



Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

DEPARTMENT ORDER NO. 004.2023

SUBJECT : ESTABLISHING THE COMPETENCY FRAMEWORK FOR LOCAL TREASURERS AND ASSISTANT LOCAL TREASURERS

Section 1. Legal Bases. This Order is issued in pursuance of and in accordance with the following mandates and legal bases:

- 1.1. *Section 4 of Executive Order (EO) No. 127, s. 1987* mandates the Department of Finance (DOF) to be responsible for the supervision of the revenue operations of all local government units (LGUs);
- 1.2. *Section 43 (b) of EO No. 127, s. 1987* provides that the Bureau of Local Government Finance (BLGF) shall exercise administrative and technical supervision and coordination over the treasury and assessment operations of local governments;
- 1.3. *Sections 470 and 471 of the Local Government Code (LGC) of 1991* mandates the Secretary of Finance to appoint local treasurers and assistant local treasurers of all provinces, cities, and municipalities;
- 1.4. *DOF Department Order (DO) No. 006.2015 dated 20 January 2015* prescribes the performance standards for local treasurers by setting the criteria and system for regular performance appraisal;
- 1.5. *DOF DO No. 053.2016 dated 20 October 2016* establishes the Standardized Examination and Assessment for Local Treasury Service (SEAL) Program, in cooperation with the Civil Service Commission (CSC), to professionalize local treasurers and assistant local treasurers;
- 1.6. *CSC Generic Competency Dictionary for the Public Sector in the Philippines, 2016* provides for the framework on which government offices can develop their respective competency models aligned to their strategic goals and mandates; and
- 1.7. *Public Financial Management (PFM) Reform Program* aims to improve efficiency, accountability and transparency in public fund use in order to ensure the direct, immediate, substantial and economical delivery of public services especially to the poor.

Section 2. Rationale and Objective. To instill and promote the highest quality of local treasury services, the knowledge and skills desired in every local treasurer and assistant local treasurers are herein set and defined according to competency title and proficiency level.

In line with the Public Financial Management (PFM) Competency Model and the Generic Competency Dictionary (GCD) for the Public Sector of the Philippine Government, the herein Competency Framework for local treasurers and assistant local treasurers shall serve as the overarching guide of the DOF, through the BLGF, in designing and implementing human resource management and development actions, programs and projects for its administrative and technical supervision of the local treasury service.

As part of the foundations of the herein competency framework, the PFM Competency Model, through an inter-agency initiative, is hereby adopted to provide a common language on how the government nurtures its human resources toward building a strong backbone for effective PFM in oversight and implementing agencies. The GCD for the Public Sector of the Philippine Government, published by the CSC, is likewise adopted to provide a common framework in establishing the standards for continuing competency development of the PFM workforce and PFM practice in the agencies.

Section 3. Scope. In the exercise of the mandated functions and responsibilities of the DOF and the BLGF over local treasury services, the herein Competency Framework and the requirements thereof shall apply to local treasurers and assistant local treasurers of all provinces, cities, and municipalities.

Section 4. Definition of Terms. For the purposes of this Order, the following terms are defined as follows:

- 4.1 *Competency* refers to a cluster of related knowledge, skills, and attitudes (KSA) that affects a major part of one's job that correlates with job performance; can be measured against well-accepted standards; and can be improved through training and development¹;
- 4.2 *Competency Framework for Local Treasurers and Assistant Local Treasurers* refers to the modeling process that has three (3) components, namely: (1) competency characteristics; (2) competency clusters; and (3) competency dictionary;
- 4.3 *SEAL* is the DOF's three-level certification program to support the

¹ Generic Competency Dictionary for the Public Sector of the Philippine Government. Manila, Phil. 2016.

- attainment of competency requirements for the effective and efficient discharge of local treasury duties and functions; and
- 4.4 *PFM* is an essential and enabling mechanism that aggregates fiscal discipline, creates sound strategies for resource allocation, and ensures the efficient delivery of public goods and services.

Section 5. Components of the Competency Framework for Local Treasurers and Assistant Local Treasurers. The Competency Framework for the local treasurers and assistant local treasurers, through the process of competency modeling, entails three (3) major stages: (1) analyzing the legal and regulatory environment where the local treasury operates; (2) identifying relevant competencies; and (3) developing the competency framework.

The components of the Competency Framework for local treasurers and assistant local treasurers are hereby established and the details in the attached **Annex A**, which forms an integral part hereof, are adopted, as follows:

- 5.1 **Competency Dictionary** contains the comprehensive identified competency clusters, i.e., the core, and the technical or functional competencies and their corresponding competency requirements.
- 5.2 The two (2) **Competency Clusters** are composed of the following:
 - 5.2.1 **CORE COMPETENCIES.** These pertain to the characteristics that those performing functions in the local treasury service must possess regardless of their hierarchical levels.
 - 5.2.1.1 **Maintaining PFM Understanding:** Implementing treasury-related systems, processes, and programs by adopting the critical dimensions and indicators of the PFM Assessment Tool to enable the alignment of various PFM areas in the LGU, and ensure attainment of fiscal discipline, strategic allocation of resources, and efficient service delivery;
 - 5.2.1.2 **Applying Internal Controls:** Implementing managerial policies and prescribed methods and measures within the Treasury Office to safeguard government assets; prevent the incidence of errors, fraud, and irregularities; uphold the accuracy and reliability of financial data, and maintain checks and balances to ensure economy

and effectiveness in the government operations and efficient service delivery to constituents;

5.2.1.3 ***Use of Information and Communications Technology (ICT) to Manage Public Finances:***

Promoting financial inclusion and digitalization by fostering innovation of financial systems with appropriate information and communications technology to achieve coordinated and efficient data processing for improved strategic planning and decision-making, and effective, reliable, and timely service delivery; and

5.2.1.4 ***Effective Collaboration, Partnership, and Linkages Management:***

Establishing collaborative partnerships, networks and linkages with both internal and external stakeholders by coordinating, collaborating, and communicating with them to maintain a participatory working relationship that will result in well-informed and empowered stakeholders.

5.2.2 **TECHNICAL OR FUNCTIONAL COMPETENCIES.** These pertain to a person's ability to use his knowledge in local treasury and the corresponding procedures and techniques in resource mobilization, liquidity and investment management, and management of local treasury services.

5.2.2.1 ***Mobilization of Resources through Local Revenue***

Generation: Implementing a sustainable local revenue generation program by adopting a comprehensive tax information campaign, tax mapping, and other collection initiatives, including the application of judicial and administrative collection remedies to achieve a sustained local revenue growth rate for local development programs and projects;

5.2.2.2 ***Mobilization of Resources through Non-Traditional Modes:***

Availing alternative sources of funds appropriate to local absorptive capacity by linking with national government agencies, creditors, private sector, and other funding sources to increase available funds that will result

in the effective mobilization of resources for local development and constituent satisfaction;

5.2.2.3 ***Liquidity, Investment, and Cash Management:***

Implementing a cash management plan by applying sound forecasting techniques, effective collection procedures, and allowable investment strategies to ensure that funds are available for payment of government obligations and their uses are optimized, thereby preventing the incurrence of deficit and achieving sound liquidity management; and

5.2.2.4 ***Management of Local Treasury Services:***

Responding to taxpayers and other key stakeholders by providing efficient and quality services that generate public trust and confidence, thereby encouraging high level of tax compliance through prompt or timely payment of local taxes, fees, and charges.

- 5.3 **Competency Characteristics** represent the elements that manifest the ability of an individual to perform a specific role. In performing the activities that are mandated to the local treasury, an individual local treasurer or assistant local treasurer must possess the desired knowledge, skills, and attitudes that are observed and measured through their behavior.

Section 6. Competency Proficiency Levels. In order to determine the progress in each criterion, from the simplest manifestation of desired behaviors to the most complex ones, four (4) levels are used in this framework: (i) ***Basic Competency*** for simple and routinary situations; (ii) ***Intermediate Competency*** for moderately complex situations; (iii) ***Advanced Competency*** for complex situations; and (iv) ***Superior Competency*** for exceptionally difficult situations.

Section 7. The Competency Framework and Its Purposes. As a policy guide and reference, the herein Competency Framework for the local treasurers and assistant local treasurers shall be implemented with the end-goal of full attainment of the objectives of the SEAL Program, particularly to:

- 7.1 Define the competency requirements in the recruitment and selection process;
- 7.2 Determine the competency gaps through performance evaluation;

- 7.3 Serve as a guide in selecting capacity development interventions to address the following:
 - 7.3.1 Bridging competency gaps for potential and new local treasurers and assistant local treasurers;
 - 7.3.2 Upgrading knowledge, skills, and attitudes of local treasurers and assistant local treasurers seeking improvement of their current skill sets; and
 - 7.3.3 Acquiring new knowledge, skills, and attitudes of local treasurers seeking promotion, transfer, or career growth in other areas related to PFM.

Section 8. Holistic Approach in Competency-Based Local Treasury Supervision. In line with Section 7 hereof, the DOF, through the BLGF, shall endeavor to comprehensively and holistically link relevant dimensions of administrative and technical supervision over local treasury services, and deliver the following medium- and long-term priorities and commitments:

- 8.1 **Enhancement of the SEAL Program Implementation Mechanisms**, particularly for the development of new and updated curriculum according to the Competency Framework; and new and updated learning and examination materials;
- 8.2 **Improvement of Policies and Guidelines on Local Treasury Recruitment, Selection and Appointment** of the DOF and the BLGF, by developing and issuing the following:
 - 8.2.1 Updated Guidelines on Comparative Evaluation of the Applicants for the local treasurer and assistant local treasurer positions aligned with the SEAL Program, particularly reiterating the following requirements:
 - 8.2.1.1 *SEAL 1 Certification* for all provincial, city, and municipal treasurers and assistant local treasurers regardless of LGU income classification;
 - 8.2.1.2 *SEAL 2 Certification* for all 1st, 2nd and 3rd Income Class Provinces, Cities, and Municipalities; and
 - 8.2.1.3 *SEAL 3 Certification* for Special, 1st Class and Highly Urbanized Cities, and 1st Income Class Provinces;
 - 8.2.2 Updated Position Description Forms (PDF) of local treasurers and assistant local treasurers, to be done in

accordance with civil service rules and regulations; and

8.2.3 Updated tools and guidelines in the processing of local treasury appointments, as per Department Personnel Order No. 477.2019 dated 04 June 2019, subject to the approval of the of the Supervising Undersecretary for the BLGF;

8.3 **Upgrading of the Existing Performance Evaluation System for Local Treasurers and Assistant Local Treasurers** by issuing and developing the following:

8.3.1 Updated unit performance evaluation metrics, and the existing local treasury performance standards, as per DO No. 006.2015 dated 20 January 2015, towards a competency-based evaluation process; and

8.3.2 Policy guidelines for competency-based national and regional rewards and recognition system for all local treasurers and assistant local treasurers; and

8.4 **Calibrating the Learning and Professional Development Programs** by realigning and revising existing curricula and training materials and developing new ones that are attuned to the herein competency framework and requirements.

Section 9. Improvement Plans. The DOF, through the BLGF, shall adopt a quality management system and improvement process to support and sustain the herein Competency Framework, and undertake regular review and impact assessment, preferably every three (3) years, on the effectiveness of the competency-based reforms and programs to support the long-term of ensuring LGUs' sustainable local financial operations and fiscal governance.

Section 10. Responsibility of BLGF. The BLGF, through its Executive Director, is hereby authorized to issue guidelines or circulars relative to and consistent with this Order to ensure streamlined and effective implementation of the policies set forth, particularly the attainment of the goals under Section 8 hereof. Any adjustments to the Competency Framework for local treasurers and their assistant local treasurers of **Annex A** shall be upon the approval of the Undersecretary of Revenue Generation and Local Finance Group.

Section 11. Reporting Requirements. The BLGF, through the Executive Director, shall regularly report to the DOF on the implementation of and related policy recommendations for the Competency Framework for local treasurers and assistant local treasurers based on the priorities and commitments under

Section 8 of this Department Order.

Section 12. Transitory Provision. The BLGF shall issue, as may be necessary, clarificatory guidelines, updates, or advisories relative to the implementation of this Department Order.

Section 13. Repealing Clause. All rules, regulations, orders, and/or circulars issued by the DOF that is contrary and inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

Section 14. Effectivity. This Order shall take effect upon the filing submission of three (3) copies thereof to the University of the Philippines Office of the National Administrative Register (ONAR).



BENJAMIN E. DIOKNO
Secretary of Finance

JAN 10 2023

CERTIFIED

- ☒ Photocopy of the ORIGINAL on file *1/11/23*
- ☒ Photocopy of the ORIGINAL DUPLICATE on file
- ☒ Photocopy of the PHOTOCOPY on file

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