



REPUBLIC OF THE PHILIPPINES
 DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
 Francisco Gold Condominium II
 EDSA Cor. Mapagmahal St., Diliman
 Quezon City



MEMORANDUM CIRCULAR : NO. 2011-08A

TO : ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS
 PRESIDING OFFICERS OF THE SANGGUNIANG PANLALAWIGAN,
 SANGGUNIANG PANLUNGSOD, SANGGUNIANG BAYAN,
 ARMM REGIONAL GOVERNOR AND DILG REGIONAL DIRECTORS

SUBJECT : STRICT ADHERENCE TO FULL DISCLOSURE OF LOCAL BUDGET
 AND FINANCES, AND BIDS AND PUBLIC OFFERING

DATE : 13 January 2011

Legal and Administrative Authority

- General Provision of the Annual General Appropriations Act re: "Use and Disbursement of Internal Revenue Allotment of LGUs", stipulates: The amount appropriated for the LGU's share in the Internal Revenue Allotment shall be used in accordance with Sections 17 (g) and 287 of R.A No. 7160. The annual budgets of LGUs shall be prepared in accordance with the forms, procedures, and schedules prescribed by the Department of Budget and Management and those jointly with the Commission on Audit. Strict compliance with Sections 288 and 354 of R.A No. 7160 and DILG Memorandum Circular on Strict Adherence to Full Disclosure of Local Budget and Finances, and Bids and Public Offering, is hereby mandated: PROVIDED, That in addition to the publication or posting requirement under Section 352 of R.A No. 7160 in three (3) publicly accessible and conspicuous places in the local government unit, the LGUs shall also post the detailed information on the use and disbursement, and status of programs and projects in the LGUs websites. Failure to comply with these requirements shall subject the responsible officials to disciplinary actions in accordance with existing laws.
- Administrative Order No. 267, s. 1992, titled, Delegating Certain General Supervisory Powers of the President Over Local Governments to the Secretary of Interior and Local Government
- Commission on Audit Internal Memorandum, dated October 8, 2010, enjoining concerned COA Officials and Auditors to monitor management's compliance to DILG Memorandum Circular on Full Disclosure Policy, and any deviation there from or non-compliance therewith shall be a subject of an Audit Observation Memorandum, and eventually forms part of the Annual Audit Report or Management Letter, if necessary.

Documents and Transactions to be Posted

In particular, the following documents and transactions shall be posted in the website, in conspicuous places within local government-owned public buildings and in print media of community or general circulation:

1. Annual Budget Report, information detail to the level of personal services, maintenance and other operating expenses and capital outlay per individual offices (Local Budget Preparation Form No.3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to PS, MOOE and CO, (Sample Form attached as Annex "A");
2. Quarterly Statement of Cash Flows, information detail to the level of particulars of cash flows from operating activities (e.g. cash inflows, total cash inflows, total cash outflows), cash flows from investing activities (e.g. cash outflows), net increase in cash and cash at the beginning of the period (Sample Form attached as Annex "B");
3. Statement of Receipts and Expenditures, information detail to the level of particulars of beginning cash balance, receipts or income on local sources indicating past year's actual and current year's estimated receipts and expenditures (e.g. tax revenue, non-tax revenue), external sources, and receipts from loans and borrowings, surplus of prior years, expenditures on general services, economic services, social services and debt services, and total expenditures (Local Budget Preparation (LBP) Form No. 2, titled Statement of Receipts and Expenditures, Sample Form attached as Annex "C");
4. Trust Fund (PDAF) Utilization, information detail to the level of particulars of object expenditures (Local Budget Preparation Form No. 3, titled, Program Appropriation and Obligation by Object of Expenditure, limited to PDAF Utilization, (Form same as Annex "A");
5. Quarterly Report of SEF (Special Education Fund) Utilization, information detail to the level of particulars of object expenditures (SEF Budget Accountability Form No. 1 Source: Budget Operations Manual for LGUs (Sample Form attached as Annex "D");
6. 20% Component of the IRA Utilization, information detail to the level of particulars of objects of expenditure on social development, economic development and environmental management, LBP Form No. 3, limited to 20% component of the IRA (Form same as Annex "A");
7. Annual GAD Accomplishment Report, information detail to the level of implementation of GAD budget attributed in the existing programs, projects and activities of LGUs (Sample Form attached as Annex "E");
8. Statement of Debt Service, information detail to the level of name of creditor, purpose of loan, date contracted, term, principal amount, previous payment made on the principal and interest, amount due for the budget year and balance of the principal (LBP Form No. 6, Sample Form attached as Annex "F");
9. Annual Procurement Plan or Procurement List, information detail to the level of name of project, individual item or article and specification or description of goods and services, procurement method, procuring office or fund source, unit price or estimated cost or approved budget for the contract and procurement schedule (Sample Form attached as Annex "G");
10. Items to Bid, information detail to the level of individual Invitation to Bid, containing information as prescribed in Section 21.1 of the IRR of Republic Act No. 9184, or The Government Procurement Reform Act, to be updated quarterly (Sample Form attached as Annex "H");
11. Bid Results on Civil Works, and Goods and Services, information detail to the level of project reference number, name and location of project, name (company and proprietor) and address of winning bidder, bid amount, approved budget for the contract, bidding date, and contract duration, to be updated quarterly (Sample Form attached as Annex "I"); and

12. Abstract of Bids as Calculated, information detail to the level of project name, location, implementing office, approved budget for the contract, quantity and items subject for bidding, and bids of competing bidders, to be updated quarterly (Sample Form attached as Annex "J").

Frequency of Posting

These shall be posted on the dates hereunder prescribed:

Type of Report	Period of Posting
1. <u>Annual</u>	
1. Annual Budget Report	On or before January 15 of each year or not later than 15 days after approval of the Local Sanggunian
2. Annual Procurement Plan or Procurement List	On or before January 31 of each year
3. SEF Income and Expenditure Estimates	One (1) week after the approval by the Local School Board of the SEF Income and Expenditure Annual Report
4. Statement of Debt Service	One (1) week after the approval of Local Chief Executive (LCE) of the Statement of Debt Service Annual Report
5. Annual GAD Accomplishment Report	Not later than the end of January of the ensuing year
6. Statement of Receipts and Expenditures	One (1) week after approval of the local Chief Executive of the Statement of Receipts and Expenditures Annual Report
2. <u>Quarterly</u>	
1. Quarterly Statement Cash Flow	Within 10 days after the end of every quarter
2. Items to be Bid	Within the prescribed period under the Government Procurement Reform Act and its IRR, and to be updated quarterly
3. Report of SEF Utilization	One (1) week after the end of each quarter
4. Trust Fund (PDAF) Utilization	One (1) week after the end of each quarter
5. Bid Results on Civil Works and Goods and Services	Within the prescribed period under the Government Procurement Reform Act and its IRR, and to be updated quarterly
6. Abstract of Bids as Calculated	Within the prescribed period under the Government Procurement Reform Act and its IRR, and to be updated quarterly
7. 20 % Component of the IRA Utilization	One (1) week after the end of each quarter
3. <u>Monthly</u>	
1. Supplemental Procurement Plan	NLT 15 days after approval by the Head of Procuring Unit

Sanctions

Non-compliance with the foregoing shall be dealt with in accordance with pertinent laws, rules and regulations. In particular, attention is invited to the provision of the Local Government Code of 1991, quoted as follows:

Section 60. Grounds for Disciplinary Actions - An elective local official may be disciplined, suspended, or removed from office on: (c) Dishonesty, oppression, misconduct in office, gross negligence, or dereliction of duty. (emphasis supplied).

Responsibilities of the DILG Regional Director, or ARMM Regional Governor

The DILG Regional Director, or the ARMM Regional Governor shall:

1. Cause the immediate and widest dissemination of this Memorandum Circular;
2. See to it that this Circular is effectively communicated and understood by local authorities;
3. Monitor local government compliance;
4. Ensure the posting by local authorities of the above-listed financial documents and transactions in the website, in conspicuous places within local government-owned public buildings, and in print media of community or general circulation;
5. In the event that a local government does not have a website, effect the posting of such financial documents and transactions through the DILG Regional Office website or the DILG Central Office website; and
6. Submit Compliance Report to the Office of the Secretary, through the Bureau of Local Government Supervision every quarter starting this current year.

Effectivity

This Memorandum Circular shall take effect immediately.


JESSE M. ROBREDO
Secretary



Republic of the Philippines
DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT
IN REPLYING, PLS CITE:

SILG11-007906

