



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

2 May 2024

REVENUE MEMORANDUM ORDER NO. 24-2024

SUBJECT : Operational Key Performance Indicators for CY 2024

TO : All Internal Revenue Officials and Employees

I. OBJECTIVES

This Order is issued to:

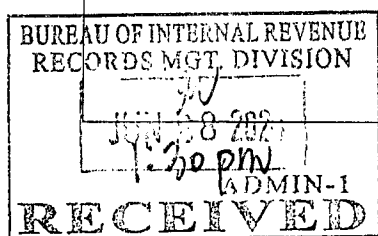
1. Prescribe the Operational Key Performance Indicators (KPIs) for CY 2024 for the Large Taxpayers Service (LTS), Revenue Regions (RRs) and Revenue District Offices (RDOs); and
2. Set policies, guidelines and procedures in the preparation and submission of Accomplishment Reports on the applicable Operational KPIs and Rating of the Implementing Offices.

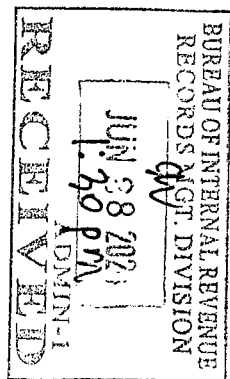
II. POLICIES

The following policies shall be observed:

1. There are seventeen (17) Operational KPIs outlined in **Annex A** of this Order.
2. Each Operational KPI shall contain the detailed information on target, weight, formula, definition, and responsible office for monitoring the KPI.
3. The Assistant Commissioner (ACIR) shall be the Measure Owner (MO) of a specific KPI involving the ACIR's area of jurisdiction.
4. The MO is responsible for monitoring, reviewing, evaluating, and assessing the accomplishments of the KPIs to ensure that the performance of RR, LTS and RDOs is aligned with the set target.
5. The implementing offices include the RRs, LTS and RDOs. Specific offices within the LTS for a particular KPI are as follows:

Applicable KPI	Weight	Implementing Office
Collection Performance	50.00	LTS National Office Audit Divisions (LTSNOADs), LTDs Cebu and Davao, Excise LT Field Operations Divisions (ELTFOD)





Applicable KPI	Weight	Implementing Office
Percentage Increase in Collection	5.00	LTSNOADs, LTDs Cebu and Davao, ELTFOD
Audit Effort	3.00	LTSNOADs, LTDs Cebu and Davao, Large Taxpayers Service VAT Unit (LTSVATAU)
Increase in collection by 10% of previous year's audit collection goal	3.00	LTSVATAU
Audit Efficiency <i>(75% of eLAs handled were transmitted by the investigating office and acknowledged by the reviewing office)</i>	3.00	LTSNOADs, LTDs Cebu and Davao, LTSVATAU
Reduction of Tax Arrears	2.00	LTDs Cebu and Davao, LTCED
Collection	3.00	
Expedite promotion of qualified employees	1.50	LTS
Total	70.50	

6. **Calculation of Scores:** Each KPI's score is calculated using the formula below.

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

The "Total Score" is calculated by adding up all the scores for the KPIs that are applicable to an office.

7. **Determination of Overall Rating:** The overall rating shall be computed as:

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

*The Total Applicable KPI Weights is determined by summing up the weights assigned to all the KPIs that are applicable to an Office.

8. If the actual performance surpasses the KPI target, the score will be set to the maximum assigned KPI weight.
9. All numerical values used in the computation should be rounded off to the nearest two (2) decimal places.
10. The Operational KPIs will be incorporated as measures in the Office Performance Commitment and Review (OPCR) Form, as well as in the Office Index of Success Indicators of the RRs, LTS and RDOs.
11. The reports shall be prepared as follows:
 - **Semestral Report** – Covers accomplishments from January to June.
 - **Annual Report** – Encompasses accomplishments from January to December.

12. Any concerns or issues related to a particular Operational KPI, such as its implementation, monitoring, evaluation, and the reporting process, will be addressed by the designated Measure Owner.
13. The Operational KPIs specified in this Order shall be adopted in CY 2024.

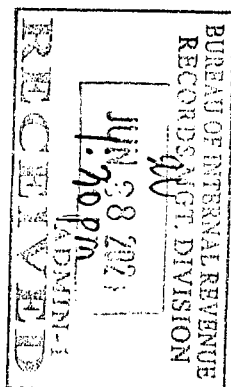
III. GUIDELINES AND PROCEDURES

The following are the guidelines and procedures for the preparation and submission of the accomplishment reports:

1. LTSNOADs/LTDs Cebu and Davao/ELTFOD/RDOs/Regional Divisions shall:
 - Prepare the first semester and annual Accomplishment Report for each applicable Operational KPI using the prescribed format in **Annex B**.
 - Ensure the accuracy of the data prior to submission of the Accomplishment Report to the Regional Director, or ACIR-LTS.
2. ACIR-LTS/Regional Director shall:
 - Consolidate the Accomplishment Reports per KPI using the prescribed format in **Annex C**.
 - Validate the accuracy and completeness of the data prior to submission of the Accomplishment Report to the concerned Measure Owner.
3. The Measure Owner shall:
 - Monitor the timely submission of the Accomplishment Report by all Regional Directors and ACIR-LTS.
 - Prepare the Semestral (January to June) and Annual (January to December) Evaluation Report for each KPI using **Annex D**. The details include:
 - Score per KPI of LTS/LTSNOADs/LTDs Cebu and Davao/ELTFOD/LTCED/LTSVATAU/RRs/RDOs..
 - Ensure the completeness and accuracy of the Accomplishment Report received from RRs and LTS.
 - Submit the Evaluation Report per KPI to the ACIR-Planning and Management Service (PMS), Attention: Planning and Programming Division (PPD).
4. Planning and Management Service/PPD shall:
 - Monitor the compliance of concerned ACIR/MO regarding the submission of KPI Evaluation Report.
 - Prepare the Evaluation Report containing the overall ratings of LTS, RRs, and RDOs using the prescribed format in **Annex E**. This report will be submitted to the Commissioner, with copies furnished to all Deputy Commissioners.
 - Prepares the ranking of offices based on the overall KPI score.
 - Identifies the top and bottom performers among RRs and RDOs.

Below is the timeline for the submission of the Accomplishment and Evaluation Reports:

Report	Submitted By	Submitted To	Due Date of Submission
Accomplishment Report per Operational KPI (Annex B)	Chief, Regional Divisions and RDOs	Regional Director concerned	Semestral Report: On or before July 25
	Chiefs, LTS National Office Divisions, LTDs Cebu and Davao, LTSVATAU	ACIR-LTS	Annual Report: On or before January 25 of the following year



Report	Submitted By	Submitted To	Due Date of Submission
Consolidated Accomplishment Report on KPI (Annex C)	Regional Directors and ACIR-LTS	Measure Owners Concerned (ACIRs)	<u>Semestral Report:</u> On or before July 30 <u>Annual Report:</u> On or before January 31 of the following year
Evaluation Report on KPI (Annex D)	Measure Owners Concerned (ACIRs)	ACIR-PMS Attention: Chief, PPD	<u>Semestral Report:</u> On or before August 25 <u>Annual Report:</u> On or before February 25 of the following year
Consolidated Evaluation Report on KPIs (Annex E)	ACIR-PMS Thru: PPD	CIR All DCIRs	<u>Semestral Report:</u> On or before Sept. 25 <u>Annual Report:</u> On or before March 25 of the following year

IV. REPEALING CLAUSE

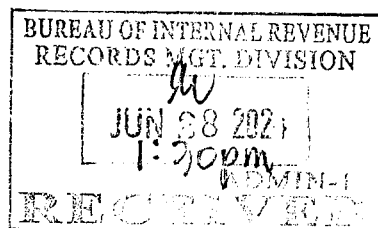
This Order supersedes Revenue Memorandum Order No. 2-2023, and any other issuances or portions thereof inconsistent herewith.

V. EFFECTIVITY

This Order takes effect immediately until amended or revised.



ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue



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