



Republic of the Philippines
DEPARTMENT OF FINANCE

Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

DEPARTMENT ORDER NO. 006-2015
20 January 2015

**SUBJECT: PERFORMANCE STANDARDS FOR LOCAL TREASURERS
AND ASSISTANT TREASURERS**

WHEREAS, the Department aims to instill a results-oriented performance culture with a high level of professionalism and excellence among local treasurers and assistant treasurers so that they discharge their duties and responsibilities competently and efficiently, and the performance of their shared mandate and responsibility contribute at all times to good local fiscal governance;

WHEREAS, consistent with the policies and guidelines of the Civil Service Commission, a regular, output-oriented, and performance-based appraisal system for local treasurers and assistant treasurers is necessary towards effective supervision of local treasury operations in the local governments by the Department;

WHEREAS, the Secretary of Finance has appointing and disciplining authority over all provincial, city and municipal treasurers and assistant treasurers, pursuant to Sec. 470 and Sec. 471 of Republic Act No. 7160 (Local Government Code);

NOW, THEREFORE, in consideration of the foregoing premises, the Performance Standards and Evaluation System for Local Treasurers, hereinafter referred to as "Performance Standards", and other relevant guidelines are hereby established for adoption and implementation by the Bureau of Local Government Finance (BLGF):

Section 1. Purpose. The Performance Standards shall set the criteria and system on the regular performance appraisal of local treasurers and assistant treasurers. It is the goal of the Department to evaluate the level of competency, proficiency, professionalism and productivity of all local treasurers so that their knowledge, skill sets, and strategies are attuned to the strategic directions and priorities, particularly on local government fiscal and financial management, of the Department.

Section 2. Policy Guidelines. The Performance Standards shall be an integral part of the human resource management and development strategy of the Department to build and sustain a results-oriented performance and professional culture among local treasurers and assistant treasurers. As such, it shall be used as basis for purposes of appointment and other personnel action, such as promotion, renewal of designation, and extension of service, accountability assessment, awards and recognitions, capacity building interventions, among others, pursuant to existing rules and regulations. Toward this end, there shall be a regular monitoring and performance evaluation of all local treasurers and assistant treasurers, to be based on objectively verifiable indicators and established guidelines, supported by

appropriate management and information systems, and to be undertaken by the BLGF in a transparent, impartial, open, and synchronized process. Local treasurers and assistant treasurers who fail to meet the minimum standards shall be given assistance to improve. If the performance of a local treasurer or assistant treasurer remains unacceptable, despite the opportunity given, the BLGF shall institute the appropriate administrative action. In no case shall these performance standards and guidelines engender solicitation of favors or impose undue patronage on local treasurers, assistant treasurers or any officials and employees of the Department.

Section 3. Scope. The policy to undertake a regular performance evaluation through Performance Standards shall apply to all provincial, city, and municipal treasurers and assistant treasurers, whether permanent or designate.

Section 4. Parameters for Evaluation. The Performance Standards shall consist of two (2) key results areas, namely, the Operational Performance Goals (OPGs), which constitute 70 percent of the total score, and the Competency Performance Goals (CPGs), which constitute the remaining 30 percent.

4.1. Operational Performance Goals (OPGs) – 70%. The following OPG indicators shall measure the outputs and outcomes of local treasurers in local revenue generation and fund management:

No.	Indicator	Points	Weighted Score
1	Local collection efficiency	35	24.5
2	Stable and reliable local revenue growth	20	14.0
3	Optimum fund management	15	10.5
4	Institution of administrative and judicial remedies	10	7.0
5	Reportorial compliance with DOF requirements	10	7.0
6	Compliance with COA rules and regulations	5	3.5
7	Cost effective local revenue collection	5	3.5
Total		100	70.0

4.2. Competency Performance Goals (CPGs) – 30%. The following CPG indicators shall measure the behavioral and other non-technical dimensions in the work of local treasurers:

No.	Indicator	Points	Weighted Score
1	Code of conduct and ethical standards	40	12.0
2	Capacity building and professional development	30	9.0
3	Professional recognitions and achievements	15	4.5
4	Office management tools and support system/s	10	3.0
5	Use of non-traditional collection strategies	5	1.5
Total		100	30.0

Section 5. Indicators for OPGs. To operationalize the OPG indicators, the following specific benchmarks, formula and other parameters shall be adopted:

5.1. Local Collection Efficiency (35 points). This indicator measures the collection of current and delinquent local revenues based on actual collections vis-à-vis the respective targets in all local revenue areas. The total weight of this indicator shall be distributed to the four major local revenue sources, namely: real property tax, business tax, regulatory fees and service/user charges (hereinafter referred to as “fees and charges”), and business income from economic enterprises (hereinafter referred to as “economic enterprise”).

The weight assignment is further distributed according to the revenue taxing powers of LGUs, and the historical performance of the four revenue sources for each level of LGU:

5.1.1. If the LGU is operating a local economic enterprise, the standard and weight distribution to be adopted shall be:

Benchmark: 85% Collection of target in each local revenue source			
Benchmark scoring by revenue source: $\geq 100\% = 1$; $\geq 95\%$ but $< 100\% = 0.75$; $\geq 90\%$ but $< 95\% = 0.50$; $\geq 85\%$ but $< 90\% = 0.25$; $< 85\% = 0$			
Formula: Collection Efficiency = (Collection/Target) x 100%			
Computation: Formula to be applied per local revenue source; benchmark score to be summed up to get total score			
Data Source: Statement of Receipts and Expenditures; Quarterly Report on Real Property Assessments (for real property tax only)			
Weight Distribution (Points)			
<i>Revenue Source</i>	<i>Province</i>	<i>City</i>	<i>Municipality</i>
Real Property Tax	14	12	11
Business and Other Taxes	6	17	10
Fees and Charges	10	3	7
Economic Enterprise	5	3	7
Total	35	35	35

5.1.2. If the LGU is not operating a local economic enterprise, the standard and weight distribution to be adopted shall be:

Benchmark: 85% Collection of target in each local revenue source			
Benchmark scoring by revenue source: $\geq 100\% = 1$; $\geq 95\%$ but $< 100\% = 0.75$; $\geq 90\%$ but $< 95\% = 0.50$; $\geq 85\%$ but $< 90\% = 0.25$; $< 85\% = 0$			
Formula: Collection Efficiency = (Collection/Target) x 100%			
Computation: Formula to be applied per local revenue source and summed up to get total score			
Data Source: Statement of Receipts and Expenditures; Quarterly Report on Real Property Assessments (for real property tax only)			
Weight Distribution (Points)			
<i>Revenue Source</i>	<i>Province</i>	<i>City</i>	<i>Municipality</i>
Real Property Tax	16	13	13
Business and Other Taxes	7	17	13
Fees and Charges	12	5	9
Economic Enterprise	0	0	0
Total	35	35	35

5.1.3. Target and Collection Efficiency Parameters. In determining the targets and in computing the collection efficiency of local revenue sources, the following guidelines shall be adopted:

5.1.3.1. Real Property Tax (RPT). For purposes of OPG 1, real property tax collection shall pertain to receipts from basic real property tax, and Special Education Fund, including collections from current and prior year penalties and properties acquired by the local government for want of bidder. In determining the RPT target, the current year collectibles and the cumulative collectible delinquencies for the last five (5) years only, based on the Quarterly Report on Real Property Assessments, as reported by the local assessors shall be

computed. The parameters to be adopted in determining the target, collections, and collection efficiency shall be:

Real Property Tax	
<i>Item</i>	<i>Formula</i>
Collection	RPT Current Year Collection + Prior Year (Basic) + Prior Year Penalty (Basic) + Prior Year (SEF) + Prior Year Penalty (SEF)
Target	(Total Current Collectibles x 80%) + (Cumulative Five-Year Delinquencies x 35%)
Efficiency	Collection / Target

5.1.3.2. *Business and Other Taxes, Fees and Charges, and Income from Economic Enterprise.* The targets/collectibles for business and other taxes, regulatory fees, and service/user charges, and income from economic enterprise shall be determined by the BLGF using an annual regional Incremental Factor, to be based on the prior year's gross regional domestic product (GRDP), as determined by the National Economic and Development Authority, and prior year's inflation rate as may be applicable to Metro Manila or other areas outside Metro Manila. The parameters to be adopted in determining the target, collections, and collection efficiency shall be:

Business and Other Taxes	
<i>Item</i>	<i>Formula</i>
Collection	Tax on Business (Current Year) + Other Taxes (Current Year)
Target	(Tax on Business [Current Year] + Other taxes (Current Year)) x Incremental Factor
Efficiency	Collection / Target

Regulatory Fees and Service/User Charges	
<i>Item</i>	<i>Formula</i>
Collection	Regulatory Fees (Current Year) + Service/User Charges (Current Year)
Target	(Regulatory Fees [Prior Year] + Service/User Charges [Prior Year]) x Incremental Factor
Efficiency	Collection / Target

Economic Enterprise	
<i>Item</i>	<i>Formula</i>
Collection	Income from Economic Enterprise (Current Year)
Target	Income from Economic Enterprise (Prior Year) x Incremental Factor
Efficiency	Collection / Target

5.1.3.3. Issuance of Targets. The BLGF shall issue local revenue targets to all local treasurers not later than May 31 every year.

5.1.3.4. Concurrence of Local Treasurers with the BLGF Targets. Upon issuance of the local revenue targets, local treasurers may request for adjustment by reason of force majeure, civil disturbance, natural calamity or any cause or circumstance, which legally prevents

the treasurer from enforcing collection. If no adjustment is requested and approved by the BLGF within thirty (30) days upon issuance of the targets, the original targets, as issued, shall be adopted as basis for computing OPG 1.

5.2. Stable and reliable level of revenue growth (20 points). This indicator measures the efforts of local treasurers in ensuring stable and progressive growth in local revenue collections. Growth is measured based on the nominal increase in the immediately preceding fiscal year's collections in all local revenue areas. Similar to OPG 1, the total weight of this indicator shall be distributed to the four major local revenue sources, namely: real property tax, business tax, fees and charges, and economic enterprise. The weight assignment is further distributed according to the revenue taxing powers of LGUs, and the historical performance of the four revenue sources for each level of LGU.

5.4.1. If the LGU is operating a local economic enterprise, the standard and weight distribution to be adopted shall be:

Benchmark: > 0% growth in each local revenue source			
Benchmark scoring by revenue source: ≥20% = 1; ≥10% but <20% = 0.75; ≥5% but <10% = 0.50; >0% but <5% = 0.25; ≤0% = 0			
Formula: Revenue Growth = [(Current Local Revenues / Previous Year's Local Revenues) – 1] x 100%			
Computation: Formula to be applied per local revenue source and to be multiplied with the corresponding weight; benchmark score to be summed up to get total score			
Data Source: Statement of Receipts and Expenditures			
Weight Distribution (Points)			
<i>Revenue Source</i>	<i>Province</i>	<i>City</i>	<i>Municipality</i>
Real Property Tax	8	7	5
Business and Other Taxes	4	9	7
Fees and Charges	5	3	4
Economic Enterprise	3	1	4
Total	20	20	20

5.4.2. If the LGU is not operating a local economic enterprise, the standard to be adopted shall be:

Benchmark: > 0% growth in each local revenue source			
Benchmark scoring by revenue source: ≥20% = 1; ≥10% but <20% = 0.75; ≥5% but <10% = 0.50; >0% but <5% = 0.25; ≤0% = 0			
Formula: Revenue Growth = [(Current Local Revenues / Previous Year's Local Revenues) – 1] x 100%			
Computation: Formula to be applied per local revenue source; benchmark score to be summed up to get total score			
Data Source: Statement of Receipts and Expenditures			
Weight Distribution (Points)			
<i>Revenue Source</i>	<i>Province</i>	<i>City</i>	<i>Municipality</i>
Real Property Tax	9	8	7
Business and Other Taxes	4	9	8
Fees and Charges	7	3	5
Economic Enterprise	0	0	0
Total	20	20	20

5.3. Optimum Fund Management – General Fund and Special Education Fund (15 points). This indicator measures the management of the cash flow for payment of obligations and in optimizing fund utilization and managing expenditures to ensure that released allotments are adequately covered by available cash and/or future collections. This indicator, accounts for the net ending cash balance, together with the total receipts from all fund sources, less the total expenditures for the current fiscal year. The standard to be adopted shall be:

Benchmark: > Current Year Expenditures (Net Surplus)		
Benchmark scoring: Net Surplus = 1; Net Deficit = 0		
Formula: Net Surplus/Net Deficit = (Cash Balance Beginning +[Total Receipts Excluding Loans, Grants & Aids]) – (Total Expenditures Excluding Debt Service & Disbursement from Grants & Aids)		
Computation: Multiply weight with the benchmark score		
Data Source: Statement of Receipts and Expenditures		
Weight Distribution (Points)		
<i>Indicator</i>	<i>Score</i>	<i>Total</i>
Surplus	15 x 1	15
Deficit	15 x 0	0

5.4. Institution of Administrative and Judicial Remedies (10 points). This indicator measures the treasurer's practical use of the available civil remedies for the collection of any delinquent local tax, fee, charge, or other revenues within the LGU jurisdiction. Under the Local Government Code, local treasurers are mandated to institute administrative (distrain or levy) and/or judicial actions in aid of tax collection enforcement. Five (5) points shall be given each for the institution of remedies for the collection of delinquent real property tax and for other local taxes.

5.4.1. For the collection of delinquencies in real property tax, the standard to be adopted shall be:

Benchmark: Issuance of warrant of levy OR Endorsement to the LGU legal officer of the institution of civil action		
Benchmark scoring:		
Warrant/s of levy issued = 1	OR	Endorsement to legal officer = 1
No warrant of levy issued = 0		No endorsement to legal officer = 0
Formula: Score = Benchmark score x 5 points		
Remarks: Rating is not dependent on volume of warrants issued or endorsement/s made to the LGU legal officer.		
Data Source: Certified copy of warrant/s of levy sent to taxpayer; OR Certified copy of endorsement of treasurer to the LGU legal officer		

5.4.2. In case the local treasurer has collected already at least 90% of the total current year collectibles, the full 5 points shall be credited with or without availing of administrative or judicial remedies for RPT collection.

5.4.3. For the collection of delinquencies in other local taxes, the standard to be adopted shall be:

Benchmark: Issuance of warrant of distraint AND Endorsement to the LGU legal officer of the institution of civil action		
Benchmark scoring:		
Warrant/s of distraint issued = 0.5	A	Endorsement to legal officer = 0.5
No warrant of distraint issued = 0	N D	No endorsement to legal officer = 0
Computation: Score = Benchmark score x 5 points		
Remarks: Sum up rating per action; Rating is not dependent on volume of warrants issued or endorsement/s made to the LGU legal officer.		
Data Source: Certified copy of warrant/s of distraint sent to taxpayer AND Certified copy of endorsement of treasurer to the LGU legal officer		

5.5. Reportorial compliance with DOF requirements (10 points). This indicator measures compliance with reportorial duties and responsibilities, as required by the Department, namely, the SRE (DOF DOs 08-2011 and 034-2014), the Certified List of Real Property Tax (RPT) Delinquencies (DOF DO 10-08), the Statement of Indebtedness (DOF LFC 1-2012), and the LGU-BIR Information Sharing (EO 646 and DOF DO 9-08). It shall be the shared duty of the local treasurer and assistant treasurer to ensure compliance with such reportorial accountabilities. The standard to be adopted shall be:

Benchmark: Complete and timely submission of reports in all areas		
Benchmark scoring:		
Report	Weight (Points)	Benchmark
1. SRE	5	Complete = 1 Incomplete = 0
2. Certified List of RPT Delinquencies	3	
3. Statement of Indebtedness	1	
4. LGU-BIR Information Sharing	1	
Formula: Score = Benchmark score x Weight per Report		
Remarks: Corresponding weighted scores to be summed up.		
Data Source/s: BLGF Central and/or Regional Offices		

5.6. Compliance with COA Rules and Regulations (5 points). This indicator accounts for the involvement in any irregular or illegal activities of the local treasurer or assistant treasurer that could adversely affect the financial operations of LGUs and that may lead to the filing of administrative and criminal complaint/s. This shall be based on any adverse findings of the Commission on Audit (COA) for which the local treasurer or assistant treasurer is primarily responsible. The standard to be adopted shall be:

Benchmark: No adverse finding/s from COA
Benchmark scoring: No adverse findings = 1; With adverse findings = 0
Formula: Score = Benchmark score x Weight
Remarks: To be based on the Annual Audit Report (AAR) of COA. Such basis shall be the AAR immediately preceding the rating period/year or the latest available AAR of the LGU.
Data Source: BLGF copy of the COA AAR

5.7. Cost Effective Local Revenue Collection (5 points). This indicator measures the ratio of total cost of collection and the actual local revenues collected to determine the cost effectiveness of the local treasurer and assistant treasurer in local revenue collection. The ratio determines whether

the LGU is subsidizing the cost of collecting the tax, or the tax is contributing to the revenue coffers of the LGU. The standard to be adopted shall be:

Benchmark: Cost to Collect Ratio is $\leq 20\%$			
Benchmark scoring:			
<i>Ratio</i>	<i>Score</i>	<i>Weight</i>	<i>Total Score</i>
$\leq 10\%$	1	5	5
$>10\%$ but $\leq 15\%$	0.75		3.75
$>15\%$ but $\leq 20\%$	0.50		2.5
>20	0		0
Formula: Cost to Collect Ratio = (Total Expenditures of Treasurer's Office/Total Local Revenues) x 100			
Total Actual Expenditures = Personal Services (PS) of the Treasurer's Office + Maintenance and Other Operating Expenses (MOOE) of the Treasurer's Office			
Total Local Revenues = Tax Revenues + (Non-Tax Revenues – Other Receipts)			
Computation: Multiply weight with the benchmark score according to the corresponding cost to collect ratio.			
Data Source: Statement of Receipts and Expenditures			

5.7.1. Adjustment in Expenditures Data. The local treasurer or assistant treasurer concerned may request for adjustment in the expenditures data used in the evaluation. Subject to validation and approval by the BLGF, MOOE expenditures may be adjusted to exclude any or all of (i) Interest Expenses; (ii) Subsidies to NGAs, LGUs, or GOCCs; (iii) Insurance Expenses; (iv) Fidelity Bond Premiums; (v) Election-related expenditures; and (vi) Other expenditures appropriated in the Treasurer's Office, but were actually used for other LGU office/s.

Section 6. Indicators for CPGs. To operationalize the indicators for CPGs, the following specific benchmarks, formula and other parameters shall be adopted:

6.1. Code of conduct and ethical standards (40 points). This indicator determines the compliance of local treasurers and assistant treasurers with the code of conduct and ethical standards of public officials and employees pursuant to Republic Act No. 6713. Full points shall be given if no disciplinary actions/penalties, namely, (i) reprimand, (ii) fine, or (iii) suspension (final and executory), have been meted by judicial and quasi-judicial bodies for offenses or violations of existing laws, rules and regulations. The standard to be used shall be:

Benchmark: Zero (0) Reprimand; Zero (0) Fine; Zero (0) Suspension		
Benchmark scoring:		
10 points	10 points	20 points
No Reprimand = 1	No Fine = 1	No Suspension = 1
Reprimanded = 0	Fined = 0	Suspended = 0
Remarks: Data to be based on the immediately preceding year's records.		
Computation: Multiply weight (by sanction) with the benchmark score		
Data Source: BLGF Central/Regional Offices		

6.2. Capacity building and professional development (30 points). This indicator measures the capacity building and continuing professional development activities availed of or engaged in by local treasurers and

assistant treasurers to improve their technical proficiency, competence, and skills from duly recognized and bona fide organizations. Such trainings shall be categorized into (i) Core Trainings, or those trainings, seminars, and workshops that are directly related to fiscal and financial management, and (ii) Non-Core Trainings or those conferences, conventions, workshops, and similar activities that enhance leadership, personality, management, and other skills required to improve competency. The standard to be used shall be:

Benchmark: Core Trainings ≥ 32 hours; Non- Core Trainings ≥ 16 hours					
Benchmark Scoring:					
Core Trainings – 20 points			Non-Core Trainings – 10 points		
<i>No. of Hours</i>	<i>Weight</i>	<i>Score</i>	<i>No. of Hours</i>	<i>Weight</i>	<i>Score</i>
≥ 80	1	20	≥ 40	1	10
≥ 64 but < 80	0.8	16	≥ 32 but < 40	0.8	8
≥ 48 but < 64	0.6	12	≥ 24 but < 32	0.6	6
≥ 32 but < 48	0.5	10	≥ 16 but < 24	0.5	5
< 32	0	0	< 16	0	0
Remarks: Data to be based on the immediately preceding year's certified copy of training certificates to be presented by local treasurers/assistant treasurers.					
Computation: Multiply weight (according to the number total training hours by area) with the benchmark score.					
Data Source: BLGF Central/Regional Offices					

6.3. Professional recognitions and achievements (15 points). This indicator accounts for the annual recognitions, citations and other similar awards conferred to local treasurers and assistant treasurers in at least two (2) areas, namely, (i) LGU awards/recognitions with direct contribution of the treasurer/assistant treasurers, (ii) those conferred by government and legitimate private organizations relating to local treasury performance, (iii) resource speakership or expert engagement outside the local treasury department; (iv) civic commendations, achievements and other honorific conferment; or (v) individual contribution to research, published works, engagement in special project of high significance or similar endeavors involving expertise in local treasury operations. The standard to be used shall be:

Benchmark: Award/recognition in at least one (1) area		
Benchmark Scoring:		
<i>Indicator</i>	<i>Weight</i>	<i>Score</i>
Awards in two (2) award areas	1	15
Award in one (1) award area	0.5	7.5
No award in any area	0	0
Remarks: Evaluation to be based on the immediately preceding year's certified copy of awards/recognitions/citations submitted to BLGF; Number of awards per area not a factor to get higher score.		
Computation: Multiply applicable weight (by indicator) with the benchmark score.		
Data Source: BLGF Central/Regional Offices		

6.4. Office management tools and support system/s (10 points). This indicator measures the adoption of quality management tools and other innovative support system/s that improve workplace organization, foster efficient records management, improve service delivery to clientele, enable better customer service experience to taxpayers, maintain orderliness in office affairs and transactions, among others. Such tools and support systems may include the (i) 5S office organization method, (ii) manual or computerized

records management system, (iii) integrated information systems, (iv) quality management certification systems, etc. The standard to be used shall be:

Benchmark: One (1) working management tool or support system, such as, but not limited to, those enumerated above.		
Benchmark Scoring:		
<i>Indicator</i>	<i>Weight</i>	<i>Score</i>
Two (2) or more working systems	1	10
One (1) working system	0.75	7.5
No working support system	0	0
Remarks: Evaluation to be based on actual supervisory/ocular visit by the BLGF, in the case of city and provincial treasurers' offices (including the lone municipality in Metro Manila), and by certification of the Provincial Treasurer, in the case of municipal treasurers' offices.		
Computation: Multiply applicable weight (by indicator) with the benchmark score.		
Data Source: BLGF Central/Regional Offices/Provincial Treasurers		

6.5. Use of non-traditional collection strategies (5 points). This indicator gives credit to innovative and non-traditional collection enforcement strategies of local treasurers and assistant treasurers. Such strategies may include, but not limited to, (i) tax clearance as requirement for renewal of business permits, (ii) one-stop-shop systems, (iii) local tax caravans, (iv) use of social and tri-media for tax information campaign, (v) use of electronic banking to facilitate payment, (vi) awards/tokens for top and prompt taxpayers, (vii) integration of local tax concepts in the education curriculum, (viii) linkage with other local projects, etc. These strategies must be legal and included in the plans and programs of the local treasurer.

Benchmark: One (1) non-traditional collection enforcement strategy, such as, but not limited to those enumerated above.		
Benchmark Scoring:		
<i>Indicator</i>	<i>Weight</i>	<i>Score</i>
Three (3) or more working strategies	1	5
Two (2) more working strategies	0.75	3.75
One (1) more working strategy	0.5	2.5
No innovative collection strategies	0	0
Remarks: Evaluation to be based on (i) submitted proof/documentation or any evidence of implementation of such strategies by the local treasurer/assistant treasurer, (ii) through actual supervisory/ocular visit by the BLGF, in the case of city and provincial treasurers' offices (including the municipality in Metro Manila), and (iii) by certification of the Provincial Treasurer, in the case of municipal treasurers' offices.		
Computation: Multiply applicable weight (per indicator) with the benchmark score.		
Data Source: BLGF Central/Regional Offices/Provincial Treasurers		

Section 7. Rating Scheme and Form. There shall be five rating levels based on the consolidated scores from all performance indicators using the below point rank and adjectival rating scheme. The results of the Performance Standards shall be issued in the form as prescribed in Annex A.

Score	Adjectival Rating	Summary of Performance
≥ 95 to 100	Level 5 - Outstanding	Demonstrates exceptional performance in all operational and competency standards.
≥ 85 but < 95	Level 4 - Very Satisfactory	Exceeds the minimum operational and competency standards.

Score	Adjectival Rating	Summary of Performance
≥ 75 but < 85	Level 3 - Satisfactory	Complies with the minimum operational and competency standards.
≥ 65 but < 75	Level 2 - Unsatisfactory	Fails to meet the minimum operational or competency standards.
< 65	Level 1 - Poor	Fails to deliver most or all of the operational or competency standards.

Section 8. Coverage of Rating Period. Performance evaluation for local treasurers and assistant treasurers shall be undertaken annually, and the performance period shall cover one full fiscal year or from January 1 to December 31. In the event that a local treasurer or assistant treasurer has not completed one full fiscal year of service, the rating shall be based on at least six (6) months of service and the parameters for evaluation shall be adjusted accordingly by the BLGF. No evaluation shall be made for services rendered for less than six (6) months.

Section 9. Performance Evaluation Cycle. The following stages shall be observed in the course of the performance evaluation by the BLGF and all other concerned parties:

Stage 1: Local Revenue Target Setting. With reference to Section 5, Item 1.3, this stage shall be undertaken from April to May of the fiscal year prior to the start of the performance period where targets for all local revenues are determined, issued and validated with the local treasurers. Upon concurrence and acceptance by the concerned local treasurer and assistant treasurer, such targets shall be deemed final.

Stage 2: Collection Enforcement and Compliance Monitoring. In this stage, the BLGF shall regularly monitor the plans and programs of local treasurers and assistant treasurers and provide the necessary technical assistance in support of local treasury administration and other LGU-set performance goals, as well as the treasurer's compliance concerning reportorial obligations, primarily the SRE, actions on the COA adverse findings (if any), progress on the institution of collection remedies, continuing capacity building programs, among others.

Stage 3: Data Validation and Rating. The actual performance evaluation shall begin in June of the subsequent fiscal year that is subject of the performance evaluation and shall conclude in October of the same year. As such, the BLGF Central Office shall first release the preliminary data/results of applicable OPG indicators to all BLGF Regional Offices no later than the end of June every year. Subsequently, the BLGF shall notify all local treasurers and assistant treasurers to submit the pertinent documents required in the OPG and CPG indicators that cannot be generated by the eSRE system. Within two (2) months after the release of SRE data, the validation and confirmation of the results of the evaluation shall be completed for approval by the BLGF. The BLGF may delegate only to the Provincial Treasurers the gathering and consolidation of documents required from municipal treasurers, but it shall be the sole duty of the BLGF to rate, determine, and discuss the

results of the performance of all treasurers and assistant treasurers. The Checklist of requirements is attached as Annex B.

Stage 4: Performance Results Awarding and Intervention Planning. The final results of the annual performance evaluation shall be released and issued to all local treasurers and assistant treasurers, as well as to their respective local chief executives and other concerned parties, every October. The BLGF may award local treasurers and assistant treasurers in recognition of exceptional performance in their work. No other performance awards shall be given instituted unless they are linked with the Performance Standards. In addition, the BLGF shall ensure that appropriate measures and actions are enforced based on the results of the performance evaluation, including but not limited to personnel action and intervention development and planning to address weaknesses and gaps of local treasurers and assistant treasurers.

Section 10. Performance Evaluation Group. The BLGF shall constitute the Personnel Evaluation Group (PEG) for Local Treasurers and Assistant Treasurers, under the Administrative, Financial and Management Service, with counterpart structure in all BLGF Regional Offices. The PEG shall take charge of all performance planning, programming, and implementation activities, and action on appeals, to ensure a synchronized and objective evaluation of all local treasurers and assistant treasurers. Further, the PEG, which shall be headed by the Executive Director, shall review and recommend for the approval of the Secretary of Finance all performance evaluation results of local treasurers and assistant treasurers.

Section 11. Accuracy and Integrity of Evaluation Tools and Data Sources. The BLGF shall ensure that the data sources, systems and tools, as identified in all the OPG and CPG indicators, to be used in the performance evaluation of local treasurers and assistant treasurers are verified, true and accurate. The necessary management information systems, tools and procedures shall be adopted to ensure timely, accurate and reliable monitoring and reporting to support the efficient conduct of performance evaluation. The use of falsified data and evidence of performance shall be subject to the appropriate administrative sanctions.

Section 12. Appeals. Considering that the outcome of the annual performance evaluation may affect tenure, and other personnel actions, such as promotion and performance recognition, local treasurers and assistant treasurers have the right to appeal within ten (10) days upon receipt of the evaluation by the BLGF.

Section 13. Personnel Action and Capacity Building Interventions. The BLGF shall introduce appropriate capacity building programs and other remedial interventions based on the results of the performance evaluation, especially for treasurers and assistant treasurers who receive "Unsatisfactory" and "Poor" performance ratings. In the event that a local treasurer or assistant treasurer receives "Poor" rating in two consecutive evaluation periods, the BLGF shall institute the appropriate administrative sanction pursuant to the Revised Rules on Administrative Cases in the Civil Service.

Section 14. Penalty Clause. Failure to comply with the provisions of this Order shall be a ground for an administrative sanction for violation of reasonable office rules and regulations, and neglect of duty for non-compliance with this Order.

Section 15. Repealing Clause. All orders, memoranda, circulars or other issuances or parts thereof that are inconsistent with this Department Order are hereby deemed repealed and/or modified accordingly.

Section 16. Separability Clause. If any part of this Department Order is declared by the courts as unconstitutional or contrary to existing laws, the other parts shall remain in full force and effect.

Section 17. Effectivity. This Department Order shall take effect immediately upon its publication in a newspaper of nationwide circulation.


CESAR V. PURISIMA
Secretary of Finance
024838



- ANNEX A -



DEPARTMENT OF FINANCE
Bureau of Local Government Finance

PERFORMANCE STANDARDS EVALUATION
OF LOCAL TREASURERS AND ASSISTANT TREASURERS

For the Fiscal Year _____

Name: _____

Station: _____

Position: _____

Part I: Operational Performance Goals (OPGs)

<i>Indicator</i>	<i>Max Score</i>	<i>Score Earned</i>
1. Local collection efficiency	24.5	
2. Stable and reliable local revenue growth	14.0	
3. Optimum cash management	10.5	
4. Institution of administrative and judicial remedies	7.0	
5. Reportorial compliance with DOF requirements	7.0	
6. Compliance with COA rules and regulations	3.5	
7. Cost effective local revenue collection	3.5	
OPG Total Score	70	

Part II: Competency Performance Goals (CPGs)

<i>Indicator</i>	<i>Max Score</i>	<i>Score Earned</i>
1. Code of conduct and ethical standards	12.0	
2. Capacity building and professional development	9.0	
3. Professional recognition and achievements	4.5	
4. Office management tools and support system/s	3.0	
5. Use of non-traditional collection strategies	1.5	
CPG Total Score	30	

Legend	
Score	Adjectival Rating
≥ 95 to 100	Level 5 - Outstanding
≥ 85 but < 95	Level 4 - Very Satisfactory
≥ 75 but < 85	Level 3 - Satisfactory
≥ 65 but < 75	Level 2 - Unsatisfactory
< 65	Level 1 - Poor

Total Score (I + II)	
Adjectival Rating	

Recommending Approval:

Conforme:

Name & Signature of RD/ED

Name & Signature of Ratee

Approved by:

Secretary of Finance

Issued this ____ day of ____ 20____.