



Republic of the Philippines
DEPARTMENT OF FINANCE

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DEPARTMENT ORDER NO. **053.2016**
20 October 2016

SUBJECT: **ESTABLISHING THE STANDARDIZED EXAMINATION AND ASSESSMENT FOR
LOCAL TREASURY SERVICE (SEAL) PROGRAM**

WHEREAS, the Secretary of Finance is mandated to appoint local treasurers and assistant treasurers of all provinces, cities, and municipalities across the country, pursuant to Sec. 470 and Sec. 471 of the Local Government Code (LGC) of 1991;

WHEREAS, local treasurers and assistant treasurers are regarded as local fiscal managers, and they ought to be professionals discharging their official duties and responsibilities with the highest degree of excellence, efficiency, professionalism, skills, ethical orientation and technical competencies that adequately respond to the requirements of the local government units (LGUs) that they serve;

WHEREAS, the Department of Finance (DOF) aims to institutionalize high standards of qualifications, practice and benchmarks for technical proficiencies and competencies in the local treasury service, in order to recruit highly qualified and competent local treasurers and assistant treasurers;

WHEREAS, the DOF endeavors to develop and institute continuing competency and professional development mechanisms for local treasury service;

WHEREAS, the DOF, in coordination with the Bureau of Local Government Finance (BLGF), will partner with the Civil Service Commission (CSC) in the development, institutionalization, conduct and administration of standardized examinations, assessment and intervention programs for local treasury service;

NOW, THEREFORE, in consideration of the foregoing premises, the **Standardized Examination and Assessment for Local Treasury Services (SEAL) Program** is hereby established and institutionalized, as follows:

Section 1. Goals and Objectives. It is the goal of the DOF to promote the continuous professional development of the local treasury service and to develop a corps of competent and qualified local treasury officials who demonstrate and perform their functions with the highest degree of excellence, integrity, and professionalism so they may effectively serve their LGUs and the general public. Toward this end, the Department endeavors to:

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- 1.1. Ensure that local treasurers and assistant treasurers appointed and designated to the respective positions meet the established standards and benchmarks of the DOF for the required competencies and ethical orientation sufficient to the level of fiscal operations and environment of the LGUs that they will serve;
- 1.2. Improve the internal mechanisms pertaining to the assessment of candidates for appointment and designation of local treasurers and assistant treasurers by the Secretary of Finance; and
- 1.3. Establish a ready pool of highly qualified personnel ready to be designated or appointed to the position of local treasurer or assistant treasurer.

Section 2. The Three-Level SEAL Program. To support the attainment of competency requirements for the effective and efficient discharge of local treasury duties and functions, there shall be established the three-level competency certification under the SEAL Program according to tactical-operational competencies, strategic-managerial competencies, and leading for innovation competencies, as follows:

2.1. SEAL 1 Certification: Basic Competencies on Local Treasury. This first level of certification pertains to the basic or general set of tactical-operational competencies that the Local Treasurer/Assistant Treasurer possesses to undertake the tasks associated with local treasury functions:

- a. Operationally knows the applicable laws, rules, and regulations;
- b. Operationally familiar with the compliance requirements of documented policies, processes, transactions, and procedures;
- c. Performs key functions according to prescribed systems and frameworks;
- d. Effectively delivers the key performance commitments/indicators;
- e. Provides support, advice, and guidance to personnel within the treasury function;
- f. Coordinates with various units with complementary functions;
- g. Demonstrates effective analytical and communication skills, ethical conduct, and ability to build relationships with key stakeholders; and
- h. Knowledgeable about the current developments that affect or influence local treasury.

The SEAL 1 certification is applicable to all provincial, city and municipal treasurers and assistant treasurers regardless of LGU income classification.

2.2. SEAL 2 Certification: Intermediate Competencies on Local Treasury. This second level of certification focuses on managerial-strategic abilities denoting that the Local Treasurer/Assistant Treasurer has the competencies to oversee the achievement of the goals and objectives of the local treasury unit:

- a. Sets goals and objectives according to the thrusts and priorities of the DOF, the BLGF and the local government he/she serves;
- b. Plans the effective use of resources to achieve the goals and objectives;
- c. Knows data analytics and the practical application thereof to drive change and improvement in local treasury operations, targets and performance commitments;
- d. Conceptualizes, designs, and proposes valuable programs and projects;



- e. Ensures effective implementation of programs, activities, and projects relative to local treasury operations;
- f. Effectively manages the risks pertaining to local treasury by identifying and assessing them;
- g. Institutes internal control mechanisms to mitigate risks in the LGU, in general, and in the local treasury office, in particular;
- h. Motivates staff in the performance of tasks in line with the strategic performance management system;
- i. Influences key stakeholders, both internally and externally, relative to local treasury functions; and
- j. Manages change, where necessary.

The SEAL 2 certification is primarily intended for local treasurers and assistant treasurers in 1st, 2nd and 3rd Income Class Provinces, Cities and Municipalities.

2.3. SEAL 3 Certification: Advance Competencies on Local Treasury. This highest level of certification seeks to guarantee that the Local Treasurer/Assistant Treasurer is able to spearhead the adoption of innovative and leading-edge approaches to local treasury functions, with the following core competencies:

- a. Assesses both internal and external landscape surrounding the local treasury and the general local fiscal and financial management affairs;
- b. Knowledgeable about modern approaches, institutional frameworks, business models, and tools that shape the functioning of local treasury;
- c. Promotes systems thinking and adopts a system approach to service delivery;
- d. Influences and drives forward continuous improvement initiatives;
- e. Engages in innovative use of data analytics and encourages researches for documenting best practices and gaining insights from learning opportunities;
- f. Adopts innovative approaches to managing key stakeholders;
- g. Develops, enhances, or protects the image and reputation of the whole local government organization;
- h. Manages information and communication effectively to intended users; and
- i. Knows how to use influence and authority in the leadership of the treasury function to work collaboratively across the organization and significantly influence the strategy and the overall success of the local government organization.

The SEAL 3 certification is suited for treasurers and assistant treasurers of Special, 1st Class and Highly Urbanized Cities, and 1st Income Class Provinces.

Section 3. Manner of Attaining the SEAL Certification. The DOF, in coordination with the BLGF, shall partner with the CSC in the development and administration of the examinations required for SEAL 1, through the Basic Competency on Local Treasury Examination (BCLTE) and for SEAL 2, through the Intermediate Competency on Local Treasury Examination (ICLTE). The BCLTE shall be open to any interested applicant who intends to join the local treasury service. The qualifications set under Sections 470 and 471 of the LGC shall not be a requirement in applying for the said examination. For the SEAL 2, the SEAL 1 (BCLTE) certification shall be a pre-requisite. In the case of SEAL 3, the Advance Competency for Local Treasury Examination (ACLTE) shall be separately set up and directly



handled by the DOF and the BLGF, and it shall only be open to those who have been certified under SEAL 2 (ICLTE).

Section 4. Nature and Scope of Examinations and Assessment. The corresponding competency clusters/areas/subjects of the SEAL Program are hereby provided:

4.1. SEAL 1 Certification (BCLTE). The competency areas/subjects to be examined under SEAL 1, through the BCLTE, shall include, but shall not be limited to, the following:

- a. Management of Local Treasury Services;
- b. Mobilization of Resources;
 - b.1. Principles of Local Taxation;
 - b.2. Real Property Tax Collection;
 - b.3. Business and Other Local Taxes;
 - b.4. Fees and Charges, and Local Economic Enterprises; and
 - b.5. LGU Credit Financing.
- c. Management of Inter-Government and Other Fund Transfers;
- d. Preparation and Analysis of Treasury and Treasury-Related Reports;
- e. Safekeeping of Local Funds and Records;
- f. Coordinating and Communicating Local Treasury Matters with Stakeholders;
- g. Management of Other Public Financial Management Areas; and
 - g.1. Local Budgeting Cycle;
 - g.2. Irregular, Unnecessary, Excessive, Extravagant, and Unconscionable Expenditures; and
 - g.3. External Audit Processes and Opinions.
- h. General Ability Test, and General Information, Adherence to Code of Conduct and Ethical Standards for Public Officials/Employees, and Anti- Red Tape Act.

4.2. SEAL 2 Certification (ICLTE). The competency areas/subjects to be examined under SEAL 2, through the ICLTE, shall include, but shall not be limited to, the following:

- a. Data Analytics for Local Treasury (including Tax Analysis, Revenue Forecasting and Modeling, and Investment Management);
- b. Strategic Mobilization of Local Resources (including Debt Management and Innovative and Non-Traditional Sources of Revenues);
- c. Public Expenditure Management and Financial Accountability;
- d. Principles of Risk Management, Internal Control System, and Internal Audit for Local Treasury; and
- e. Fundamentals of Program/Project Development, Management, and Feasibility Assessment.

4.3. SEAL 3 Certification (ACLTE). The competency areas to be covered under SEAL 3, through an assessment by the DOF and the BLGF, shall include, but shall not be limited to, the following:

- a. Leading Change in Organizations (including Systems Thinking);
- b. Continuous Improvement and Innovations at Work-Productivity and Quality;



- c. Advanced Data Analytics (including Financial Modelling and Sensitivity Analysis for Local Treasury);
- d. Advanced Risk Management and Internal Control System for Local Treasury;
- e. Information Management, Communication Strategies and Social Marketing;
- f. Public Policy Review and Development; and
- g. Evolving Practices on Public Financial Management.

Section 5. Application of the SEAL Certification in the Appointment and Designation of Local Treasurers and Assistant Treasurers. (a) For purposes of appointing a Local Treasurer or Assistant Treasurer, the corresponding SEAL certification/s identified in Section 2 and Section 4 hereof shall form an integral part of the criteria in selecting and evaluating recommendees for appointment. The weight for SEAL certification shall be given as follows: SEAL 1 Certification (BCLTE) - 20%; SEAL 2 Certification (ICLTE) - 25%; and SEAL 3 Certification (ACLTE) - 30%;

(b) Effective June 2018, all designations and extension of designations shall only be issued to SEAL 1 (BCLTE) certified and recommended designees of the local chief executive (LCE); and

(c) In the event of vacancy of the position of Local Treasurer, the Assistant Treasurer, by rule of succession, whether SEAL 1 (BCLTE) certified or not, shall automatically assume the duties and functions of a Local Treasurer and an appropriate designation may be issued, subject to existing Department regulations.

Section 6. Responsibilities of the BLGF. The BLGF shall endeavor to provide the necessary support and assistance towards the full attainment of the goals and the sustainability of the SEAL Program. The BLGF shall, from time to time, issue clarificatory guidelines and adjustments in the benchmarks for each competency category, manage the subject areas, adjust the competency standards for each SEAL, update the criteria for selection and evaluation for appointment of treasurers and assistant treasurers of LGUs pursuant to Section 5(a) hereof, and coordinate with the CSC, as may be necessary, subject to the direct supervision and approval of the Undersecretary of Revenue Operations Group. Further, the BLGF shall develop, deliver and institutionalize interventions and technical assistance, such as trainings, continuing professional education, among others, in partnership with the academe, higher education institutions, and reputable training institutions and providers. However, the DOF and the BLGF or any of its officials or employees shall not conduct, authorize or participate in any review activities related to the SEAL examinations.

Section 7. Administrative Arrangements. Registration of applicants for the BCLTE and ICLTE, and the imposition of fees and collection thereof shall be in accordance with the rules and regulations of the CSC. The examination fee/s that may be collected shall be borne by the concerned applicants. Enrollment or registration fees for review shall not be charged to the Government. No other fees shall be collected unless duly authorized by the proper authorities. The examination day and the requisite travel time to the testing centers for all incumbent local treasurer and assistant treasurer, whether appointed or designated, who shall take the examination, shall be considered on official time. As may be applicable, they shall be entitled to travelling, per diems and other incidental expenses incurred, except



examination and review fees, subject to the usual accounting and audit rules and regulations of the Government.

Section 8. Transitory Arrangements. To ensure continuity in local treasury operations, new designations and extension of designations may be issued to non SEAL 1 (BCLTE) certified recommendees of the LCE until the period prescribed in Section 5b hereof. Thereafter, designees shall acquire said certification to be considered for extension of designation. Incumbent appointed Local Treasurers and Assistant Treasurers, who enjoy the security of tenure, are encouraged to obtain the SEAL 1 (BCLTE) certification.

Section 9. Responsibilities and Discipline. All local treasurers, assistant treasurers and concerned BLGF officials and employees are directed to comply with the provisions of this Order. Pursuant to Republic Act No. 9416, any form of cheating in civil service examinations, and the unauthorized use and possession of CSC examination-related materials shall be unlawful, and the CSC shall have the exclusive jurisdiction over these cases including those committed by private individuals.

Section 10. Repealing and Separability Clause. All issuances, circulars, rules and regulations issued that are inconsistent herewith are hereby repealed, amended, and/or modified accordingly. If any part or provision of this Order is declared illegal or unconstitutional, the other parts or provisions shall remain valid.

This Department Order shall take effect immediately upon its publication in the Official Gazette or in a newspaper of nationwide circulation.


CARLOS G. DOMINGUEZ
Secretary of Finance

