



# FULL DISCLOSURE POLICY



**DILG**



*Celebrating 20 Years  
of Local Autonomy in the Philippines*

## What is Full Disclosure Policy?

It is the government's policy that requires certain local officials of provinces, cities and municipalities to fully disclose particular financial transactions of the LGU to keep their constituents informed of how the LGU budget is managed, disbursed and used.

*Ito ay ang patakaran ng pamahalaan na nag-aatas sa mga opisyal ng lokal na pamahalaan ng lalawigan, siyudad at munisipyo na hayagang ipabatid ang ilang partikular na transaksyong pinansiyal ng LGU upang malaman ng mga mamayan ang paraan ng pangangasiwa at paggamit ng badyet ng LGU.*

## Why is Full Disclosure important?

Full Disclosure will:

- promote honest, transparent, and orderly management of public funds
- help minimize, if not totally prevent corruption and misuse of public funds
- increase the people's awareness of the available public funds and the allocated amount for development projects in their localities.

*Ang Full Disclosure ay mahalaga upang:*

- *isulong ang matapat, malinaw, at mabuting pamamahala ng pondo ng bayan*
- *mabawasan, at kung maaari ganap na sugpuin ang kurapsiyon at maling paggamit ng pondo*
- *ipabatid sa mga mamamayan ang halaga ng pondo na maaaring magamit at kung saan ito inilaan para sa mga proyektong pang-kaunlaran sa kanilang mga pamayanan*

## What laws require Full Disclosure?

Section 352 of the Local Government Code : "...posting within 30 days from end of each fiscal year in at least three publicly accessible and conspicuous places in the local government unit, a summary of all revenues collected and funds received, including the appropriations and disbursements of such funds during the preceding fiscal year."

*Section 352 ng Local Government Code: pagpapaskel sa loob ng 30 araw matapos ang fiscal year, sa hindi bababa sa tatlong lugar na hayag at mararating ng mga tao, a kabuuang suma ng mga kita at pondong tinanggap ng LGU, kasama ang mga inilaang pondo at gastusin sa sinundang fiscal year.*

Republic Act No. 9184, known as the Government Procurement Reform Act:

"... posting of the Invitation to Bid, Notice to Proceed and Approved Contract in procuring entity's premises, in newspapers of general circulation, the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the procuring entity."

*Republic Act No. 9184, ang Government Procurement Reform Act: : pagpapaskel ng mga Invitation to Bid, Notice to Proceed at Approved Contract, sa website at sa paligid ng gusali ng namimiling ahensiya, sa mga pahayagan na may malawak na sirkulasyon, at sa PhilGEPS.*

Section 90 of Republic Act No. 10147 (General Appropriation Act) FY2011, re, "Use and Disbursement of Internal Revenue Allotment of LGUs: "...Strict compliance with Sections 288 and 354 of RA No. 7160 and DILG Memorandum Circular No. 2010-83, entitled "Full Disclosure of Local Finances, and Bids and Public Offering", is hereby mandated: Provided, That in addition to the publication or posting requirement under Section 352 of RA 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."

*Section 90 ng RA 10147: Itinatadhana nito ang mahigpit na pagsunod sa Section 288 ng RA 7160 at DILG Memorandum Circular No. 2010-83, na pinamagatang "Full Disclosure of Finances, and Bids and Public Offering". Bukod sa paglalathala at pagpapaskel nito sa ilalim ng Section 352 ng RA 7160, ang LGU ay kailangang din mag-paskel ng detalyadong impormasyon hinggil sa paggamit at paggastos ng pondo, at estado ng mga programa at proyekto sa website ng LGU. Ang hindi pagsunod dito ay may karampatang kaparusahn sa ilalim ng mga umiiral na batas.*

Commission on Audit Internal Memorandum, dated October 8, 2010, enjoining concerned COA officials and auditors to monitor management's compliance to DILG Memorandum Circular 2010-83, and any deviation therefrom 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.

*COA Memorandum, October 8, 2010: Inaatasan ang mga kinauukulang opisyal ng COA at mga auditors na i-monitor ang pagsunod sa DILG Memorandum Circular 2010-83, at anumang pagiwas o paglabag dito ay isasailalim sa Audit Observation Memorandum, at masunod nito ay magiging bahagi ng Annual Audit Report o Management Letter, kung kinakailangan.*

## What should be disclosed?

The following documents and transactions are required to be posted by LGUs:

- Annual Budget of the current calendar year
- Quarterly Statement of Cash Flows
- Statement of Receipts and Expenditures of the previous calendar year
- Trust Fund (PDAF) Utilization
- Special Education Fund (SEF) Utilization
- 20% Component of the Internal revenue Allotment (IRA) Utilization
- Gender and Development Fund Utilization
- Statement of Debt Services
- Annual Procurement Plan or Procurement List
- Items to Bid
- Bid Results on Civil Works, Goods and Services
- Abstract of Bids as Calculated
- SEF income & Expenditures Estimates
- Supplementary procurement plan, if any
- Frequency of posting

*Frequency of posting*

These shall be posted on the dates hereunder prescribed:

Type of Report	Period of Posting
<b>A. Annual</b>	
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 the 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.
<b>B. Quarterly</b>	
1. Quarterly Statement of Cash Flows	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

Type of Report	Period of Posting
7. 20% Component of the IRA utilization	One (1) week after the end of each year.
<b>C. Monthly</b>	
1. Supplemental Procurement Plan	NLT 15 days after approval by the Head of Procuring Unit

(Source: DILG MC 2011-08 dated January 13, 2011)

### What are the penalties for non-compliance?

Failure to comply with the FDP may subject concerned local officials to suspension or removal from office on the ground of gross negligence or dereliction of duty in accordance with Section 60 of the Local Government Code.

*Ang hindi pagsunod sa Full Disclosure Policy ay may kaparusahan na suspensiyon o pagkatanggal sa katungkulan sa dahilang gross negligence o dereliction of duty sa ilalim ng Section 60 ng Local Government Code.*

### What is the role of DILG?

It is the responsibility of DILG to:

- Help the government ensure maximum compliance to the FDP
- guide those concerned on the proper FDP procedures and processes
- recommend sanctions against non-complying officials
- implement a reward and recognition system for complying officials through its Performance Challenge Fund (PCF) and Seal of Good Housekeeping Awards.

*Ang papel ng DILG sa FDP ay:*

- *tulungan ang pamahalaan sa malawakang pagsunod sa FDP*
- *gabayan ang mga kinaukulan sa tamang pamamaraan at proseso ng FDP*
- *mag-recommend ng kaparusahan sa mga lumabag sa batas*
- *magsagawa ng isang Reward and Recognition Program para sa mga susunod sa FDP sa pamamagitan ng Performance Challenge Fund (PCF) and Seal of Good Housekeeping Awards.*

### What is your role in FDP?

As a stakeholder in this government policy, you can help your LGU in decision-making for development projects in your localities. As a vigilant constituent, you can serve as a watchdog against graft and corruption and help minimize, if not totally prevent misuse of public funds.

*Bilang isang stakeholder sa patakaran at programang ito, ikaw ay makakatulong sa lokal na pamahalaan sa pagdedesisyon hinggil sa proyektong pang-kaunlaran. Bilang isang bantay-bayan, ikaw ay makatulong sa pagsugpo ng katiwalian at maling paggamit ng pera ng bayan.*

