

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

September 17, 2013

REVENUE MEMORANDUM ORDER NO. 26-2013

TO : All Revenue Officials and Employees
SUBJECT : BIR STRATEGIC PERFORMANCE MANAGEMENT SYSTEM (BIR SPMS)

I. BACKGROUND

The Civil Service Commission (CSC) has implemented several performance evaluation/appraisal systems in the government service through the years. These systems, however, focus only on individual appraisals which are pre-requisites for promotion and other personnel actions including separation and performance based incentives. The link between appraisals and personnel action and incentives, and the lack of parallel system to enable validation/comparison between organizational effectiveness and employee performance are often not established.

To address the gaps, the CSC, through CSC Memorandum Circular No. 6, s. 2012, Subject: Guidelines in the Establishment and Implementation of Agency Strategic Performance Management System (SPMS), institutionalizes the adoption of an Agency SPMS in all government offices. The Agency SPMS shall give emphasis to the strategic alignment of the agency's thrusts with the day-to-day operations of the units. It shall focus on measures of performance results that are reviewable over the period of the implementation of the agency's Road Map vis-à-vis targeted milestones and provides a scientific and verifiable basis in assessing organizational performance and the collective performance of individuals within the organization. It is a mechanism that ensures that the employee achieves the objective set by the organization and the organization, on the other hand, achieves the objectives that it has set itself in its strategic plan. Pursuant to this, the BIR Strategic Performance Management System (BIR SPMS) is hereby established.

II. OBJECTIVES

This Order is issued to:

1. Concretize the linkage of organizational performance with the Philippine Development Plan, the Agency Strategic Plan, and the Organizational Performance Indicator Framework;
2. Ensures organizational effectiveness and improvement of individual employee efficiency by cascading institutional accountabilities to the various levels of the organization anchored on the establishment of rational and factual basis for performance targets and measures; and
3. Link performance management with other HR system and ensure adherence to the principle of performance-based tenure and incentive system.

III. BASIC ELEMENTS

The BIR SPMS shall include the following basic elements:

1. **Goal Aligned to Agency Mandate and Organizational Priorities.** Performance goals and measurement are aligned to the national development plans, agency mandate/vision/mission and strategic priorities and/or organizational performance indicator framework. Standards are pre-determined to ensure efficient use and management of inputs and work processes. These

standards are integrated into the success indicators as organizational objectives are cascaded down to operational level.

2. **Outputs/Outcomes-based.** The system puts premium on major final outputs that contributes to the realization of organizational mandate, mission/vision, strategic priorities, outputs and outcomes.
3. **Team-approach to performance management.** Accountabilities and individual roles in the achievement of organizational goals are clearly defined to give way to collective goal setting and performance rating. Individual's work plan or commitment and rating form is linked to the division/unit/office work plan or commitment and rating form to establish clear linkage between organizational performance and personnel performance.
4. **User-friendly.** The forms used for both the organizational and individual performance are similar and easy to accomplish. The organizational and individual major final outputs and success indicators are aligned to facilitate cascading of organizational goals to the individual staff members and harmonization of organizational and individual performance ratings.
5. **Information System that supports Monitoring and Evaluation.** Monitoring and Evaluation (M&E) mechanisms and Information System are vital component of the BIR SPMS in order to facilitate linkage between organizational and employee performance. The M&E and Information System will ensure generation of timely, accurate, and reliable information for both performance monitoring/tracking, accomplishment reporting, program improvement and policy decision-making.
6. **Communication Plan.** A program to orient agency officials and employees on the new and revised policies on BIR SPMS shall be implemented. This is to promote awareness and interest on the system, generate employees' appreciation for the BIR SPMS as a management tool for performance planning, control and improvement, and guarantee employees' internalization of their role as partners of management and co-employees in meeting organizational performance goals.

IV. POLICIES

1. The BIR Strategic Performance Management System (BIR SPMS) aims to strengthen the culture of performance and accountability in the BIR.
2. The BIR SPMS shall focus on linking individual performance vis-à-vis the agency's organizational vision, mission and strategic goals. It is envisioned as a technology composed of strategies, methods and tools for ensuring fulfillment of the functions of the offices and its personnel as well as for assessing the accomplishments.
3. It shall follow the four-stage PMS cycle: performance planning and commitment, performance monitoring and coaching, performance review and evaluation, performance rewarding and development planning.
4. Performance goals and measurement are aligned to the national development plans, agency mandate/vision/mission and strategic priorities and/or organizational performance indicator framework.
5. The system puts premium on major final outputs that contributes to the realization of organizational mandate, mission/vision, strategic priorities, outputs and outcomes. Accountabilities and individual roles in the achievement of organizational goals are clearly defined to give way to collective goal setting and performance rating. Individual's work plan or commitment and rating form is linked to the division/unit/office work plan or commitment and rating form to establish clear linkage between organizational performance.

6. The BIR SPMS shall establish the formation and operation of the BIR Performance Management Team (BIR PMT) in the National and Regional Offices.
7. The BIR PMT shall validate the outstanding performance ratings and may recommend concerned employees for performance-based awards. Grant of performance-based incentives shall be based on the final ratings of employees as approved by the Head of Office.
8. Performance ratings shall be used as basis for promotion, training and scholarship grants and other personnel actions.

Employees with Outstanding and Very Satisfactory performance ratings shall be considered for the above mentioned personnel actions and other related matters.

9. Officials and employees who shall be on official travel, approved leave of absence or training or scholarship programs and who have already met the required minimum rating period of 90 days shall submit the performance commitment and rating report before they leave the office.

For the purposes of performance-based incentives, employees who are on official travel, scholarship or training within a rating period shall use their performance ratings obtained in the immediately preceding rating period.

10. Employees who are on detail or secondment to another office/project on a full time basis shall be rated in their present or actual office by their project supervisors, copy furnished their mother office. Project supervisors, on the other hand, shall be rated by the Deputy Commissioner/Assistant Commissioner who directly oversee the implementation of the project. The ratings of those who were detailed or seconded to another office/project during the rating period shall be consolidated in the office, either the mother (plantilla) office or present office, where the employees have spent majority of their time during the rating period.
11. Employees who will retire but met the required minimum rating period shall submit their accomplished performance ratings within the prescribed period to be entitled to payment of performance-based incentives.
12. Security of tenure of those holding permanent appointments is not absolute but based on performance.

Employees who obtained **Unsatisfactory** rating for one rating period or exhibit poor performance shall be provided appropriate developmental intervention by the Head of Office and supervisor (Division/Unit Head), in coordination with the Personnel Division (PD)/ Human Resource Management Units (HRMU), to address competency-related performance gaps.

If after advice and provision of developmental intervention, the employee still obtains Unsatisfactory ratings in the immediately succeeding rating period, he/she may be dropped from the rolls. A written notice/advice from the head of office at least 3 months before the end of the rating period is required.

13. Officials and employees with below Satisfactory rating either on the 1st semester or 2nd semester or both shall not be entitled to receive performance-based incentives. No performance-based incentives shall be given to employees who failed to submit their final performance ratings.

V. KEY PLAYERS AND RESPONSIBILITIES

The following officials/ offices shall be the key players in the establishment and implementation of the BIR SPMS, and shall have the following responsibilities:

- 1. SPMS CHAMPION (Commissioner of Internal Revenue)**
 - a. Primarily responsible and accountable for the establishment and implementation of the SPMS;
 - b. Sets agency performance goals/objectives and performance measures;
 - c. Determines agency target setting period;
 - d. Approves office performance commitment and rating;
 - e. Assesses performance of Offices.

2. PERFORMANCE MANAGEMENT TEAM (PMT)

National Office

- Chairperson: DCIR, Resource Management Group
Co-Chairperson: DCIR, Information Systems Group
DCIR, Legal and Inspections Group
DCIR, Operations Group
Member: Assistant Commissioner, Planning & Management Service (PMS)
Assistant Commissioner, Human Resource Development Service (HRDS)
Assistant Commissioner, Finance Service
Rank and File Representatives
Secretariat: Planning and Programming Division (PPD)

Regional Office

- Chairperson: Regional Director
Members: Assistant Regional Director
Chief, Finance Division
Head, Human Resource Management Unit (HRMU)
Rank and File Representatives
Secretariat: Planning Officer assigned under the ORD

The PMT shall have the following functions and responsibilities:

- a. Sets consultation meeting of all Heads of Offices for the purpose of discussing the targets set in the office performance commitment and rating form.
- b. Ensures that Office performance targets and measures, as well as the budget are aligned with those of the agency and other work distribution of Offices/units is rationalized.
- c. Recommends approval of the offices performance commitment and rating to the Commissioner.
- d. Acts as appeals body and final arbiter for performance management issues of the agency.
- e. Identifies potential top performers and provide inputs to the Programs on Awards and Incentives for Service Excellence (PRAISE) Committee for grant of awards and incentives.
- f. Adopts its own internal rules, procedures and strategies in carrying out the above responsibilities including schedule of meetings and deliberations, and delegation of authority to representatives in case of absence of its members.

3. PLANNING AND MANAGEMENT SERVICE (PMS)/ PLANNING AND PROGRAMMING DIVISION (PPD)

- a. Monitors submission of Office Performance Commitment and Review forms and schedules the review/evaluation of Office Commitments by the PMT before the start of a performance period.
- b. Consolidates, reviews, validates and evaluates the initial performance assessment of the Heads of Offices based on reported Office accomplishments against the Success Indicators. The result of the assessment shall be the basis of PMT's recommendation to the Commissioner who shall determine the final office rating.

- e. Conducts an agency performance planning and review conference annually for the purpose of discussing the Office assessment for the preceding performance periods and plans for the succeeding rating period with the concerned Heads of Offices.
- d. Provides each Office with the final Office Assessment to serve as basis of offices in the assessment of individual staff members.

4. FINANCE SERVICE/ BUDGET DIVISION

- a. Participates in the conduct of the Agency Performance Planning and Review Conference annually as regards to budget utilization.
- b. Provides inputs for the allotted budget to be indicated in the Office Performance Commitment and Review (OPCR) form.
- c. Monitors, reviews, validates and evaluates the initial performance assessment of the Heads of Offices based on allotted budget against the actual expenses.

5. HUMAN RESOURCE DEVELOPMENT SERVICE (HRDS)/ PERSONNEL DIVISION (PD)/ HUMAN RESOURCE MANAGEMENT UNIT (HRMU)

- a. Monitors submission of Individual Performance Commitment and Review (IPCR) form by Heads of Office/Division Chiefs.
- b. Reviews the Summary List of Individual Performance Rating to ensure that the average performance rating of employees is equivalent to or not higher than the Office Performance Rating as recommended by the PMT and approved by the Commissioner.
- c. Provides analytical data on retention, skills/competency gaps, and talent development plans that are aligned with strategic plans.
- d. Coordinate developmental interventions that will form part of the HR Plan.

6. INFORMATION SYSTEMS PROJECT MANAGEMENT SERVICE (ISPMS)/ ADMINISTRATIVE SYSTEMS DIVISION (ASD)

- a. Assists the PPD/PD in developing a monitoring and evaluation information system that facilitate linkage between organizational and employee performance, as well as generate timely, accurate and reliable information to track performance and report accomplishments.
- b. Provides technical assistance in the use, maintenance and upgrading of the BIR SPMS information system.

7. HEADS OF OFFICES (Assistant Commissioners/ Regional Directors)

- a. Assumes primary responsibility for performance management in his/her Office.
- b. Conducts strategic planning session with the supervisors/raters and staff, and agree on the outputs to be specified in the OPCR form for submission to the Planning and Programming Division.
- c. Reviews and approves the Individual Performance Commitment and Review form of Division Chiefs/Revenue District Officers under his/her jurisdiction for submission to the PD/HRMU.
- d. Submits Quarterly Accomplishment Report to the PPD based on the approved OPCR.
- e. Does initial assessment of office's performance using the approved OPCR form to be submitted to PPD on the prescribed date.

8. DIVISION CHIEF/ REVENUE DISTRICT OFFICER (RDO)

- a. Assumes joint responsibility with the Head of Office in ensuring attainment of performance objectives and targets.
- b. Rationalizes distribution of targets/tasks.
- c. Monitors closely the status of the performance of their subordinates and provide support and assistance through the conduct of coaching for the attainment of targets set by the Division/Unit and individual employee.
- d. Reviews and approves final assessment of performance levels of the individual employee's in his/her office based on proof of performance for submission to PD/HRMU.
- e. Recommends developmental intervention.

- f. Informs employees of the final rating and identifies necessary interventions to employees based on the assessment of developmental needs.
 - Recommends and discuss a development plan with the subordinates who obtain **Unsatisfactory** performance during the rating period not later than one (1) month after the end of the said period and prepares written notice/advice to subordinates that a succeeding Unsatisfactory performance shall warrant their separation from the service.
 - Provides preliminary rating to subordinates showing **Poor** performances not earlier than the third (3rd) month of the rating period. A Development plan shall be discussed with the concerned subordinate and issue a written notice that failure to improve their performance shall warrant their separation from the service.

9. INDIVIDUAL EMPLOYEES

- a. Act as partners of management and their co-employees in meeting organizational performance goals.

VI. GUIDELINES

The BIR SPMS shall follow the **four-stage PMS cycle** that underscores the importance of performance management.

1. Performance Planning and Commitment

This is done before the start of the performance period where Heads of Offices meet with the supervisors and staff and agree on the outputs that should be accomplished based on the goals/objectives of the organization.

During this stage, **success indicators** are determined. Success indicators are performance level yardstick consisting of **performance measure and performance targets**. This shall serve as bases in the office and individual employee's preparation of their performance contract and rating form.

The identified performance measures and performance targets shall be documented in the **Index of Success Indicators form (Annex C)**. Performance measures need not be many. Only those that contribute or support the outcomes that the Agency aims to achieve shall be included in the office performance contract, i.e., measures that are relevant to Agency's core functions and strategic priorities. The performance measures must be continuously refined and reviewed, taking into consideration changes and policy directions that affects the Agency's performance targets.

Performance measures shall include any one, combination of, or all of the following general categories, whichever is applicable:

Category	Definition
Effectiveness/Quality	<ul style="list-style-type: none"> • The extent to which actual performance compares with targeted performance. • The degree to which objectives are achieved and the extent to which targeted problems/issues are solved/ addressed with a certain degree of excellence. • In management, effectiveness relates to <i>getting the right things done</i>. • It may involve the following elements such as acceptability, meeting standards, client satisfaction with services rendered, accuracy, completeness or comprehensiveness of reports, creativity or innovation and personal initiative.

Efficiency	<ul style="list-style-type: none"> The extent to which time or resources is used for the intended task or purpose. Measures whether targets are accomplished with a minimum amount or quantity of waste, expenses, or unnecessary effort. It may involve the following elements such as standard response time, number of requests/applications acted upon over number of requests/ applications received or action on assigned tasks or optimum use of resources.
Timeliness	<ul style="list-style-type: none"> Measures whether the deliverable was done on time based on the requirements of the law and/or clients/stakeholders. Time-related performance indicators evaluate such things as project completion deadlines, time management skills and other time-sensitive expectations.

The Commissioner shall cause the determination of their “agency target setting period”,¹ a period within which the office and employees’ targets are set and discussed by the raters and the ratees, reviewed and concurred by the head of the department or office and submitted to the PMT.

The Agency Road Map, Agency Strategic Plan, Annual Investment Plan, etc. shall be the basis of the targets of the Offices. Aside from the Office commitments explicitly identified under each Strategic Priority in the Road Map, **Major Final Outputs (MFO)**² that contribute to the attainment of organizational mission/vision which form part of the **Core Functions**³ of the office shall be indicated as performance targets. It may also include functions that do not directly deliver goods and services to external clients but still contribute to the delivery of the agency’s MFOs through **Support to Operations (STO)**⁴ or **General Administration and Support (GAS)**⁵ activities.

The targets shall take into account any combination of, or all of the following:

- **Historical data.** The data shall consider past performance.
- **Benchmarking.** This involves identifying and comparing the best agencies or institutions or units within the agency with similar functions or processes. Benchmarking may also involve recognizing existing standards based on provisions or requirements of the law.
- **Client demand.** This involves a bottom-up approach where the Office sets targets based on the needs of its clients. The Office may consult with stakeholders and review the feedback on its services.
- **OPES Reference Table** – list of major final outputs with definition and corresponding OPES points⁶.
- **Top Management Instruction.** The Commissioner may set targets and give special assignments.
- **Future trend.** Targets may be based from the results of the comparative analysis of the actual performance of the Office with its potential performance.

¹ Before the start of the performance period.

² MFOs are goods and services that a department/agency is mandated to deliver to external clients through the implementation of programs, activities and projects (per DBM published *Organizational Indicator Framework (OIF) Book of outputs for 2011*).

³ Core functions are those performed by the Office which are inherent in its mandates.

⁴ STOs refer to activities that provide technical and substantive support to operations and projects of the agency (*Guidebook on the Strategic Performance Management System*).

⁵ GAS refer to activities that deal with the provision of overall administrative management support to the entire agency operation (*Guidebook on the Strategic Performance Management System*).

⁶ OPES points refers to the time within which an output will be produced by an average performer.

In setting work targets, the Office shall likewise indicate the detailed budget requirements per expense account to help the Commissioner in ensuring a strategy driven budget allocation and in measuring cost efficiency. The Office shall also identify specific division/unit/group/individuals as primarily accountable for producing a particular target output per program/project/activity. These targets, performance measures, budget and responsibility centers are summarized in the **Office Performance Commitment and Review (OPCR) form (Annex A)**⁷.

The approved Office Performance Commitment and Review Form shall serve as basis in the individual performance targets and measures to be prepared in the **Individual Performance Commitment and Review (IPCR) form (Annex B)**.

Unless the work output of a particular duty has been assigned pre-set standards by management, its standards shall be agreed upon by the supervisors and the ratees. Individual employees' performance shall not be lower than the agency's standards in its approved Office Performance Commitment and Review form.

2. Performance Monitoring and Coaching

During the performance monitoring and coaching phase, the performance of the Offices and every individual shall be monitored at various levels: i.e., the Commissioner, PMS/PPD, Head of Office, Division Head and Individual, on a regular basis.

Monitoring and evaluation mechanisms should be in place to ensure that timely and appropriate steps can be taken to keep a program on track and that its objectives or goals are met in the most effective manner (**Annex D, E, and F**). Also, a very vital tool of management at this stage is an information system that will support data management to produce timely, accurate and reliable information for program tracking and performance monitoring/reporting.

Supervisors and coaches play a critical role at this stage. Their focus is on the critical function of managers and supervisors as coaches and mentors in order to provide an enabling environment/intervention to improve team performance; and manage and develop individual potentials.

3. Performance Review and Evaluation (Office Performance and Individual Employee's Performance)

This phase aims to assess both Offices and individual employee's performance level based on performance targets and measures as approved in the office and individual performance commitment contracts.

The results of assessment of Office and individual performance shall be impartial owing to scientific and verifiable basis for target setting and evaluation.

A. Office Performance Assessment

The PMS/PPD shall consolidate, review, validate and evaluate the initial performance assessment of the Heads of Offices based on reported Offices accomplishments against the success indicators. The result of the assessment shall be submitted to the PMT for calibration and recommendation to the Commissioner. The Commissioner shall determine the final rating of offices/units.

An agency performance review conference shall be conducted annually by the PMS/PPD for the purpose of discussing the Office assessment with concerned Heads of Offices. This shall include participation of the Finance Service/ Budget Division as regards budget utilization. To ensure complete and comprehensive performance review, all Offices shall submit a quarterly

⁷ This shall be used for Office Performance Contracts of Groups, Services, Divisions, Revenue District Offices and other office units that may be identified.

accomplishment report to the PPD using the prescribed format (**Annex G**) based on the SPMS calendar⁸ (**Annex H**).

Any issue/appeal/protest on the Office assessment shall be articulated by the concerned Head of Office and decided by the Commissioner during this conference, hence the final rating shall no longer be appealable/contestable after the conference.

The PMS/PPD shall provide each Office with the final Office Assessment to serve as basis of offices in the assessment of individual staff members.

B. Performance Assessment for Individual Employees

The immediate supervisor shall assess individual employee performance based on the commitments made at the beginning of the rating period. The performance rating shall be based solely on records of accomplishment; hence, there is no need for self-rating.

The BIR SPMS puts premium on **major final outputs** towards realization of organizational mission/vision. Hence, rating for planned and/or intervening tasks shall always be supported by reports, documents or any output as proof of actual performance. In the absence of said bases of proofs, a particular task shall not be rated and shall be disregarded. The supervisor shall indicate qualitative comments, observations and recommendations in the employee's IPCR form including competency assessment⁹ and critical incidents¹⁰ which shall be used for human resource development purposes such as promotion and other interventions.

Employee's assessment shall be discussed by the supervisor with the concerned ratee prior to the submission of the employee's IPCR form to the Head of Office/Division Chief/RDO. The Head of Office/Division Chief/RDO shall determine the final assessment of performance level of the individual employees in his/her Office based on proof of performance. The final assessment shall correspond to the adjectival description of Outstanding, Very Satisfactory, Satisfactory, Unsatisfactory or Poor.

The Head of Office/Division Chief/RDO may adopt appropriate mechanisms to assist him/her distinguish performance level of individuals, such as but not limited to peer ranking and client feedback.

The **average** of all individual performance assessment shall not go higher than the collective performance assessment of the Office.

The Head of Office/Division Chief/RDO shall ensure that the employee is notified of his/her final performance assessment. The **Summary List of Individual Ratings (Annex I)** with the attached IPCRs are submitted to the PD/HRMU within the prescribed period. Head of Office/Division Chief/RDO shall maintain copies of the final IPCRs of employees under his/her jurisdiction for monitoring and reference purposes.

4. Performance Rewarding and Development Planning

Part of the individual employee's evaluation is the competency assessment vis-à-vis the competency requirements of the job. The result of the assessment shall be discussed by the Head of Office/Division Chief/RDO and supervisors with the individual employee at the end of each rating period. The discussion shall focus on the strengths, competency-related performance gaps and opportunities to address these gaps, career paths and alternatives. The result of the competency

⁸ The timetable for the preparation, review and approval of performance targets, standards, and ratings.

⁹ Competencies are observable, measurable and vital behavioral skills, knowledge and personal attributes that are translations or organizational capabilities deemed essential for success. Competency shall be identified for a particular position or job family.

¹⁰ Record of events, happenings or actual information affecting the overall accomplishments of the employee during the particular rating period.

assessment shall be treated independently of the performance rating of the employee. Appropriate development interventions shall be made available by the Head of Office and supervisors in coordination with the PD/HRMU.

A **Professional Development Plan (Annex J)** to improve or correct performance of employees with Unsatisfactory and Poor performance ratings must be outlined, including timeliness, and monitored to measure progress.

The result of the performance evaluation/assessment shall serve as inputs to the:

- a. Head of Office/Division Chief/RDO in identifying and providing the kinds of interventions needed, based on the developmental needs identified;
- b. PD/HRMU in consolidating and coordinating developmental interventions that will form part of the HR Plan and the basis for rewards and incentives;
- c. BIR PMT in identifying potential PRAISE Awards nominees for various awards categories; and
- d. BIR PRAISE Committee in determining top performers of the agency who will qualify for awards and incentives.

5. Rating Period

Performance evaluation shall be done **semi-annually**. However, if there is need for a shorter or longer period, the minimum appraisal period is at least ninety (90) calendar days for three (3) months while the maximum is no longer than one (1) calendar year.

Various rating scales may be used for specific sets of measures. However, in general, there shall be five-point rating scale (1 to 5), 5 being the highest and 1, the lowest:

BIR SPMS RATING SCALE

Numerical	Rating	Description
		Adjectival
5	Outstanding	<ul style="list-style-type: none">• Performance represents an extraordinary level of achievement and commitment in terms of quality and time, technical skills and knowledge, ingenuity, creativity and initiative. Employees at this performance level should have demonstrated exceptional job mastery in all major areas of responsibility. Employee achievement and contributions to the organization are of marked excellence.
4	Very Satisfactory	<ul style="list-style-type: none">• Performance exceeded expectations. All goals, objectives and targets were achieved above the established standards.
3	Satisfactory	<ul style="list-style-type: none">• Performance met expectations in terms of quality of work, efficiency and timeliness. The most critical annual goals were met.
2	Unsatisfactory	<ul style="list-style-type: none">• Performance failed to meet expectations, and/or one more of the most critical goals were not met.
1	Poor	<ul style="list-style-type: none">• Performance was consistently below expectations, and/or reasonable progress toward critical goals was not made. Significant improvement is needed in one or more important areas.

VII. PROCEDURES

- The following shall be the Raters in the implementation of the BIR SPMS in the **Office level**:

Office	Rater
Office of the Deputy Commissioners, PMS, PMIS, LTS and PED	Chief of Staff, Office of the Commissioner
Services	Respective Deputy Commissioners
Regional Offices	Deputy Commissioner, Operations Group
Divisions under the Service	Assistant Commissioner
Regional Divisions/Revenue District Offices	Respective Regional Directors

For the Individual level, the following shall be the Raters:

National Office		Regional Office	
Ratee	Rater	Ratee	Rater
Staff	Section Chief	Staff	Section Chief
Section Chief	Asst. Div. Chief	Section Chief	Asst. Div. Chief/ ARDO
Asst. Div. Chief	Division Chief	Asst. Div. Chief/ ARDO	Division Chief/ RDO
Service Staff	HREA	ORD Staff	Asst. Reg'l Director
Division Chief	ACIR	Division Chief/ RDO	Regional Director
CIR's/DCIR's Staff	Chief of Staff		

- The Deputy Commissioners/ Assistant Commissioners/ Regional Directors/ Division Chiefs/ Revenue District Officers shall:
 - Prepare and submit the Index of Success Indicators (Office and Individual) to their respective Raters (Office Level) for approval after the conduct of the annual planning session;
 - Develop standard performance measures, targets and rating scales for equitable evaluation of office and individual performance;
 - Accomplish the OPCR forms for approval of their Raters at the start of the rating period;
 - Monitor the submission of the Quarterly Office Accomplishment Report to the PPD.
- The PMS/PPD shall:
 - Monitor the submission of the approved OPCR and schedule the review/evaluation of Office Commitments by the PMT before the start of a performance period;
 - Receive and review the following documents prepared and submitted by all offices in the National and Regional levels:
 - Office Index of Success Indicators
 - Office Performance Commitment and Review (OPCR) forms
 - Office Accomplishment Report
 - Consolidate, review, validate and evaluate the initial performance assessment of the Heads of Offices/Deputy Commissioners based on the reported Office accomplishments against the success indicators;
 - Conduct an annual BIR Performance Review Conference for the purpose of discussing the Office Assessment with concerned Heads of Offices;
 - Forward to the National Office PMT for indorsement to the Commissioner the results of the evaluation.
- The PD/HRMU shall:
 - Receive and review the Individual Index of Success Indicators submitted by offices;
 - Monitor the submission of the IPCR Forms.

5. The following shall be the schedule of submission of required reports/documents:

Activity	Submit to	Deadline of submission
Submission of OPCR (performance evaluation)	PPD	January 15/ July 15
Submission of Office Accomplishment Report	PPD	Every 10 th of the month after the quarter
Submission of IPCR (performance plan)	Head of Office	January 10/ July 10
Submission of IPCR (performance plan)	PD/HRMU	January 15/ July 15
Submission of IPCR (performance evaluation)	Head of Office	February 25/ August 25
Submission of IPCR (performance evaluation) and Summary List of Individual Performance Ratings*	PD/HRMU	February 28/ August 31

*The HRMUs shall furnish copies of signed IPCRs and Summary List of Performance Ratings to the PD a week after the submission of the regional documents to their office.

VIII. MECHANISM OF APPEAL

1. Office performance assessment as discussed in the performance review conference shall be final and not appealable. Any issue/appeal on the initial performance assessment of an Office shall be discussed and decided during the performance review conference.
2. Individual employees who feel aggrieved or dissatisfied with their final performance ratings can file an appeal with the PMT within ten (10) days from the date of receipt of notice on their final performance evaluation rating from the Head of Office. An office/unit or individual employee, however, shall not be allowed to protest the performance ratings of other office/unit or employees. Ratings obtained by other office/unit or employees can only be used as basis or reference for comparison in appealing one's office or individual performance rating.
3. The PMT shall decide on the appeals within one month from receipt.
4. Appeals lodged at any PMT shall follow the hierarchical jurisdiction of various PMTs in an agency. For example, the decision of the Regional Office PMT is appealable to the National Office PMT.
5. The decision of the National Office PMT may be appealed to the Commissioner.
6. Officials or employees who are separated from the service on the basis of Unsatisfactory or Poor performance rating can appeal their separation to the CSC or its regional office within 15 days from receipt of the order or notice of separation.

IX. SANCTIONS

1. Unless justified and accepted by the PMT, non-submission of the Office Performance Commitment and Review form to the PMT, and the Employees' Individual Performance Commitment and Review form to the PD/ HRMU within the specified dates shall be a ground for:
 - a. Employees' disqualification for performance-based personnel actions which would require the rating for the given period such as promotion, training or scholarship grants and performance enhancement bonus, if the failure of the submission of the form is the fault of the employees.
 - b. An administrative sanction for violation of reasonable office rules and regulations and simple neglect of duty for the supervisors or employees responsible for the delay or non-submission of the office and individual performance commitment and review report.

2. Failure on the part of the Head of Office to comply with the required notices to their subordinates for their unsatisfactory or poor performance during a rating period shall be a ground for an administrative offense for neglect of duty.

X. REPEALING CLAUSE

All revenue issuances and/or portions thereof that are inconsistent herewith are hereby repealed, revoked, amended or modified accordingly.

XI. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of the Internal Revenue

P-1