

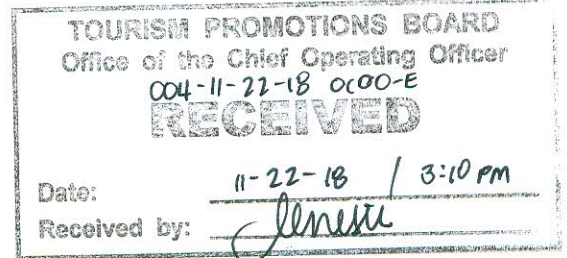


15 November 2018

MS. BERNADETTE ROMULO-PUYAT
DOT Secretary and Chairperson

MS. MARIE VENUS Q. TAN
COO/Vice Chairperson

TOURISM PROMOTIONS BOARD (TPB)
4/F Legaspi Towers, 300 Roxas Boulevard
Manila



**RE : VALIDATION RESULT OF 2017 PERFORMANCE
SCORECARD OF TPB**

Dear Secretary Romulo-Puyat and COO/Vice Chairperson Tan,

This is to formally transmit the validation result of TPB's 2017 Performance Scorecard. Based on the validation of documentary submissions, TPB gained an over-all score of **45.5%** (See **Annex A**).

In relation to its application for the grant of the 2017 PBB to eligible officers and employees, TPB fails to satisfy the requirements of **GCG MEMORANDUM CIRCULAR (MC) NO. 2017-01¹** and the *Checklist of Documents to be submitted by GOCCs to Qualify for the 2017 Performance-Based Bonus (PBB)*, particularly the achievement of a weighted-average score of at least 90% in its FY 2017 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149².

Consequently, pursuant to GCG M.C. NO. 2016-01³, failure to qualify for PBB means that the Appointive Members of the Governing Board of TPB shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman

MICHAEL P. CLORIBEL
Commissioner

MARITES C. DORAL
Commissioner

cc: COA Resident Auditor - TPB

¹ Interim Performance-Based Bonus (PBB), dated 09 June 2017.

² GOCC Governance Act of 2011.

³ Compensation Framework for Members of GOCC Governing Boards, dated 10 May 2016.

TOURISM PROMOTIONS BOARD
2017 Performance Scorecard Evaluation

			Component				TPB Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure			Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
CUSTOMER / STAKEHOLDER	SO 1	Top of Mind Travel Destination										
	SM 1	International Visitors from TPB Key Markets (12 Key Markets plus Overseas Filipino Markets) ¹	Absolute Number	10%	Below 5 Million = 0%; 5 Million to 5.3 Million = 5%; 5.4 Million to 5.7 Million = 8%; Above 5.7 Million = 10%	5.7 Million	5,735,800	10%	5,647,199	8%	• Visitor Arrivals to the Philippines by Country of Residence 2017 (Report by Department of Tourism)	The GCG-validated accomplishment was based on the official visitor arrival based on country of origin published by the Department of Tourism.
	SM 2	Return on marketing investment (ROMI) of TPB domestic and international marketing and promotions projects	(Benefit – Cost) / Cost	10%	Below 1179% = 0%; 1179% to 1189% = 5%; 1190% to 1200% = 8%; Above 1200% = 10%	1200%	1218%	10%	Cannot be validated	0%	• Terminal Reports • List of Domestic and International Marketing and Promotions Projects	Supporting documents submitted are terminal reports per project, however the Governance Commission finds the documents insufficient as there are projects/events with missing or no terminal reports. Moreover, the terminal reports only provided

¹ Malaysia; Singapore; China; Hong Kong; Japan; Korea; Taiwan; Canada; USA; Germany; United Kingdom; Australia; and Overseas Filipino

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Validation Result of 2017 Performance Scorecard (Annex A)

Objective/Measure			Component		Rating Scale	Target	TPB Submission		GCG Validation		Supporting Documents	GCG Remarks
			Formula	Weight			Actual	Rating	Actual	Rating		
SM 4	Number of TPB-assisted domestic and international events held in the Philippines including won bids		Absolute Number	10%	(Actual / Target) x Weight	355 events	466 events	10%	459 events	10%	<ul style="list-style-type: none"> Quarterly Accomplishment Reports List of TPB-assisted Domestic and International Events held in the Philippines including Won Bids Accomplishment Reports Terminal Reports 	Of the reported accomplishment, only 459 events were provided with supporting documents. Still, TPB exceeded the target.
SM 5	Implementation of Programmed Events based on the Board-approved Work Program		No. of Implemented Events / Total No. of Programmed Events based on the Board-approved Work Program	10%	All or Nothing	Implement 90% of targets in the planned events	IPD, MICE, MARCOM and Domestic have accomplished 90% or above of all their targets	10%	Cannot be validated	0%	<ul style="list-style-type: none"> TPB 2017 Work Program Targets and Accomplishment Report Quarterly Accomplishment Reports 	For 2017, TPB reported that it was able to accomplish 90% or above of all their targets. This was supported by a copy of a presentation made to and ratified by the Board. Upon validation, most of the actual performances indicated in the presentation were not consistent with the figures reflected in the Accomplishment Reports. Moreover, some of the accomplishments claimed in the presentation are not supported by a terminal

Validation Result of 2017 Performance Scorecard (Annex A)

Objective/Measure			Component		Rating Scale	Target	TPB Submission		GCG Validation		Supporting Documents	GCG Remarks
			Formula	Weight			Actual	Rating	Actual	Rating		
												report and/or an accomplishment report. Considering that the documentary evidences submitted are all internally-generated reports, it is crucial that these are consistent with each other. Foregoing considered, the Governance Commission grants 0% for this measure.
SO 3	Improve Customer Satisfaction Rating											
SM 6	Satisfactory Rating (Third Party)	No. of respondents who gave a VS rating or higher / Total no. of respondents	10%	All or Nothing	90% of respondents gave a rating of Very Satisfied or higher	92% of respondents gave a rating of Very Satisfied with 4.28 mean score	10%	92% of respondents gave a rating of Very Satisfied or higher	10%	Customer Satisfaction Survey Result submitted by the third-party consultant (PSRC)	TPB exceeded the target. The target pertains to the top 2-boxes of a 5-point rating scale. Using the said rating scale, 36% of respondents were Very Satisfied, while 56% were Satisfied. In line with this, TPB is awarded full score.	
		Sub-total	60%				60%		28%			
SO 4	Efficient Utilization of Corporate Operating Budget											

Validation Result of 2017 Performance Scorecard (Annex A)

			Component		Rating Scale	Target	TPB Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure			Formula	Weight			Actual	Rating	Actual	Rating		
FINANCE	SM 7	Utilization of Corporate Operating Funds	Utilization of Corporate Operating Budget (utilization = obligated treated as expense although no cash)	10%	Below 85% = 0%	90% ²	97%	10%	54%	0%	<ul style="list-style-type: none"> DBM- Approved Corporate Operating Budget of TPB for CY 2017 COA Annual Audit Report 	<p>Validated score was based on the 2017 COA Audit Report. In a letter dated 24 November 2017³, TPB requested to retain the rating scale of (Actual/Target) x Weight instead of the graduated rating scale approved under the GCG-modified scorecard. It should be noted that the graduated rating scale was recommended for crucial measures to give credit to accomplishments falling within an acceptable level of performance. Considering that budget utilization reflects the strong linkage of proper planning and excellent execution, which the Performance Evaluation System encourages, the request to modify the rating scale is not recommended. Moreover, the graduated rating scale approved for this measure already took into consideration the historical accomplishments of TPB⁴, such that anything lower than the historical performance does not merit a score. Considering the foregoing, the request of TPB to retain the rating scale of (Actual/Target) x Weight is DENIED.</p>
					85% to 87% = 5%							
					88% to 90% = 8%							
					Above 90% = 10%							

² Excluding Contingency Funds³ Officially received by the Governance Commission on 28 November 2017.⁴ Lowest BUR is 84%, graduated rating scale provides for a 0% score for BUR below 85%.

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Validation Result of 2017 Performance Scorecard (Annex A)

			Component			TPB Submission			GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure			Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
	SO 5	Develop Supplemental Revenue Sources										
	SM 8	Revenues from TPB Business Development Initiatives	Actual Revenue from TPB Business Development Initiatives	10%	(Actual / Target) x Weight	₱250,000	₱920,645.08	10%	₱910,645.08	10%	• COA Annual Audit Report • Official Receipts • Proof of Fund Transfer	TPB exceeded the target. Validated actual accomplishment based on revised submission and copy of Official Receipts and Proof of Fund Transfer provided.
			Sub-total	20%				20%		10%		
INTERNAL PROCESS	SO 6	Alignment with National Tourism Development Plan										
	SM 9	Board Approved Marketing Framework	Actual Accomplishment	10%	All or Nothing	Board Approved Marketing Plan for 2018-2022	For presentation to the Board	0%	No Board Approved Marketing Plan for 2018-2022	0%	No supporting document	The TPB made representation that the 5-year Marketing Plan was yet to be presented and approved by the Board citing the resignation of the former DOT Secretary and Chairperson of the Board Wanda Corazon Teo and the subsequent resignation of TPB COO Cesar Montano as causes of delay. However, both resignations happened in May 2018, thus, these should not have affected the achievement of 2017 targets.

Validation Result of 2017 Performance Scorecard (Annex A)

Component					TPB Submission		GCG Validation		Supporting Documents	GCG Remarks		
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
LEARNING AND GROWTH	SO 7	Quality Management System										
	SM 10	ISO Certification	Actual Accomplishment	5%	All or Nothing	Maintain ISO 9001:2008 Certification	ISO 9001:2008 Continued Certification granted on 27 Dec 2018	5%	Maintained ISO 9001:2008 Certification	5%	Letter from SOCOTEC Certification International Philippines re Continued Certification on ISO 9001:2008	Acceptable.
			Sub-total	15%				5%		5%		
LEARNING AND GROWTH	SO 8	Develop a Highly Competent and Professional Workforce										
	SM 11	Competency Profile of Positions	Actual Accomplishment	5%	Either Baseline Competency for 6 new regular employees OR Address Competency Gap of 78 regular employees = 2.5% Both Baseline Competency for 6 new regular	Baseline Competency Profile for 6 new regular employees Address Competency Gap of 78 regular employees ⁵ on the following: Core Competencies: • Innovation • Interpersonal Effectiveness	Baseline Competency for 9 new regular employees	2.5%	Baseline Competency for 9 new regular employees	2.5%	• Competency Profile per Position of the 9 new regular employees • Certificate of Assumption	Acceptable. TPB is only given partial point based on the rating scale as it failed to address the competency gaps identified for its 78 regular employees.

⁵ Address competency gaps on the following: Core Competencies, Innovation, Interpersonal Effectiveness, Technical Competencies, Research and Analysis, Partnering/Networking, Marketing Proficiency and Expertise

Validation Result of 2017 Performance Scorecard (Annex A)

Objective/Measure			Component		Rating Scale	Target	TPB Submission		GCG Validation		Supporting Documents	GCG Remarks
			Formula	Weight			Actual	Rating	Actual	Rating		
					employees AND Address Competency Gap of 78 regular employees = 5%	Technical Competencies: • Research and Analysis • Partnering/Networking • Marketing Proficiency and Expertise						
			Sub-total	5%				2.5%		2.5%		
			TOTAL	100%				87.5%		45.5%		

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