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

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RECORDS MGT. DIVISION

REVENUE ADMINISTRATIVE ORDER NO. 2-2018

SUBJECT : AMENDMENT OF REVENUE ADMINISTRATIVE ORDER (RAO) NO. 2-2014 DATED AUGUST 7, 2014 RELATIVE TO THE ORGANIZATION AND FUNCTIONS OF PLANNING AND MANAGEMENT SERVICE, PROJECT MANAGEMENT AND IMPLEMENTATION SERVICE & PERFORMANCE EVALUATION DIVISION UNDER THE OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE

TO : All Internal Revenue Officials and Employees

I. OBJECTIVE:

This Order hereby amends pertinent provisions of RAO No. 2-2014 dated August 7, 2014 relative to the organization and functions of Planning and Management Service, Project Management and Implementation Service & Performance Evaluation Division under the Office of the Commissioner of Internal Revenue.

II. ORGANIZATION:

Office of the Commissioner

I. Planning and Management Service
   A. Planning and Programming Division
   B. Management Division
   C. Research and Statistics Division

II. Project Management and Implementation Service
   A. Project Development and Management Division
   B. Project Monitoring and Evaluation Division

III. Performance Evaluation Division

III. FUNCTIONS:

OFFICE OF THE COMMISSIONER

I. PLANNING AND MANAGEMENT SERVICE

1. Performs staff, advisory and consultative functions relative to the Bureau's strategic and operational planning, accomplishment reporting, monitoring and office performance evaluation, organization, manpower requirements, procedures and reports review including internal control system, issues and concerns of Regional Offices needing action / policy direction at the National Office, enterprise risk management, revenue forecasting, statistical work and review, assessment and monitoring of the effect of economic policies on tax revenues;

2. Develops and administers policies, work programs, standards, guidelines and procedures, including forms/reports relative to the abovementioned functions;

3. Coordinates with offices concerned in the implementation of the abovementioned functions;

4. Monitors, evaluates and improves programs and activities under the responsibility of the Service;

5. Reviews, recommends and/or approves all reports and other actions of the divisions under the Service;

6. Consolidates and/or prepares prescribed reports for submission to the concerned Bureau offices, National Government Agencies (NGAs), and private organizations / stakeholders; and

7. Performs other functions as may be assigned.

A. Planning and Programming Division

1. Formulates policies, standards, work programs, guidelines and procedures, including forms/reports relative to the conduct of strategic and operational planning and development, monitoring and accomplishment reporting of Agency and Operational Key Performance Indicators (KPIs) and BIR programs and projects;

2. Coordinates the conduct of strategic and operational planning sessions, top and middle-level management conferences, executive/functional meetings, and other similar activities;

3. Acts as liaison with other government agencies involving medium-term and long-term planning on plans and programs of the Bureau;

4. Oversees the preparation, publication, and allocation of the Bureau's Annual Report;

5. Prepares BIR accomplishment reports/presentation materials required by internal and external stakeholders;

6. Prepares revenue issuances relative to the abovementioned functions;

7. Coordinates with offices concerned in the implementation of the abovementioned functions; and

8. Performs other functions as may be assigned.

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1. **Strategic and Operational Planning Section**

   1.1. Organizes and facilitates the conduct of strategic and/or operational planning sessions, directors' conferences, executive/functional meetings/focused group discussions and other similar activities as may be required/requested by the National and Regional offices;

   1.2. Coordinates with BIR offices on the development and crafting of the Bureau's annual plans and programs;

   1.3. Monitors the submission of annual work plans, evaluates and prepares summary report for submission to the Commissioner;

   1.4. Prepares and updates periodically the Bureau's Strategic Statements and Plans/Programs; and

   1.5. Performs other functions as may be assigned.

2. **Accomplishment Reporting and Monitoring Section**

   2.1. Monitors the submission of the Accomplishment Reports of Services/Offices in the National and Regional offices;

   2.2. Consolidates and evaluates/analyzes the Accomplishment Reports submitted by various BIR offices;

   2.3. Prepares the BIR Accomplishment Report and submits to the Commissioner for approval;

   2.4. Coordinates with BIR offices and provides data as requested by National Government Agencies, private institutions, and other external stakeholders, on the Bureau's performance and other information; and

   2.5. Performs other functions as may be assigned.

3. **Performance Planning and Management Section**

   3.1. Coordinates with BIR offices relative to the development of the BIR Agency KPIs which reflects the definition, formula, targets, weight, measure owner, and implementing offices;

   3.2. Updates/aligns Agency KPIs with relevant issuances, legislations, policies and requirements of other agencies;

   3.3. Monitors and evaluates the accomplishments on Agency KPIs and Agency Major Final Outputs (MFOs);

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3.4. Prepares the periodic accomplishment reports relative to the Agency KPIs & MFOs and submits to the Commissioner for approval; and

3.5. Performs other functions as may be assigned.

4. Performance Monitoring and Review Section

4.1. Coordinates with BIR offices relative to the development of the BIR Operational KPIs which reflects the definition, formula, targets, weight, measure owner, and implementing offices;

4.2. Monitors the submission of the Evaluation Report on Operational KPIs by the Measure Owners concerned and prepares the Consolidated Evaluation Report on the performance rating of offices concerned for submission to MANCOM;

4.3. Monitors the semestral submission compliance of the various Bureau offices of the Office Performance Commitment and Review (OPCR) Plan and OPCR Evaluation Report and evaluates thereof;

4.4. Informs BIR offices concerned on the results of the assessment of OPCR Evaluation Report and its corresponding OPCR Plan;

4.5. Assists in the conduct of focused group discussions/meetings with Measure Owners/officials concerned relative to Operational KPIs & OPCR; and

4.6. Performs other functions as may be assigned.

B. Management Division

1. Formulates policies, standards, work programs, guidelines and procedures, including forms/reports relative to organization, manpower requirements, processes and reports review including internal control systems, issues and concerns of Regional Offices needing action and/or policy direction from the National Office, and enterprise risk management in the Bureau;

2. Conducts regular management study of the organizational structure, manpower, operations and special projects;

3. Coordinates risk management efforts of the Bureau;

4. Oversees the resolution of reported issues and concerns of the Regional Offices requiring National Office action and/or policy direction;

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5. Maintains compilation of OM and Enterprise Risk Register of BIR Services/Offices;

6. Prepares prescribed forms/reports for submission to offices concerned;

7. Prepares revenue issuances relative to the abovementioned functions;

8. Coordinates with offices concerned in the implementation of the abovementioned functions; and

9. Performs other functions as may be assigned.

1. Organization and Manpower Planning Section

1.1. Conducts study on organization and manpower requirements of the Bureau;

1.2. Conducts organizational review of existing structure vis-à-vis the Bureau's mission and vision statements, required processes and stakeholder requirements to define areas for improvement and recommends restructuring, if necessary;

1.3. Prepares Revenue Administrative Orders (RAOs) on Organization and Functions following prescribed guidelines and approved organizational structure in coordination with services/offices of the Bureau;

1.4. Conducts studies concerning requests for creation/transfer/merger or consolidation/abolition of Bureau offices and prepares reports/recommendations thereon, including the appropriate implementing orders when necessary;

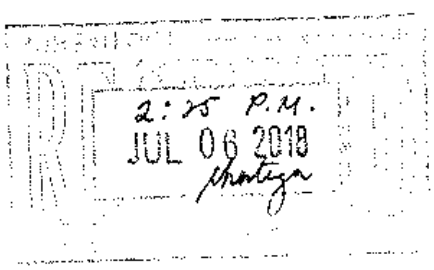
1.5. Develops and/or reviews the staffing standards of the Bureau;

1.6. Updates Office Codes; and

1.7. Performs other functions as may be assigned.

2. Process Review Section

2.1. Conducts management review of Bureau offices to ascertain strict compliance with prescribed systems, procedures/processes; and to assess the effectiveness of existing internal control systems, and recommends improvements therein, if necessary;



2.2. Prepares policies and guidelines relative to the preparation of BIR Office Manual (OM) by different units of the Bureau;

2.3. Reviews and checks OM if it conforms with the prescribed guidelines and coordinates the updating thereof;

2.4. Reviews and evaluates processes and work flowcharts and recommends improvements/streamlining when necessary;

2.5. Monitors and evaluates improvements taken by offices concerned regarding tax administration; and

2.6. Performs other functions as may be assigned.

3. Reports Monitoring Section

3.1. Monitors the submission of Matrix of Issues/Concerns and Minutes of Monthly Staff Meeting of Regional Offices (ROs) based on prescribed guidelines;

3.2. Prepares the necessary referral memo to appropriate Bureau office(s) relative to issues elevated by ROs; undertakes necessary follow-up for issues/concerns not acted upon;

3.3. Coordinates the updating of reportorial requirements of the various services/offices of the Bureau and prepares the corresponding Revenue Memorandum Order (RMO); and

3.4. Performs other functions as may be assigned.

4. Risk Management Section

4.1. Prepares policies and guidelines on enterprise risk management;

4.2. Maintains/updates the enterprise risk register, database and manual;

4.3. Monitors the status of implementation and reviews the effectiveness of recommended action to mitigate risks based on reports of offices concerned;

4.4. Prepares required reports for top management on risk management efforts of the Bureau;

4.5. Organizes and conducts briefings/seminars to update all Bureau personnel on new developments in risk management; and

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C. Research and Statistics Division

1. Formulates policies, standards, work programs, guidelines and procedures, including forms/reports relative to revenue forecasting and goal allocation, statistical reporting and surveys;

2. Gathers and maintains an inventory of statistical data relative to revenue forecasting, goal allocation, statistical reporting and analysis, profiling, surveys and research;

3. Undertakes data analysis and provides results to management for decision-making activities;

4. Prepares and releases statistical reports to authorized internal and external users in accordance with prescribed guidelines and procedures as required;

5. Provides statistical data/information on tax revenue collection needed by internal and external offices to measure revenue impact of proposed/approved revenue measures;

6. Assists in various fora relative to tax revenue statistics;

7. Prepares revenue issuances relative to the abovementioned functions;

8. Coordinates with offices concerned in the implementation of the abovementioned functions; and

9. Performs other functions as may be assigned.

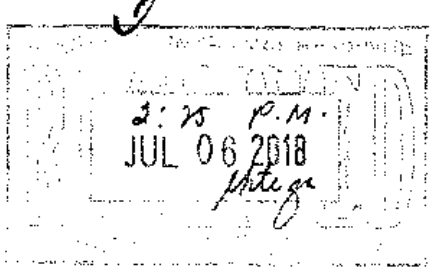
1. Data Processing Section

1.1. Gathers and maintains tax revenue collection statistics for policy and decision-making purposes;

1.2. Maintains statistical data from BIR Form No. 1209 - Consolidated Monthly Reports on Collection;

1.3. Prepares / summarizes tax revenue collection statistics needed by internal and external stakeholders;

1.4. Coordinates with BIR offices and provides tax revenue collection statistics as requested by National Government Agencies, private institutions, and other external stakeholders, on the Bureau's performance and other information;



1.5. Organizes and conducts briefings/updates on the preparation of statistical reports (i.e. BIR Form 1209, etc.);

1.6. Updates Revenue District Office (RDO) classifications; and

1.7. Performs other functions as may be assigned.

2. Statistical Analysis Section

2.1. Undertakes data analysis of revenue collection performance based on different sectors/categories and sources of tax revenue;

2.2. Apprises the office concerned regarding observed data inconsistencies and quality;

2.3. Coordinates with offices concerned relative to data analysis; and

2.4. Performs other functions as may be assigned.

3. Revenue Forecasting and Goal Allocation Section

3.1. Develops revenue forecasting models and prepares revenue forecasts as basis for management decision;

3.2. Gathers, maintains and monitors data relative to revenue forecasting and goal allocation;

3.3. Develops methodologies and prepares goal allocations by implementing unit, by period and by tax type;

3.4. Coordinates with offices concerned and provides statistical data/information needed by internal and external offices to measure revenue impact of proposed revenue measures; and

3.5. Performs other functions as may be assigned.

4. Statistical Research and Surveys Section

4.1. Gathers and monitors macro-economic indicators/trends that may affect the Bureau's revenue performance;

4.2. Prepares statistical report(s) on macro-economic indicators and trends needed by offices concerned in the Bureau;

4.3. Supervises and monitors the conducts of surveys in accordance with the requests of BIR offices;

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4.4. Analyzes results of survey conducted and submits reports to offices concerned;

4.5. Monitors revenues generated from newly approved tax measures and prepares report on the impact of such tax measures;

4.6. Creates and maintains the handbook of Alphanumeric Tax Codes (ATCs); and

4.7. Performs other functions as may be assigned.

II. PROJECT MANAGEMENT AND IMPLEMENTATION SERVICE

1. Formulates policies, methodologies, and procedures for the management and implementation of reform projects under BIR's modernization program in support to the BIR Strategic Plan;

2. Provides available subject matter experts on the different areas of tax administration who will assist the process owners/project proponents in reform project formulation, management and implementation;

3. Facilitates the review of current processes with concerned process owners/project proponents and all other relevant stakeholders to identify necessary process improvements;

4. Assists the process owners/project proponents to conceptualize reform project(s);

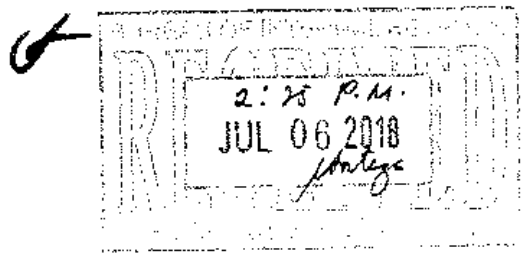
5. Recommends updates/revisions to the BIR Reform Master Plan (RMP) for approval of Management Committee (ManCom)/Reform Steering Committee (RSC);

6. Communicates the BIR's tax administration reform efforts to internal and external stakeholders;

7. Provides regular briefings to BIR senior management (e.g., ManCom/RSC) through close coordination with functional owners/project proponent in reporting updates, seeks approval for major project changes, discusses risks and issues affecting the implementation of reforms and recommends further actions;

8. Monitors and evaluates the projects specified in the RMP in close coordination with project sponsors and project managers;

9. Provides policies and operational directions to all divisions under the Service relative to the abovementioned functions;



10. Reviews, recommends and/or approves all reports and other actions of the divisions under the Service;

11. Consolidates and/or prepares prescribed reports for submission to offices concerned;

12. Coordinates with offices concerned in the implementation of the abovementioned functions; and

13. Performs other functions as may be assigned.

A. Project Development and Management Division

1. Formulates policies, guidelines and procedures, work programs and standards, including forms in relation to development and management of the reform projects directed towards BIR's modernization program;

2. Provides technical assistance to functional owner/project proponent in terms of identifying, conceptualizing and developing/revisiting logical frameworks and conceptual plans for reform projects as well as the utilization of Project Management tools and templates;

3. Coordinates closely with functional/process owner and/or development partners (for externally-funded reform projects) as well as other key stakeholders to ensure that all reform project activities are consistent with the overall modernization program of the Bureau;

4. Revises/updates the BIR RMP based on the approval of ManCom/RSC;

5. Provides assistance to concerned/affected offices or project team in designing and adopting a structured Change Management (CM) methodology/approach;

6. Leads, executes and coordinates CM processes and other CM-related activities to proactively manage the people side of change relative to reform initiatives/efforts by managing/inculcating Change Awareness through different methods/channels such as Focus Group Discussions (FGDs), briefings, workshops, surveys, interviews, meetings, or the like;.

7. Prepares prescribed reports for submission to offices concerned;

8. Prepares revenue issuances relative to the abovementioned functions; and

9. Performs other functions as may be assigned.

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B. Project Monitoring and Evaluation Division

1. Formulates policies, guidelines, procedures, work programs and standards, including forms to enable proper and efficient monitoring and evaluation of the progress of all reform projects in the BIR RMP;

2. Monitors the execution of approved work plans of reform projects in terms of, but not limited to timeframe, scope of work and project deliverables and outputs by securing monthly Accomplishment Reports (ARs) from project sponsors through project managers;

3. Provides updates to BIR senior management (e.g., ManCom/RSC) through close coordination with project sponsors/managers to report the progress, elevate key issues and/or seek policy directions relative to project implementation;

4. Evaluates the effectiveness of implemented reforms based on predefined quality assurance measures and expected outcomes set by functional/process owners and project managers;

5. Provides feedback on reform activities to PDMD for future reform initiatives and planning based on monitoring and coordinating activities;

6. Coordinates with other government agencies in the reporting of accomplishments relative to externally funded projects;

7. Prepares prescribed reports for submission to offices concerned;

8. Prepares revenue issuances relative to the abovementioned functions;

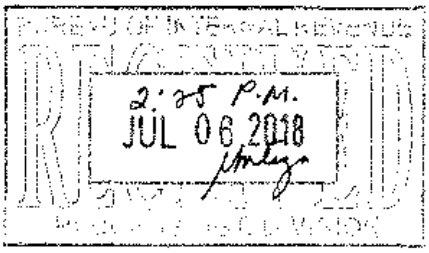
9. Coordinates with offices concerned in the implementation of the abovementioned functions; and

10. Performs other functions as may be assigned.

III. PERFORMANCE EVALUATION DIVISION

1. Formulates policies, work programs, standards, guidelines and procedures, including forms relative to compliance with policies and the conduct of evaluation, monitoring, and review of fiscal operations, performance, information systems, and evaluation results monitoring;

2. Prepares recommendation to the Commissioner on all matters relating to the Bureau's operations and support units' performance, compliance, and control effectiveness;



3. Evaluates performance, compliance, and control effectiveness of the Bureau operations and support units' functions, programs, projects, activities with outputs, and determines the degree of compliance with their committed performance targets, policies, established objectives, systems and procedures/processes, and government policies;

4. Reviews and appraises systems and procedures, organizational structures, asset management practices, financial and management records, reports and performance standards of the Bureau's central, regional and district offices;

5. Analyzes and evaluates management deficiencies (areas for improvements) and assists top management by recommending realistic courses of action;

6. Proposes revisions to existing Bureau policies, programs, systems, guidelines and procedures, rules and regulations based on the evaluation findings and forwards the same to the office/s concerned;

7. Develops strategic plan and an integrated Performance Evaluation Division work and financial plan that cover specific plans, such as: Annual Fiscal Evaluation Plan, Annual Performance Evaluation Plan, Annual Information Systems Evaluation Plan, and Annual Evaluation Results Monitoring Plan;

8. Assists other Bureau offices in the conduct of special investigations and outside contacts such as Commission on Audit in special projects, subject to the approval of the Commissioner; and

9. Performs other functions as may be assigned or delegated by the Commissioner and/or requested by the Management Committee or as may be required by law.

1. Fiscal Operations Monitoring Section

1.1. Develops an Annual Fiscal Management System Evaluation Plan to determine adequacy of control activities over fiscal policies that impact financial recording, monitoring and reporting of collections and expenditures, and implementation and monitoring of fiscal policies, among others;

1.2. Spot-checks cash and non-cash accountabilities such as documentary stamps, Revenue Official Receipts (RORs), etc., of all Collection/Accountable Officers;

1.3. Reviews procurement of services, supplies, books, furniture and fixtures, equipment and other properties to determine acceptability and conformity with the approved specifications and standards, as well as compliance with the prescribed procurement rules and procedures;

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1.4. Conducts unannounced inventory taking of accountable and other BIR forms, supplies, books, furniture and equipment for the reconciliation of items on hand vis-à-vis accounting/office records/inventory to determine if there are no unexplained shortages;

1.5. Conducts inventory of delinquent account dockets to determine prescribed cases and missing dockets;

1.6. Conducts evaluation on the management of tax cases covered with Warrants of Distraint and Levy (WDL) and Warrant of Garnishment (WG) and the timeliness of the issuance, service and execution thereof;

1.7. Verifies on a random/selective basis the authenticity of Revenue Official Receipts (RORs) issued to taxpayers by Collection/Accountable Officers and machine validation of authorized agent banks, to ascertain whether the amount indicated therein was actually remitted;

1.8. Conducts sample review of vouchers to ensure that proper controls over disbursements were followed and payments were made on time;

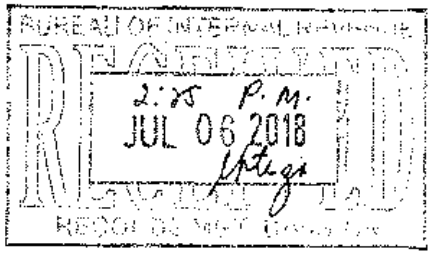
1.9. Reviews and analyzes evaluation reports submitted by evaluation teams;

1.10. Proposes revisions to existing policies, guidelines and procedures, rules and regulations based on findings; and

1.11. Performs other functions as may be assigned.

2. Performance Monitoring Section

2.1. Develops an Annual Performance Evaluation Plan for the conduct of evaluation on compliance with policies, projects, systems, procedures, activities and actions of the different Bureau offices to determine their compliance with existing laws, rules/regulations, policies, systems, procedures and other performance measurement standards in order to pinpoint weaknesses in internal controls, to establish employees' responsibilities and accountabilities, and to check on the effectiveness of programs, projects, policies, systems and procedures;



2.2. Conducts random or selective post-audit evaluation of investigation reports including those not covered by Letters of Authority such as capital gains tax, tax credit/refund, grant of exemptions and subsidies, cancellation/reduction of assessment, abatement and compromise settlement of delinquent accounts, etc.;

2.3. Spot-checks/evaluates non-cash accountabilities such as Letter of Authority/Audit Notice, Certificate Authorizing Registration/Tax Clearance Certificate, Authority to Cancel Assessment (ATCA), Tax Credit Certificate (TCC), Tax Debit Memo (TDM), etc. of administrative/accountable officers;

2.4. Conducts spot-check of personnel assigned on premises in excisable establishments and establishments where raw materials are kept or produced, as well as of personnel assigned to supervise the release of imported goods subject to excise tax from Custom's custody to place of production, with respect to the performance of their regulatory duties and responsibilities and the related books/records required to be maintained and kept by them in connection therewith;

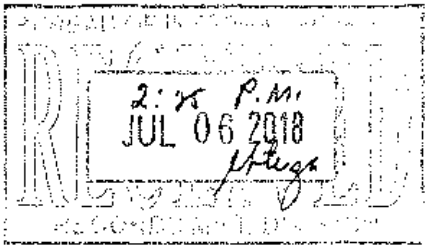
2.5. Conducts post audit review of the Special Permits and other permits given/granted to excise tax establishments, such as withdrawal certificates and the like; issued Authority to Release Imported Goods (ATRIGS), Registrations of VAT and Non-VAT taxpayers, approved applications for VAT Zero-rating of Effectively Zero-rated Transactions, and issued Certificates of Exemptions;

2.6. Reviews the development and conduct of internal training courses to determine whether state-of-the-art technology is being used, whether similar training could have been obtained cheaper commercially, whether course feedback is sought and whether changes are made based on participants' evaluation;

2.7. Solicits from taxpayers feedback on the quality of service rendered through exit interviews or subsequent confirmation to validate the information received from internal reviews;

2.8. Recommends revisions to existing policies, guidelines and procedures, rules and regulations necessary for instituting corrective actions; and

2.9. Performs other functions as may be assigned.



3. Information System Evaluation Section

3.1. Develops Annual Information Systems Evaluation Plan to determine adequacy of general controls and procedures governing organization of staff, operational functions, access to files, and software terminal activity and general environment protection;

3.2. Evaluates the adequacy and effectiveness of the information system at various operations and activities of the Bureau;

3.3. Reviews application of IT risk management procedures and IT risk assessment methodologies;

3.4. Assesses the efficiency and effectiveness of the Integrated Tax System/Internal Administration System (IAS) and the various applications that comprise the information systems of the Bureau;

3.5. Conducts testing of both transactions and functioning of specific control procedures at Bureau offices;

3.6. Evaluates adherence to legal and regulatory requirements and approved policies and procedures;

3.7. Assesses effectiveness of existing IT policies and procedures and provides recommendations for improvements;

3.8. Identifies opportunities for IT cost savings and drafts recommendation for improving cost efficiencies;

3.9. Examines economic resources if acquired economically, used efficiently and safeguarded adequately; and

3.10. Performs other functions as may be assigned.

4. Evaluation Results Monitoring Section

4.1. Develops an Annual Evaluation Results Monitoring Plan to support the PED in the completion of activities of following-up, monitoring of the recommended courses of action to the Bureau's operations and support units;

4.2. Monitors PED conformance to the norms of conduct and ethical standards as contained in RA No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees, as applied to PED personnel, such as upholding public interest and professionalism, among others;

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4.3. Reviews PED performance measures in relation to objectives. Assists the PED Head and Section Heads in assessing (personnel and Division) risks in planned PED activities;

4.4. Develops, reviews and monitors the design of quality assurance standards for PED activities, such as internal peer review (wherein section heads review the results of evaluation, methodology, approach), external peer review (wherein similar division of a government agency review or discuss related PED activities), review and assessment of feedback from Bureau offices evaluated and reviewed; and

4.5. Performs other functions as may be assigned.

IV. REPEALING CLAUSE:

All issuances or portions thereof not consistent with the provisions of this Order are hereby repealed or amended accordingly.

V. EFFECTIVITY:

This Order shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue
016072

Approved:

CARLOS G. DOMINGUEZ
Secretary of Finance
JUN 22 2018

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