



PPG No. 277-15

**AMENDMENT TO POLICY AND PROCEDURAL GUIDELINES (PPG)
NO. 236-13**

FUNCTIONAL AREA : PERFORMANCE APPRAISAL

DISTRIBUTION : **All Senior Vice Presidents**
All Vice Presidents
All Managers
Actuarial and Risk Management Group
Controller Group
Corporate Services Group
Financial Management Group
Information Technology and Services Group
Insurance Group
Internal Audit Services Group
Legal Services Group
NCR Operations Group
Luzon Operations Group
VisMin Operations Group

SUBJECT MATTER : INCLUSION IN THE GPAS OF PROVISIONS ON
TIMELINESS FOR COMPLIANCE WITH
BOARD/COMMITTEE DIRECTIVES

I. Background

On 11 July 2013, the Board approved PPG No. 236 -13, which rates Offices and Functional Groups (FGs) annually based on two (2) criteria, namely: (1) accomplishment of office targets in the Plans and Programs approved by the President and General Manager (PGM) and the Board of Trustees (BOT); and (2) **compliance with directives issued during Board Committee and BOT Meetings.**

The said PPG aims to provide, among others, a mechanism to measure the level and standard of performance of the offices under the various Offices and Functional Groups (FGs) in relation to their compliance with Board directives.

Under the PPG, a directive could either be simple or complex. "Simple" directives are tasks or activities which can be completed within ten (10) working days, such as simple research or coordination work, updating of regular status reports, gathering and submission of readily available data, grammatical corrections, and other minor revisions. On the other hand, "complex" directives are tasks or assignments requiring

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several components and interdependencies among offices and/or other agencies which cannot be completed within ten (10) working days. These include thorough study and heavy coordinative work such as conducting investigations, legal reviews, audit reports, risk assessments, actuarial studies, and feasibility studies and drafting new or reviewing existing PPGs, contracts, and investment guidelines.

Meanwhile, it has been the policy of the BOT and the Committees to require Offices and FGs to comply with the directives issued to them within fifteen (15) calendar days from date of receipt of the directive, regardless of whether the directive is simple or complex.

It cannot be overemphasized that a component of a quality compliance is the timeliness of its submission. While no apparent conflict exists between the PPG and the current practice in the BOT and Committees with respect to the procedures followed by the FG/Office when complying with directives, it is necessary to fill in the gaps in the PPG by adopting the existing policies and rules of the Board and Committees regarding the same.

II. OBJECTIVES

The provisions on timeliness aim to:

1. Set clear deadlines for compliance with simple and complex directives.
2. Adopt existing rules and practices in the Board and Committees with respect to compliance with directives and align them with the implementation of the GPAS.
3. Ensure easier monitoring/tracking of directives.
4. Simplify the preparation and review of the GPAS.

III. COVERAGE

The proposed amendments shall cover only the second criteria for rating an FG (compliance with directives issued during Board Committee and BOT meetings).

IV. POLICIES

The following provisions will serve as guidelines on the Timeliness Standard:

1. **Due Dates for Directives:**

a. Simple directives:

- i. For Board directives: Compliance shall be submitted in time for the second meeting from when the directive was issued unless otherwise provided by the Board.
- ii. For Committee directives: Compliance shall be submitted to the Committee issuing the directives in time for the following meeting unless otherwise provided by the Committee.

b. Complex directives:

- i. For Board directives: Compliance shall be submitted in time for the fourth meeting from when the directive was issued unless otherwise provided by the Board.
 - ii. For Committee directives: Compliance shall be submitted to the Committee issuing the directives in time for the second meeting from when the directive was issued unless otherwise provided by the Committee.
- c. The phrases "in time for the second or fourth Board meeting" and "in time for the next or the second Committee meeting from when the directive was issued" mean that the compliance reports were submitted by the FGs/Offices to the OPGM on or before the deadline indicated in the latter's memorandum when farming out directives to the various FGs/Offices.
- d. Unless otherwise specified, the due date for directives requiring re-submission of reports/decisions/policies to the Office of the Committee Co-Chair, for review and endorsement to the Board or to the PGM, shall be:
- i. For minor revisions, on the second Monday after the said Committee meeting; and
 - ii. For major revisions, on the fourth Monday following the Committee meeting.

The Office of the Committee Co-Chair concerned shall provide the OCS the pertinent date when re-submission was made by the FGs, for purposes of monitoring.

- e. Unless otherwise specified, all other re-submissions to the Committee shall be submitted in time for its next meeting.

- f. If the FG/Office was not present during the meeting/discussion when the directive was issued, the due date for compliance shall be moved to the following month.

Thus, the new due date shall be within two months for simple directives and within three months for complex directives.

Illustration:

If the Board and Risk Oversight Committee Meetings were held on 11 September 2014, the due dates will be as follows:

	Board Meeting	ROC Meeting
	Due Date	
Simple Directive/FG present	First Meeting in October 2014	October 2014 meeting
Simple Directive/FG not present	First Meeting in November 2014	November 2014 meeting
Complex Directive/FG present	First Meeting in November 2014	November 2014 meeting
Complex Directive/FG not present	First Meeting in December 2014	December 2014 meeting

- g. Unless otherwise stated, the due date for submission of a directive issued by one Committee and then later referred to another Committee shall be in time for the second meeting of the receiving Committee from when the directive was issued.

Illustration:

Board Meeting (held second week of September) - Directive was referred to the:

Committee	Due Date
LOC	November 2014 meeting (first week)
ROC	November 2014 meeting (second week)
CorGov	November 2014 meeting(third week)
Audit	November 2014 meeting (fourth week)

LOC Meeting (held first week of September) - Directive was referred to the:

Committee	Due Date
ROC	November 2014 meeting (second week)
CorGov	November 2014 meeting(third week)
Audit	November 2014 meeting (fourth week)

ROC Meeting (held second week of September) - Directive was referred to the:

Committee	Due Date
LOC	November 2014 meeting (first week)
CorGov	November 2014 meeting (third week)
Audit	November 2014 meeting (fourth week)

CorGov Meeting (held third week of September) - Directive was referred to the:

Committee	Due Date
LOC	November 2014 meeting (first week)
ROC	November 2014 meeting (second week)
Audit	November 2014 meeting (fourth week)

Audit Committee Meeting (held fourth week of September) - Directive was referred to the:

Committee	Due Date
LOC	November 2014 meeting (first week)
ROC	November 2014 meeting (second week)
Cor Gov	November 2014 meeting (third week)

2. Request for Deferral

If it is not possible for the FG/Office to comply with the directive within the given period, a written request must be submitted by the concerned FG/Office, addressed to the Chairperson or the Committee Co-Chair through the OPGM and the OCS, stating the reason for the delay, the status, and the target date of submission of the compliance.

The request for deferral shall be submitted within the period for complying with the directive so that appropriate adjustments in the due date could be made. Otherwise, the original due date shall be maintained in the GPAS.

The request for deferral shall be indicated in the "Remarks" column of the GPAS matrix.

V. GPAS Matrix

The OCS shall be responsible for filling up the GPAS matrix, subject to the review of the Office of the Chair and the Committee Co-Chairs.

The GPAS Matrix shall contain the following minimum basic information:

1. "Timeliness" Column

The term "Due Date" refers to the deadline mentioned in Section IV (1) (c) above. The OPGM shall provide the due dates to the OCS based on the former's memorandum to the FGs/Offices when farming out the directives.

2. The "Submission Date to OPGM" column shall be accomplished by the OPGM.

3. When farming out directives, the OPGM shall prepare separate templates for FGs/Offices who were present during the meeting/discussion and for those who were not in the meeting/discussion when the directive was issued so that they are informed of their appropriate due dates.

For this purpose, the OPGM may verify the presence of the FGs/Offices concerned during the meeting/discussion with the respective Board/Committee Secretariats.

4. "Classification" Column

The OCS, subject to the confirmation of the Office of the Chair and Committee Co-Chairs, shall classify a directive into simple or complex.

5. "Quality" Column

For Board matters, only "Approved," "Approved, subject to minor revisions," "Noted," "Resubmit," and "Referred to __ Committee" shall be indicated in the Action Taken column.

For Committee matters, only "Endorsed (either to the Board or the PGM)," "Endorsed (either to the Board or the PGM), subject to minor revisions," "Endorsed (either to the Board or the PGM), subject to review of the Co-Chair," "Noted," "Resubmit," and "Referred to __ Committee" shall be indicated in the Action Taken column.

The above terms are defined as follows:

- | | | |
|---|---|---|
| Approved | - | The action of the Board when it agrees or accepts a proposal/study/policy/decision endorsed by a Committee or directly by the PGM |
| Approved (subject to minor revisions or subject to the review of the Chair) | - | The action of the Board when it agrees or accepts the major points of a proposal/study/policy/decision endorsed by |

- a Committee and only minimal revisions are required thereon
- Endorsed (either to the Board or the PGM) - The action of a Committee when it agrees or supports the submission/compliance of an FG/Office regarding a proposal/study/policy/decision
- Endorsed (subject to minor revisions or subject to the review of the Co-Chair) - The action of a Committee when it agrees or supports the **major** points of a proposal/study/policy/decision submitted by an FG/Office and only minimal revisions are required thereon
- Noted - The compliance report/submission of the FG/Office is merely for the information of the Board/Committee and no further action is required at the level of the Trustees
- Re-submit - When the FG/Office is required to undertake major revamps or revisions to the proposal/study/policy/decision
- Referred to ___ Committee - When the Board or Committee refers a matter to the appropriate Committee for discussion

6. The "Remarks" column shall indicate the status of a particular directive if the same has not been fully complied with based on the written status updates submitted by the FG/Office to the Board or the concerned Committee.

VI. Effectivity

The provisions on Timeliness and the GPAS Matrix will be applied to directives issued starting 2014.

ORIGINAL SIGNED
ROBERT G. VERGARA
 President and General Manager

Date Signed: JAN 27 2015