



18 January 2018

MR. CESAR D. MONTANO

Chief Operation Officer

TOURISM PROMOTIONS BOARD (TPB)

4/F Legaspi Towers 300 Roxas Boulevard,
Manila

**RE : VALIDATION RESULT OF THE CY 2016
PERFORMANCE SCORECARD OF TPB**

Dear COO Montano,

This is to formally transmit the validation result of the TPB's CY 2016 Performance Scorecard. Based on the Governance Commission's validation of documentary submissions and conduct of on-site validation on 28 March 2017, the TPB gained an over-all score of **80.19%** (See **Annex A**).

In relation to its application for the grant of CY 2016 PBB to eligible officers and employees, the TPB fails to satisfy the requirements of **GCG MEMORANDUM CIRCULAR (MC) No. 2017-01** and the *Checklist of Documents to be submitted by GOCCs to Qualify for the FY 2016 Performance-Based Bonus (PBB)*, particularly the achievement of a weighted-average score of at least 90% in its FY 2016 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. 10149.¹

Consequently, pursuant to GCG M.C. No. 2014-06, failure to qualify for the 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 CRUZ-DORAL
Commissioner

cc: COA Resident Auditor – TPB

¹ GOCC Governance Act of 2011.

ANNEX A

**TOURISM PROMOTIONS BOARD
2016 PERFORMANCE SCORECARD**

CUSTOMER / STAKEHOLDERS	Component					TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
	SO 1	Top of Mind Destination									
	SM 1	International Visitors from the TPB Key markets (12 Key Markets plus Overseas Filipino Markets)	Absolute Number	10%	4.7 million = 10% 4.6 million= 9% 4.5 million= 8% 4.3 million = 5% Below 4.3 million = 0%	5.2 Million	5.175 Million	9.95%	5.175 Million	10.00%	- Total Visitor Arrivals to the Philippines by Country of Residence
SM 2	Number of TPB-assisted domestic and international events held in the Philippines including won bids	Absolute Number	10%	(Actual/ Target) x Weight	418	336	8.04%	328	7.85%	-List of TPB Assisted Domestic and International Events Held in the Philippines including Won Bids - Definition of TPB Events Categories - Terminal Reports -	Review of supporting documents shows that TPB included the use of branding of logo request, images request, video request, provision of giveaways, and giveaways as accomplishment. However, these should not be considered as events assisted by TPB. The measure aims to identify the total number of domestic and international events held in the Philippines with the active

	Component					TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks	
	Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Score			Rating
											Accomplishment Reports per event	assistance or participation of TPB. Hence, the approval to use branding logo, images, videos, and souvenirs are not counted in the total events assisted since such activities did not represent an active participation on the part of TPB.
	SM 3	Return on Marketing Investment (ROMI) of TPB domestic and international marketing and promotions projects	(Benefit - Cost) / Cost	10%	(Actual/ Target) x Weight	125%	1179%	10%	1179%	10%	-Terminal Reports -Accomplishment Reports	The return on marketing investment can be computed by the business generated from clients and publicity mileage it reaches. For 2016, TPB was able to achieve a 1179% ROMI which is a 92% increase from the 2015 actual of 614%.
	SM 4	Return on Marketing Investment (ROMI) of TPB marketing communications projects	Media Values / Media Spent	10%	(Actual/ Target) x Weight	130%	96.34% (Dentsu and MTV Music Evolution)	7.41%	96.34%	7.41%	-Computation from Dentsu and MTV Music Evolution	The computation of ROMI is completed by Dentsu and MTV Music Evolution. It is based on the placed ads of the Dentsu multiplied by the foot traffic and viewership of the ads.

	Component					TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
	SO 2	Increase Number of Events									
	SM 5	Implementation of Programmed Events based on the Board-approved Work Program		10%	(Actual/ Target) x Weight	Average 90% achievement of all targets in the planned events	Met 27 out of 29 targets	9.31%	90% accomplishment of 27 out of 29 events	9.31%	- Accomplishment report per project events as approved by the Board Out of 29 approved events, only 27 events attained at least 90% accomplishment. Projects and events implemented under the International Marketing and Promotions, M.I.C.E. Promotions, Tourism Investment Promotions and Special Projects were at least 90% accomplished.
	SO 3	Improve Customer Satisfaction Rating									
	SM 6	Satisfaction Rating (Third-Party)		10%	Below Satisfactory = 0%	Satisfactory or its equivalent	98% of the respondents are satisfied	10%	98% of the respondents are satisfied	10%	- Customer Survey Report conducted by All-Asian Centre for Enterprise Development (ASCEND) Inc. The TPB's customer satisfaction survey focuses on thirteen (13) attributes. For 2016, 100 clients of TPB were interviewed to get feedbacks from TPB's services. Survey result shows that 98% of the respondents were satisfied. Based on the survey, TPB needs to improve on the following aspect of operations: communication, service, and booth materials.
		Sub-Total		60%				54.71%		54.57%	

FINANCIAL	Component					TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
	SO 4	Efficient Utilization of Corporate Operating Funds									
	SM 7	Utilization of Corporate Operating Funds		10%	(Actual/ Target) x Weight	90%	85%	9.44%	0%	0%	Using the 2015 approved COB of TPB amounting to ₱1.35 Billion and the 2016 actual budget utilization of ₱1.49 Billion, TPB gave itself a 9.44% score for this measure. In its justification posted in the website, TPB stated that "[d]espite the timely submission of TPB, through the Finance Department, of its FY 2016 Corporate Operating Budget, the Department of Budget and Management (DBM) has not signed/approved the submission for the said fiscal year. Therefore, the TPB is reenacting its FY 2015 DBM-approved COB." Further, in DBM letter dated 11 January 2017, it is noted that the DBM has requested, twice, for TPB to submit a Board Resolution approving its revised COB. However, TPB was unable to submit such document. Section 3.1 and 6.1 of the DBM Corporate Operating Budget Circular (COB) No. 20, dated 27 April 2005, requires GOCCs/GFIs to strictly comply with EO No. 518 and EO No. 292 in the submission of their

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Component						TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
											COBs to the DBM before the start of the fiscal year. While it is acceptable to use a re-enacted budget to continue the operations of TPB, such however is not acceptable in the assessment of TPB's annual performance. As the marketing arm of the government, TPB relies heavily on the subsidy and fund transfers from the National Government and other agencies to implement its programs and projects. Hence, monitoring its efficient use of public funds is essential in the assessment of its performance. It is noticeable from the documents provided that the TPB only submitted its 2016 COB on October 2016. The General Appropriations Act FY 2016 was enacted on 29 December 2015. Even before that date, TPB is already aware of the approved budget level for 2016, TPB should have submitted its proposed 2016 COB during the first quarter of 2016, the latest. While TPB argues that the revision of FY 2017 proposed subsidy hindered them from meeting the deadline, such argument is still not acceptable. TPB is aware

	Objective/Measure	Component				TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
		Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
											that adjustments for current year's COB is still possible through the submission of a supplemental COB. In view of the foregoing, the TPB receives a score of 0% for this particular measure.
SO 5	Develop Supplemental Revenue Sources										
SM 8	Revenues from TPB Business Development Initiatives		10%	(Actual/ Target) x Weight	308,939.31	P183,987.50	5.96%	P173,500.00	5.62%	- List of buyers for their Business Development Initiatives - Receipts of the TPB Business Development Initiatives - COA audited Financial Statement	As part of the new business initiatives of the TPB to improve its revenue, it published a book entitled "Best of the Best of the Philippines". The book covers the top tourist destination in the country and list of top rating accommodations, restaurants, and activities. The GCG validated score is based on the COA Audited Financial Statement while TPB self-rating/score is based on the unaudited financial statement and purchase receipts. This explains the difference between the GCG and TPB rating.
	Sub-Total		20%				15%		5.62%		

	Component					TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
INTERNAL PROCESS	SO 6	Develop a Marketing Plan Aligned with National Tourism Development Plan and DOT Priorities									
	SM 9	Board Approved Marketing Framework for 2016		10%	All or Nothing	Establish and Implement a Monitoring and Reporting System	Established and Implemented Monitoring and Reporting System for the Agreed 3 Projects	10%	10%	Reports and Evaluation for 3 Projects 1) Malaysia International Dive Expo 2) Incentive Travel and Conventions Meetings Asia 3) Philippines Sales Mission-Korea	- Guidelines/ Process of Monitoring and Evaluation System - Monitoring and Evaluation Report for 3 Agreed Projects: 1) Malaysia International Dive Expo 2) Incentive Travel and Conventions Meetings Asia 3) Philippines Sales Mission-Korea In 2015, TPB came up with an approved marketing plan which shall be implemented from 2016 to 2018. For 2016, TPB developed a project monitoring and reporting system. The process used for monitoring and reporting involves three (3) steps: identifying objectives and targets; monitoring the status of implementation; and measuring performance in terms of timeliness, effectiveness & efficiency. For each step, the corresponding details, responsible person/s, and reference/interface are included.
	Sub-Total			10%			10%		10%		
LEARNING & GROWTH	SO 7	Professional Work Force									
	SM 10	Competency Profile of Positions		5%	(Actual/ Target) x Weight	Establish Baseline	Competency Profile and Baseline of All Regular Employees as of 31 Dec 2016	5%	5%	Established Competency Baseline for each 82 Employees Employees met 85% of required competencies -Individual Competency Profile per Position - Competency Assessment and Competency Baseline Report	In 2015, the TPB developed a competency framework, which includes the desired competencies per position and the competency gaps of the employees. It was able to determine 45 competencies that will be beneficial to the

	Component					TPB Submission		GCG Evaluation		Supporting Documents	GCG Remarks
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											organization in order to achieve its goal. In 2016, TPB assessed the level of competencies of 82 employees vis-à-vis the required competencies.
	SO 8	Quality Management System									
	SM 11	ISO Certification		5%	All or Nothing	Maintain ISO Certification	Maintained ISO Certification	5%	Maintained ISO Certification	5%	- SOCOTEC Letter Recertifying TPB for ISO 9001:2008 On 21 January 2016, the SOCOTEC issued an ISO 9001:2008 recertification to TPB's Design, Development, and Provision of Philippine Tourism Marketing and Promotion Services. In its letter dated 14 December 2016, SOCOTEC recertified TPB for ISO 9001:2008.
		Sub-Total		10%				10%		10%	
		TOTAL		100%				90.10%		80.19%	