



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

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March 6, 2007

**MEMORANDUM CIRCULAR**  
NO. 2007-24

**TO :** ALL PROVINCIAL GOVERNORS, CITY MAYORS, MUNICIPAL MAYORS, DILG REGIONAL DIRECTORS AND OTHERS CONCERNED

**SUBJECT :** AMENDING CIRCULAR NO. 92-17, DATED JULY 29, 1992, ENTITLED, POLICY GUIDELINES GOVERNING THE SUBMISSION AND REVIEW OF EXECUTIVE ORDERS, ANNUAL REPORTS, SUPPLEMENTAL OR SPECIAL REPORTS OF PROVINCES, CITIES, MUNICIPALITIES AND BARANGAYS, AND RELATED INFORMATION

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**PURPOSE**

This Memorandum Circular amends Department Circular No. 92-17, series of 1992, particularly the section on Form and Content thereof, such that the Annual Report shall embody: (a) the immediately preceding year's performance (overall administrative capability), productivity (service delivery) and development conditions (state of development), thereby providing a comprehensive information on the actual state of local governance in a province, city or municipality, and (b) the issues, challenges or gaps that have to be addressed during the ensuing year.

**COVERAGE**

This Memorandum Circular shall cover all provinces, cities and municipalities.

**CONTENT OF THE ANNUAL REPORT**

The core content of the Annual Report shall contain information organized along the following prescribed themes and sub-themes:

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- **Governance** in such areas as Local Legislation, Transparency and Participation;
- **Administration** in such areas as Development Planning, Revenue Generation, Resource Allocation and Utilization, Financial Accountability, Customer Service and Human Resource Management and Development;
- **Social Services** in such areas as Health and Nutrition, Education, Housing and Basic Utilities and Peace, Security and Disaster Risk Management;
- **Economic Development** in such areas as Agriculture and Fisheries Development and Entrepreneurship, Business and Industry Promotion; and
- **Environmental Management** in such areas as Natural Resources Management, Waste Management and Pollution Control and Urban Land Quality.

The Annual Report shall be the State of Local Governance Report of a province, city or municipality.

### **RESPONSIBILITIES OF LOCAL CHIEF EXECUTIVES**

All Provincial Governors, City Mayors and Municipal Mayor are enjoined to:

1. Cause the preparation of the CY 2006, and subsequent Annual Reports guided by the aforesaid themes, and the attached **outline** which is an integral part this Memorandum Circular;
2. Cause the submission of such documents to concerned authorities within the period prescribed by law; and
3. See to it that the CY 2006, and subsequent Annual Reports are optimally utilized as principal source documents starting CY 2007, and every year thereafter, respectively, in the formulation and implementation of programs or projects, or administrative reforms which are within the competence and authority of local authorities to undertake, in support of good local governance and meaningful development.

## TECHNICAL ASSISTANCE AND RELATED ACTIONS

All DILG Regional Directors are hereby directed to:

1. Cause the immediate and widest dissemination of this Memorandum Circular to all local authorities within their regional assignments;
2. Extend technical support, upon request;
3. See to it that Annual Reports are submitted to concerned authorities within the period mandated by the Local Government Code; and
4. Ensure that the CY 2006, and subsequent Annual Reports are the principal source documents starting CY 2007, and every year thereafter, respectively, in the formulation and implementation of programs or projects, or administrative reforms which are within the competence and authority of local authorities to undertake, in support of good local governance and meaningful development.

## SANCTIONS



Any local official, who willfully or through negligence, violates any of the provisions of this Memorandum Circular shall be subject to the sanctions provided under the Local Government Code and under such other applicable laws.

## REPEALING CLAUSE

All existing Department issuances which are deemed inconsistent herewith are hereby modified or repealed accordingly.

## EFFECTIVITY

This Memorandum Circular shall take effect immediately.

  
**RONALDO V. PUNO**  
Secretary 



Republic of the Philippines  
DEPARTMENT OF THE INTERIOR  
AND LOCAL GOVERNMENT

IN REPLYING, PLS CITE:  
**SILG07-040478**



## CY \_\_\_\_ Annual Report Outline

### Messages from Key Officials

This portion contains official announcements relative to undertakings during the immediately preceding year, as well as for the ensuing year which are essential in promoting good local governance and in aggressively pursuing meaningful development.

### Executive Summary

This part contains:

- Highlights of performance, productivity and state of development along the following areas: governance, administration, social development, economic development, and environmental management; and
- Key areas for strategic decision and action to address gaps, issues, and challenges.

*Note: The use LGPMS-generated reports, e.g., risk report, state report, and mission attainment report, is suggested to support textual summaries.*

### Part 1. The State of Performance

This part describes, at the minimum, the obtaining capacity level, and the factors and circumstances that bear upon it. At the maximum, it provides an analysis that includes a comparison of the current performance with that of the immediately preceding year or immediately preceding two years, and with those of other local governments under similar conditions.

- **Governance** in such areas as Local Legislation, Transparency and Participation
- **Administration** in such areas as Development Planning, Revenue Generation, Resource Allocation and Utilization, Financial Accountability, Customer Service and Human Resource Management and Development
- **Social Development** in such areas as Health and Nutrition, Education, Housing and Basic Utilities and Peace, Security and Disaster Risk Management

- **Economic Development** in such areas as Agriculture and Fisheries Development and Entrepreneurship, Business and Industry Promotion
- **Environmental Management** in such areas as Natural Resources Management, Waste Management and Pollution Control and Urban Land Quality
- **Priority Areas for Action**

*Note: Where appropriate, use visual aids such as graphs, charts, pictures, maps and diagrams to stress key messages.*

**Part 2. The State of Productivity**

This part describes, at the minimum, the reach and quality of essential public services delivered and identifies gaps, issues, and challenges that have to be addressed relative thereto. At the maximum, it provides an analysis that includes a comparison of the productivity of the year under review with that of the immediately preceding year or immediately preceding two years, and with those of other local governments under similar conditions.

- **Governance** in such areas as Local Legislation, Transparency and Participation
- **Administration** in such areas as Development Planning, Revenue Generation, Resource Allocation and Utilization, Financial Accountability, Customer Service and Human Resource Management and Development
- **Social Development** in such areas as Health and Nutrition, Education, Housing and Basic Utilities and Peace, Security and Disaster Risk Management
- **Economic Development** in such areas as Agriculture and Fisheries Development and Entrepreneurship, Business and Industry Promotion
- **Environmental Management** in such areas as Natural Resources Management, Waste Management and Pollution Control and Urban Land Quality
- **Priority Areas for Attention**

*Note: Where appropriate, use visual aids such as graphs, charts, pictures, maps and diagrams to stress key messages.*

### Part 3. The State of Development

This part describes, at the minimum, the obtaining development conditions, and the factors and circumstances that have influenced such. At the maximum, it provides an assessment of the current state of development vis-à-vis that of the immediately preceding year or immediately preceding two years, and with those of other local governments under similar conditions.

- **Social Development** in such areas as Health and Nutrition, Education, Housing and Basic Utilities and Peace, Security and Disaster Risk Management
- **Economic Development** in such areas as Agriculture and Fisheries Development and Entrepreneurship, Business and Industry Promotion
- **Environmental Management** in such areas as Natural Resources Management, Waste Management and Pollution Control and Urban Land Quality
- **Priority Areas for Attention**

*Note: Where appropriate, use visual aids such as graphs, charts, pictures, maps and diagrams to stress key messages.*

### Part 4. Priority Strategies for Implementation

Note:

1. Strategy is to be construed either as a program or as a project.
2. The reach and quality of essential public services and obtaining development conditions are the results of the actions or inactions of stakeholders who are in a position to shape, influence, formulate, implement, or control public policy. In the thinking of the LGPMS, a policy means plans, programs, projects, guidelines, standards, regulations, and rules.
3. Under conditions of poor quality of basic services or poor state of development, investments, developmental interventions, or assistance packages should address the circumstances (performance) that engender such conditions.

## **ATTACHMENTS (Minimum)**

- Attachment 1 – Brief profile accentuating on the following: (a) vision statement – an image of the future it seeks to create; (b) mission statement – the purpose of its existence, how it intends to achieve the purpose and the values or principles as guides in the realization of such purpose; (c) developmental role in the province or in the region, as the case may be; (d) resource endowments; (e) potential investment areas; and (f) other information contained in the general information section of the LGPMS database
  
- Attachment 2 – Budget Performance and Financial Statements to include: (a) an analysis of performance versus approved budget, disbursements, and cash balances; and (b) graphs or charts on income versus expenditure, income by source, and expenditure by class expense – personal services, maintenance and other operating expenses, and capital outlay
  
- Attachment 3 – Plans, programs and accomplishments highlighting in a narrative and pictorial manner, as the case may be, plans, programs and accomplishments during the year under review
  
- Attachment 4 – List of ordinances approved during the immediately preceding year in direct support of Governance, Administration, Social Services, Economic Development and Environmental Management
  
- Attachment 5 – List of executive orders issued during the year under review