



**INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS**
(Administrative Order No. 25 s. 2011)

MEMORANDUM CIRCULAR NO. 2017- 1

March 9, 2017

TO : All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges, Government-Owned or-Controlled Corporations, Local Water Districts, and Local Government Units

SUBJECT: Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2017 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016

1.0 BACKGROUND AND RATIONALE

- 1.1 During his inaugural address, President Rodrigo Duterte expressed as among his priorities, the restoration of the confidence of the Filipino people in the capacity of the public servants to make people's lives better, safer and healthier. Thus, among others, he directed all agencies of government to be more transparent and expedient in their transactions with the public by reducing requirements and the processing time of all applications, and by making services accessible and convenient for the people.
- 1.2 In his quest to improve the quality of life of the Filipino people, President Duterte also laid out the 0+10 point Socio-economic Agenda towards more inclusive development. He issued Executive Order (EO) No. 1 s. 2016 to mobilize a more responsive government to significantly reduce poverty, improve the lives of most vulnerable sectors of society, promote social education to make them partners in effecting change, and listen to people's feedback. The President also issued EO No. 2 s. 2016 to enforce a more transparent bureaucracy that is accountable to Filipinos. In his message on the National Budget for FY 2017, he committed streamlined government operations, efficient delivery of services, intensified conduct of public financial management reforms with greater attention on formulating impactful programs, and strengthened partnership with communities toward achieving the collective aspirations of the Filipinos. These call for all agencies of government to focus their activities correspondingly and, in order to achieve the desired sectoral outcomes, execute programs in collaborative manner.
- 1.3 To heighten public accountability and transparency, promote greater collaboration among agencies, and ensure accessible and convenient delivery of services to the Filipino people, the Government is refocusing the Results-Based Performance Management System (RBPMS), along with its incentive component – the Performance-Based Incentive System (PBIS). The RBPMS will aim not only to promote Good Governance practices, link budget with outcomes and outputs, strengthen performance management and monitoring in the government but also speed up the streamlining of agency front line services. The PBIS consisting of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB) which were authorized under EO No. 80 s. 2012 and EO No. 201, s. 2016 will continue to be an integrated scheme of rewarding exemplary performance in government through the grant of incentives linked with actual performance.
- 1.4 EO No. 201, s. 2016 also provided that the compensation and position classification be revised or updated to strengthen the Performance-Based Incentive System in recognition of government personnel who play a greater role and carry a heavier responsibility in attaining performance targets and delivering results.

- 1.5 EO No. 201 stipulated that the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System created under Administrative Order No. 25 s. 2011 shall prescribe the conditions on eligibility and procedures for the grant of the enhanced PBB, including the ranking system to recognize different levels of performance.

2.0 PURPOSE

This Memorandum Circular is issued to prescribe the criteria and conditions for the grant of Performance-Based Bonus (PBB) for FY 2017 performance to be given in FY 2018.

3.0 COVERAGE

3.1 This Circular covers all Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs), Government-Owned or-Controlled Corporations (GOCCs), Local Water Districts (LWDs) and Local Government Units (LGUs).

3.2 The implementation of this circular shall be done in close coordination with the following:

- a. Department of Budget and Management (DBM) for the Departments and attached agencies;
- b. Office of the President-Office of the Executive Secretary (OP-OES), Office of the Cabinet Secretary (OP-OCS), and DBM for the Other Executive Offices (OEOs), including the OP-attached agencies and GOCCs covered by DBM;
- c. Commission on Higher Education (CHED) for the SUCs;
- d. Governance Commission for GOCCs (GCG) for GOCCs covered by Republic Act No. 10149;
- e. Local Water Utilities Administration (LWUA) for LWDs;
- f. Department of the Interior and Local Government (DILG) for LGUs; and
- g. Department of Education (DepEd), since the PBB implementation in the Department and the schools has a separate timetable following the school calendar.

3.3 All officials and employees of eligible departments/agencies holding regular plantilla positions; contractual and casual personnel having an employer-employee relationship with the said agencies, and whose compensation are charged against the lump sum appropriation under Personnel Services; and those occupying positions in the DBM-approved contractual staffing pattern of the agencies concerned are covered by this Circular.

4.0 ELIGIBILITY CRITERIA

4.1 Each agency (*see Annex 1 – Master List of Departments/Agencies and prescribed delivery units in departments/ agencies*) must satisfy the following conditions to be eligible for the grant of PBB:

- a. **Good Governance Conditions:** Satisfy 100% of the Good Governance Conditions for FY 2017 set by the AO 25 Inter-Agency Task Force (IATF) as provided in Section 5.0.
- b. **Performance Targets:** Achieve each one of the Congress-approved performance targets for the delivery of Major Final Outputs (MFOs) under the Performance Informed Budget of the FY 2017 General Appropriations Act, and the targets for Support to Operations (STO) and General Administration and Support Services (GASS) provided in Section 6.0. (See Annex 2 – Form A. Department/Agency Performance Accomplishment for FY 2017, and Annex 3 – Form A1. Details of Bureau/Office Performance Indicators and Accomplishments).

- b.1. For GOCCs under the coverage of DBM without budgetary support, the targets reflected under DBM Form No. 700 in their 2017 Corporate Operating Budgets (COBs) shall be used as basis in assessing their performance and determining their eligibility for the PBB.
- b.2. For GOCCs covered by RA 10149, the targets reflected in their approved FY 2017 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by GCG shall be the basis in assessing their performance and authorizing the grant of PBB.
- b.3. LWDs should achieve each one of the performance targets for the delivery of MFOs, STO and GASS indicators as identified by LWUA in a Joint Memorandum Circular to be issued by LWUA and DBM.
- b.4. For LGUs, the performance targets shall be based on the Guidelines on the Grant of PBB for LGUs to be issued by the AO 25 IATF and DILG.
- c. Use the CSC-approved Strategic Performance Management System (SPMS) in rating the performance of First and Second Level officials and employees of departments/agencies of the national and local government to include those in GOCCs with original charters, and in SUCs; and officials holding managerial and Director positions but are not Presidential appointees. In rating the performance of Career Executive Service (CES) officers and incumbents of CES positions, the Career Executive Service Performance Evaluation System (CESPES) shall be the basis.

5.0 FY 2017 GOOD GOVERNANCE CONDITIONS (GGCs)

- 5.1 For FY 2017, the AO 25 IATF sets the following good governance conditions based on the existing performance drivers of the Results-Based Performance Management System (RBPMS) and the thrusts of the Duterte Administration for transparency, accountability and people-focused public service:
 - a. Maintain/Update the Agency Transparency Seal pursuant to Section 93 of the General Provisions of the FY 2017 GAA, to enhance transparency and enforce accountability. The Agency Transparency Seal page should be accessible by clicking on the TS logo on the home page, and should contain the following documents;
 - a.1. Agency's mandates and functions, names of its officials with their position and designation, and contact information;
 - a.2. DBM-approved budget and corresponding targets for FY 2017;
 - a.3. Budget and Financial Accountability Reports;
 - For NGAs/SUCs
 - FY 2013 to FY 2017 FAR No. 1: SAAOBDB
 - FY 2013 to FY 2017 Summary Reports on Disbursements
 - FY 2013 to FY 2017 BAR No.1 – Quarterly Physical Reports of Operations/Physical Plan
 - For GOCCs and LWDs
 - FY 2013 to FY 2017 Annual Reports
 - a.4. Projects, Programs and Activities, Beneficiaries, and Status of Implementation for FY 2017. If this portion is not applicable, agencies should indicate "not applicable (NA)".

- a.5. FY 2017 Annual Procurement Plan (APP-nonCSE) in the format prescribed under GPPB Circular No. 07-2015, which should be posted not later than one month after the issuance of this Circular and the FY 2018 Annual Procurement Plan for Common-Use Supplies and Equipment (APP-CSE) based on the guidelines to be issued by DBM through a separate circular letter.
 - a.6. QMS ISO Certification of at least one core process by any international certification body (ICB) accredited by an International Accreditation Forum (IAF), following through with the progress achieved in 2016. The QMS ISO Certification should be posted not later than December 31, 2017. (See also Section 6.2.a and 10.9)
 - a.7. System of Ranking Delivery Units, which should be posted and disseminated to employees not later than October 1, 2017.
 - a.8. The (Freedom to Information) FOI Manual should be uploaded on or before October 1, 2017, as indicated in Section 5.1.d.
 - b. Maintain/update the posting of all Invitations to Bids and awarded contracts in the Philippine Government Electronic Procurement System (PhilGEPS) pursuant to the Government Procurement Reform Act (Republic Act No. 9184) for transactions from November 16, 2016 to November 15, 2017. (See also Section 10.6.a)
 - c. Compliance with the President's directive on improving all frontline services consistent with the objectives of the Anti-Red Tape Act of 2007 (RA No. 9485) and the President's directive to cut down processing time of all applications from submission to release, and to ensure accessible and convenient delivery of services to the public as reflected in CSC Memorandum Circular No. 14 s. 2016:
 - c.1. Maintain/update the Citizen's or Service Charter or its equivalent, reflecting the agency's enhanced service standards for all its front line services to citizens, businesses, and government agencies;
 - c.2. Self-assessment and reporting of improvements made by the agency to implement the CSC Memorandum Circular No. 14 s. 2016. The agency needs to target all possible actions/measures to reach the enhanced service standards in 2018 should events/factors prevent it from reaching these in 2017.
 - d. Develop the agency's FOI Manual pursuant to requirements and provisions of EO No. 2 s. 2016. For purposes of the FY 2017 PBB, the FOI Manual should be uploaded in the agency Transparency Seal on or before October 1, 2017, for validation by the Presidential Communications Operations Office (PCOO).
- 5.2 Non-compliance with any Good Governance Conditions will render the entire Department/Agency ineligible for the PBB.
- 5.3 Assessment of agency compliance with the GGCs requirements shall be conducted starting October 1, 2017.

6.0 FY 2017 PERFORMANCE TARGETS

- 6.1 **MFO Targets.** All MFO indicators and targets in the FY 2017 Performance-Informed Budget approved by Congress shall be the basis for assessing eligibility for the PBB. Organizational performance in the achievement of MFO targets shall be closely monitored through the use of the quarterly agency accountability reports uploaded in the DBM Unified Reporting System (URS) to indicate the progress towards the accomplishment of broader sectoral and societal outcomes targeted by the agency for improving the lives of Filipinos.

6.2 **STO Targets.** The common STO indicators and targets shall include the following:

- a. Certification/Continuing certification of the Quality Management System (QMS) for at least one core process. The certification must be issued by any international certification body (ICB) accredited by the International Accreditation Forum (IAF) members. Preferably, the ICB is accredited by the Philippine Accreditation Board, Department of Trade and Industry, which is a member of the IAF and authorized to accredit ICBs. The certification must be valid until December 31, 2017 or later date and must be posted in the agency Transparency Seal. (See also Section 10.9)
- b. If an agency is not yet ISO certified, it should have at least an ISO-aligned documentation for at least one (1) core process, to include the following:
 - b.1. Approved Quality Manual and approved Procedures and Work Instructions Manual, including Forms; and
 - b.2. Evidence of ISO 9001-aligned QMS implementation, i.e. (1) Certification of the Head of the Agency on the conduct of Internal Quality Audit; and (2) Minutes of the FY 2017 Management Review.

For frontline agencies, it is expected that the core process pertains to an agency process most demanded by citizens and businesses.

- c. The second STO target is identified in accordance with the priority of the Agency Head.

6.3 **GASS Targets.** The common GASS targets shall include the following:

- a. Budget Utilization Rate (BUR), which shall consist of:
 - a.1. Obligations BUR computed as obligations against all allotments still effective in FY 2017, both continuing and current year from all appropriation sources, including those released under the "GAA as the allotment order policy, for maintenance and other operating expenses (MOOE) and capital outlays (CO) in FY 2017; and
 - a.2. Disbursements BUR which is measured by the ratio of total disbursement (cash and non-cash, excluding personnel services) to total obligations for maintenance and other operating expenses (MOOE) and capital outlays (CO) in FY 2017.
 - a.3. BUR for GOCCs is computed as follows:
 - Obligations BUR = Total Obligations / DBM Approved Corporate Operating Budget (both net of Personnel Services)
 - Disbursement BUR = Total Actual Disbursement / Total Actual obligations (both net of Personnel Services)
 - a.4. BUR for SUCs is computed as follows:
 - Obligations and Disbursements BUR will be the same as those for department/agencies.
 - Because all earmarked income (e.g. trust funds, internally generated income, and revolving funds) should benefit and improve the SUCs operations, its Obligations and Disbursements utilization rates will also be reported following the reporting format in Annex 4.

- a.5. Pursuant to Item III. A of the FY 2017 President's Veto Message, Departments/Agencies are directed to ensure the obligation of programs, activities and projects funded under the FY 2017 GAA not later than December 31, 2017. Failure to do so will affect future budget levels of the respective departments/agencies.

Likewise, the Disbursements BUR of departments/agencies should be raised.

- b. Quarterly submission of Budget and Financial Accountability Reports (BFARs) online using the DBM's Unified Reporting System (URS) 30 days after end of each quarter, as provided in COA-DBM-DOF Joint Circular No. 2014-1 dated July 4, 2014.
 - c. The Departments/Agencies shall have fully complied with at least 30% of the prior years' audit recommendations, as shown in the Report on Status of Implementation of Prior Years' Recommendations of the Annual Audit Report (AAR). The objective is to improve the agency's internal control processes, operate effectiveness, and eliminate most, if not all of these audit findings are resolved and remedied by the end of 2019.
- 6.4 In case a Department/Agency is assessed to have deficiencies in meeting its performance commitments, the Department Secretary or Head of Agency may request for re-evaluation of their compliance status and submit the justification/s to warrant a reconsideration of the initial assessment results. For the purpose of re-evaluation, justifiable reasons are factors that are considered outside of the control of the agency.

7.0 ELIGIBILITY OF INDIVIDUALS

- 7.1 Department Secretaries, Heads of Other Executive Offices, Chairpersons and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by DBM are eligible only if their respective departments/agencies/institutions are eligible. If eligible, their PBB rate for FY 2017 shall be equivalent to 65% of their monthly basic salary. They shall not be included in the Form 1.0 - Report on Ranking of Delivery Units (Annex 5).
- 7.2 Non-ex officio Board Members of GOCCs covered by DBM may be eligible to a rate equivalent to 65% of the monthly basic salary of the highest corporate official of the GOCC concerned subject to the following conditions:
 - a. The GOCC has qualified for the grant of the FY 2017 PBB;
 - b. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
 - c. The Board Member has nine (9) months aggregate service in the position; and
 - d. The GOCC has submitted the appropriate annual Board- approved Corporate Operating Budget (COB) to DBM in accordance with the Corporate Budget Circular No. 22 dated December 1, 2016.
- 7.3 Employees belonging to the First, Second and Third Levels should receive a rating of at least "Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the CESPES. CESPES covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charters, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.
- 7.4 Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.

- 7.5 Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.
- 7.6 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least Satisfactory rating may be eligible to the full grant of the PBB.
- 7.7 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least Satisfactory rating shall be eligible for the grant of PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Length of Service	% of PBB
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- a. Being a newly hired employee;
 - b. Retirement;
 - c. Resignation;
 - d. Rehabilitation Leave;
 - e. Maternity Leave and/or Paternity Leave;
 - f. Vacation or Sick Leave with or without pay;
 - g. Scholarship/Study Leave;
 - h. Sabbatical Leave
- 7.8 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible to the grant of the PBB.
- 7.9 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2017 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 7.10 Officials and employees who failed to submit the 2016 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015, shall not be entitled to the FY 2017 PBB.
- 7.11 Officials and employees who failed to liquidate all cash advances received in FY 2017 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997 and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2017 PBB.
- 7.12 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2017 PBB.
- 7.13 Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2016 SALN to the respective SALN repository agencies, liquidated their FY 2017 Cash Advances, and completed the SPMS Forms, as these will be the basis for the release of FY 2017 PBB to individuals.

- 7.14 Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statements (FSs), Annual Financial Reports and Annual Audit Reports (AARs), shall not be entitled to the FY 2017 PBB if the Department/Agency fails to comply with the said reporting requirements as prescribed in COA Resolution 2014-003 dated January 14, 2014 and COA Circular 2015-002 dated March 9, 2015.
- 7.15 The Head of Procuring Entity (HOPE), Chairman and Secretariat of the Bids and Awards Committee (BAC) shall not be entitled to the FY 2017 PBB if the Department/Agency fails to submit the following:
- a. FY 2017 Annual Procurement Plan (APP-non CSE) to the Government Procurement Policy Board (GPPB) not later than one month after the issuance of this Circular in the format prescribed under GPPB Circular No. 07-2015
 - b. FY 2018 Annual Procurement Plan-Common-Use Supplies and Equipment (APP-CSE) to the DBM-Procurement Service on or before November 30, 2017.
 - c. Results of FY 2016 Agency Procurement Compliance and Performance Indicators (APCPI) System, per GPPB Resolution No. 10-2012, complete with the following forms: (1) APCPI - Self-Assessment Form; (2) APCPI - Consolidated Procurement Monitoring Report; (3) APCPI - Procurement Capacity Development Action Plan; and the Questionnaire on before March 31, 2017. The APCPI Tool may be downloaded from the GPPB website using this link: <http://www.gppb.gov.ph/apcpi/apcpi.html>
- 7.16 Officials and employees responsible for the non-compliance of prior years' audit recommendations shall not be entitled to the FY 2017 PBB. (See also Section 6.3.c)
- 7.17 Officials and employees responsible for the QMS certification or alignment specified in Sections 6.2.a and 6.2.b shall not be entitled to the FY 2017 PBB if the Department/Agency fails to comply with the said requirement.
- 7.18 Officials and employees responsible for posting and dissemination of the Department/Agency system of ranking performance of delivery units shall not be entitled to the FY 2017 PBB if the Department/Agency fails to comply.

8.0 RANKING OF DELIVERY UNITS

- 8.1 Departments/Agencies and their corresponding offices/delivery units that meet the criteria and conditions in Section 4.1 are eligible to the FY 2017 PBB. Bureaus, offices or delivery units eligible to the PBB shall be forced ranked according to the following categories:

Ranking	Performance Category
Top 10%	Best Delivery Units
Next 25%	Better Delivery Units
Next 65%	Good Delivery Units

- 8.2 The resulting ranking of offices/delivery units shall be indicated in the Form 1.0 - Report on Ranking of Delivery Units (Annex 5).
- 8.3 When identifying and determining delivery units, Departments/Agencies must be guided by the Master List of Departments/Agencies and prescribed delivery units per Department/Agency (Annex 1).
- a. A delivery unit is the primary subdivision of the Department/Agency performing substantive line functions, technical services or administrative support, as reflected in the Department's/Agency's organizational structure/functional chart.

The identification of a delivery unit will depend on the type of government entity, with due consideration to its mandate, organizational level, and scope of operations, as follows:

TYPE OF GOVERNMENT ENTITY	DELIVERY UNITS
Department or Department-Level	<ul style="list-style-type: none"> • Offices • Bureaus • Services • Regional Offices, if any
Agency	Intermediate Level <ul style="list-style-type: none"> • Offices • Bureaus • Services • Regional/Field Units, if any
	Division Level <ul style="list-style-type: none"> • Divisions • Field Units, if any
State University or College	<ul style="list-style-type: none"> • Offices • Services • Campuses • Colleges
GOCC	<ul style="list-style-type: none"> • Offices • Departments

- b. For purposes of this Circular, agencies attached to a department or department-level entity shall be treated as an agency separate from its parent department and shall have a separate ranking of delivery units.
- c. To facilitate the ranking of delivery units, agencies may group or cluster the delivery units based on similarities of tasks and responsibilities for purposes of evaluating and ranking group and individual performance, provided that the resulting ranking distribution shall be in accordance with Section 8.1.

- 8.4 Only the personnel belonging to eligible delivery units are qualified for the PBB. (Refer also to exclusion of individuals as cited in Sections 7). While individual ranking shall be the basis for merit increase, promotion, further training and/or disciplinary action, individual ranking shall no longer be included in the Form 1.0.
- 8.5 The GCG, LWUA and DILG shall issue pertinent guidelines on the ranking of delivery units for GOCCs covered by GCG, LWDs and LGUs, respectively.

9.0 RATES OF THE PBB

- 9.1 The rates of the PBB for each individual shall be based on the performance ranking of the individual's bureaus or delivery units with the rate of incentive as a multiple of one's monthly basic salary based on the table below:

Performance Category	Multiple of Basic Salary
Best Delivery Unit	0.65
Better Delivery Unit	0.575
Good Delivery Unit	0.50

10.0 SUBMISSION OF REPORTS

- 10.1 Departments/Agencies should submit FY 2017 accomplishments using Forms A, A-1 and Form 1.0 on or before January 31, 2018. They should submit duly completed and signed forms and reports to the IATF (two hard copies and e-copy of Forms A, A-1, 1.0 and other supporting documents) through the AO 25 Secretariat which shall endorse copies to the oversight/validating agencies for review/evaluation. All forms and reports should be signed by the agency head or the officially designated official.
- 10.2 Departments/Agencies should submit to COA the Report on Ageing of Cash Advance with a cut-off date of November 15, 2017 to the respective resident Auditors on or before November 30, 2017. Upon validation, the COA Resident Auditor will be responsible for forwarding the validated Report on Ageing of Cash Advances to their respective Supervising Auditor/Cluster Director for proper transmittal to Risk Management and Budget Office the COA Head Office. To facilitate the process, Departments/Agencies may submit directly to COA Head Office the Report on Ageing of Cash Advances duly signed by the Agency Head, Accounting Office and verified by the Agency's Resident COA Auditor.
- 10.3 COA Annual Financial Reports and Statements shall be submitted directly to COA in accordance with the mandated period of submission. Departments/Agencies must submit the FY 2016 financial reports not later than March 31, 2017. Large Agencies are given consideration until April 30, 2017. COA will provide the IATF the list of agencies that complied with this condition.
- 10.4 The Audit Team Leaders shall verify/monitor compliance of their respective agencies with the audit recommendations shown in the Status of Implementation of Prior Years' Audit Recommendations in the Annual Audit Report/Management Letter and submit a report thereon, to the concerned Supervising Auditor (SA). The SA will then prepare a summary report for submission to the concerned Cluster Director. Based on the reports submitted by the SAs, the Cluster Director shall submit to the IATF Secretariat, copy furnished the Sector Head and RMBO, PFMS, both of COA, a Summary List of Agencies that complied with the required minimum 30% full implementation of audit recommendations.
- 10.5 DBM financial reports including BFARs shall be submitted directly to DBM, online through the TS or to the URS, as appropriate.
- 10.6 Certificate of Compliance to the Transparency Seal and PhilGEPS are no longer necessary since the concerned oversight agency shall be conducting validation based on the agreed monitoring schedule.
 - a. Departments/agencies should ensure that the status of notices in their PhilGEP-System for all transactions for the period November 16, 2016 to November 15, 2017 is **updated** on or before December 1, 2017. *(Note: Failed or cancelled bid status should still be updated in the PHILGEPS).*

If the agency is unable to update the system or post the BAC Resolution, Notices of Award/Bid Results, Actual Approved/Awarded Contracts and Notices to Proceed/Purchase Orders for transactions above One Million (P1,000,000) in the PhilGEPS due to factors that are outside of the control of the agency, the agency should submit a report to or inform PhilGEPS and submit a letter of explanation (see Annex 6 for sample letter) addressed to the AO25 IATF on or before December 1, 2017. Acceptance of the explanation/reasons shall be subject to the recommendation of PhilGEPS.
 - b. To comply with Transparency Seal, see Annex 7 – Transparency Seal Guidelines.
 - c. Once a Department/Agency is found Non-Compliant with the ARTA requirement stated in Section 5.1.c1, the Department/Agency will be required to submit a Certificate of Compliance directly to the concerned CSC Regional/Field Office.

- d. To comply with the requirement on Section 5.1.c.2, Departments/Agencies with frontline services should submit their Certificate of Compliance (CoC) with the Anti-Red Tape Law and their self-assessment and report of improvements indicating all frontline transactions, current processing time standards of each transaction, actions that the agency has taken to improve each transaction, and substantial results as proof of successfully demonstrating each action taken. For this purpose, the CSC shall provide enrolled agencies with frontline services a copy of the Validation Guidelines and the corresponding Certificate of Compliance (Self-Assessment of Agency Frontline Transactions) format/template, to be accomplished and submitted on a date prescribed by the CSC to the concerned oversight agency (OP, PMS, or CSC).
 - e. Agency compliance on substantial improvement of frontline services shall be assessed through actual audits by the oversight agencies to determine the consistency with agency submissions. The CSC shall establish guidelines relative to compliance with this requirement.

Agencies with no frontline services shall not be required to submit the Certificate of Compliance (Self-Assessment of Agency Frontline Transactions) herein mentioned but shall be validated based on their compliance with the posting requirement of their respective Service Charters, as required in previous years.
 - f. In the spirit of participatory governance, the CSC validation shall be complemented with the reports on feedback and complaints from citizens gathered by the OP, PMS, CSC and PCOO from the 8888 and FOI portals. These oversight agencies shall issue a negative report on the agencies, including GOCCs and LGUs, complained about in terms of processing times, including the frequency of the complaints in their report. Based on this, the AO 25 IATF will determine the eligibility to the PBB.
 - g. The objective is to substantially improve frontline transactions in government and the responsiveness to citizens and business so that at the end of 2018, processing time standards have reached almost ideal global standards.
- 10.7 The FY 2017 Annual Procurement Plan (APP-non CSE) approved by the Head of Procuring Entity (HOPE) shall be submitted to the Government Procurement Policy Board (GPPB) within one month after the issuance of this Circular in the format prescribed under GPPB Circular No. 07-2015. A scanned copy of the APP may be sent to GPPB-TSO's email: app@gppb.gov.ph.
- The APP non-CSE submissions must indicate: "**APP for CY 2017 of <Complete Name of Head Office / Agency> <Regions __ to __, if applicable> for PBB**" in the subject line. The list of agencies complying with the APP submission requirement shall be posted in the GPPB website (www.gppb.gov.ph).
- 10.8 FY 2018 Annual Procurement Plan-Common-Use Supplies and Equipment (APP-CSE) to the DBM-Procurement Service on or before November 30, 2017 prescribed format based on the guidelines to be issued by DBM through a separate circular letter.
- 10.9 The APCPI results should be submitted on or before March 31, 2017, either in electronic (Excel) format through apcpi@gppb.gov.ph indicating: "**2016 APCPI Initial Results of <Complete Name of Head Office / Agency> for PBB**" in the subject line; or printed (signed) copies hand carried/mailed through the GPPB-TSO front desk. The list of agencies complying with the APCPI requirement shall be posted in the GPPB website (www.gppb.gov.ph).
- 10.10 A certified-true copy of the Agency's ISO QMS Certificate/s shall be submitted to the QMCC thru the DBM Secretariat – Systems and Productivity Improvement Bureau immediately after obtaining an ISO QMS Certificate or Recertification not later than December 31, 2017, for verification purposes.

- 10.11 Results of the validation showing non-compliant agencies shall be posted in the RBPMS website.
- 10.12 The Department of Education, except for its attached agencies, namely: National Council for Children's Television (NCCT), National Book Development Board (NBDB), and National Museum (NM), shall submit its physical accomplishments with April 1, 2018 cut-off on or before April 30, 2018. The same timeline for implementation of good governance conditions, common STO target, and common GASS targets as indicated in Section 15 apply to the Department of Education.
- 10.13 The IATF shall conduct spot-checks to validate claims and certifications made by departments/agencies.

11.0 COMPLIANCE VALIDATION

As with the previous cycles of the PBB, the following oversight agencies are tasked to conduct the compliance validation of the PBB requirements:

PBB REQUIREMENTS	VALIDATING AGENCY
Transparency Seal	DBM-OCIO
PhilGEPS Posting	PhilGEPS
Citizen's Charter	CSC
Assessment of Agency Frontline Services	OP, PMS, CSC
FOI Manual	PCOO
Submission of SALN of employees	Office of the President, Ombudsman, CSC <i>Note: The Departments/Agencies shall submit the list of SALN non-filers.</i>
Submission of Annual Financial Statements and Report on Ageing of Cash Advances	COA
Submission of APP-CSE and APP-nonCSE approved by the HOPE and APCPI results	GPPB-TSO, DBM-PS
MFO-Physical Accomplishments of <ul style="list-style-type: none"> • Departments • OEOs • GOCCs covered by DBM • GOCCs covered by RA 10149 • SUCs • LWDs 	DBM-Budget Management Bureaus (BMBs) OP-OES, OP-OCS DBM-BMB-C, and OP-OES GCG CHED and DBM-ROs DBM-BMB-C and LWUA
STO-Accomplishments <ul style="list-style-type: none"> • QMS Certification • STO identified by agency head 	GQMC DBM-BMBs concerned, OP-OES, CHED, LWUA
GASS <ul style="list-style-type: none"> • BUR of Departments, OEOs and GOCCs covered by DBM • BUR of SUCs • BFARs • Report on Status of Implementation of Prior Years' Recommendations in the Annual Audit Report 	DBM-BMBs concerned DBM Regional Offices DBM and COA COA
Agency Report on Ranking of Delivery Units <ul style="list-style-type: none"> • Departments • OEOs • GOCCs covered by DBM • GOCCs covered by RA 10149 • SUCs • LWDs 	DBM-OPCCB DBM-OPCCB and DBM-NCR DBM-BMB-C GCG DBM-RO LWUA and DBM-BMB-C

12.0 EFFECTS OF NON-COMPLIANCE

- 12.1 For FY 2017, agencies that are unable to comply with all the good governance conditions shall be considered ineligible for the PBB FY 2017.
- 12.2 Prohibited Acts: A Department/Agency/GOCC/LWD/LGU, which, after due process by the oversight agency has been determined to have committed the following prohibited acts, shall be disqualified from the PBB in the succeeding year of its implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case:
 - a. Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB and violation of the provisions of this Circular; and,
 - b. Evenly distributing PBB among employees in an agency, in violation of the policy of paying the PBB based on the ranking of delivery units.

13.0 FEEDBACK AND CHANGE MANAGEMENT

- 13.1 Department Secretaries/Head of Agencies with the support of their Performance Management Groups shall develop and implement an internal communications strategy on PBIS, and fulfill the following:
 - a. Engage their respective employees in understanding the PBIS, the performance targets of their respective departments/agencies, as well as the services and outputs that they will need to deliver in order to meet these targets.
 - b. Disseminate the performance targets and accomplishments of their departments/agencies to their employees through the intranet and other means, as well as publish these on their respective websites for the public's information.
 - c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their departments/agencies. The Help Desk may be a facility that is embedded in the respective websites of departments/agencies.
 - d. Set up a Complaints Mechanism to respond to the PBIS-related issues and concerns raised by officials and employees of their respective departments/agencies. Such may be incorporated in the functions of their Grievance Committee.
- 13.2 The Department Secretary/Head of Agency shall designate a senior official who shall serve as a PBB focal person. The offices responsible for the performance management may be tasked to provide secretariat support to the PMG and to recommend strategies to instill a culture of performance within the Department/Agency.

14.0 INFORMATION AND COMMUNICATION

- 14.1 The Department Secretary/Head of Agency shall confirm with the IATF the name, position and contact details (e-mail, landline, facsimile, cellular phone) of the senior officials designated as the PBB focal person and the spokesperson, respectively.
- 14.2 Departments/Agencies should strengthen their communications strategy and ensure transparency and accountability in the implementation of the PBB.
- 14.3 The IATF shall maintain the following communication channels:

- a. AO 25 Secretariat at ao25secretariat@dap.edu.ph
- b. PBIS Info Board
- c. RBPBMS website www.dap.edu.ph/rbpms
- d. PCDSPO e-mail at pbb@gov.ph
- e. Text hotline (Smart: +63920.498.9121)
- f. Facebook (www.facebook.com/PBBsecretariat)
- g. Twitter: @pbbsecretariat

15.0 TIMELINE FOR FY 2017 IMPLEMENTATION

Activity	Deadline
a. Submission to COA and DBM of 4 th Quarter BFARs (previous year) thru online URS	On or before January 31, 2017
b. Submission of FY 2017 APP-nonCSE approved by the HOPE to GPPB-TSO	Within one month after the issuance of this MC
c. Submission of FY 2016 Financial Reports to COA	On or before March 31, 2017
d. Submission of APCPI Self-Assessment Results for FY 2016 to GPPB-TSO	
e. Submission of FY 2016 Financial Reports to COA (<i>for Big Agencies</i>)	On or before April 30, 2017
f. Submission to COA and DBM of 1 st Quarter BFARs (current year) thru online URS	
g. Submission of 2016 SALN	
h. Submission to COA and DBM of 2 nd Quarter BFARs (current year) thru online URS	On or before July 31, 2017
i. Validation of Transparency Seal Compliance	October 1, 2017
j. Validation of Citizen's Charter Compliance	
k. Validation of FOI Manual	
l. Posting of Agency system of ranking delivery units	
m. Submission to COA and DBM of 3 rd Quarter BFARs (current year) thru online URS	On or before October 31, 2017
n. Submission of FY 2018 APP-CSE as prescribed by DBM-circular letter to DBM-PS	On or before November 30, 2017
o. Submission of Report on Ageing of Cash Advance Liquidation (with November 15, 2017 as cut-off)	On or before December 1, 2017
p. Submission of Letter of explanation/justification if unable to post in PhilGEPS (for transactions above P1,000,000 with November 15, 2017 as cut-off)	
q. Posting of QMS Certification in Agency Transparency Seal	On or before December 31, 2017
r. Submission of report on compliance with 30% of the audit recommendations as shown in the Status of Implementation of Prior Year's Recommendations in the Annual Audit Report	
s. Submission of report on all improvements made by the agency to implement CSC Memorandum Circular No. 14 s. 2016.	
t. Submission of physical accomplishments using Forms A, A1, and Form 1.0 (with December 31, 2017 as cut-off date) - <i>see Annexes 2, 3, 4, 5</i>	On or before January 31, 2018
u. Validation of QMS Certification	
v. Validation of STO Indicator as identified by Head of Agency	

Activity	Deadline
w. Submission of DepEd physical accomplishments using Forms A, A1, and Form 1.0 (with April 1, 2018 as cut-off date) - see <i>Annexes 2, 3, 4, 5</i>	On or before April 30, 2018

17.0 APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES

Congress, The Judiciary, Constitutional Commissions, and the Office of the Ombudsman are encouraged to follow these guidelines to be eligible to the Performance-Based Bonus.

18.0 EFFECTIVITY

This Circular shall take effect immediately.



BENJAMIN E. DIOKNO

Secretary, Department of Budget and Management
and Chairman, AO 25 Inter-Agency Task Force

