

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

February 13, 2018

REVENUE MEMORANDUM ORDER 12-2018

SUBJECT : BIR Operational Key Performance Indicators for CY 2018
TO : All Internal Revenue Officials and Employees

I. OBJECTIVES

This Order is issued to:

1. Prescribe the BIR Operational Key Performance Indicators (KPIs) for Revenue Regions (RRs), Revenue District Offices (RDOs), Regional Divisions (RDs), and Large Taxpayers Service (LTS).
2. Align the BIR Operational KPIs with CY 2018 BIR Priority Programs prescribed in RMC No. 6-2018 and the relevant Operational KPIs specified in RMO No. 20-2017; and
3. Prescribe the policies, guidelines and procedures in the monitoring, preparation and submission of Accomplishment Reports as well as the preparation of Evaluation and Summary Reports on Operational KPIs.

II. POLICIES

The following policies and guidelines shall be observed:

1. The details of the Operational KPIs such as the KPI weights, formula, definition of KPI, KPI targets, implementing and monitoring offices are prescribed in Annex A of this revenue issuance.
2. The Operational KPIs shall be monitored, reviewed and evaluated by the concerned Assistant Commissioners (ACIRs) as Measures Owners (MOs), which is referred as the "Monitoring Office" in the Matrix (Annex A), to determine the performance of implementing offices against its goals/targets.
3. There shall be nineteen (19) Operational KPIs.

4. The LTS shall include the following offices as “Implementing Office” for a particular KPI:

No.	KPI	Implementing Office (s)
1	Collection Performance	LT National Office Audit Div. (LTNOADs), LT Divisions Cebu and Davao (LTDs), Excise LT Field Operations Div. (ELTFOD)
2	Collection Growth	LTNOADs, LTDs Cebu and Davao, ELTFOD
5	Audit Effort	LTNOADs, LTDs Cebu and Davao, LT VAT Audit Unit (LTVATAU)
6	Audit Efficiency	LTNOADs, LTDs Cebu and Davao, LTVATAU
7	Collection of Arrears	LTDs Cebu and Davao, LT Collection Enforcement Div. (LTCED)
8	Reduction in number of Stop-Filer cases	LTDs Cebu and Davao, LT Document Processing & Quality Assurance Div. (LTDPQAD), LTCED, Excise LT Regulatory Div. (ELTRD), LT Assistance Div. (LTAD)
9	Payment Compliance by Tax Types	LTNOADs, LTDs Cebu and Davao, LTDPQAD

5. The KPIs under the Support Functions shall only apply to the RRs.

6. The score for each KPI shall be computed as:

$$\text{Score} = \frac{\text{Applicable KPI Formula}}{\text{Applicable KPI Target}} \times \text{KPI Weight}$$

7. The overall rating shall be computed as:

$$\text{Overall Rating} = \frac{\text{Total Score}}{\text{Total Applicable KPI Weights}} \times 100\%$$

8. In the event that the actual accomplishment exceeds the KPI target, the score to be given shall be the maximum assigned KPI weight.
9. Figures to be used in all computations required in this Order shall be rounded off to the nearest two (2) decimal places.
10. The Operational KPIs shall be adopted as the standard measures in the Office Performance Commitment and Review (OPCR) Form, as well as in the Office Index of Success Indicators of the RRs, RDs, RDOs, LTS, LTNOADs, LTDs Cebu and Davao, ELTFOD, LTVATAU, LTCED, LTDPQAD, ELTRD and LTAD in relation to the Strategic Performance Management System (SPMS).

11. The accomplishment report and evaluation report shall be prepared every 1st semester (January to June) and annual based on the cumulative accomplishment covering January to December.
12. Any issues relative to the Operational KPIs, including the implementation, monitoring, evaluation and reporting of accomplishments, among others, shall be the responsibility of the concerned MOs.
13. The Operational KPIs prescribed under this Order shall be adopted in the succeeding years until there shall be amendments/revisions to be recommended by the MOs.

III. GUIDELINES AND PROCEDURES

- A. The following are the guidelines and procedures in the preparation and submission of accomplishment and evaluation reports.
 1. RDOs/Regional Divisions, LTNOADs/ LTDs Cebu and Davao/ ELTFOD/LTVATAU/LTCED/ LTDPQAD/ELTRD/LTAD shall:
 - 1.1 Prepare the semestral/annual Accomplishment Report for each applicable Operational KPI using the prescribed format; and
 - 1.2 Ensure accuracy of data prior to submission of the Accomplishment Report to the Regional Director and ACIR-LTS.
 2. Regional Director and ACIR-LTS shall:
 - 2.1 Consolidate the Accomplishment Reports per KPI; and
 - 2.2 Validate the accuracy and completeness of data prior to submission of the Accomplishment Report to concerned Measure Owner.
 3. The Measure Owner shall:
 - 3.1 Monitor the timely submission of Accomplishment Report by all Regional Directors and ACIR-LTS;
 - 3.2 Prepare the semestral (January to June)/annual (January to December) Evaluation Report for each KPI. The Evaluation Report shall detail the i) score per KPI of RRs, RDOs, RDs LTS and its implementing offices; and ii) ranking of offices;
 - 3.3 Ensure the completeness and accuracy of the Accomplishment Report received from RRs and LTS; and
 - 3.4 Submit the Evaluation Report per KPI to the ACIR-Planning and Management Service, Attention: Planning and Programming Division (PPD).
 4. Planning and Management Service/PPD shall:
 - 4.1 Monitor the compliance of concerned ACIR/MO relative to the submission of KPI Performance Evaluation Report;
 - 4.2 Consolidate the Office KPI Performance Report per RR and LTS;
 - 4.3 Prepare a Summary Report on the result of the rating of KPIs; and
 - 4.4 Submit the Office KPI Performance Report to MANCOM.

B. The Accomplishment and Evaluation Reports shall be prepared and submitted in accordance with the following schedules:

REPORT	SUBMITTED BY	SUBMITTED TO	DUE DATE
Accomplishment Report per Operational KPI (Annex B)	Chiefs, Regional Division and RDOs Chiefs, LT National Office Divisions and LTDs Cebu and Davao	Regional Director concerned Assistant Commissioner, LTS	<u>Semestral Report:</u> Not later than the 25 th day of the month following the end of the Semester <u>Annual Report:</u> Not later than the 25 th day of the month after the end of the year
Consolidated Accomplishment Report on KPI (Annex C)	Regional Directors and ACIR-LTS	MO concerned (ACIRs)	<u>Semestral Report:</u> Not later than the 30 th day of the month following the end of the Semester <u>Annual Report:</u> Not later than the 30 th day of the month after the end of the year
Evaluation Report on KPI (Annex D)	Measure Owners (ACIRs)	ACIR-PMS Attention: Chief, PPD	<u>Semestral Report:</u> Not later than the 15 th day of the second month following the end of the Semester <u>Annual Report:</u> Not later than the 15 th day of the second month following the end of the year
Consolidated Evaluation Report on KPIs	ACIR-PMS Thru: PPD	MANCOM	<u>Semestral Report:</u> Not later than the end of the second month following the end of the semester. <u>Annual Report:</u> Not later than the end of the second month of the following year.

IV. REPEALING CLAUSE

This Order supersedes Revenue Memorandum Order Nos. 36-2014, 3-2015, 11-2016 and all other issuances or portions thereof inconsistent herewith.

V. EFFECTIVITY

This Order takes effect immediately until there shall be amendments/revisions recommended.

(Original Signed)

CAESAR R. DULAY

Commissioner of Internal Revenue