



PROCESS MANUAL

BUREAU OF LOCAL GOVERNMENT
FINANCE

BLGF-PM-02-02

Revision Code: 00

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Section: **PLANNING**

Effectivity Date: 01-19-2018

Subject: **POLICY DEVELOPMENT**

1. PURPOSE:

To ensure that all policies undergo proper data gathering, review, evaluation, and approval before being published for implementation of the stakeholders.

2. SCOPE:

This procedure covers activities from the review of prior year commitments, determination of policy issues for FGD, conduct of FGD; preparation, review, and approval of a fiscal policy and publication of the approved policy and its implementing guidelines.

3. DEFINITION OF TERMS:

- a. **PPPSD** – Policy, Planning, Programming, and Standards Division
- b. **LFPS** – Local Fiscal Policy Service
- c. **LDMED** - LGU Debt Monitoring and Evaluation Division
- d. **FGD** – Focus Group Discussion
- e. **DOF** – Department of Finance
- f. **STAKEHOLDERS** - Local Government Units, Oversight agencies, other national government agencies, Leagues of LGUs, Financial Institutions, Legislative and Executive Bodies, General Public.

4. RECORDS:

TITLE/CODE	LOCATION	RETENTION CRITERIA	RETENTION PERIOD	DISPOSAL METHOD
1. FGD Reports	LFPS Files	NAP R.A. 9470	Archived	NA
2. Signed/Approved Policy, Memorandum, and Circular	LFPS Files, BLGF Central Records	NAP R.A. 9470	Archived	NA

5. REFERENCES:

5.1 ISO Clause Reference

- a. Clause 6 – Planning 6.1.1, 6.1.2, 6.2.1
- b. Clause 8 - Operations except 8.3
- c. Clause 9 - Analysis and Evaluation 9.1
- d. Clause 10 – Improvement

5.2 A document which supports the implementation of the procedure:
Local Government Code of 1991

5.3 Related documents linked to the procedure: Corrective Action and Risk Management Procedure

PREPARED BY: DIVISION CHIEF

REVIEWED BY: LFPS SERVICE DIRECTOR

APPROVED BY: EXECUTIVE DIRECTOR



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6. PROCEDURE:

ACTIVITY FLOW	RESPONSIBLE	DETAILS
<p>START</p> <p>↓</p> <p>REVIEW OF COMMITMENTS</p> <p>↓</p> <p>DETERMINE AREAS FOR QUALITY IMPROVEMENTS</p> <p>↓</p> <p>CONDUCT INTERNAL OPERATIONS MEETINGS</p> <p>↓</p> <p>PRESENT PROPOSED POLICY ISSUANCES</p> <p>↓</p> <p>A</p>	<p>Local Fiscal Policy Service (LFPS) Team</p> <p>Local Fiscal Policy Service (LFPS) Team</p> <p>Local Fiscal Policy Service (LFPS) Team</p> <p>LFPS Director</p>	<p>At the start of the year, a review of the commitments are made:</p> <ul style="list-style-type: none">• Stakeholders• PH Development Plans• National Programs <p>Based on the review, the areas of improvement are determined as regards policy issuances.</p> <p>Objective is to discuss policy concerns and related matters.</p> <p>The proposed policy issuances for FGD are presented to the BLGF ExeCom.</p>

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ACTIVITY FLOW	RESPONSIBLE	DETAILS
<p>A</p> <p>↓</p> <p>COORDINATE WITH STAKEHOLDERS FOR FGD</p> <p>↓</p>	Action Officer	Coordinates with stakeholders for the conduct of FGDs.
<p>↓</p> <p>CONDUCT FGD WITH SELECTED GROUPS</p> <p>↓</p>	Action Officer, Division Chief	Conducts FGDs to gather input for the development or improvement of fiscal policies. FGD Groups are with the different stakeholders depending on the policy area.
<p>↓</p> <p>PREPARE FGD REPORT</p> <p>↓</p>	Action Officer	Consolidates results of the FGD and prepares FGD Report.
<p>↓</p> <p>REVIEW FGD REPORT</p> <p>↓</p> <p>B</p>	Division Chief, Service Director	When there are corrections, returns the report to the Action Officer for editing and finalization.

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<pre>graph TD; B[B] --> A[DRAFT POLICY AND MEMORANDUM]; A --> C((C)); C --> B[REVIEW POLICY AND MEMORANDUM]; B --> D{WITH EDITS?}; D -- NO --> E[REVISE DRAFT POLICY]; E --> F((C)); F --> G[D]; D -- YES --> G;</pre>	Action Officer	<p>A draft of the policy is prepared with inputs coming from the results of the FGD.</p> <p>The risk of possible conflicting policies with other government agencies is prevented by close coordination with the oversight agencies and a thorough review of similar issuances in the past.</p>
	PPPSD Senior Tax Specialist	Reviews tax policy in relation to local fiscal taxation and administration.
	Action Officer	When there are changes that need to be made on the policy, returns the draft to the Action Officer for editing and finalization.

PREPARED BY: *franc* DIVISION CHIEF

REVIEWED BY: *[Signature]* SERVICE DIRECTOR

APPROVED BY: *[Signature]* EXECUTIVE DIRECTOR



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<p style="text-align: center;">D</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">REVIEW AND APPROVE POLICY AND MEMORANDUM</p> <p style="text-align: center;">↓</p>	<p style="text-align: center;">Service Director, Deputy Executive Director, Executive Director</p>	<p>When there are changes that need to be made on the policy, returns the draft to the Action Officer for editing and finalization.</p>
<p style="text-align: center;">↓</p> <p style="text-align: center;">REVIEW AND RECOMMEND APPROVAL</p> <p style="text-align: center;">↓</p>	<p style="text-align: center;">Undersecretary (DOF)</p>	<p>The policy and memo are forwarded to the DOF Undersecretary for review. Initials are affixed for recommending approval.</p>
<p style="text-align: center;">↓</p> <p style="text-align: center;">MAKE FINAL REVIEW AND APPROVAL</p> <p style="text-align: center;">↓</p>	<p style="text-align: center;">Secretary of Finance</p>	<p>The Secretary of Finance makes the final approval and signs the policy.</p> <p>The signed/approved policy and memorandum is forwarded to the DOF Records Section for assignment of a Department Number.</p>
<p style="text-align: center;">↓</p> <p style="text-align: center;">ASSIGN DEPT. NUMBER FOR APPROVED/ SIGNED POLICY AND MEMORANDUM</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">E</p>	<p style="text-align: center;">DOF Records Officer</p>	<p>Receives approved/signed policy and memorandum and assigns a Department Number.</p> <p>Returns the documents to BLGF Central Records.</p>

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<p>E</p> <p>RETAIN ORIGINAL SIGNED/APPROVED POLICY AND MEMORANDUM</p>	<p>BLGF Records Officer</p>	<p>Photocopy of the signed/approved policy and memorandum is forwarded to Action Officer.</p>
<p>PUBLISH APPROVED POLICY</p>	<p>ISMD Team, Records Officer (Central Records)</p>	<p>Publishes approved policy to the following: a) ISMD- BLGF website b) Central Records - PH Official Gazette, UP Law Center, and newspapers of general circulation.</p> <p>Retains original copy of the signed/approved policy and memorandum.</p> <p>Forwards the policy documents to NCR LGUs, RO, concerned Stakeholders, and the Action Officer.</p>
<p>PREPARE MEMORANDUM CIRCULAR</p> <p>F</p>	<p>Action Officer</p>	<p>For policies requiring Implementing Rules and Regulations.</p> <p>Prepares Memorandum Circular for Implementing Guidelines to Regional Offices, Local Treasurers and Assessment Offices, and other concerned stakeholders.</p>

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<p>D</p> <p>↓</p> <p>REVIEW AND APPROVE MEMORANDUM CIRCULAR</p> <p>↓</p>	<p>Division Chief, Service Director, Deputy Executive Director, Executive Director</p>	<p>When there are changes that need to be made on the memorandum circular, returns the draft to the Action Officer for editing and finalization.</p>
<p>↓</p> <p>RETAIN A COPY OF THE MEMORANDUM CIRCULAR</p> <p>↓</p>	<p>Action Officer</p>	<p>Once the Memorandum Circular is signed and approved:</p> <p>An Action Officer is tasked to retain the hard copy of the memorandum circular for file and reference. Forwards to Central Records for publication.</p>
<p>↓</p> <p>PUBLISH APPROVED POLICY</p> <p>↓</p> <p>F</p>	<p>ISMD Team, Records Officer (Central Records)</p>	<p>Publishes approved Memorandum Circular and implementing guidelines to the following:</p> <ul style="list-style-type: none">a) ISMD- BLGF websiteb) Central Records - PH Official Gazette, UP Law Center, and newspapers of general circulation. <p>Forwards the policy documents to NCR LGUs, RO, concerned Stakeholders, and the Action Officer.</p>

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<p>F</p> <p>↓</p> <p>REVIEW AND IMPROVE ACTIVITIES</p> <p>↓</p> <p>CORRECTIVE ACTION PROCEDURE</p> <p>↓</p> <p>NO</p> <p>↓</p> <p>TARGETS ACHIEVED?</p> <p>↓</p> <p>YES</p> <p>↓</p> <p>PREPARE MONTHLY REPORT</p> <p>↓</p> <p>END</p>	<p>Division Chief</p>	<p>Reviews activities of the process to see where quality improvements can be done in the process.</p>
	<p>Division Chief</p>	<p>Determines if performance targets were achieved.</p> <p>For unmet targets: Refer to Corrective Action Procedure.</p> <p>Submits complete monthly accomplishment report and performance report to immediate superior every first week of the month.</p>

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