year, total allotments released were <b>at least 80%</b> of the total appropriations.
<b>0</b>	In the immediately preceding year, total allotments released were <b>less than 80%</b> of the total appropriations

Note:

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

**Sub-indicator 3.2.2:****Total actual obligations compared with total allotments released**

Score: Sub-indicator 3.2.2 \_\_\_\_\_

**Scoring Matrix No. 3.2.2**

Instruction: Data Table No. 3.2.1 shows the Actual Obligations as a percentage of Total Allotments Released. Use this information to determine the appropriate score that corresponds to the minimum requirement of the specific criterion that the LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, total actual obligations were <b>at least 95%</b> of the total allotments released.
<b>3</b>	In the immediately preceding year, total actual obligations were <b>at least 90%</b> of the total allotments released.
<b>2</b>	In the immediately preceding year, total actual obligations were <b>at least 85%</b> of the total allotments released.
<b>1</b>	In the immediately preceding year, total actual obligations were <b>at least 80%</b> of the total allotments released.
<b>0</b>	In the immediately preceding year, total actual obligations were <b>less than 80%</b> of the total allotments released.

Note:

Total obligations exclude expenditures incurred chargeable against continuing appropriations.

**Sub-indicator 3.2.3:****Total actual disbursements compared with total obligations**

Score: Sub-indicator 3.2.3 \_\_\_\_\_

**Scoring Matrix No. 3.2.3**

Instruction: Data Table No. 3.2.1 shows the Actual Disbursements as a percentage of Total Obligations. Use this information to determine the appropriate score that corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, total actual disbursements were <b>at least 95%</b> of the total obligations incurred.
<b>3</b>	In the immediately preceding year, total actual disbursements were <b>at least 90%</b> of the total obligations incurred.
<b>2</b>	In the immediately preceding year, total actual disbursements were <b>at least 85%</b> of the total obligations incurred.
<b>1</b>	In the immediately preceding year, total actual disbursements were <b>at least 80%</b> of the total obligations incurred.
<b>0</b>	In the immediately preceding year, total actual disbursements were <b>less than 80%</b> of the total obligations incurred.

Note:

Total Disbursements cover the amount paid for “current year” obligations only, i.e., disbursements for obligations incurred within the given year.

**Data Table No. 3.2.1**

Instruction: From the immediately preceding year's Appropriation Ordinances covering the Annual and Supplemental budgets, fill out the total appropriated amounts. From the year-end Statement of Allotments, Obligations and Balances (SAOBs), fill out the released allotments and obligations. From the year-end Report of Disbursements, fill out total disbursements. Compute the percentages in columns 3, 4, and 5.

The percentage computed in column 3 - Total Allotments released vis-à-vis Total Appropriations will be your basis for finding your score in Scoring Matrix no. 3.2.1. In column 4, the percentage computed for Total Obligations vs Total Allotments is the basis for finding your score in Scoring Matrix no. 3.2.2. Column 5 will be your basis for finding your score in Scoring Matrix no. 3.2.3.

PARTICULARS		AMOUNT	TOTAL ALLOTMENTS AS % OF TOTAL APPROPRIATIONS	TOTAL OBLIGATIONS AS % OF TOTAL ALLOTMENTS	TOTAL DISBURSEMENT AS % OF TOTAL OBLIGATIONS
(1)		(2)	(3)	(4)	(5)
Total Appropriations	(a)		(b/a) x 100	(c/b) x 100	(d/c) x 100
Total Allotments	(b)				
Total Obligations	(c)				
Total Disbursements	(d)				

Note:

Data Table No. 3.2.1 is used by Scoring Matrix Nos. 3.2.1 (col. 3), 3.2.2 (col. 4), 3.2.3 (col. 5).

**SUMMARY OF SCORES: PILLAR OF PFM NO. 3**

INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATORS SCORE
3.1 Actual local revenue collections compared with estimated revenues in the budget	None	N/A	
3.2 Actual total expenditures compared with total appropriation	3.2.1 Total allotments released compared with total appropriations		
	3.2.2 Total actual obligations compared with total allotments released		
	3.2.3 Total actual disbursements compared with total obligations		
<b>PILLAR OF PFM NO. 3 - CREDIBILITY OF THE BUDGET: AVERAGE SCORE</b>			
[(Indicators' Score Nos. 3.1 + 3.2 / 2)]			

## PILLAR OF PFM NO. 4: PREDICTABILITY AND CONTROL IN BUDGET EXECUTION

### Indicator No. 4.1: Real Property Tax (RPT) Accomplishment Rate

Score: Indicator No. 4.1 \_\_\_\_\_

### Scoring Matrix No. 4.1

Instruction: Fill out Data Table No. 4.1. The last column indicates 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 basis for scoring. Determine the appropriate score that corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	In the immediately preceding year, Real Property Tax Accomplishment Rate was <b>at least 90%</b> .
3	In the immediately preceding years, Real Property Tax Accomplishment Rate was <b>at least 80%</b> .
2	In the immediately preceding year, Real Property Tax Accomplishment Rate was <b>at least 70%</b> .
1	In the immediately preceding year, Real Property Tax Accomplishment Rate was <b>at least 60%</b> .
0	In the immediately preceding year, Real Property Tax Accomplishment Rate was <b>less than 60%</b> .

Note:

RPT due should be net of cash discounts actually given as incentives for early payments.

**Data Table No. 4.1**

Instruction: From the immediately preceding year's Treasurer/Assessor's Report, fill out the RPT due as estimated from the assessed value of taxable real properties but limited to the LGU's share only. From the year-end Statement of Receipts and Expenditures (SREs), fill out the actual RPT collected. The computed percentage in column (d) will serve as the basis for scoring by comparing it with the criteria in Scoring Matrix no. 4.1.

INCOME TYPE	ESTIMATED RPT DUE	ACTUAL RPT COLLECTION	ACTUAL RPT COLLECTION AS % OF ESTIMATED RPT
(A)	(B)	(C)	(D) = (C/B) X 100
Real Property Taxes (RPT)			

## PILLAR OF PFM NO. 4: PREDICTABILITY AND CONTROL IN BUDGET EXECUTION

### Indicator No. 4.2: Effectiveness of tax enhancement measures

Score: Sub-indicator 4.2.1 \_\_\_\_\_  
 Sub-indicator 4.2.2 \_\_\_\_\_  
 Sub-indicator 4.2.3 \_\_\_\_\_  
 Sub-indicator 4.2.4 \_\_\_\_\_  
 Total sub-indicator scores \_\_\_\_\_  
 Average Score Indicator 4.2 \_\_\_\_\_  
 (Total sub-indicator scores/4)

### Sub-indicator 4.2.1. Computerized RPT database system linkages

Score: Sub-indicator 4.2.1 \_\_\_\_\_

### Scoring Matrix No. 4.2.1

Instruction: Fill out Data Table No. 4.2.1 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	LGU has a computerized RPT database system that is <b>linked to all three departments</b> .
3	LGU has a computerized RPT database system that is <b>linked to two of the three departments</b> .
2	LGU has a computerized RPT database system that is <b>linked to one of the three departments</b> .
1	LGU has a computerized RPT database system but is <b>NOT linked to any of the three departments</b> .
0	LGU has <b>no computerized RPT database system</b> .



**Data Table No. 4.2.1**

Instruction: Please answer the following questions in the space provided. The number of departments linked to the RPT database system is the basis for scoring, e.g., if it's linked to 3 departments then your score is 4 but if the existing database system is not link to any department, then your score would be 1; and, if the LGU has no existing RPT database system, then the score would be zero (0).

QUESTION	ANSWER
1. Do you have a computerized database for RPT? If none, the LGU's score is zero (0); if yes, answer Q2 and Q3.	Yes/No
2. Is the database linked to (a) Assessor's Office (b) Treasurer's Office (c) Accounting? (Q2)	Yes/No
3. How many of the concerned department enumerated above are linked to the database? Pls. specify. (Q3)	1/2/3/ none

**Sub-indicator 4.2.2.****Effectiveness of implementing tax collection strategies for delinquent Real Property Tax (RPT)**

Score: Sub-indicator 4.2.2 \_\_\_\_\_

**Scoring Matrix No. 4.2.2**

Instruction: Fill out Data Table No. 4.2.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	RPT collection strategies <b>contributed to at least 20% increase</b> in percentage of delinquent RPT collected in the last two years.
3	RPT collection strategies <b>contributed to at least 15% increase</b> in percentage of delinquent RPT collected in the last two years.
2	RPT collection strategies <b>contributed to at least 10% increase</b> in percentage of delinquent RPT collected in the last two years.
1	RPT collection strategies <b>contributed to at least 5% increase</b> in percentage of delinquent RPT collected in the last two years.
0	RPT collection strategies <b>did not contribute to any increase</b> in percentage of delinquent RPT collected in the last two years.

**Data Table No. 4.2.2**

Instruction: Using the Real Property Tax Account Register, fill out the columns of delinquent accounts **due** for the **next preceding and immediately preceding years**. Based on the Certified List of All RPT Delinquencies, fill out the columns of delinquent accounts **settled** (collections) for the **next preceding and immediately preceding years**. Compute the percentages in column (C) and column (F), then in column (G) subtract column (F) by column (C) to get the percentage increase in collection. Column (G) will serve as the basis for finding the score in Scoring Matrix no. 4.2.2.

NEXT PRECEDING YEAR'S COLLECTION			IMMEDIATELY PRECEDING YEAR'S COLLECTION			INCREASE IN % COLLECTED
AMOUNT DUE	ACTUAL COLLECTIONS	% OF ACTUAL COLLECTIONS VS AMOUNT DUE	AMOUNT DUE	ACTUAL COLLECTIONS	% COLLECTED	
(A)	(B)	(C)=(B/A) X 100	(D)	(E)	(F) =(E/D) *100	(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 4.2.3.****Effectiveness of civil remedies on tax payment****(For provinces and cities ONLY)**

Score: Sub-indicator 4.2.3 \_\_\_\_\_

**Scoring Matrix No. 4.2.3**

Instruction: Fill out Data Table No. 4.2.3 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	Institution of civil remedies resulted in the settlement of <b>100%</b> of total accounts in the Certified List of Delinquency (CLD).
<b>3</b>	Institution of civil remedies resulted in the settlement of <b>at least 90%</b> of total accounts in the CLD.
<b>2</b>	Institution of civil remedies resulted in the settlement of <b>at least 80%</b> of total accounts in the CLD.
<b>1</b>	Institution of civil remedies resulted in the settlement of <b>at least 70%</b> of total accounts in the CLD.
<b>0</b>	Institution of civil remedies resulted in the settlement of <b>less than 70%</b> of total accounts in the CLD.

Note:

If the LGU has no delinquent accounts, put N/A in the score box. Don't include in the counting of the divisor for computing the average score.

**Data Table No. 4.2.3**

Instruction: From the Treasurer's Certified List of Delinquencies, fill out the number of delinquent accounts auctioned and settled in the immediately preceding year. The percentage computed in column (C) will serve as basis for scoring by comparing it with the criteria in Scoring Matrix no. 4.2.3.

NO. OF DELINQUENT ACCOUNTS AUCTIONED	NO. OF ACCOUNTS SETTLED	% OF ACCOUNTS SETTLED VS ACCOUNTS AUCTIONED
(A)	(B)	(C)= (B/A)100

**Sub-indicator 4.2.4:****Planning and monitoring of tax mapping**

Score: Sub-indicator 4.2.4 \_\_\_\_\_

**Scoring Matrix No. 4.2.4**

Instruction: Fill out Data Table No. 4.2.4 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the criterion that your LGU has satisfied.

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

Note:

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

**Data Table No. 4.2.4**

Instruction: Please answer the questions below. The answer to Q3 will serve as the basis for scoring by comparing it with the criteria in Scoring Matrix no. 4.2.4.

QUESTION	ANSWER
1. Do you have a tax map? (Q1)	<b>Yes / No</b>
2. Is it being updated? (Q2)	<b>Yes / No</b>
3. If yes to Q2, how often is updating done? Every time there is a subdivision or consolidation of lots? Every three (3) years? Every five (5) years? Please specify. (Q3)	

## PILLAR OF PFM NO. 4: PREDICTABILITY AND CONTROL IN BUDGET EXECUTION

### Indicator No. 4.3: Predictability in the availability of cash for commitment of expenditures

Score: Sub-indicator 4.3.1 \_\_\_\_\_  
 Sub-indicator 4.3.2 \_\_\_\_\_  
 Total sub-indicator scores \_\_\_\_\_  
 Average Score Indicator 4.3 \_\_\_\_\_  
 (Total sub-indicator scores/2)

#### Sub-indicator 4.3.1.

#### Cash availability to support budgeted programs, projects, activities (PPAs) and liabilities

Score: Sub-indicator 4.3.1 \_\_\_\_\_

#### Scoring Matrix No. 4.3.1

Instruction: Fill out Data Table No. 4.3.1 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	In the immediately preceding year, <b>at least 100%</b> of allotments including liabilities have available cash.
<b>3</b>	In the immediately preceding year, <b>at least 90%</b> of allotments including liabilities have available cash.
<b>2</b>	In the immediately preceding year, <b>at least 80%</b> of allotments including liabilities have available cash.
<b>1</b>	In the immediately preceding year, <b>at least 70%</b> of allotments including liabilities have available cash.
<b>0</b>	In the immediately preceding year, <b>less than 70%</b> of allotments including liabilities have available cash.



**Data Table No. 4.3.1**

Instruction: From the immediately preceding year's Statement of Allotments, Obligations and Balances (SAOBs), fill out the allotments (current year and continuing appropriations). Based on the Trial Balances for the immediately preceding 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. The percentage computed in column (C) is the basis for scoring.

FISCAL YEAR	ALLOTMENTS				CASH AVAILABLE (B)	% OF TOTAL ALLOTMENTS WITH AVAILABLE CASH  (C)=(B/A) X 100
	CURRENT YEAR	CONTINUING APPROPRIATIONS	PRIOR YEAR'S LIABILITIES	TOTAL (A)		

**Sub-indicator 4.3.2: Preparation and updating of cash flow forecasts and cash flow analysis**

Score Sub-indicator 4.3.2 \_\_\_\_\_

**Scoring Matrix No. 4.3.2**

Instruction: Fill out Data Table No. 4.3.2 then use it as basis for determining the appropriate score that corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

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

**Data Table No. 4.3.2**

Instruction: Answer the following questions with Yes or No. Indicate the evidence supporting the answers. The basis for scoring is the frequency of updating the Cash Flow Forecast.

QUESTION (Q)	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 updated quarterly, specify how often is it updated -semi- annual or once a year?		

Note:

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. 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).

## PILLAR OF PFM NO. 4: PREDICTABILITY AND CONTROL IN BUDGET EXECUTION

### Indicator No. 4.4: Value for Money and controls In Procurement

Score: Sub-indicator 4.4.1 \_\_\_\_\_  
 Sub-indicator 4.4.2 \_\_\_\_\_  
 Sub-indicator 4.4.3 \_\_\_\_\_  
 Sub-indicator 4.4.4 \_\_\_\_\_  
 Sub-indicator 4.4.5 \_\_\_\_\_  
 Sub-indicators Total Score: \_\_\_\_\_  
 Average Score: Indicator No. 4.4 \_\_\_\_\_  
 (Sub-indicators Total Score / 5)

### Sub-indicator 4.4.1: 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. 9184 and its IRR

Score: Sub-indicator 4.4.1 \_\_\_\_\_

### Scoring Matrix No. 4.4.1

Instruction: Fill out Data Table No. 4.4.1 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	<b>100%</b> of the total number of contracts was awarded through public bidding.
<b>3</b>	<b>At least 90%</b> of the total number of contracts was awarded through public bidding.
<b>2</b>	<b>At least 80%</b> of the total number of contracts was awarded through public bidding.
<b>1</b>	<b>At least 70%</b> of the total number of contracts was awarded through public bidding.
<b>0</b>	<b>Less than 70%</b> of the total number of contracts was awarded through public bidding.

**Data Table No. 4.4.1**

Instruction: Please fill out the data table using the immediately preceding year's data and use answers in scoring. Exclude authorized procurement activities conducted through alternative modes.

TOTAL NO. OF PROCUREMENT ACTIVITIES / CONTRACTS	TOTAL NO. OF PROCUREMENT ACTIVITIES / CONTRACTS UNDERTAKEN THROUGH	% ACTIVITIES / CONTRACTS AWARDED THROUGH PUBLIC BIDDING
(A)	(B)	(C)= (B/A) X 100

Note:

Republic Act (RA) No. 9184, otherwise known as the Government Procurement Reform Act.

**Sub-indicator 4.4.2.****Procurement of Common-Use Supplies and Equipment from DBM - Procurement Service (PS)**

Score: Sub-indicator 4.4.2 \_\_\_\_\_

**Scoring Matrix No. 4.4.2**

Instruction: Fill out Data Table No. 4.4.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	<b>100%</b> of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.
<b>3</b>	<b>At least 90%</b> of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.
<b>2</b>	<b>At least 80%</b> of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.
<b>1</b>	<b>At least 70%</b> of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM-PS.
<b>0</b>	<b>Less than 70%</b> of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM- PS.

**Data Table No. 4.4.2**

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 out the data table using the immediately preceding year's data and use answers in scoring. The percentage computed in column (C) will serve as basis for scoring by comparing it with Scoring Matrix no. 4.4.2.

TOTAL AMOUNT OF CSE PURCHASED FOR THE YEAR	AMOUNT OF CSE COVERED BY APRS SUBMITTED TO DBM-PS	% OF TOTAL AMOUNT OF CSE PURCHASED COVERED BY APRS SUBMITTED TO DBM-PS	AMOUNT OF CSE ACTUALLY PURCHASED FROM DBM-PS
(A)	(B)	(C) = (B/A)100	(D)

Note:

The APRs submitted to DBM PS should be stamped received by the DBM PS. The indicator intends to measure the extent to which the LGUs complied with the provisions of R.A. No. 9184 and its IRR and Administrative Order No. 17 dated 28 July 2011 mandating the 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 LGUs submission of APR.

**Sub-indicator 4.4.3:**  
**Effectiveness of procurement**

Score: Sub-indicator 4.4.3 \_\_\_\_\_

**Scoring Matrix No. 4.4.3**

Instruction: Fill out Data Table No. 4.4.3 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	<b>100%</b> of LGU procurement was in accordance with the approved Annual / Supplemental Procurement Plan (A/S PP).
<b>3</b>	<b>At least 90%</b> of LGU procurement was in accordance with the approved A/S PP.
<b>2</b>	<b>At least 80%</b> of LGU procurement was in accordance with the approved A/S PP.
<b>1</b>	<b>At least 70%</b> of LGU procurement was in accordance with the approved A/S PP.
<b>0</b>	<b>Less than 70%</b> of LGU procurement was in accordance with the approved A/S PP.



**Data Table No. 4.4.3**

Instruction: Please fill out the data table using the immediately preceding year's data and use answers in scoring. Compare the percentage computed in row "c" with the criteria in the Scoring Matrix no. 4.4.3 to get the appropriate score.

<b>a.</b> Total number of procurement activities as per approved A/S PP.	
<b>b.</b> 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>c.</b> % of actual procurement in accordance with the approved A/S PP [ $c = (b/a) \times 100$ ].	
<b>d.</b> Reasons for deviations from the approved A/S PP.	

Note:

1. Pursuant to Rule II, Section 7.2 of the 2016 IRR of R.A. No. 9184 (Updated 31 March 2021), *"No procurement shall be undertaken unless it is in accordance with the approved APP, including approved changes thereto"*.
2. The computed percentage in row "(c)" of Data Table 4.4.3 should NOT go beyond 100% since under the law, all procurements shall be based on the approved A/S PP. Hence, the system will not accept a computed percentage of more than 100%.

**Sub-indicator 4.4.4.****Publication of procurement-related activities**

Score: Sub-indicator 4.4.4 \_\_\_\_\_

**Scoring Matrix No. 4.4.4**

Instruction: Using the immediately preceding year's data, fill out Data Table No. 4.4.4 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

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

Note:

There are two basic requirements of RA 9184: (1) posting/publication in the mandatory places, and (2) within the prescribed period. To score:

- 4 – fully complied with the two basic requirements (or 100% compliance with the posting and prescribed period)
- 3 – fully complied with the posting requirement but partial compliance with the prescribed period (or 100% compliance on the posting requirement but below 100% on the prescribed period)
- 2 – partial compliance with the posting requirements but fully complied with the prescribed period (or below 100% compliance with the posting requirement but full compliance with the prescribed period)
- 1 – partial compliance with the two basic requirements (or below 100% compliance on both requirements)
- 0 – no publication/posting

**Publication of procurement-related documents as required per IRR of RA 9184**

LEGAL BASIS	DOCUMENT OR INFORMATION	PRESCRIBED PERIOD/ TIMELINE	PHILIPPINE GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM (PHILGEPS) WEBSITE	CONSPICUOUS PLACE RESERVED FOR THIS PURPOSE IN THE PREMISES OF THE LGU	LGUS WEBSITE IF ANY
<b>COMPETITIVE BIDDING</b>					
Sec. 8.4.2, IRR of RA 9184	1. Invitation to Bid (Goods and Infrastructure Projects)	At least 7 CD	✓		
Sec. 8.4.2, IRR of RA 9184	2. Request for Expression of Interest (Consulting Services)	At least 7 CD	✓		
Sec. nos. 8.4.2a and 17.4, IRR of RA 9184	3. Downloadable complete Bidding Documents	At least 7 CD			
Sec. 8.4.3, IRR of RA 9184	4. Supplemental Bid Bulletin, if applicable	7 CD before deadline of submission			
Sec. 29, IRR of RA 9184	5. Notice of Postponement				
Sec. 33.2.4, IRR of RA 9184	6. Results of evaluation, as approved by the HOPE (Consulting Services)	At least 7 CD after approval of the HOPE			
Sec. 37.1.6, IRR of RA 9184	7. Notice of Award (NOA)	Within 3 CD from its issuance			

Sec. 37.4.2, IRR of RA 9184	8. Notice to Proceed (NTP)	Within 15 CD from its issuance			
Sec. 37.4.2, IRR of RA 9184	9. Approved Contract	Within 15 CD from its issuance			
<b>ALTERNATIVE METHODS OF PROCUREMENT</b>					
Sec. 54.2, IRR of RA 9184	10. Invitation or Request for Submission of Price Quotation or Proposals (For Limited Source Bidding, Shopping and Small Value above P50,000, Two-Failed Bidding, and NGO Participation)	At least 3 CD			
Item V©(2) (b)(v), Annex "H", IRR of RA 9184	11. Extension of the deadline in Shopping	At least 3 CD			
Item V©(2) (b)(v), Annex "H", IRR of RA 9184	12. NOA, Contract or Purchase Order (PO) including NTP if necessary, except for contracts with Approved Budget for the Contract (ABC) of P50,000 and below	Within 10 days from issuance			

**Data Table No. 4.4.4**

Instruction: Using the immediately preceding year's data, please fill out the Table and use it as basis for scoring.

DOCUMENT	PHILGEPS				CONSPICUOUS PLACE IN THE LGU				LGU WEBSITE, IF ANY			
	No. of Proc. Activities Requiring Posting	No. of Proc. Activities Posted	Within Prescribed Period		No. of Proc. Activities Requiring Posting	No. of Proc. Activities Posted	Within Prescribed Period		No. of Proc. Activities Requiring Posting	No. of Proc. Activities Posted	Within Prescribed Period	
			No. of Proc. Activities Requiring Posting	No. of Proc. Activities Posted			No. of Proc. Activities Requiring Posting	No. of Proc. Activities Posted			No. of Proc. Activities Requiring Posting	No. of Proc. Activities Posted
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMPETITIVE BIDDING												
1. Invitation to Bid (Goods and Infrastructure Projects)												
2. Request for Expression of Interest (Consulting Services)												
3. Downloadable complete Bidding Documents												
4. Supplemental Bid Bulletin, if applicable												
5. Notice of Postponement												

6. Results of evaluation, as approved by the HOPE (Consulting Services)												
7. Notice of Award (NOA)												
8. Notice to Proceed (NTP)												
9. Approved Contract												
<b>ALTERNATIVE METHODS OF PROCUREMENT</b>												
10. Invitation or Request for Submission of Price Quotations or Proposals (For Limited Source Bidding, Shopping and Small Value above P50,000, Two-Failed Bidding, and NGO Participation)												
11. Extension of the Deadline in Shopping												

12. NOA, Contract or Purchase Order (PO), including NTP if necessary, except for contracts with Approved Budget for the Contract (ABC) of PhP50,000 and below												
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Note:

For purposes of scoring, compute the percentages of the following:

A. Posting requirement

(Col. 3/Col. 2) x 100

2. (Col. 5/Col. 4) x 100

B. Prescribed period for posting

1. (Col. 7/Col. 6) x 100

2. (Col. 9/Col. 8) x 100

Compare the percentages computed with the criteria in the **Scoring Matrix no. 4.4.4.**



**Sub-indicator 4.4.5.**  
**Timeliness of completed**  
**procurement activities**

Score: Sub-indicator 4.4.5 \_\_\_\_\_

**Scoring Matrix No. 4.4.5**

Instruction: Fill out Data Table No. 4.4.5 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	<b>100%</b> of requested goods and services, civil works and consulting services were delivered / completed on time.
3	<b>At least 90%</b> of requested goods and services, civil works and consulting services were delivered / completed on time.
2	<b>At least 80%</b> of requested goods and services, civil works and consulting services were delivered / completed on time.
1	<b>At least 70%</b> of requested goods and services, civil works and consulting services were delivered / completed on time.
0	<b>Less than 70%</b> of requested goods and services, civil works and consulting services were delivered / completed on time.

**Data Table No. 4.4.5**

Instruction: Using the Approved Annual / Supplemental Procurement Plan and Procurement Monitoring Reports as bases, fill out the table using the immediately preceding year's data.

NO. OF PROCUREMENT ACTIVITIES COMPLETED PER APPROVED ANNUAL / SUPPLEMENTAL PROCUREMENT PLAN	NO. OF COMPLETED PROCUREMENT ACTIVITIES DELIVERED / IMPLEMENTED ACCORDING TO PLANNED / REQUIRED DELIVERY DATES	% OF COMPLETED/DELIVERED/ IMPLEMENTED PROCUREMENT ACTIVITIES ACCORDING TO PLANNED / REQUIRED DELIVERY DATES
(A)	(B)	(C)=(B/A)100

**SUMMARY OF SCORES: PILLAR OF PFM NO. 4**

INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATORS SCORE
4.1 Real Property Tax (RPT) accomplishment rate	None	N/A	
4.2 Effectiveness of tax enhancement measures	4.2.1 Computerized RPT database system linkage		
	4.2.2 Effectiveness of implementing tax collection strategies for delinquent RPT		
	4.2.3 Effectiveness of civil remedies on tax payment (For provinces and cities only)		
	4.2.4 Planning and monitoring of tax mapping		
4.3 Predictability in the availability of cash for commitment of expenditures	4.3.1 Cash availability to support budgeted programs, projects and activities, and liabilities		
	4.3.2 Preparation and updating of cash flow forecasts and cash flow analysis		

4.4 Value for money and controls in procurement	4.4.1 Use of public bidding for the procurement of goods (excluding common-use supplies and equipment), civil works and consulting services in accordance with RA 9184 and its IRR		
	4.4.2 Procurement of common-use supplies and equipment from DBM Procurement Service		
	4.4.3 Effectiveness of procurement		
	4.4.4 Publication of procurement related activities		
	4.4.5 Timeliness of completed procurement activities		
<b>PILLAR OF PFM NO. 4 – PREDICTABILITY AND CONTROL IN BUDGET EXECUTION: AVERAGE SCORE</b>  [(Indicators' Score Nos. 4.1 + 4.2 + 4.3 + 4.4 / 4)]			

**PILLAR OF PFM NO. 5: ACCOUNTING, RECORDING, AND REPORTING****Indicator 5.1:****Timeliness and regularity of  
Accounts reconciliation**

Score: Sub-indicator 5.1.1 \_\_\_\_\_  
 Sub-indicator 5.1.2 \_\_\_\_\_  
 Sub-indicators Total Score: \_\_\_\_\_  
 Average Score: Indicator 5.1 \_\_\_\_\_  
 (Sub-indicators Total Score/2)

**Sub-indicator 5.1.1:****Regularity of bank reconciliation**

Score: Indicator 5.1.1 \_\_\_\_\_

**Scoring Matrix No. 5.1.1**

Instruction: Please fill out Data Table No. 5.1.1 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	<b>100%</b> of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
<b>3</b>	<b>At least 90%</b> of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
<b>2</b>	<b>At least 80%</b> of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
<b>1</b>	<b>At least 70%</b> of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.
<b>0</b>	<b>Less than 70%</b> of bank reconciliation for the General Fund bank accounts takes place monthly, and within 5 working days from receipt of bank statements.

**Data Table No. 5.1.1**

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			
<b>% of Bank Reconciliation Undertaken Within 5 Working Days from Receipt of Bank Statement (No. of Yes Answers / 12)100</b>			

**Sub-indicator 5.1.2.****Timeliness of reconciliation and liquidation of cash advances**

Score: Sub-indicator 5.1.2 \_\_\_\_\_

**Scoring Matrix No. 5.1.2**

Instruction: Fill out Data Table No. 5.1.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	<b>100%</b> of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
3	<b>At least 90%</b> of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
2	<b>At least 80%</b> of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
1	<b>At least 70%</b> of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.
0	<b>Less than 70%</b> of cash advances are reconciled and liquidated within the prescribed deadline for liquidation.

**Data Table No. 5.1.2**

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	TOTAL AMOUNT OF CASH ADVANCES LIQUIDATED WITHIN PRESCRIBED	% OF TOTAL AMOUNT OF CASH ADVANCES LIQUIDATED WITHIN PRESCRIBED
(A)	(B)	(C)= (B/A)100



**PILLAR OF PFM NO. 5: ACCOUNTING, RECORDING, AND REPORTING**

**Indicator No. 5.2: Quality and timeliness of regular financial reports and annual financial statements**

Score: Indicator 5.2 \_\_\_\_\_

**Scoring Matrix No. 5.2**

Instruction: Fill out Data Table No. 5.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	In the immediately preceding year, there were <b>NO COA ADVERSE AUDIT FINDINGS</b> on both the quality and timeliness of the regular financial reports and annual financial statements.
3	In the immediately preceding year, there were <b>NO COA ADVERSE AUDIT FINDINGS</b> on both the quality and timeliness of the regular financial reports and annual financial statements for <b>AT LEAST THREE (3) QUARTERS OF THE YEAR.</b>
2	In the immediately preceding year, there were <b>NO COA ADVERSE AUDIT FINDINGS</b> on both the quality and timeliness of the regular financial reports and annual financial statements for at <b>LEAST TWO (2) QUARTERS OF THE YEAR.</b>
1	In the immediately preceding year, there were <b>COA ADVERSE AUDIT FINDINGS</b> on <b>either</b> the quality or timeliness of the regular financial reports and/or annual financial statements for <b>AT LEAST THREE (3) QUARTERS OF THE YEAR.</b>
0	In the immediately preceding year, there were <b>COA ADVERSE AUDIT FINDINGS</b> on <b>either</b> the quality and timeliness of the regular financial reports and/or annual financial statements <b>FOR EVERY QUARTER OF THE YEAR.</b>

Note:

Scoring is based on the frequency of COA ADVERSE AUDIT FINDINGS OR PRESENCE OF COA ADVERSE FINDINGS.

**Data Table No. 5.2**

Instruction: Based on the COA Audit Observation Memoranda, Notice of Disallowance, Notice of Suspension and Annual Audit Reports for the immediately preceding year, answer the following questions with Yes or No.

QUESTION (ANSWER BY YES OR NO)	1 <sup>ST</sup> QTR	2 <sup>ND</sup> QTR	3 <sup>RD</sup> QTR	4 <sup>TH</sup> QTR	ANNUAL
1. Were regular financial reports and annual financial statements prepared? (Q1)					
2. Were there COA adverse 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) (Q2)					
3. Were there COA adverse 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) (Q3)					

Notes:

1. For purposes of scoring, count the numbers of Yes and No answers in Q2 and Q3.
2. To get a score of 4, there should be no Yes answers in Q2 and Q3 in all the columns.
3. To get a score of 3, there should be at most one (1) Yes answer for both Q2 and Q3 in all the columns.

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4. To get a score of 2, there should only be at most two (2) Yes answers for both Q2 and Q3 in all the columns.
5. To get a score of 1, there should be at most three(3) Yes answers for either Q2 and Q3 in all the columns.
6. To get a score of 0, there should be COA Adverse Findings for every quarter of the year either in timeliness or quality.

The following financial reports should be prepared and submitted by LGUs to COA:

TITLE OF REPORT	DUE DATE	DATE SUBMITTED	REMARKS
<b>A. Monthly</b>			
1. Trial Balance	10th of the following month		
2. Statement of Financial Position	-same-		
3. Statement of Financial Performance	-same-		
4. Cash Flow Statement	-same-		
5. Bank Reconciliation Reports	20 <sup>th</sup> of the following month		
6. Schedule of Cash Advances	1 <sup>st</sup> day of the following month		
<b>B. Quarterly</b>			
1. Report on Utilization of Due to NGAs	15 <sup>th</sup> of the month following the end of the quarter		
2. Liquidation Report of Due to NGAs	-same-		
<b>C. Semestral</b>			
1. Schedule of Receivable Accounts	Per COA's request		

<b>D. Annual</b>			
1. Trial Balance	14 February		
2. Statement of Financial Position	-same-		
3. Statement of Financial Performance	-same-		
4. Cash Flow Statement	-same-		
5. Bank Reconciliation Reports	-same-		
6. Schedule of Cash Advances	-same-		
7. Report on Utilization of PDRRM Fund	-same-		
<b>E. Others</b>			

**SUMMARY OF SCORES: PILLAR OF PFM NO. 5**

INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
5.1 Timeliness and regularity of accounts reconciliation	5.1.1 Regularity of bank reconciliation		
	5.1.2 Timeliness of reconciliation and liquidation of cash advances		
5.2 Quality and timeliness of regular financial reports and annual financial statements	None	N/A	
<b>PILLAR OF PFM NO. 5 - ACCOUNTING, RECORDING, AND REPORTING:</b> <b>AVERAGE SCORE</b>  $\left[ (\text{Indicators' Score Nos. 5.1} + 5.2) / 2 \right]$			

## PILLAR OF PFM NO. 6: INTERNAL AND EXTERNAL AUDIT

### Indicator No. 6.1: Effectiveness of Internal Audit

Score: Sub-indicator 6.1.1 \_\_\_\_\_  
Sub-indicator 6.1.2 \_\_\_\_\_  
Sub-indicators Total Score: \_\_\_\_\_

Average Score: Indicator No. 6.1 \_\_\_\_  
(Sub-indicators total score/2)

### Sub-indicator 6.1.1: Conduct of Internal Audits and Reporting

Score: Sub-indicator 6.1.1 \_\_\_\_\_

### Scoring Matrix No. 6.1.1

Instruction: Fill out Data Table No. 6.1.1 then use as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	In the immediately preceding year, internal audits were conducted consistent with the LCE approved IAS Annual Audit Plan (AAP), and audit reports were prepared and submitted to the LCE <b>within one month</b> after the end of the audit activity.
3	In the immediately preceding year, internal audits were conducted as per the approved IAS AAP, but audit reports were prepared and submitted to the LCE <b>within two months</b> after termination of the audit activity.
2	In the immediately preceding year, there was no approved IAS AAP and <b>internal audits are sparingly conducted</b> .
1	In the immediately preceding year, <b>internal audits were not conducted at all</b> (not operational IAS).
0	In the immediately preceding year, there was <b>no established Internal Audit Service</b> .

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## Notes:

1. Internal audits as an activity may include baseline assessment of internal control system (BAICS), compliance audit, operational audit, management audit, among others.
2. If the IAS is newly established, strategic planning, annual work planning and audit engagement planning activities may be considered as part of the term “internal audit”.
3. The Internal Audit Manual for LGUs prepared by DBM could be a good reference for other activities and preparation of reports.

**Data Table No. 6.1.1**

Instruction: Please provide the details of the columns using the immediately preceding year’s data.

INTERNAL AUDIT ACTIVITY	DATE STARTED	END OF ACTIVITY (DATE)	DATE OF SUBMISSION OF REPORT
(A)	(B)	(C)	(D)
Strategic Planning			
Preparation of Annual Audit Plan			
Baseline Assessment of Internal Control Systems			
Conduct of Compliance Audit			
Conduct of Operational Audit			
Report drafting and submission			
Others			

## Note:

For purposes of scoring, compare column (C) and column (D) and count the number of days the report was submitted to the LCE and the frequency of conduct of internal audit studies. If the LGU has no Internal Audit Service or office, the score is zero (0).

**Sub-indicator 6.1.2:**  
**Extent of management action**  
**on internal audit findings**

Score: Sub-indicator 6.1.2 \_\_\_\_\_

**Scoring Matrix No. 6.1.2**

Instruction: Fill out Data Table No. 6.1.2, then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	Action by management on internal audit findings and recommendations were completed <b>WITHIN TEN (10) WORKING DAYS</b> from receipt of audit report.
<b>3</b>	Action by management on internal audit findings and recommendations were completed <b>WITHIN FIFTEEN (15) WORKING DAYS</b> from receipt of audit report.
<b>2</b>	Action by management on internal audit findings and recommendations were completed <b>WITHIN TWENTY(20) WORKING DAYS</b> from receipt of audit report.
<b>1</b>	Action by management on internal audit findings and recommendations were completed <b>WITHIN TWENTY-FIVE (25) WORKING DAYS</b> from receipt of audit report.
<b>0</b>	Action by management on internal audit findings and recommendations were completed <b>AFTER TWENTY-FIVE (25) WORKING DAYS</b> from receipt of audit report.

Note:

Completion of action means that the LCE has taken action on the recommendation based on the internal audit findings.



**Data Table No. 6.1.2**

Instruction: Using the immediately preceding year's internal audit reports, fill out the data table.

AUDIT REPORTS REFERENCE NO. / DATE	DATE OF RECEIPT OF AUDIT REPORT BY LCE	DATE OF ACTION ON RECOMMENDATIONS	REASON FOR DELAY / EVIDENCE
(A)	(B)	(C)	(D)

Note:

Compare columns (B) and (C) and determine the number of days when the recommendation was acted by the LCE and use it for scoring.

## PILLAR OF PFM NO. 6: INTERNAL AND EXTERNAL AUDIT

### Indicator No. 6.2: Follow up on external audit

Score: Sub-indicator 6.2.1 \_\_\_\_\_  
 Sub-indicator 6.2.2 \_\_\_\_\_  
 Sub-indicator 6.2.3 \_\_\_\_\_  
 Sub-indicators Total Score: \_\_\_\_\_

Average Score: Indicator No. 6.2 \_\_\_\_\_  
 (Sub-indicators total score/3)

### Sub-indicator 6.2.1: Compliance with audit recommendations

Score: Sub-indicator 6.2.1 \_\_\_\_\_

### Scoring Matrix No. 6.2.1

Instruction: Fill out Data Table No. 6.2.1 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
4	<b>100%</b> of COA recommendations were implemented.
3	<b>At least 90%</b> of COA recommendations were implemented.
2	<b>At least 80%</b> of COA recommendations were implemented.
1	<b>At least 70%</b> of COA recommendations were implemented.
0	<b>Less than 70%</b> of COA recommendations were implemented.

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**Data Table No. 6.2.1**

Instruction: Using the immediately preceding year's COA Annual Audit Report (AAR), fill out the data table. Use the next preceding year's COA AAR if the immediately preceding year's AAR is still not available.

NO. OF COA RECOMMENDATIONS IN AAR FOR THE IMMEDIATE PRECEDING YEAR	NO. OF COA RECOMMENDATIONS IMPLEMENTED	% OF COA RECOMMENDATIONS IMPLEMENTED
(A)	(B)	(C)=( B/A)100

Note:

If 2021 is the current year, the next preceding year is 2019.

**Sub-indicator 6.2.2**  
**Extent of COA disallowances**

Score: Sub-indicator 6.2.2 \_\_\_\_\_

**Scoring Matrix No. 6.2.2**

Instruction: Fill out Data Table No. 6.2.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	<b>No disallowances</b> in the COA Annual Audit (Zero answer to Question C).
<b>3</b>	<b>Not more than 10%</b> of total expenditures was disallowed in the COA Annual Audit.
<b>2</b>	<b>Not more than 20%</b> of total expenditures was disallowed in the COA Annual Audit.
<b>1</b>	<b>Not more than 30%</b> of total expenditures was disallowed in the COA Annual Audit.
<b>0</b>	<b>More than 30%</b> of total expenditures was disallowed in the COA Annual Audit.

**Sub-indicator 6.2.3.**  
**Magnitude of COA disallowances settled**

Score: Sub-indicator 6.2.3 \_\_\_\_\_

**Scoring Matrix No. 6.2.3**

Instruction: Fill out Data Table No. 6.2.2 then use it as basis for determining the appropriate score which corresponds to the minimum requirement of the specific criterion that your LGU has satisfied.

SCORE	CRITERIA
<b>4</b>	<b>100%</b> of COA disallowances were settled.
<b>3</b>	<b>At least 90%</b> of COA disallowances were settled.
<b>2</b>	<b>At least 80%</b> of COA disallowances were settled.
<b>1</b>	<b>At least 70%</b> of COA disallowances were settled.
<b>0</b>	<b>Less than 70%</b> of COA disallowances were settled.

**Data Table No. 6.2.2**

Instruction: Fill in items A, B and D. Compute for percentage of total expenditures disallowed in audit and percentage of disallowance settled. Letter “C” is used for scoring in Scoring Matrix no. 6.2.2, while column “E” is used for scoring in Scoring Matrix no. 6.2.3

LETTER	DESCRIPTION	TOTAL AMOUNT
<b>A</b>	Total amount of expenditures in the next preceding year	
<b>B</b>	Amount of disallowances in the next preceding year per COA Annual Audit Report	
<b>C</b>	% of total expenditures disallowed in Audit $(b/a) \times 100$	
<b>D</b>	Disallowances settled in Pesos	
<b>E</b>	% of disallowances settled $(d/b) \times 100$	

Note:

Data Table No. 6.2.2 covers Scoring Matrix Nos. 6.2.2 and 6.2.3.

**SUMMARY OF SCORES: PILLAR OF PFM NO. 6**

INDICATORS	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATORS SCORE
6.1 Effectiveness of internal audit	6.1.1 Conduct of internal audits and reporting		
	6.1.2 Extent of management action on internal audit findings		
6.2 Follow up on external audit	6.2.1 Compliance with audit recommendations		
	6.2.2 Extent of COA disallowances		
	6.2.3 Magnitude of COA disallowances settled		
<b>PILLAR OF PFM NO. 6 - INTERNAL AND EXTERNAL AUDIT: AVERAGE SCORE</b>			
[ (Indicators' Score Nos. 6.1 + 6.2) / 2]			

**PILLAR OF PFM NO. 7: CITIZENS' PARTICIPATION IN THE BUDGET PROCESS****Indicator No. 7.1:**

**Civil Society Organization (CSO)**  
**accreditation by the Local Sanggunian**

Score: Indicator 7.1 _____
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**Scoring Matrix No. 7.1**

Instruction: Use Data Table No. 7.1 as the basis for determining the appropriate score that corresponds to the minimum requirement of the criterion satisfied by the LGU.

SCORE	CRITERIA
<b>4</b>	<b>At least three (3) Civil Society Organization (CSOs)</b> have been accredited by the Local Sanggunian.
<b>3</b>	<b>Two (2) CSOs</b> have been accredited by the Local Sanggunian.
<b>2</b>	<b>One (1) CSO</b> has been accredited by the Local Sanggunian.
<b>1</b>	There is an <b>existing accreditation system</b> but <b>no CSO has been accredited</b> .
<b>0</b>	There is <b>no CSO accreditation</b> system in the LGU.



**Data Table No. 7.1**

Instruction: Please answer the following table and use it for Scoring Matrix Nos. 7.1 and 7.2.

QUESTIONS	ANSWER
Q1. Do you have an accreditation system for CSOs in your LGU? Pls. answer with YES or NO.	
Q2. If YES to Q1, how many CSOs were accredited by your LGU? Pls. state how many.	
Q3. Were the accredited CSOs invited to participate in the budget process? Pls. answer with YES or NO.	
Q4. Did the invited accredited CSO participated in any phase of the budget process? Pls. answer with YES or NO.	
Q5. If YES to Q4, please answer YES to the following budget phases where the CSO participated:	
a. Budget Preparation	
b. Budget Execution	
c. Budget Accountability	

**Indicator No. 7.2:****Degree of citizens' participation in the budget process**

Score: Indicator 7.2 \_\_\_\_\_

**Scoring Matrix No. 7.2**

Instruction: Use Data Table No. 7.1 as the basis for determining the appropriate score that corresponds to the minimum requirement of the criterion satisfied by the LGU.

SCORE	CRITERIA
<b>4</b>	Partner Civil Society Organizations (CSOs) <b>have participated</b> in budget preparation, budget execution and budget accountability phases of the budget cycle.
<b>3</b>	Partner CSOs have <b>participated in two (2) phases</b> of the budget cycle enumerated above.
<b>2</b>	Partner CSOs have <b>participated in one (1) phase</b> of the budget cycle enumerated above.
<b>1</b>	Partner CSOs have been invited to participate but <b>did not participate</b> in any phase of the budget cycle.
<b>0</b>	Partner CSOs have <b>not been invited</b> to participate in any of the three (3) phases of the budget cycle.

Note:

In determining the degree of citizens' participation in the budget process, only the budget preparation phase, budget execution and budget accountability phases are considered since the phases are within the control of the Executive Department.

**SUMMARY OF SCORES: PILLAR OF PFM NO. 7**

INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
7.1 Civil Society Organization (CSO) accreditation by the Sanggunian	N o n e	N/A	
7.2 Degree of citizens' participation in the budget process	N o n e	N/A	
<b>PILLAR OF PFM NO. 7 - CITIZENS' PARTICIPATION IN THE BUDGET PROCESS: AVERAGE SCORE</b>  $[(\text{Indicators' Score Nos. 7.1} + 7.2) / 2]$			

### SUMMARY TABLE NO. 3: OVERALL AVERAGE SCORE OF THE SEVEN (7) PILLARS OF PFM

PILLARS OF PFM/INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
<b>1. <u>Policy-based Budgeting</u></b> 1.1 Multiyear perspective in fiscal planning and budgeting	1.1.1 Linkage between PDPFP/CDP and LDIP 1.1.2 Linkage between LDIP and AIP 1.1.3 Linkage between AIP and Appropriation Ordinance covering the budgets		
1.2 PFM improvement policies included in the PFMIP address the weaknesses identified in the PFM assessment	None	N/A	
1.3 Orderliness of activities in the annual budget preparation and authorization phases	1.3.1 Adherence to a fixed calendar for budget preparation and authorization phases 1.3.2 Timely enactment and approval of the Appropriation Ordinance (AO) authorizing the annual budget 1.3.3 Timely submission of the AO authorizing the annual budget to the appropriate reviewing authority		
1.4 Financial self-reliance of Local Economic Enterprises (LEE)/ Public Utilities (PU)	N o n e	N/A	
<b>PILLAR OF PFM NO. 1 AVERAGE SCORE [(INDICATOR NOS. 1.1 + 1.2 + 1.3 + 1.4)/4]</b>			

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PILLARS OF PFM/INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
<b>2. <u>Comprehensiveness and Transparency</u></b> 2.1 Comprehensiveness of budget information contained in the AO covering the annual budget	None	N/A	
2.2 Public access to key information	None	N/A	
<b>PILLAR OF PFM NO. 2 AVERAGE SCORE [(INDICATOR NOS. 2.1 + 2.2)/2]</b>			
<b>3. <u>Credibility of the Budget</u></b> 3.1 Actual local revenue collections compared with estimated revenues in the budget	None	N/A	
3.2 Actual expenditures compared with appropriation	3.2.1 Total allotments released compared with total appropriations 3.2.2 Total actual obligations compared with total allotments released 3.2.3 Total actual disbursements compared with total obligations		
<b>PILLAR OF PFM NO. 3 AVERAGE SCORE [(INDICATOR NOS. 3.1 + 3.2 +)/2]</b>			

PILLARS OF PFM/ INDICATOR	SUB-INDICATORS	SUB- INDICATORS SCORE	INDICATOR SCORE
<b>4. <u>Predictability and Control in Budget Execution</u></b>			
4.1 Real Property Tax (RPT) accomplishment rate	None	N/A	
4.2 Effectiveness of tax enhancement measures	4.2.1 Computerized RPT database system linkages 4.2.2 Effectiveness of implementing tax collection strategies for delinquent RPT 4.2.3 Effectiveness of civil remedies on tax payment (For provinces and cities only) 4.2.4 Planning and monitoring of tax mapping		
4.3 Predictability in the availability of cash for commitment of expenditures	4.3.1 Cash availability to support budgeted programs, projects, activities and liabilities 4.3.2 Preparation and updating of cash flow forecasts and cash flow analysis		

<p>4.4 Value for money and controls in procurement</p>	<p>4.4.1 Use of public bidding for the procurement of goods (excluding common use supplies and equipment), civil works and consulting services in accordance with RA 9184 and its IRR</p> <p>4,4,2 Procurement of common use supplies and equipment from DBM Procurement Service</p> <p>4,4,3 Effectiveness of procurement</p> <p>4.4.4 Publication of procurement-related activities</p> <p>4.4.5 Timeliness of completed procurement activities</p>		
<p><b>PILLAR OF PFM NO. 4 AVERAGE SCORE</b>  <b>[(INDICATOR NOS. 4.1 + 4.2 + 4.3 + 4.4)/4]</b></p>			

# Enhanced Public Financial Management Assessment Tool for Local Government Units

PILLARS OF PFM/INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
<b>5. <u>Accounting, Recording, and Reporting</u></b>	5.1.1 Regularity of bank reconciliation		
5.1 Timeliness and regularity of accounts reconciliation	5.1.2 Timeliness of reconciliation and liquidation of cash advances		
5.2 Quality and timeliness of regular financial reports and annual financial statements	None	N/A	
<b>PILLAR OF PFM NO. 5 AVERAGE SCORE [(INDICATOR NOS. 5.1 + 5.2)/2]</b>			
<b>6. <u>Internal and External Audit</u></b>	6.1.1 Conduct of internal audit and reporting		
6.1 Effectiveness of internal audit	6.1.2 Extent of management action on internal audit findings		
6.2 Follow up on external audit	6.2.1 Compliance with audit recommendation		
	6.2.2 Extent of COA disallowances		
	6.2.3 Magnitude of COA disallowances settled		
<b>PILLAR OF PFM NO. 6 AVERAGE SCORE [(INDICATOR NOS. 6.1 + 6.2)/2]</b>			



# Enhanced Public Financial Management Assessment Tool for Local Government Units

PILLARS OF PFM/INDICATOR	SUB-INDICATORS	SUB-INDICATORS SCORE	INDICATOR SCORE
<b>7. <u>Citizens' Participation in the budget process</u></b> 7.1 Civil Society Organization (CSO) accreditation by the Sanggunian	None	N/A	
7.2 Degree of citizens' participation in the budget process	None	N/A	
<b>PILLAR OF PFM NO. 7 AVERAGE SCORE [(INDICATOR NOS. 7.1 + 7.2)/2]</b>			
<b>OVERALL AVERAGE SCORE</b>  <b>[(PILLAR OF PFM NOS.1 + 2 + 3 + 4 + 5 + 6 + 7)/7]</b>			

Note:

To get the overall average score, add all the average scores of the seven pillars of PFM and divide the total by seven (7).

## **ANNEX B**

# **INTERPRETATION AND ANALYSIS OF SCORES**

## INTERPRETATION AND ANALYSIS OF SCORES

The scores of the indicators must be analyzed by Pillar of PFM to determine in what area it is strong and where it is weak. Using the overall average score of the seven (7) Pillars to represent the status of the entire PFM of an LGU might be misleading. If it cannot be avoided, the overall average score should serve only as a marker or a guide at most. The seven Pillars are of equal weight and importance and support each other in an open and orderly PFM.

To have a uniform interpretation of the five-point scale (from 0 to 4) that would be used in scoring the indicators, the scores should be interpreted and analyzed, as follows:

**Synopsis Table No. 1: Guide to Interpretation and Analysis of Scores**

SCORE	INTERPRETATION	ANALYSIS
<b>4.0</b>	<b>Very Strong</b>	Compliance with the requirements of PFM-related laws, policies, rules and regulations is very high.
<b>3.0 – 3.9</b>	<b>Strong</b>	Compliance with the requirements of PFM-related laws, policies, rules and regulations is high.
<b>2.0 – 2.9</b>	<b>Weak</b>	Compliance with the requirements of PFM-related laws, policies, rules and regulations is poor.
<b>1.0 – 1.9</b>	<b>Very Weak</b>	Compliance with the requirements of PFM-related laws, policies, rules and regulations is very poor.
<b>Below 1.0</b>	<b>Nonexistent</b>	Compliance with the requirements of PFM-related laws, policies, rules and regulations is virtually lacking.

Note:

Nonexistent, as used here, means that the level of LGU compliance to the requirements is farthest to the ideal score of 4.0.

The following sample interpretation and analysis presented in the synopsis tables will serve only as models or patterns as they cannot capture all the

possible situations in the ground. Hence, it is imperative for the LGU to modify the sample analysis and present the situation that would best reflect the scores of the indicators. Explain how the averages were arrived at. For example, while the other indicators or sub-indicators in a particular Pillar could be very strong, one weak indicator or sub-indicator may pull down the score of that Pillar when the average is taken, thus distorting the overall picture. This kind of situation should be highlighted by the Team members in the analysis.

What is presented in the synopsis table for Policy-based Budgeting are the actual scores of the four (4) indicators and six (6) sub-indicators that may be taken from the Scoring Matrices after the assessment. This sample is only one of the many possible combinations that the LGU may expect depending on the outcome of the assessment. In the write-ups, the PFM Team must explain more the reasons behind the scores.

**Synopsis Table No. 2: Sample Interpretation and Analysis of Scores**  
**PILLAR OF PFM NO. 1 - POLICY-BASED BUDGETING**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4.0	<p>Policy-based Budgeting was very strong based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- 100% linkage between the PDPFP/CDP and the LDIP;</li> <li>- 100% linkage between the LDIP and the AIP;</li> <li>- 100% of the items in the budget were taken from the approved AIP;</li> <li>- the Appropriation Ordinance (AO) covering the annual budget was enacted by the Sanggunian and approved by the Local Chief Executive prior to the start of the budget year;</li> <li>- PFMIP improvement policies addressed 100% of the weaknesses;</li> <li>- there was 100% compliance with the steps and the mandated timeline in the preparation, authorization and the submission for review of the budget; and</li> <li>- the LEEs /PUs were 100% financially self-sufficient.</li> </ul>

3.0 – 3.9	<p>Policy-based Budgeting was strong based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- 77% linkage between the PDPFP/CDP and the LDIP;</li> <li>- 98% linkage between the LDIP and the AIP;</li> <li>- 100% of the items in the budget were taken from the approved AIP;</li> <li>- PFMIP improvement policies addressed 100% of the weaknesses;</li> <li>- there were delays in not more than two steps in the calendar of activities for budget preparation and authorization;</li> <li>- the Appropriations Ordinance was enacted by the Sanggunian prior to the start of the budget year but approved by the LCE after the start of the budget year;</li> <li>- the budget was submitted for review within eleven (11) to fifteen (15) days after approval by the LCE of the AO; and</li> <li>- the LEEs and PUs generated income that covered 92% of their operations.</li> </ul>
2.0 – 2.9	<p>Policy-based Budgeting was weak based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- 74% linkage between the PDPFP/CDP and the LDIP;</li> <li>- 97% linkage between the LDIP and the AIP;</li> <li>- 100% of the items in the budget were taken from the approved AIP;</li> <li>- PFMIP improvement policies addressed 60% of the weaknesses;</li> <li>- there were delays in not more than two steps in the calendar of activities for budget preparation and authorization;</li> <li>- the Appropriations Ordinance was enacted by the Sanggunian prior to the start of the budget year but approved by the LCE after the start of the budget year;</li> <li>- the budget was submitted for review beyond fifteen (15) days after approval by the LCE of the AO; and</li> <li>- the LEEs and PUs generated income that could only cover 76% of our operations.</li> </ul>

1.0 – 1.9	<p>Policy-based Budgeting was very weak based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- 76% linkage between the PDPFP/CDP and the LDIP;</li> <li>- 93% linkage between the LDIP and the AIP;</li> <li>- 100% of the items in the budget were taken from the approved AIP;</li> <li>- PFMIP improvement policies addressed at least 40% of the weaknesses;</li> <li>- there were delays in three (3) but not more than four (4) steps in the calendar of activities for budget preparation and authorization;</li> <li>- the Appropriations Ordinance was both enacted and approved by the Sanggunian and LCE respectively during the first quarter of the budget year;</li> <li>- the budget was submitted for review within eleven (11) to fifteen (15) days after approval by the LCE of the AO; and</li> <li>- the LEEs and PUs generated income that could only cover at least 74% of their operations.</li> </ul>
Below 1.0	<p>Policy-based Budgeting was nonexistent based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- 65% linkage between the PDPFP/CDP and the LDIP;</li> <li>- 79% linkage between the LDIP and the AIP;</li> <li>- 76% of the items in the budget were taken from the approved AIP;</li> <li>- PFMIP improvement policies addressed less than 40% of the weaknesses;</li> <li>- the steps in the calendar of activities for budget preparation and authorization were not entirely followed;</li> <li>- the Appropriations Ordinance for the budget year was not enacted;</li> <li>- the budget was not submitted for review; and</li> <li>- the LEEs and PUs generated income that could only cover 55% of their operations.</li> </ul>

When presenting the weaknesses, the PFM Team should detail why a certain area is weak and present its possible effects. For example, when the assessment shows that “76% of the items in the budget were taken from the approved AIP,” it must be written in the report that the linkage between the budget and the AIP is low resulting in some projects not being implemented due to its non-inclusion in the AIP.

**Synopsis Table No. 3: Sample Interpretation and Analysis of Scores**  
**PILLAR OF PFM NO. 2 – COMPREHENSIVENESS AND TRANSPARENCY**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4.0	<p>Comprehensiveness and Transparency was very strong as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- the budget information contained in the Appropriation Ordinance covering the annual budget was comprehensive and the supporting documents were complete; and</li> <li>- there was 100% compliance with the posting of documents in three (3) conspicuous places, the Full Disclosure Portal, and the prescribed period for posting in accordance with the Full Disclosure Policy of DILG.</li> </ul>
3.0 - 3.9	<p>Comprehensiveness and Transparency was strong based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- the budget information contained in the Appropriation Ordinance covering the annual budget was comprehensive but one supporting document was not in the prescribed format; and</li> <li>- 93% average compliance with the posting of documents in three (3) conspicuous places, the Full Disclosure Portal, and the prescribed period for posting in accordance with the Full Disclosure Policy of DILG.</li> </ul>
2.0 – 2.9	<p>Comprehensiveness and Transparency was weak as shown by the results of the assessment, as follows:</p> <ul style="list-style-type: none"> <li>- the budget information contained in the Appropriation Ordinance covering the annual budget was comprehensive and the supporting documents were complete; and</li> <li>- there was only 77% average compliance with the posting of documents in three (3) conspicuous places, the Full Disclosure Portal, and the prescribed period for posting in accordance with the Full Disclosure Policy of DILG.</li> </ul>

1.0 – 1.9	<p>Comprehensiveness and Transparency was very weak based on the following:</p> <ul style="list-style-type: none"> <li>- the budget information contained in the Appropriation Ordinance covering the annual budget was not comprehensive and one (1) supporting document was not in the prescribed format; and</li> <li>- there was only 74% average compliance with the posting of documents in three (3) conspicuous places, the Full Disclosure Portal, and the prescribed period for posting in accordance with the Full Disclosure Policy of DILG.</li> </ul>
Below 1.0	<p>Comprehensiveness and Transparency was nonexistent as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- the budget information contained in the Appropriation Ordinance covering the annual budget was not comprehensive and at least two (2) supporting documents were not in the prescribed formats; and</li> <li>- there was 66% average compliance with the posting of documents in three (3) conspicuous places, the Full Disclosure Portal, and the prescribed period for posting in accordance with the Full Disclosure Policy of the DILG.</li> </ul>

Synopsis Table No. 3, Pillar No. 2 – Comprehensiveness and Transparency has only two (2) indicators and no sub-indicators. This Pillar could easily go down from strong to weak or weak to very weak. To illustrate, if one indicator gets a perfect score of 4.0 and the other indicator has a score of 3.0 or 2.0, then the Pillar is classified as strong. But if one indicator has a perfect score of 4.0 and is combined with the other indicator with a score of 1.0, the Pillar would then be classified as weak. Or a score of 3.0 in one indicator but combined with the other indicator having a score below 1.0 would make the classification of the Pillar as very weak.

When writing the PFM Assessment Report, do not stick to what is written in the synopsis table, i.e., *“The budget information contained in the Appropriation Ordinance was not comprehensive and two supporting documents were not in the prescribed formats.”* Specify what documents were missing or did not follow the prescribed formats.



Synopsis Table No. 4: Sample Interpretation and Analysis of Scores

**PILLAR OF PFM NO. 3 – CREDIBILITY OF THE BUDGET**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4..0	<p>Credibility of the Budget was very strong as evidenced by the following.</p> <ul style="list-style-type: none"> <li>- total actual revenue collections were 94% of the estimated local revenues;</li> <li>- total allotments released were 96% of the total approved appropriations;</li> <li>- total obligations were 95% of total allotment released; and</li> <li>- total disbursements were at least 98% of total obligations.</li> </ul>
3.0 – 3.9	<p>Credibility of the Budget was strong based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- total actual collections were 92% of the estimated local revenues;</li> <li>- total allotments released were 94% of the total approved appropriations;</li> <li>- total obligations were 82% of total allotments released; and</li> <li>- total disbursements were 87% of total obligations.</li> </ul>
2.0 – 2.9	<p>Credibility of the Budget was weak as shown by the results of the assessment, as follows:</p> <ul style="list-style-type: none"> <li>- total actual collections were 72% of the estimated local revenues;</li> <li>- total allotments released were 86% of the total approved appropriations;</li> <li>- total obligations were 87% of total allotments released; and</li> <li>- total disbursements were 88% of total obligations.</li> </ul>

1.0 – 1.9	<p>Credibility of the Budget was very weak based on the following:</p> <ul style="list-style-type: none"> <li>- total actual collections were only 72% of the estimated local revenues;</li> <li>- total allotments released were only 82% of the total approved appropriations;</li> <li>- total obligations were only 81% of total allotments released; and</li> <li>- total disbursements were only 84% of total obligations.</li> </ul>
Below 1.0	<p>Credibility of the Budget was nonexistent as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- total actual collections were 69% of the estimated local revenues;</li> <li>- total allotments released were 78% of the total approved appropriations;</li> <li>- total obligations were 76% of total allotments released;</li> <li>- total disbursements were 78% of total obligations.</li> </ul>

In this synopsis table, what is presented is a sample combination under Pillar of PFM no. 3 wherein the average score of its two indicators which is 3.0 falls under the scale of 3.0 -3.9. Indicator no. 3.1 got a perfect score of 4.0 but Indicator no. 3.2, which has three (3) sub-indicators, got an average score of 2.0. If for instance Indicator 3.1 got a score of 3.0 even if Indicator 3.2 retains its average score of 2, the Pillar of PFM No. 3 would slide down from strong to weak. In the same manner that if one sub-indicator of Indicator no. 3.2 moves one point down, it would have the same effect on the score of the Pillar. This is a situation where any movement in one indicator or sub-indicator could substantially affect the score of the Pillar.

**Synopsis Table No. 5: Sample Interpretation and Analysis of Scores**  
**PILLAR OF PFM NO. 4 – PREDICTABILITY AND CONTROL IN BUDGET EXECUTION**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4.0	<p>Predictability and Control in Budget Execution was very strong as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- 94% Real Property Tax (RPT) collections;</li> <li>- computerized RPT database system linked to three relevant departments;</li> <li>- at least 22% increase in RPT collections on delinquent RPT accounts;</li> <li>- 100% of accounts in the Certified List of Delinquency (CLD) were settled arising from the institution of civil remedies (for Province/cities only) ;</li> <li>- a tax map is updated every time</li> <li>- there is a subdivision or consolidation of lots;</li> <li>- 100% of allotments and liabilities had cash backing;</li> <li>- cash flow forecast based on cash flow analysis is updated at least quarterly;</li> <li>- 100% of the total number of contracts were awarded through public bidding;</li> <li>- 100% of total purchases of common-use supplies and equipment were covered by agency procurement request (APR) submitted to DBM;</li> <li>- 100% of LGU procurement was based on the approved Annual/ Supplemental Procurement Plan (APP or SPP)</li> <li>- all procurement-related activities were published on the mandatory sites within the prescribed period; and</li> <li>- 100% of requested goods and services, civil works and consulting services were delivered/completed on time.</li> </ul>

3.0 – 3.9	<p>Predictability and Control in Budget Execution was strong as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- 83% RPT collections;</li> <li>- computerized RPT database system linked to two relevant departments;</li> <li>- 17% increase in RPT collections on delinquent RPT accounts;</li> <li>- 92% of accounts in the CLD were settled arising from the institution of civil remedies;</li> <li>- tax map is updated at least every 3 years;</li> </ul> <p>94% of allotments including liabilities had cash backing;</p> <ul style="list-style-type: none"> <li>- cash flow forecast based on cash flow analysis is updated semi-annually;</li> <li>- 91% of the total number of contracts were awarded through public bidding;</li> <li>- 93% of total purchases of common-use supplies and equipment were covered by APR submitted to DBM;</li> <li>- 94% of LGU procurement was in accordance with the approve A/S PP;</li> <li>- all procurement-related documents were published in the mandatory places but not all within the prescribed period; and</li> <li>- 93% of goods and services, civil works and consulting services were delivered/completed on time.</li> </ul>
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2.0 – 2.9	<p>Predictability and Control in Budget Execution was weak as shown by the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- 71% RPT collections;</li> <li>- computerized RPT database system linked to only one relevant department;</li> <li>- 12% increase in RPT collections on delinquent RPT accounts;</li> <li>- 83% of accounts in the CLD were settled arising from the institution of civil remedies;</li> <li>- a tax map is updated at least every 5 years;</li> <li>- 84% of allotments including liabilities had cash backing;</li> <li>- cash flow forecast based on cash analysis is updated once a year;</li> <li>- 82% of the total number of contracts were awarded through public bidding;</li> <li>- 84% of total purchases of common-use supplies and equipment were covered by APR submitted to DBM;</li> <li>- 81% of LGU procurement was in accordance with the approved A/S PP;</li> <li>- not all procurement-related documents were published in the mandatory sites but all within the prescribed time; and</li> <li>- 84% of the requested goods and services, civil works and consulting services were delivered/completed on time.</li> </ul>
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1.0 – 1.9	<p>Predictability and Control in Budget Execution was very weak as shown by the following:</p> <ul style="list-style-type: none"> <li>- 63% RPT collections;</li> <li>- computerized RPT database system not linked to any relevant department;</li> <li>- 7% increase in RPT collections on delinquent RPT accounts;</li> <li>- 73% of accounts in the CLD were settled arising from the institution of civil remedies;</li> <li>- a tax map exists but never updated;</li> <li>- computerized database system not linked to any office;</li> <li>- 73% of allotments including liabilities had cash backing;</li> <li>- cash flow forecast based on cash analysis is prepared but not updated;</li> </ul> <p>71% of the total number of contracts were awarded through public bidding;</p> <ul style="list-style-type: none"> <li>- 74% of total purchases of common-use supplies and equipment were covered by APRs submitted to DBM;</li> <li>- 72% of LGU procurement was in accordance with the approved A/S PP;</li> <li>- all the procurement-related documents were published but not in all the mandatory sites and not all within the prescribed period; and</li> <li>- 74% of requested goods and services, civil works and consulting services were delivered/completed on time.</li> </ul>
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Below 1.0	<p>Predictability and Control in Budget Execution was nonexistent as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- 57% RPT collections;</li> <li>- no computerized RPT database system;</li> <li>- RPT collection strategies did not contribute to any increase in collections from delinquent RPT accounts;</li> <li>- 67% of accounts in the CLD were settled arising from the institution of civil remedies;</li> <li>- LGU has no tax map;</li> <li>- 74% of allotments including liabilities had available cash;</li> <li>- no cash flow forecast is prepared;</li> <li>- 72% of the total number of contracts were awarded through public bidding;</li> <li>- 59% of total purchases of common-use supplies and equipment were covered by APR submitted to DBM;</li> <li>- 63% of LGU procurement was in accordance with the approved A/S PP;</li> <li>- all procurement-related activities were not published in the mandatory sites; and</li> <li>- 64% of requested goods and services, civil works and consulting services were delivered/completed on time.</li> </ul>
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Among the seven pillars, Pillar of PFM no. 4 has the most number of sub-indicators, a total of eleven (11). The greater the number of sub-indicators, the higher are the possible combinations arising from the scores. It is also difficult to get a perfect score of 4.0 as a downward movement of only one (1) sub-indicator will pull down the classification of the Pillar to the next lower scoring scale.

In this Pillar, because of the many sub-indicators, it must be specified in the report in what areas the LGU has performed well and where it must scale up its compliance. For example, the writer could say, *“Our municipality has done extremely well in our real property tax collections as we have collected P10,500,000.00 out of the P11M collectible amounts. But we have to scale up our tax mapping efforts.”*

**Synopsis Table No. 6: Sample Interpretation and Analysis of Scores**  
**PILLAR OF PFM NO. 5 – ACCOUNTING, RECORDING AND REPORTING**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4.0	Accounting, recording, and reporting were very strong as evidenced by the performance of the LGU as follows: <ul style="list-style-type: none"> <li>- 100% of bank accounts were reconciled monthly and within five (5) working days from receipt of bank statements;</li> <li>- 100% of cash advances were liquidated within the prescribed period; and</li> <li>- there were no COA adverse audit findings on both the quality and timeliness of the regular financial reports.</li> </ul>
3.0 – 3.9	Accounting, recording, and reporting were strong as shown by the performance of the LGU, as follows: <ul style="list-style-type: none"> <li>- 94% of bank accounts were reconciled monthly and within five (5) working days from receipt of the bank statements;</li> <li>- 93% of cash advances were liquidated within the prescribed period; and</li> <li>- there were no COA adverse audit findings on both the quality and timeliness of the regular financial reports for at least three (3) quarters of the fiscal year.</li> </ul>
2.0 – 2.9	Accounting, recording, and reporting were weak based on the performance of the LGU, as follows: <ul style="list-style-type: none"> <li>- 84% of bank accounts were reconciled monthly and within five (5) working days from receipt of the bank statements;</li> <li>- 83% of cash advances were liquidated within the prescribed period; and</li> <li>- there were no COA adverse audit findings on both the quality and timeliness of the regular financial reports for at least two (2) quarters of the fiscal year.</li> </ul>



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1.0 – 1.9	Accounting, recording, and reporting were very weak as evidenced by the following: <ul style="list-style-type: none"> <li>- 74% of bank accounts were reconciled monthly and within five (5) working days from receipt of the bank statements;</li> <li>- 72% cash advances were liquidated within the prescribed period; and</li> <li>- there were COA adverse audit findings on either the quality or timeliness of the regular financial reports for at least three (3) quarters of the fiscal year.</li> </ul>
Below 1.0	Accounting, recording, and reporting were nonexistent based on the following: <ul style="list-style-type: none"> <li>- 64% of bank accounts were reconciled monthly and within five (5) working days from receipt of the bank statement;</li> <li>- 58% of cash advances were liquidated within the prescribed period; and</li> <li>- there were COA adverse findings on the quality and timeliness of the regular financial reports for every quarter of the fiscal year.</li> </ul>

When making a report on the weak points, try to look deeper into the causes of the low compliance and state it in the report. This way it would be easy to come up with improvement policies to be included in the PFMIP.

If for example the LGU is continuously poor in reconciliation of bank accounts, it could either be caused by lack of personnel or incompetence of the personnel handling it. The cause or causes of a problem brings out the possible solution to the surface.

**Synopsis Table No. 7: Sample Interpretation and Analysis of Scores**  
**PILLAR OF PFM NO. 6 – INTERNAL AND EXTERNAL AUDIT**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4.0	<p>Internal and external audit was very strong as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- internal audits were conducted consistent with the LCE approved IAS Annual Audit Plan (AAP) and audit reports were submitted to the LCE within one (1) month after the end of the activity;</li> <li>- action by management on the internal audit findings was completed within ten (10) working days;</li> <li>- 100% of COA audit recommendations were implemented;</li> <li>- no disallowances in the COA annual audit; and</li> <li>- 100% of COA disallowances were settled.</li> </ul>
3.0 - 3.9	<p>Internal and external audit was strong based on the performance of the LGU as follows:</p> <ul style="list-style-type: none"> <li>- internal audits were conducted consistent with the LCE approved IAS Annual Audit Plan (AAP) but audit reports were submitted to the LCE within two (2) month after the end of the audit activity;</li> <li>- action by management on the internal audit findings was completed within fifteen (15) working days;</li> <li>- 93% of COA audit recommendations were implemented;</li> <li>- 8% of total expenditures were disallowed; and</li> <li>- 92% of COA disallowances were settled.</li> </ul>
2.0 - 2.9	<p>Internal and external audit was weak as shown by the results of the assessment, as follows:</p> <ul style="list-style-type: none"> <li>- there was no approved IAS AAP and internal audits were sparingly conducted;</li> <li>- action by management on the internal audit findings was completed within twenty (20) working days from receipt of audit report; and</li> <li>- 83% of COA recommendations were implemented;</li> <li>- 18% of the total expenditures were disallowed; and</li> <li>- 84% of COA disallowances were settled.</li> </ul>

1.0 – 1.9	<p>Internal and external audit was very weak because of the following:</p> <ul style="list-style-type: none"> <li>- internal audits were not conducted at all;</li> <li>- action by management on the internal audit findings were completed within twenty-five (25) working days;</li> <li>- at least 70% of COA recommendations were implemented;</li> <li>- not more than 30% of total expenditures were disallowed; and</li> <li>- at least 70% of COA disallowances were settled.</li> </ul>
Below 1.0	<p>Internal and external audit was nonexistent as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- there were no established Internal Audit Service.</li> <li>- action by management on the internal audit findings were completed after twenty-five working days;</li> <li>- 68% of COA recommendations were implemented;</li> </ul> <p>46% of total expenditures were disallowed; and</p> <ul style="list-style-type: none"> <li>- 55% of COA disallowances were settled.</li> </ul>

Internal audit is one area where the LGUs are weak. Despite the existing legal mandates and Presidential administrative issuances, the compliance in LGUs is still very low. It seems the appreciation of the advantages of having an internal audit unit is one area that needs more advocacy. Perhaps one good start is to make Internal Audit positions in LGUs mandatory. An effective Internal Audit Unit would be a good complement to the external audit done by COA.

Another area in PFM which is important is external audit. Audit findings and recommendations greatly helps in strengthening financial systems as it covers all areas of PFM.

**Synopsis Table No. 8: Sample Interpretation and Analysis of Scores****PILLAR OF PFM NO. 7 – CITIZENS' PARTICIPATION IN THE BUDGET PROCESS**

AVERAGE SCORE	INTERPRETATION AND ANALYSIS
4.0	<p>Citizens' participation in the budget process was very strong as evidenced by the following:</p> <ul style="list-style-type: none"> <li>- at least three (3) CSOs were accredited; and</li> <li>- the CSOs participated in three (3) phases of the budget process.</li> </ul>
3.0 – 3.9	<p>Citizens' participation in the budget process was strong based on the following:</p> <ul style="list-style-type: none"> <li>- two (2) CSOs were accredited; and</li> <li>- the CSOs participated in two phases of the budget process.</li> </ul>
2.0 – 2.9	<p>Citizens' participation in the budget process was weak based on the performance of the LGU, as follows:</p> <ul style="list-style-type: none"> <li>- only one (1) CSO was accredited; and</li> <li>- the CSOs participated only in one phase of the budget process.</li> </ul>
1.0 – 1.9	<p>Citizens' participation in the budget process was very weak as shown by the following:</p> <ul style="list-style-type: none"> <li>- the CSOs were accredited; but</li> <li>- the invited CSOs did not participate in any phase of the budget process.</li> </ul>
Below 1.0	<p>Citizens' participation in the budget process was non-existent since accredited CSOs were not invited to participate in the budget process.</p>

Citizens' participation is considered as one of the key principles of good governance that is crucial to development. For consistency in scoring, since the budget is supposed to implement the plan, then the participation of non-government organization in the planning process should be counted as participation in the budget preparation phase.

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