



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City



February 6, 2015

MEMORANDUM

TO : ALL DILG REGIONAL DIRECTORS, ARMM REGIONAL GOVERNOR, AND OTHERS CONCERNED

SUBJECT : 2014 GOOD FINANCIAL HOUSEKEEPING PASSERS

The Good Financial Housekeeping (GFH), a component of the Seal of Good Local Governance, is formerly known as the Seal of Good Housekeeping (SGH) which the DILG initiated in 2010. GFH and SGH apply the same minimum criteria, namely: *Unqualified or Qualified COA Opinion and Compliance with the Full Disclosure Policy (FDP)*.

SGH Certification is a requirement for local governments in accessing loans pursuant to Local Finance Circular No. 1-2012, and in accessing national program windows like the Bottom-Up Budgeting Program and the SALINTUBIG Program pursuant to DILG Memorandum Circular No. 2013-066.

The assessment for the 2014 GFH is finally completed. The 2014 GFH List of Passers will be officially released effective February 9, 2015. Such will be the basis for the issuance of GFH Certification for loan purposes and for accessing other national program windows, subject to specific program guidelines.

The same list of the 2014 GFH Passers will be posted in the DILG website at dilg.gov.ph for public access. It will also be uploaded in the LGPMS/SGLG Google Drive for easy access of DILG regional and provincial offices.

Based on the 2014 GFH assessment, a total of 1,307 LGUs or 78% passed the GFH out of the 1,676 assessed-provincial, city and municipal governments. There are 369 local governments which did not meet the GFH criteria; 77 of them failed due to the 2013 COA Opinion only, 254 failed due to the Full Disclosure Policy only, and 38 of them failed in both criteria.

If failure is due to FDP, LGUs have the opportunity to comply with the FDP and avail of the *"After Assessment Compliance"* pursuant to DILG Memorandum No. 2014-13 dated February 6, 2014 to secure a GFH Certification without waiting for the next assessment period. However, if failure is due to COA Opinion, the LGU has to coordinate with COA to settle the negative findings in order to secure either Unqualified or Qualified COA Opinion for the next COA Audit Report.

For the information and guidance of all concerned.

AUSTERE A. PANADERO

Undersecretary for Local Government