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# Integrity Management Program (IMP)

December 2017

## IMC Secretariat Updates on IMP and its Future Plans



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## Table of Contents

List of Acronyms	i
A. Executive Summary	1
A.1 Objectives	1
A.2 Background	1
A.3 Introduction	2
B. Progress Reports	3
C. Future Plans	4
D. Criteria	6
E. Other References	9
E.1 Composition of DBM-PS IMC	9
E.2 Functions of the IMC	9
E.3 Agency Policy on CSO Participation	10
F. Annexes	
• DBM-PS Office Order No. 123-16, s.2016	
• Executive Order No. 176, s.2014	
• OP Memorandum Circular No. 76	
• Integrity Development Review (IDR) 2012	
a. VII-Assessment of Systems and Corruption Risks-page 37	
b. VIII- Findings/Observation-page 42	
c. IX-Recommendations-page 50	
• Integrity Development Review (IDR) 2007	
a. Executive Summary-i	
b. IV-Corruption Vulnerability Assessment-page 81	
• Integrity Management Program (IMP) Workshop	
a. Internal Audit Memorandum No. 3, s.2017	
b. DBM-PS Office Order No. 087-17	
c. Formal Invitation to PMC of OMB & OP-DESLA	
d. Programme (Amended) for IMP Workshop for Template 1 & 2	
e. IMC Secretariat Results of the Activity-August 4, 2017 to December 2017	



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## Acronyms

AFG	Administrative and Finance Group
CSO	Civil Society Organization
CVA	Corruption Vulnerability Assessment
DBM-PS	Department of Budget and Management-Procurement Service
DC	Division Chief
IAD	Internal Audit Division
IDR	Integrity Development Review
IMC	Integrity Management Committee
IMP	Integrity Management Program
OMB	Office of the Ombudsman
OP-DESLA	Office of the President-Deputy Executive Secretary for Legal Affairs
UNCAC	United Nations Convention Against Corruption



## A. Executive Summary

The creation of IMP in the organization is necessary in order to strengthen the integrity of the DBM-PS personnel align to its mandates.

Based on the IMP Handbook 2016, integrity is the faithful and consistent application of generally accepted public values and norms in the daily practice of public sector institutions; the proper use of powers, authorities, assets, resources and funds according to the official purpose for which they are intended, with the end in view of promoting public welfare<sup>1</sup>.

This initiative will help strengthen the culture of integrity in the public sector institutions as mandated in Section 27, Article II of the 1987 Constitution, thus, “it is the policy of the State to maintain honesty and integrity in the public service and to undertake positive and effective measures against graft and corruption”.

As an organization who advocates open and transparent procurement activities it is a must that an IMP manual should be established to sustain and continue to enhanced the culture of integrity in the agency. It aims to establish a systematic approach in building, improving, reinforcing and sustaining a culture of integrity in public sector institutions that is rooted in acceptable values, principles and standards of good governance<sup>2</sup>.

### A.1 Objectives

The IMP for DBM-PS will serve as a benchmark in implementing reforms in the organization aligned to the context of Executive Order No. 176, s.2014. Specifically, this will also help to achieve the following sub-objectives:

- a. Successful development and implementations of IMP in the organization;
- b. Improvement on culture of integrity in the organization;
- c. Strengthening the moral fiber of each DBM-PS personnel in order to enhance their sense of servant leadership; and
- d. To monitor and evaluate the over-all impact of IMP to goals, mission & vision of the organization as central procuring entity for the whole of government.

### A.2 Background<sup>3</sup>

The Philippines, as signatory to the United Nations Convention Against Corruption (UNCAC), has adopted as a framework an Integrity Management Program (IMP) in accordance with international standards and practices on anti-corruption measures. The IMP aims to systematize and implement integrity-building across the entire bureaucracy. Moreover, it was institutionalized through the issuance of Executive Order No. 176 in 2015. The lead agencies for the development of the IMP are the Office of the Ombudsman and the Office of the President.

<sup>1</sup> Page 2, IMP Handbook, s.2016

<sup>2</sup> Ibid, page 3

<sup>3</sup> <http://ps-philgeps.gov.ph/home/index.php/about-ps/news/214-executive-briefing-on-development-of-an-integrity-management-program>



PS PhilGEPS officials, led by Executive Director Bingle B. Gutierrez, attended the Executive Briefing on the development of an IMP last October 13, 2016 at the DBM Executive Lounge in Malacañang, Manila. DBM Secretary Benjamin E. Diokno provided the Opening Remarks during the activity and emphasized the need for everyone to contribute in curbing corruption in government as it negatively impacts the entire country.

In attendance from the Office of the Ombudsman were Asst. Ombudsman Evelyn Baliton and Acting Director Hilario Favila. From the Office of the President, Atty. Froilan Montalban discussed the overview of the IMP.

The next steps for the PS-PhilGEPS towards developing an Integrity Management Plan would be to set up an Integrity Management Committee and the conduct of an Integrity Assessment. The equally-important tasks of implementing the IMP and conducting the progress of implementation will then follow.

### **A.3 Introduction**

The history of assessing integrity in the PS can be traced back from CY 2007 results of EC-OMB Corruption Prevention Project, Integrity Development Review of the DBM-Procurement Service. This project was covered by Integrity Development Review (IDR) which focused on two major areas in the conduct of the Corruption Vulnerability Assessment (CVA), i.e Procurement of Common-Good Items and Hiring & Regularization of Job Order Personnel.

In CY 2012, the OMB conducted “A Study of the Ordering System of Common-Use Supplies and Equipment of the Procurement Service-Department of Budget and Management” to address other issues not covered in the CY 2007 IDR. The study centered on the areas of agency servicing, payment and warehousing. The OMB identified and assessed the corruption and system risks, and utilized the information to conduct the following: survey involving 29 agencies/offices, ocular inspection, and reviews of officers and employees of PS and other agencies such as the Commission on Audit (COA) and the Bureau of Product Standards (BPS).

Based on the assessment of systems and corruption risks, the OMB identified the six (6) processes<sup>4</sup> in the DBM-PS that needs to be prioritized to mitigate the associated risks. The following are the involved processes that management should be taken into consideration in preparing the IMP to determine if resolution has been made:

- a. Procurement planning and implementation by PS;
- b. Preparation and submission of APR by procuring agency;
- c. Verifying stock availability and finalization of eAPR;
- d. Payment;
- e. Release/Delivery including Warehousing; and
- f. Complaint/Feedback handling

<sup>4</sup>Page 38-41, Procurement Service Systems Study Ordering of Common-Use Supplies, s.2012



The OMB suggested that the noted processes above be included in the assessment for IMP to determine if the associated risk correlated to it has been resolved already.

The office order for the establishment of DBM-PS Integrity Management Committee (IMC) was made October 21, 2016. It comprised of officials from key management offices i.e. procurement, finance, administrative, operation, and PhilGEPS; Internal Audit; a representative from rank-and-file and CSO representative (to be identified).

The committee did not yet selected the CSO who will act as members-observers to the IMC activities for the purpose of enhancing “*transparency and accountability, as well as policy and program effectiveness, in the implementation of the IMP and in the installation and sustainability of the Integrity Management System*”<sup>5</sup>.

The IMC and the process owners conducted the first (1<sup>st</sup>) workshop on IMP Template 1 and 2. It was attended by the OMB and OP-DESLA, including coaches who helped guides the participants in accomplishing the templates.

There are issues that are not yet settled such as prioritization of the processes that needs to be included in IMP and the selection of CSO representatives who has the credibility and actively involved in the organization.

## B. Progress Reports

In line with the emerging changes in the organizational structure and thrust focus of DBM-PS the IMP initiatives were put on hold to prepare the process owners in the review and alignment of its own processes to their mandates as divisions.

Below are the preliminary activities conducted by DBM-PS for the IMP:

Period Covered	Activities Conducted	Responsible Person/Office	Action Taken/Outcome
10/12/2016	The Office of Executive Director sent listing of attendees to the DBM-OSEC (vlabastilla@dbm.gov.ph) and the Office of the Ombudsman for the IMP Briefing	Executive Assistant to the OED	Done
10/13/2016	IMP Briefing held in DBM-CO presided by Sec.Diokno	DBM Secretary	Done
7/7/2017	Coordinate with OMB for the IMP briefing/workshop	IMC Secretariat	Done
7/12/2017	Submit hard copy of draft IMP programme to OED & endorse to AFG-GASD for the preparation of Office Order (OO)	IMC Secretariat	Done
7/13/2017	IMC Member, IA as IMC Secretariat issued IAM No. 3-Memo on pre-submission of	OIC Directors & Division Chiefs	Done

<sup>5</sup> Page 53, IMP Handbook, s.2016



	Template 1 & 2		
7/19/2017	OMB Sent final programme for IMP briefing -endorse to AFG thru e-mail for Office Order preparation	IMC Secretariat	Done
7/25/2017	Provide hard copy of final IMP program to GASD for attachment to OO. -Sent follow-thru email to ManCom/ExecCom, and attached IDR 2014, as reference for templates 1 & 2 preparation	IMC Secretariat	Done
7/26/2017	Final Submission of Template 1 & 2 -OMB sent the final list of supplies needed for Aug.2-3, 2017	DCs & OIC Directors	Done
7/27/2017	Sent e-mail to OMB for preliminary assessment of TIG, WALD & PD-7	IMC Secretariat	Done
8/1/2017	Final coordination with the OMB, OP-DESLA and the Internal Stakeholders	IMC Secretariat	Done
8/2-3/2017	Conduct another round of IMP Briefing and Workshop	DBM-PS Exec. Director	Done
8/7/2017	GPCO Dexter Cruz, get the copy of Certificate of Participation of DBM-PS participants for signature of Dir. Favila and Atty Froilan Montalban	OMB/OP-DESLA	In-progress
10/5/2017	Sent Notice of Meeting to IMC and PMC	IMC Secretariat	Done
10/9/2017	Conducted Meeting with the IMC & PMC (OMB)	IMC Secretariat/IMC	Done
10/10/2017-December 2017	DBM-PS formal activities for the IMP were temporarily on hold due to the exigency of the service. However, the process review and documentation to the proposed selected processes of the process owner in-charge was on-going. The process selected by the DBM-PS IMC will be used for QMS purposes gearing towards PNS ISO 9001:2015 for the succeeding years (i.e 2018 onwards)	IMC Secretariat/IMC	Template 1 & 2

### C. Future Plans

The IMC shall convene in order to resolve issues and to keep the activities for the IMP to move forward.



Steps	Tasks Listing	Person-in-Charge	Expected Outputs	Templates	Timeframe
1. Make an inventory of all the operational systems of the agency/department based on the organizational structure/ programs	<ul style="list-style-type: none"> <li>include in the agenda of management committee identification of critical systems in the institution</li> </ul>	IMC	<ul style="list-style-type: none"> <li>List of critical systems that would be subjected for the systems review</li> </ul>		
2. Prioritize and rank the operational system in numerical order with "1" as most critical and whatever is the last number, as the least critical.	<ul style="list-style-type: none"> <li>Discuss in the management committee critical systems for systems review (at least three (3) critical operational systems must be identified and approved by the agency to be subjected to integrity assessment and IM planning for the first five (5) years of IMP implementation</li> </ul>	IMC	<ul style="list-style-type: none"> <li>Ranking of List of critical systems that would be subjected for the systems review</li> </ul>	Template 1 Template 1	Month 1-2 (2 weeks) Month 1-2
3. Conduct process review at the division/office level	<ul style="list-style-type: none"> <li>Inform the unit heads that will be required to conduct a systems review</li> <li>Organize a series of workshops for the systems review</li> <li>Complete the process mapping of the systems</li> </ul>	IMC Selected Unit Heads	<ul style="list-style-type: none"> <li>Process flowchart of maps</li> <li>Completed process matrix</li> </ul>	Template 2	
4. Convene an Integrity Assessment Workshop	<ul style="list-style-type: none"> <li>Coordinate and set a date with IMC</li> </ul>	IMC	<ul style="list-style-type: none"> <li>List of participants</li> </ul>		Month 2 (2 weeks)

	<ul style="list-style-type: none"> <li>Identify participants in the workshop;</li> <li>Obtain approval for the workshop</li> <li>Coordinate logistical requirements</li> <li>Coordinate with IMP Technical Secretariat for a representative who will guide the assessment</li> <li>Invite all participants and request to bring reference materials;</li> <li>Designate a facilitator and a documenter;</li> <li>Prepare printed materials (Handbook for resource persons), equip; and</li> <li>Hold assessment workshop.</li> </ul>		<ul style="list-style-type: none"> <li>Order for the convening of the workshop and mandatory attendance of participants;</li> <li>Presentation and reference materials</li> </ul>		
5. Complete the Corruption Risk Register for priority areas	<ul style="list-style-type: none"> <li>Use tool for analyses during the workshop</li> </ul>	IMC / Workshop participants	<ul style="list-style-type: none"> <li>Completed Corruption Risk Register</li> </ul>	Template 3	1-2 days
6. Determine the relevant dimension for corruption risks and develop Integrity Measures based on dimension standards to address the residual risks	<ul style="list-style-type: none"> <li>Evaluate the problems/ risks</li> </ul>	IMC/ workshop participants	<ul style="list-style-type: none"> <li>List of integrity measures / key initiatives related to the problems/ risks in the processes</li> </ul>	Template 3	
7. Prepare and submit the Integrity Assessment Report	<ul style="list-style-type: none"> <li>Draft report</li> <li>Submit report to PMC</li> </ul>	IMC documenter and report writer	Integrity Assessment Report	Template 4	7 days





**A. Activities to be conducted**

Steps 4:

1. Reconstitute DBM-PS IMC.
2. Convene IMC to decide on pending matters taken up during the workshop.
3. Submit Template 1 & 2 to OMB for validation.
4. Revise Template 2 based on comments made by OMB.
5. Submit revised Template 2.

Steps 5 & 6:

6. Conduct workshop for Template 3 & 3A
7. Submit Template 3 & 3A to OMB for review.

Steps 7:

8. Prepare and submit the Integrity Assessment Report to PMC

**B. Timelines**

Period Covered	Activities to be Conducted	Responsible Person/Office	Action Taken/Outcome
1 <sup>st</sup> Quarter CY 2018	DBM-PS IMC Deliberation of sub-processes of Template 2; Document/Forms gathering; OMB & OP DESLA's critiquing of Template 2	IMC/IMC Secretariat	For re-scheduling
2 <sup>nd</sup> Quarter CY 2018	Focus Group Discussion (FGD) of OMB & OP-DESLA to the 3 process owner's; For Final meeting, sign-off of Template 1 & 2	IMC/IMC Secretariat/Division Chief of Inspection, WALD and Comptroller Division/	For re-scheduling
3 <sup>rd</sup> Quarter CY 2018	Conduct FGD/Workshop of Template 3, 3A & 4; Critiquing of output	IMC/IMC Secretariat	For re-scheduling
4 <sup>th</sup> Quarter CY 2018	Conduct walk-through of the 3 major processes selected by the OMB & OP-DESLA; Finalization of Template 3, 3A & 4 for submission to PMC	IMC/IMC Secretariat	For re-scheduling

**D. Criteria**

Concept of Integrity<sup>6</sup>

- Why do we conduct the IMP?
  - a. Legal mandates

*Sec. 1, Art. XI of the Constitution*

“Public Office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives.”

*Sec. 2 of RA 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees)*

<sup>6</sup> OP-DESLA's presentation, Atty. Froilan D. Montalban, Jr., August 1, 2017



“It is the policy of the State to promote a high standard of ethics in public service. Public officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.”

*Art. 5, Chap. II, United Nation Convention Against Corruption (UNCAC)*

“Each State Party shall, in accordance with the fundamental principles of its legal system, develop and implement or maintain effective, coordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability.”

*Executive Order No. 176, signed 1 December 2014*

Institutionalizing the Integrity Management Program (IMP) as the National Corruption Prevention Program in all Government Departments, Bureaus, Offices, Agencies, including Government-Owned and Controlled Corporations, Government Financial Institutions, State Universities and Colleges, and Local Government Units through the Establishment of Integrity Management System (IMS)”

*Philippine Development Plan 2017-2022, Chapter 5, Implement Preventive Measures*

Continuing implementation of the Integrity Management Program (IMP), which aims to establish a systematic approach in building, improving, reinforcing, and sustaining a culture of integrity in public sector institutions? The culture is rooted in acceptable values, principles, and standards of good governance.

- b. The issue we are tackling is of national urgent concern

National Concerns	December 2016	March 2017
Improving/ Increasing the pay of workers	45	43
Controlling inflation	34	41
Creating more jobs	31	39
<b>Fighting graft and corruption in government</b>	<b>31</b>	<b>31</b>
Fighting criminality	33	28
Reducing the poverty of many Filipinos	33	27
Increasing peace in the country	23	18
Enforcing the law on all, whether influential of ordinary people	17	16
Stopping the destruction and abuse of our environment	11	15
Controlling the fast population growth	8	11

- c. The cost of corruption is too harmful to ignore.

*Handwritten mark*



- Cost of Corruption
  - a. Economy
    - i. Damages country's reputation and has created obstacles to local and foreign direct investment, flows to the stock market, global competitiveness, economic growth.
    - ii. Deters domestic and foreign investments, thus stifling growth and future business opportunities for all stakeholders
  - b. Politics
    - i. Undermines government's ability to provide basic services
    - ii. Feeds inequality and injustice
    - iii. Erodes public trust and eventually the state loses its credibility and legitimacy
  - c. Social Development
    - i. Reduces the government's resources available for development and poverty reduction spending; prevents poverty alleviation and development; diverts funds intended for development.

- How do we stop corruption?  
 "BEST TIME TO WIN OVER CORRUPTION IS BEFORE IT BEGINS. Fight against corruption begins with our mind".
- How does corruption occur?
  - a. Cross the line
  - b. Miss the mark
  - c. Non-compliance (i.e. standards, rules, regulations, policies, law, transparency)
- Area of Gap/vulnerability
  - a. Individual system
  - b. Process
  - c. Externalities
- Vulnerabilities/Gaps

Individual	Observable Behavior, Belief, and Attitude	
	<ol style="list-style-type: none"> <li>1. Low morale</li> <li>2. Stress, pressure</li> <li>3. Unskilled</li> <li>4. Incompetence</li> <li>5. Unmet needs</li> <li>6. Multi-tasking</li> <li>7. Over familiarity with contractors</li> </ol>	<ol style="list-style-type: none"> <li>1. Apathy</li> <li>2. Indifference</li> <li>3. Self-centered</li> <li>4. Over reliance to actual practice</li> <li>5. Non-compliance of the rules or policy</li> <li>6. By passing manager or subordinate</li> <li>7. Internal control disregarded</li> </ol>



Organizational System, Policy, Process, Service	<ol style="list-style-type: none"> <li>1. Unreliable information</li> <li>2. Working space</li> <li>3. Weak monitoring</li> <li>4. Absence of transparency</li> <li>5. Lack of accountability</li> <li>6. Misuse of resources</li> <li>7. Wide discretion</li> <li>8. Lack of communication</li> </ol>	<ol style="list-style-type: none"> <li>1. Inconsistent application of rules</li> <li>2. Process deviates from the rules and standard</li> <li>3. Unclear and burdensome rules</li> <li>4. Weak internal controls</li> <li>5. Poor management oversight/supervision</li> <li>6. No clear line of authority</li> <li>7. No review mechanism</li> <li>8. Ineffective/Inefficient Service</li> </ol>
Externalities/Environment	<ol style="list-style-type: none"> <li>1. Social norm</li> <li>2. Stakeholders</li> <li>3. Culture of gift giving</li> <li>4. Expectations</li> <li>5. Market</li> </ol>	<ol style="list-style-type: none"> <li>1. Laws</li> <li>2. Strong family ties</li> <li>3. Utang na loob</li> <li>4. Reciprocity</li> <li>5. Opportunities</li> </ol>

- Be the Change Agent

In every circumstance we have a choice about how we respond and how we conduct ourselves:

We can choose to remain positive, accept responsibility for where we are and where we would like to get to, to take ownership, to retain our vision of the perfect outcome and to approach each situation as an opportunity where we can excel. We are a Victor and our mantra is “What can I do now to change this circumstance to my perfect outcome”?

Alternatively we can choose to blame someone else, to make excuses, to remain doggedly negative about the situation and continue in an attitude of denial and scarcity. We are a Victim and our mantra is “Why does this always happen to me”?

The acceptance of personal responsibility is absolutely essential for high levels of self-esteem, self-respect and personal pride and those in turn will shape our success in each and every area of our lives.

So we need to make a choice. Victim or Victor? It really is all up to you?

When we blame our circumstances or outside factors for our behaviors, we abdicate responsibility for our actions. We give away the only control we really have – the control over our words and actions.

## E. Other References

### E.1 Composition of DBM-PS IMC

The IMC shall be composed of the following members:

- a. A chairperson, preferably the head of institution;



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- b. A vice-chairperson, who shall not be lower than an Assistant Secretary or a third ranking Official;
  - c. The heads of key management offices involved in the integrity management process including, but not limited to, human resource, finance and procurement offices;
  - d. The head of internal auditing office;
  - e. A representative of the rank-and-file employees chosen in accordance with CSC rules and regulations; and
  - f. A representative from the CSOs chosen by the institution in accordance with the Guidelines on CSO Participation in the IMP (see Annex 1).

Chairperson: Bingle B. Gutierrez  
*Executive Director V*

Vice-Chairperson: Rosa Maria M. Clemente  
*Deputy Executive Director V*

Members:

Joele H. Eayte  
*OIC-Director, AG*

Laarni U. Testor  
*OIC-Director, FMG*

Rommel D. Rivera  
*OIC-Director, CMG*

Flerida Arias  
*OIC-Director, OG*

Sixto Antonio, Jr.  
*Chief, PPRD*

Rosalinda V. Dapito  
*Head, Internal Audit*

Melvin Mora  
*Representative, Rank & File*

CSO Representative  
*(To be identified)*

## E.2 Functions of the IMC

- a. Oversee and ensure the effective implementation of all integrity management initiatives and measures within the institution that are reflective of the values, principles and standards of the IMP (see Part I Section D, Elements of the IMP);
- b. Facilitate integrity management planning; in particular, to seek an institution-wide commitment in identifying implementation challenges and concerns, as well as the measures and corresponding persons or units to address the same, together with resource requirements and the timeline of implementation;
- c. Develop a communication plan to cascade all institutional integrity management initiatives and measures, together with the Integrity Management Plan and the IMP in general, across the institution from its central office to its field offices and units (i.e. from regional to provincial units );



- d. Initially implement the program at its central office and, subsequently, roll it out to its regional offices;
- e. Regularly meet to identify and address hindering factors in implementing the Integrity Management Plan;
- f. Regularly monitor and review the accomplishment of commitments stated in the Integrity Management Plan, and establish a feedback mechanism therefor;
- g. Ensure the implementation of a mechanism for participation of external stakeholders such as the private sector, non-government organizations, community-based organizations and CSOs;
- h. Prepare progress and performance monitoring reports on the institution's Integrity Management Plan implementation and submit the same to the PMC;
- i. Act as custodian of data and information on IMP implementation; and,
- j. Perform such other functions as may be necessary in the implementation of integrity management initiatives and measures based on nationally and internationally accepted standards.

### E.3 Agency Policy on CSO Participation<sup>7</sup>

Consistent with the national and international legal framework, the institution concerned is expected to adopt and issue an internal policy on CSO participation in the implementation of the IMP. The policy shall define the following:

- A. *Purpose* - The rationale of having CSO representatives in the internal IMC is to enhance transparency and accountability, as well as policy and program effectiveness, in the implementation of the IMP and in the installation and sustainability of the Integrity Management System.
- B. *Types of CSOs*—The institution may consider the following groups of individuals and associations, formal and informal, which belong neither to the public sector nor to private sector (United Nations Research Institute for Sustainable Development, 2002):
  1. Non-governmental Organizations (NGOs). They are often and mistakenly equated with civil society. They are structured organizations working in a broad spectrum of fields, from humanitarian aid to human rights promotion and environmental protection.
  2. Community-based organizations (CBOs). Their constituency is of both activists and beneficiaries residing within a recognizable geographical entity such as a neighborhood, a village or a district. CBOs rely mainly on the voluntary contributions of their members in the form of labor and material resources, but may also be receiving funds from NGOs.
  3. Non-governmental Development Organizations (NGDOs). They are specialized in channeling funds for development, and engage with other civil society entities in carrying out development projects or mobilizing the local populace.
  4. Advocacy NGOs. They provide such services as research and training, and information gathering and dissemination. The most common forms of advocacy NGOs are chambers of commerce and federations of CBOs.
  5. Interest group associations. They include associations of professionals such as lawyers, doctors and architects. They also include producer and consumer cooperatives, and associations for business

<sup>7</sup> Page 53-56, IMP Handbook, s.2016



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executives or retired persons, in addition to unions whose primary function is to protect the interest of their members at the workplace.

*C. Role of the CSOs in the IMP* - As members, observers or members-observers, they shall engage with the institution in any or all of the following functional or programmatic areas:

1. Contribute in discussions with the IMC, in advocating policy reforms and development of more transparent IMP policies, programs, measures, systems and procedures for promotion of integrity values in the institution's operations imbued with public interest;
2. Support the institution through its networks and coalitions in informing and educating the public or a specific sector of society on how best the various CSOs and the general public may aid in promoting integrity and in fighting corruption in the performance of the institution's development and service mandates under the IMP;
3. Provide feedback and monitoring support to the IMC especially in the observance of good governance and practice standards, and in advancing the sustainability of IMP measures, systems, programs and plans; and
4. Represent the public's interest in transparent and responsible governance that would guarantee the effectiveness and responsiveness of the institution and, thus, help in building the people's trust and confidence in the institution's management of scarce government resources and in building public satisfaction with the quality of its programs, projects and services.

*D. Selection Criteria of CSO* - The institution shall exercise discretion in selecting the CSO representative to the IMC. Representation is institutional and not based on personal capacity. Thus, selecting a CSO representative must be based on the following guidelines:

1. active and major CSO of national stature and with credibility to address integrity and anti-corruption concerns relevant to the mandate of the institution;
2. has good working relationship with the rest of the CSOs with similar or related knowledge base in promoting integrity and in fighting corruption in the various development undertakings and services of the institution;
3. has substantial experience and involvement in representing the civil society in integrity and anti-corruption endeavors relevant to the specific development or service mandate of the institution;
4. is self-funded, and has ample financial capacity to attend the meetings of the IMC; able to commit information on and initiate education and advocacy activities within its network and coalitions, with approval of the IMC;
5. is willing to commit its institution for the sustainability of the IMP in the institution; and
6. is willing to undertake a self-initiated integrity program within its own organization that runs along the IMP objectives.

*E. Selection Procedures for CSO* - The CSO representative to the IMC shall be selected based on the following guidelines:

1. The IMC conducts a random selection of CSOs based on the abovementioned selection criteria;



2. The IMC conducts a review and evaluation of the candidate CSOs and shall rank them with proper justifications;
3. The head of institution may invite the CSO of his/her choice for a preselection meeting to gauge the willingness of the CSO to work with the institution;
4. The head of institution officially sends invitational membership to the selected CSO, with attached terms of reference (based on II –A, B & C); and
5. The selected CSO's membership is confirmed upon submission of the statement of commitment signed the selected CSO.

*F. Statement of Commitment by the CSO member to the IMC*

The statement includes the following:

- A. pledge of support to the vision, goals and objectives of the IMP;
- B. commitment to perform the purpose and role of the CSO (as defined under II A & B);
- C. expression of institutional capacity to participate in IMC meetings and activities requiring its participation;
- D. commitment to provide relevant information, and to undertake education and advocacy activities within the CSO community and the general public, as may be requested and duly approved by the IMC in furtherance of IMP objectives; and
- E. commitment to observe and propagate the IMP's shared values and good governance standards among its ranks, networks and coalitions.

Prepared:

**SIGNATURE REDACTED**

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### Template 1 Critical Systems for Assessment

Operation System	Process Owner	Minimum Criteria				Ranking
		High Impact	High	Pro - Poor	Other Criteria (e.g AAR)	
Inspection of Common-use Supplies and Equipment (CSE)	Inspection Division	✓	✓	✓	LOI 755, EO 359, AO 17, RA 9184	1
Processing of CSEs Stock Issuance: Pick-Up/Fastlane and Delivery (i.e In-House, Thru 3rd Party Logistic Provider, and Direct Delivery)	Warehouse and Logistic Division	✓	✓	✓	LOI 755, EO 359, AO 17, RA 9184	2
Processing of Payment to Supplier's of CSEs	Comptroller Division	✓	✓	✓	LOI 755, EO 359, AO 17, RA 9184	3

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**Template 2 Process Matrix**

I. Office/Bureau/Unit : Operations' Group  
 Process (1) : Inspection of Common use Supplies and Equipment (CSE)  
 Process owner (s) : Inspection Division

(a) Step/s	(b) Description of the Steps	(c) Accountable Officer/staff	(d) Inputs Needed (incoming documents)	(e) Output (Outgoing documents)	(f) Duration	(g) Remarks (Gaps, issues, etc)
1. Receipt of Request For Inspection (RFI) from Warehousing And Logistic Division (WALD)	<ol style="list-style-type: none"> <li>The PMO (RI) receives RFI and its supporting documents; and</li> <li>The PMO (RI) Check completeness of attachment.</li> </ol>	<ol style="list-style-type: none"> <li>PMO (Receiving Inspector)</li> </ol>	<ol style="list-style-type: none"> <li>RFI document</li> <li>Purchase Order (PO)-from supplier</li> <li>Supplier's DR (SDR)</li> </ol>	<ol style="list-style-type: none"> <li><b>Stamped received</b> RFI documents and its supporting documents from 1 (d)</li> </ol>	5 minutes	<ol style="list-style-type: none"> <li>Incomplete attachments</li> <li>The PMO (RI) might deprioritize RFI by not receiving it on time.</li> <li>Delayed endorsement of RFIs to the Chief Inspection Division (ID)</li> </ol>
2. Assignment of RFIs to Inspectors	<ol style="list-style-type: none"> <li>The Chief, ID assigns RFIs to the PMO (AI)</li> </ol>	<ol style="list-style-type: none"> <li>Chief, Inspection Division</li> <li>PMO Assigned Inspector (AI)</li> </ol>	<ol style="list-style-type: none"> <li><b>Stamped received</b> RFI documents &amp; its supporting documents from 1 (d)</li> </ol>	<ol style="list-style-type: none"> <li>Stamped received RFI documents and its supporting documents from 1 (d) <b>with marginal note</b></li> </ol>	5 minutes	<ol style="list-style-type: none"> <li>Lack of technical proficiency of PMO (Assigned Inspector) to conduct CSE inspections;</li> <li>Unequal distribution (Criteria) of assignment;</li> <li>Collusion between Chief ID and PMO- Inspector; and</li> <li>Too much inspection tasks coverage of each PMO</li> </ol>



<p>3. Conduct Inspections of CSEs</p>	<p>1. The PMO (AI) upon receipt of RFI, check the following documents as to completeness and authenticity:</p> <p>a. Purchase Order (PO)/Contract or their equivalent- determine completeness as to date, number, name and address of supplier, suppliers acknowledgement of receipt of order including date of receipt, nature and place of delivery, quantity, complete specifications of the item/s, unit price, and approval of the Head of the Agency (HoA) &amp;/or Authorized representatives.<sup>1</sup></p> <p>b. Supplier's Delivery Receipt (DR)-</p> <ul style="list-style-type: none"> <li>• Check all data contained therein.</li> <li>• Note all data contained therein. It should conform with those on the order/contract; and</li> <li>• Note the "RECEIVED" portion. Receipt and date of receipt of item/s delivered should be duly acknowledged by the WALD Staff.</li> </ul> <p>2. The PMO (AI) proceed to delivery site and conduct testing and testing procedures<sup>2</sup></p> <p>3. If the goods, is subject to third party testing by Government Accredited Testing Center/s (GATC/s)</p> <ul style="list-style-type: none"> <li>• Determine if the Supplier paid the testing fees to the GATC/s);</li> <li>• The PMO (AI) submits sample to GATC/s; and</li> <li>• The PMO (AI) &amp; /or the designated driver get the report from the GATCs</li> </ul>	<p>PMO (Assigned Inspector)</p>	<p>1. Stamped received RFI documents and its supporting documents from <b>1 (d) with marginal note</b></p> <p>2. Bid Bulletin, Bid Docs and Technical Evaluation Report from BAC Secretariat</p>	<p>1. Inspection and Evaluation Report (IER)-manual entry [hand-written by PMO (AI)]</p> <p>2. Certification/Reports from GATC/s</p>	<p>If not subject to GATC/s:</p> <ul style="list-style-type: none"> <li>• 30 minutes to 1 hour (depending on the item/s to be inspected)</li> </ul> <p>If subject to GATC/s:</p> <ul style="list-style-type: none"> <li>• 15 CDs- 30 CDs depending on the absorptive capacity of the testing centers</li> </ul>	<p>a. Non-reporting of non-conformance of goods delivered despite the conduct of two inspections;</p> <p>b. Possible collusion between PMO (AI) with the Supplier ;</p> <ul style="list-style-type: none"> <li>• Non-reporting of negative finding on goods inspected by the PMO (AI);</li> <li>• Ask immediate product substitution to the involved supplier ;</li> <li>• Putting "PASSED" rating to the goods inspected even if did not really passed the specs requirements of DBM-PS;</li> <li>• Prioritize inspection of goods delivered even if it was received later than other CSEs that needs to be inspected first.</li> </ul> <p>c. Possible collusion between Chief ID and Supplier by:</p> <ul style="list-style-type: none"> <li>• Reversal of finding of PMO (AI);</li> <li>• Allows retesting of item/s even if did not passed the allowable testing limit, and</li> <li>• Let the supplier influence their decision on the tested CSE/s</li> </ul> <p>d. Expired test report/results</p>
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<sup>1</sup>Ibid.

<sup>2</sup>Page 44, General Procedure in Conducting Inspection, Training Handbook on Property & Supply Management System, COA-PDO, June 2011

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<p>4. Prepares inspection Reports</p>	<p>a. The PMO (AI) process IER</p> <p>a.1. If the CSE delivered PASSED the inspections:</p> <ul style="list-style-type: none"> <li>• The PMO (AI) encode the results in the FACT system for recording and printing of pro-forma ICAR;             <ul style="list-style-type: none"> <li>○ Partial delivery, ICAR copy for file;</li> <li>○ Complete delivery, ICAR copy for submission to CD</li> </ul> </li> <li>• The PMO (AI) forward ICAR to Chief, ID for review and approval;</li> <li>• The PMO (AI) prepares document checklists for approval of Chief, ID;</li> <li>• The PMO (AI) endorse document Checklist to PMO (RI);</li> <li>• The PMO (RI) scan/&amp; orphotocopy docs for centralize archiving purposes.</li> <li>• The PMO (RI) submits complete document checklists to Comptroller Division (CD) for payment processing.</li> </ul> <p>a.2. If the CSE delivered DID NOT PASSED the inspections:</p> <ul style="list-style-type: none"> <li>• The PMO (AI) prepares Discrepancy/Rejection Notice (RN);</li> <li>• The PMO (AI) submits RN to Chief, ID for review and endorsement to Director of OG for approval;</li> <li>• The PMO (RI) sends approved RN to Supplier</li> </ul>	<p>PMO (AI) Chief, ID Director-OG PMO (RI)</p>	<ol style="list-style-type: none"> <li>1. Inspection and Evaluation Report (IER)-manual entry [hand-written by PMO (AI)]</li> <li>2. Certification/Reports from GATC/s</li> <li>3. Stamped received RS, RFI documents and its supporting documents from <b>1 (d) with marginal note</b></li> </ol>	<ol style="list-style-type: none"> <li>1. Final IER for submission to Chief, ID</li> <li>2. Printed and signed/approved Inspection Certification and Acceptance Report (ICAR) with auto-generated control number</li> <li>3. Complete document checklists</li> <li>4. Approved Rejection Notice by the OG-Director</li> </ol>	<p>2hour (120 minutes)-maximum</p> <p>20 minutes</p>	<ol style="list-style-type: none"> <li>a. Delayed processing of IER&amp; ICAR</li> <li>b. Encoding error in terms of quantity and price</li> <li>c. Final IER and ICAR report does not match to the actual inspection results</li> <li>d. Illegal Alteration of IER/ICAR reports</li> <li>e. Unsigned IER/ICAR</li> <li>f. Unverified inspections reports</li> <li>g. Issuance of bogus inspection reports to reflect non-existence of delivered CSEs (ghost delivery)</li> <li>h. Missing documents</li> <li>i. Possible collusion of PMO (RI/AI) &amp; Chief, ID with favored supplier by prioritizing the release of document checklists to fast track payment processing</li> <li>j. Delayed release of RN;</li> <li>k. Possible under the table negotiation between PMO (AI) &amp;/or Chief, ID to supplier</li> <li>l. Reversal of negative finding on the basis of "Request for Reconsideration" received from the supplier, even if there are no justifiable reasons to do so.</li> </ol>
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<p>5. Preparation and Issuance of Rejection Notice (RN)</p>	<ol style="list-style-type: none"> <li>Based on the results of testing/inspection, the PMO (AI) shall prepare RN;</li> <li>The PMO (AI) submits the Draft RN to Chief, ID for review and initial;</li> <li>The Chief, ID after review and initial, endorse the RN to OIC-Director, OG;</li> <li>The PMO (RI) upon receipt of Approved RN, record the RN in the logbook and make 2 duplicate copies (i.e 1st copy-for file , 2<sup>nd</sup> copy-for PD); of RN ;</li> <li>The PMO (RI) send copy of RN to supplier via facsimile transceiver, e-mail or PhilPost (if necessary);</li> </ol>	<ol style="list-style-type: none"> <li>PMO (AI)</li> <li>Chief, ID</li> </ol>	<ol style="list-style-type: none"> <li>Inspection and Evaluation Report (IER)-manual entry [hand-written by PMO (AI)]</li> <li>Certification/Reports from GATC/s</li> <li>Stamped received RS, RFI documents and its supporting documents from <b>1 (d) with marginal note</b></li> </ol>	<ol style="list-style-type: none"> <li>Approved RN by Director OG</li> </ol>	<p>10 mins</p>	<ol style="list-style-type: none"> <li>Delayed release of RN;</li> <li>Possible under the table negotiation between PMO (AI) &amp;/or Chief, ID to supplier</li> <li>Reversal of negative finding on the basis of "Request for Reconsideration" received from the supplier, even if there are no justifiable reasons to do so.</li> </ol>
<p>6. Resolution of Supplier's Appeal for Issued RN</p>	<ol style="list-style-type: none"> <li>The PMO (RI) receives Letter of Appeal (LoA) from the Supplier endorsed by OIC-Director, OG;</li> <li>The PMO (RI) endorse the LoA to the Chief, ID;</li> <li>The Chief, ID arrange collaborative engagement meeting with the PMO (AI) and the OIC-Director, OG to discuss the LoA;             <ol style="list-style-type: none"> <li>If the LoA is not valid per appreciation of the team, the Chief, ID issues rejection letter (RL), signed by OIC-Director, OG;</li> <li>If the LoA is valid, issues concurrence letter (CL) to re-test the CSEs;</li> </ol> </li> <li>The PMO (RI) sends letter to supplier per directives of Chief, ID. <u>Re-tests results after issuance of CL:</u> <ol style="list-style-type: none"> <li>If the re-tests fails, issues total rejections of deliveries, and ask for replacement of new items;</li> <li>When, the new items still fails the testing criteria, endorse the results to OIC-Director, OG for Cancellation of Contract &amp;/or blacklisting.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>PMO (RI)</li> <li>PMO (AI)</li> <li>Chief, ID</li> <li>OIC-Director, OG</li> </ol>	<ol style="list-style-type: none"> <li>Letter of Appeal (LoA) requesting for reconsideration from Supplier/Vendor</li> <li>Rejection Notice and its supporting documents</li> </ol>	<ol style="list-style-type: none"> <li>Concurrence letter from OIC-Director, OG</li> <li>Clearance for re-test</li> </ol>		<ol style="list-style-type: none"> <li>Possible under the table negotiation by and between             <ul style="list-style-type: none"> <li>PMO (AI) &amp; Supplier</li> <li>Chief, ID &amp; Supplier</li> <li>Director &amp; Supplier</li> </ul> </li> <li>Reversal of negative finding on the basis of "Request for Reconsideration" received from the supplier, even if there are no justifiable reasons to do so.</li> <li>Delayed release of CL</li> <li>Unjustified waiver on lifting of Liquidated Damages (LD)</li> </ol>



Office/Bureau/Unit : Operations' Group  
Process (2) : Processing of CSEs Stock Issuance: Pick-Up/Fast lane and Delivery(i.e In House, Thru 3<sup>rd</sup> Party Logistic Provider, and Direct Delivery)  
Process owner(s) : Warehouse and Logistics Division (WALD)

(a) Step/s	(b) Description of the Steps	(c) Accountable Officer/Staff	(d) Inputs Needed (incoming documents)	(e) Output/s (Outgoing documents)	(f) Duration	(g) Remarks (Gaps, issues, etc...)
1. CSEs Stock Issuance-Pick-Up/Fast Lane	<p><u>WALD Office (New Bldg.)</u></p> <ol style="list-style-type: none"> <li>The AA IV (IMCS) receives copy of APR from MASD;</li> <li>The AA IV (IMCS) check the existence &amp; completeness of Sales Order (SO/APR) in the system;</li> <li>The AA IV (IMCS) Checks stocks availability thru the system;</li> <li>The AA IV (IMCS) thru FACT system prepares Advance Pick-lists Form (APF), which will be printed automatically in the assigned Bodega ;</li> <li>The AA IV print DR thru FACT system using pro-forma template with auto-generated control numbers;</li> <li>The AA IV forward DR to the PMO (Asst DC-WALD) for validation;</li> <li>The PMO (ADC-WALD) endorse the DR to the Chief, WALD for signature; and</li> <li>The AA IV release the approved DR to MASD</li> </ol> <p><u>Warehouse/Bodega (Old Bldg.)</u></p> <ol style="list-style-type: none"> <li>The Storekeeper receives DR from the client agency;</li> <li>The Storekeeper consolidates and gathers stocks to central staging /releasing area (Gate 2);</li> <li>The Storekeeper &amp; client-agency representative checks quantity, description and conditions of items' for pick-up vs items listed simultaneously;</li> <li>The Storekeeper release item/s to client government agency; and</li> <li>The Storekeeper updates stock cards for the items issued for recording purposes.</li> </ol>	<ol style="list-style-type: none"> <li>AA IV (Inventory Management and Control Staff-IMCS)</li> <li>PMO (IMCS)</li> <li>PMO (Asst DC-WALD)</li> <li>Chief, WALD</li> <li>Storekeeper (Warehousemen/Logistics/Checker)</li> </ol>	<ol style="list-style-type: none"> <li>Duly signed, paid and accomplished Agency Procurement Request (APR)</li> <li>Encoded SO in the FACT system</li> <li>Signed PS Delivery Receipt (DR)</li> <li>Advance Pick-lists Form (APF)</li> </ol>	<ol style="list-style-type: none"> <li>Signed PS Delivery Receipt (DR)</li> <li>Advance Pick-lists Form (APF)</li> <li>Verified Sales Order (SO) Picklist DR with signed received by Client Government Agency</li> <li>Updated Stock Card</li> </ol>	<p>15 minutes</p> <p>35 minutes(Maximum)- simultaneous</p>	<ol style="list-style-type: none"> <li>Error in encoding APR/SO in the system (i.e incomplete entry, wrong items)</li> <li>Items ordered is not indicated in the submitted APP;</li> <li>Double processing of SO;</li> <li>APR might be processed without corresponding payment and/or with deficiency;</li> <li>Delayed processing of DRs;</li> <li>Error on stock issuance (i.e size, quantity);</li> <li>Pilferages, due to stock mismanagement;</li> <li>Delayed issuance of stocks;</li> <li>Outdated stock cards</li> <li>Possible collusion between WALD Storekeeper and gov't agency, thru replacement of damage items due to the fault of the end-user with new ones from DBM-PS bodega.</li> </ol>



<p>2. CSEs Stock Issuance-For Delivery(In-House)</p>	<p><u>WALD Office (New Bldg.)</u></p> <ol style="list-style-type: none"> <li>The AA IV (IMCS) receives copy of APR from MASD;</li> <li>The AA IV (IMCS) check the existence &amp; completeness of Sales Order (SO/APR) in the system;</li> <li>The AA IV (IMCS) Checks stocks availability thru the system;</li> <li>The AA IV print DR thru FACT system using pro-forma template with auto-generated control numbers;</li> <li>The AA IV forward the DRs in batches to the PMO (Asst DC-WALD) for validation;</li> <li>The PMO (ADC-WALD)endorse the DR to Chief, WALD for signature; and</li> <li>The AA IV (IMCS) releases the DRs in batches to theWALD Storekeeper</li> </ol> <p><u>Warehouse/Bodega (Old Bldg.)</u></p> <ol style="list-style-type: none"> <li>The Storekeeper receives DRs from the PMO (IMCS) in batches;</li> <li>The Storekeeper sorts the DRs per location/area of delivery;</li> <li>The Storekeeper print pick lists (3 Bodega) for stock picking/consolidation ;</li> <li>The Storekeeper checks the actual availability of items ordered in the bodega;</li> <li>The Storekeeper notify client agency thru telephone calls on the forthcoming delivery and encode the schedule of delivery to FACT System;</li> <li>The Storekeeper consolidates and gathers stocks to central staging area;</li> <li>The Storekeeper checks quantity, description and conditions of items' for delivery vs printed DR/s;</li> <li>The Storekeeper release the item/s to the Warehouse delivery man; and</li> <li>The Storekeeper updates stock cards for the items issued for recording purposes.</li> </ol>	<ol style="list-style-type: none"> <li>AA IV (Inventory Management and Control Staff-IMCS)</li> <li>PMO (Asst DC-WALD)</li> <li>Chief, WALD</li> <li>Storekeeper (Warehousemen/Checker)</li> <li>Warehouse Delivery Man</li> </ol>	<ol style="list-style-type: none"> <li>Service Request Form</li> <li>Duly signed, paid and accomplished Agency Procurement Request (APR)</li> <li>Encoded SO in the FACT system</li> <li>Signed PS Delivery Receipt (DR)</li> </ol>	<ol style="list-style-type: none"> <li>Signed PS Delivery Receipt (DR)</li> <li>Verified Sales Order (SO)</li> <li>Updated Stock Card</li> <li>Consolidated delivery route per location</li> </ol>	<ul style="list-style-type: none"> <li>15 minutes</li> <li>35 minutes</li> </ul> <p><u>Delivery Timeline:</u></p> <ul style="list-style-type: none"> <li>Within 5 days for Metro Manila and Luzon depot clients</li> <li>Within 10 days for Visayas and Mindanao area.</li> </ul>	<ol style="list-style-type: none"> <li>Error in encoding APR/SO in the system (i.e incomplete entry, wrong items)</li> <li>Items ordered is not indicated in the submitted APP;</li> <li>Double processing of SO;</li> <li>APR might be processed without corresponding payment and/or with deficiency;</li> <li>Delayed processing of DRs;</li> <li>Error on stock issuance (i.e size, quantity);</li> <li>Possible pilferages, due to error on stock handling;</li> <li>Delayed issuance of stocks;</li> <li>Outdated stock cards;</li> <li>Delayed delivery of DBM-PS delivery man;</li> <li>Possible favoritism in assigning delivery man to handle deliveries of stocks for regional requirements</li> <li>Costly delivery to regions (i.e the DBM-PS delivery will return to Manila without loads)</li> </ol>
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<p>6. CSEs Stock Issuance-For Delivery (Thru 3<sup>rd</sup> Party Logistic Forwarder )</p>	<p><u>WALD Office (New Bldg.)</u></p> <ol style="list-style-type: none"> <li>1. The AA IV (IMCS) receives copy of APR from MASD;</li> <li>2. The AA IV (IMCS) check the existence &amp; completeness of Sales Order (SO/APR) in the system;</li> <li>3. The AA IV (IMCS) Checks stocks availability thru the system;</li> <li>4. The AA IV (IMCS) thru FACT system prepares Advance Pick-lists Form (APF), which will be printed automatically in the assigned Bodega ;</li> <li>5. The AA IV print DR thru FACT system using pro-forma template with auto-generated control numbers;</li> <li>6. The AA IV forward the DRs in batches to the PMO (Asst DC-WALD) for validation;</li> <li>7. The PMO (ADC-WALD) endorse the DR to Chief, WALD for signature; and</li> <li>8. The AA IV (IMCS) releases the DRs in batches to the WALD Storekeeper</li> </ol> <p><u>Warehouse/Bodega (Old Bldg.)</u></p> <ol style="list-style-type: none"> <li>9. The Storekeeper receives DRs from the the PMO (IMCS) in batches;</li> <li>10. The Storekeeper sorts the DRs per location/ area of delivery;</li> <li>11. The Storekeeper checks the actual availability of items ordered;</li> <li>12. Consolidates and gathers stocks to central staging area;</li> <li>13. Checks quantity, description and conditions of items' for delivery vs printed DR/s; and</li> <li>14. Release/Issues the item/s to freight service provider; and</li> <li>15. Updates stock cards for the items issued</li> </ol> <p><u>Authorized Logistic Providers for DBM-PS 2018:</u></p> <ul style="list-style-type: none"> <li>• PhilPost-Metro Manila (4-7 drop-off points only)</li> <li>• Depot-LBC (Luzon, Visayas, &amp;Mindanao)</li> </ul>	<ol style="list-style-type: none"> <li>1. AA IV (Inventory Management and Control Staff-IMCS)</li> <li>2. AA III (for validation)</li> <li>3. PMO (Asst DC-WALD)</li> <li>4. Chief, WALD</li>   <li>5. Storekeeper (Warehousemen/Checker)</li> </ol>	<ol style="list-style-type: none"> <li>1. Duly signed, paid and accomplished Agency Procurement Request (APR)</li> <li>2. Encoded SO in the FACT system</li>   <li>1. Signed PS Delivery Receipt (DR)</li> <li>2. Notice of Delivery (NOD) to 3<sup>rd</sup> Party</li> </ol>	<ol style="list-style-type: none"> <li>1. Signed PS Delivery Receipt (DR)</li> <li>2. Verified Sales Order (SO) Picklist</li> <li>3. Confirmed NOD (w/in 48hrs) by freight service provider</li> <li>4. Updated Stock Card</li> </ol>	<ul style="list-style-type: none"> <li>• 15 minutes</li>   <li>• 35 minutes</li> </ul> <p><u>Delivery Timeline:</u></p> <ul style="list-style-type: none"> <li>• Within <b>5 days</b> for Metro Manila and Luzon depot clients</li> <li>• Within 10 days for Visayas and Mindanao area.</li> </ul>	<ol style="list-style-type: none"> <li>1. Error in encoding APR/SO in the system (i.e incomplete entry, wrong items)</li> <li>2. Items ordered is not indicated in the submitted APP;</li> <li>3. Double processing of SO;</li> <li>4. APR might be processed without corresponding payment and/or with deficiency;</li> <li>5. Delayed processing of DRs;</li> <li>6. Error on stock issuance (i.e size, quantity);</li> <li>7. Possible pilferages, due to error on stock handling;</li> <li>8. Delayed issuance of stocks;</li> <li>9. Outdated stock cards;</li> <li>10. Delayed delivery of freight service provider;</li> <li>11. Over-charging of Freight cost by the Forwarding Services;</li> <li>12. Failure in monitoring and evaluation of outbound delivery thus, resulted to non-recovery of costs spent to regions.</li> </ol>
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<p>6. CSEs Stock Issuance Thru-Direct Delivery</p>	<p><u>WALD Office (New Bldg.)</u> <u>Receiving of Requests from MASD:</u></p> <ol style="list-style-type: none"> <li>The AA IV (IMCS) receives copy of APR from MASD with attached request for Direct Delivery;</li> <li>The AA IV (IMCS) checks stocks availability thru coordination with Procurement Division (PD);</li> <li>The AA IV (IMCS) endorse the requests/ documents to Procurement Division (PD) in-charge of handling CSE items;</li> </ol> <p><u>Receiving of Docs from PD:</u></p> <ol style="list-style-type: none"> <li>The AA IV (IMCS) receives approved/signed Notice to Deliver from PD;</li> <li>The AA IV (IMCS) prepares Request for Inspection (RFI);</li> <li>The AA IV (IMCS) endorse RFI and its attachments;</li> </ol> <p><u>DR generation based on the ICAR/IER &amp; Actual Delivery of CSEs</u></p> <ol style="list-style-type: none"> <li>Prepares PS DR based on the actual receipts of items delivered to the end-user agency</li> </ol>	<ol style="list-style-type: none"> <li>PMO (IMCS)</li> <li>PMO (PD)</li> <li>PMO (RI)</li> </ol>	<ol style="list-style-type: none"> <li>Duly signed, paid and accomplished Agency Procurement Request (APR)</li> <li>Request for Direct Delivery from MASD</li> <li>RFI</li> <li>ICAR/IER</li> <li>Supplier's DR</li> <li>Inspection and Acceptance Report from end-user agency/ CGA</li> </ol>	<ol style="list-style-type: none"> <li>Signed PS Delivery Receipt (DR)</li> <li>Confirmed Request for Direct Delivery</li> <li>Approved/Notice to Deliver from PD</li> <li>Approved RFI</li> <li>Signed PS DR with client acceptance</li> </ol>	<p>15 minutes</p> <p>5 minutes</p>	<ol style="list-style-type: none"> <li>Deprioritization of MASD's request</li> <li>Insufficient stocks to cover clients' request</li> <li>Delayed release of ND from PD</li> <li>Double issuance of DR</li> <li>Unrecorded Sales of CSEs from DD due to delayed reporting of DRs</li> <li>Non-conformance of actual goods delivered to CGA</li> <li>Possible collusion of suppliers' with end-user agency, thru: <ul style="list-style-type: none"> <li>Acceptance of items even if it did not PASSED the inspection;</li> <li>Acceptance of non-existence CSEs</li> </ul> </li> </ol>
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II. Office/Bureau/Unit : Administrative and Finance Group (AFG)  
Process (3) : Processing of Payment to Supplier's of CSEs  
Process owner (s) : Comptroller Division

(a) Step/s	(b) Description of the Steps	(c) Accountable Officer/Staff	(d) Inputs needed (incoming documents)	(e) Outputs (Outgoing documents)	(f) Duration	(g) Remarks (Gaps, issues and flaws)
a. Receiving documents of	<p>A. <i>Document/s transmittal from Procurement Division/s:</i></p> <ol style="list-style-type: none"> <li>The AO (RO) receives documents (docs) from PMO (PD);</li> <li>The AO (RO) checks the completeness of docs based on the attached checklists;</li> <li>The AO (RO) put the RS/Checklist in the document dater and signed the docs received;</li> <li>The AO (RO) returns the receiving copy to the PMO (PD);</li> <li>The AO (RO) put the received documents in the Supplier's file box.</li> <li>The AO (RO) shall wait the Inspection Certification and Acceptance Report/s (ICAR) from ID before the docs of CSE for payment will be endorsed to the A/P-P processor/s;</li> </ol> <p>B. <i>Document/s transmittal from Inspection Division:</i></p> <ol style="list-style-type: none"> <li>The AO (RO) receives documents (docs) from PMO (RO-ID);</li> <li>The AO (RO) checks the completeness of docs based on the attached checklists;</li> <li>The AO (RO) put the RS/Checklist in the document dater and signed the docs received;</li> <li>The AO (RO) returns the receiving copy to the PMO</li> </ol>	<ol style="list-style-type: none"> <li>Administrative Officer (Receiving/Rel easing Officer)</li> <li>PMO (PD)</li> <li>PMO (RO-ID)</li> <li>Chief, Comptroller Division</li> </ol>	<ol style="list-style-type: none"> <li>PD Routing Slip (RS)</li> <li>Checklist of documents</li> <li>ICAR</li> <li>Purchase Order (PO)</li> <li>Supplier's Invoice</li> <li>Supplier's Delivery Receipt</li> <li>Bank Guarantee (in lieu of 1% warranty retention)</li> <li>COA Transmittal with Stamped Received</li> </ol>	<ol style="list-style-type: none"> <li>PD and ID receiving copy of transmittals with stamped received of Comptroller Division: (RS and Checklists of documents)</li> </ol>	5-10 minutes per RS with Checklist transmittal	<p>For A &amp; B:</p> <ol style="list-style-type: none"> <li>Delayed receipt of docs checklist from PDs, ID &amp; Supplier/s;</li> <li>Depriorization of receipt of documents ;</li> <li>Disorganized filing system, thus resulted to missing files;</li> <li>Delayed endorsement of docs to concerned AO (processors)</li> <li>Possible collusions between AO (A/P-P) and Supplier/s, thru prioritization of their claims instead of practicing first-in, first-out scheme on payment releases.</li> </ol>



	<p>(RO-ID);</p> <p>5. The AO (RO) put the received documents in the Supplier's file box on where the transmittals of PMO (PD) are filed; and</p> <p>6. The AO (RO) endorsed the complete sets of CSE docs for payment to the A/P-P processor/s.</p> <p>C. <i>Document/s transmittal from Vendor/Supplier:</i></p> <p>1. The AO (RO) receives Sales Invoice (SI) from Vendor's representative/s ;</p> <p>2. The AO (RO) checks if the docs from PD and ID pertaining to the SI was already in there custody;</p> <p style="padding-left: 20px;">a. If YES, put it in the for processing box;</p> <p style="padding-left: 20px;">b. If NO, do not accept the SI refer it to the ID for verification of transactions</p> <p>3. The AO (RO) put the RS/Checklist in the document dater and signed the docs received;</p> <p>4. The AO (RO) returns the receiving copy to the PMO (RO-ID);</p> <p>5. The AO (RO) put the received documents in the Supplier's file box on where the transmittals of PMO (PD) are filed; and</p> <p>6. The AO (RO) endorsed the complete sets of CSE docs for payment to the A/P-P processor/s.</p>				5-10 mins	<p>C.</p> <p>1. Possible collusion between AO (RO) and Supplier;</p> <p>2. Possible official bribery, wherein the involved processors, AO (RO), &amp;/or officials involved in the payment processing will ask the vendor for a favor (i.eto purchase goodies offered by the government employees, ask for bribe or something for his/her own benefits) contrary to RA 6713 and other related laws and regulations;</p> <p>3. Delayed processing of payment request.</p>
<p><b>b. Evaluation of documents</b></p>	<p>1. The AO (RO) endorse the docs for payment to AO (A/P-P) in-charge;</p> <p>2. The AO (A/P-P) upon receipt of documents for processing,</p>	<p>1. Administrative Officer (A/P-Processor)</p> <p>2. Administrative</p>	<p>1. PD Routing Slip (RS)</p> <p>2. Checklist of documents</p> <p>3. ICAR</p> <p>4. Purchase Order (PO)</p> <p>5. Supplier's Invoice</p>	<p>1. Evaluated and checked supporting documents</p>	<p>15 minutes Per ICAR</p>	<p>1. Lack of proficiency of AO (A/P-P) in DV processing</p> <p>2. Delayed processing of payment;</p> <p>3. Possible collusion between AO (A/P-P)</p>



	<p>evaluate the documents based on the attached checklists &amp; its supporting documents;</p> <p>3. The AO (A/P-P) put the complete docs in the "for processing tray";</p> <p>4. If the docs is incomplete, the AO (A/P-P) notify the concerns division/s for the additional docs, to be submitted within 1 CD;</p>	Officer (Receiving/Releasing Officer)	<p>6. Supplier's Delivery Receipt</p> <p>7. Bank Guarantee (in lieu of 1% warranty retention)</p> <p>8. COA Transmittal with Stamped Received</p>	(Item d.1-8)		<p>processor and supplier:</p> <p>a. AO (A/P-P) prioritize processing of DV of favored supplier;</p> <p>b. Removal of sanctions/penalties (i.e Liquidated Damages)</p> <p>4. Evaluate docs and put it in the "for processing file" even if the documents are incomplete.</p>
<p>c. Processing of Disbursement Voucher (Input to FACT system and Updating of Index of payment)</p>	<p>1. The AO (A/P-P) prepares DV based on the evaluated documents using the FACT System;</p> <p>2. The AO (A/P-) encode the information required;</p> <p>3. The AO (A/P-P) prints DV Template using FACT system; <i>If Manually prepared DV (w/ho FACT System Entry:</i> 3.1. The AO (A/P-P) prepares Manual DV including Journal Entry Voucher (JEV) thru MS Excel;</p> <p>4. The AO (A/P-P) posts the supplier's transaction thru MS Excel to A/P Index of Payments;</p> <p>5. The AO (A/P-P) endorse the sets of DV to AO (Checker) for checking as to propriety of claims;</p> <p>6. The AO (Checker) checks DV and its supporting docs; and</p> <p>7. The AO (Checker) endorse the DV to Chief, CD for signature as to certification of cash availability;</p>	<p>1. AO (A/P-P)</p> <p>2. AO (Checker)</p>	<p>1. Evaluated and checked supporting documents (Item b.d.1-8)</p>	<p>1. Disbursement Voucher-generated thru FACT System</p> <p>2. Validated/Evaluated Supporting documents</p> <p>3. Index of Payment</p>	<p>15 minutes-30 minutes per transactions</p>	<p>1. Error in processing payment of CSEs.</p> <p>2. Lack of proficiency of AO (A/P-P) in DV processing.</p> <p>3. Delayed processing of payment.</p> <p>4. Possible collusion between AO (A/P-P) processor and supplier:</p> <p>a. AO (A/P-P) prioritize processing of DV of favored supplier;</p> <p>b. Removal of sanctions/penalties (i.e Liquidated Damages)</p>



<p><b>d. Signature of the Chief Accountant to Disbursement Voucher (DV)</b></p>	<ol style="list-style-type: none"> <li>1. The Chief, CD upon receipt of docs from the AO (Checker) verify the propriety of claims based on the processed DV;</li> <li>2. The Chief, CD signed the DV to certify as to Cash Availability;</li> <li>3. The Chief, CD released the DV to Treasury Division thru AO (RO) for Check preparation and approval of payment;</li> </ol>	<ol style="list-style-type: none"> <li>1. Chief Accountant</li> <li>2. Administrative Officer (Receiving/Rel easing Officer)</li> </ol>	<ol style="list-style-type: none"> <li>1. Disbursement Voucher and supporting documents</li> <li>2. FACT entries</li> <li>3. Index of Payment</li> </ol>	<ol style="list-style-type: none"> <li>1. Signed Disbursement Voucher and supporting documents</li> <li>2. FACT entries</li> <li>3. Index of Payment (release to Treasury)</li> </ol>	<p>15-30 minutes</p>	<ol style="list-style-type: none"> <li>1. Delayed release of DV to Treasury Division;</li> <li>2. The Chief, CD might approved DV/s even if the docs is incomplete due to pressures from some stakeholders;</li> <li>3. There is a possibility that DV will be approved by the Chief, Comptroller Division which is over and/or understated due to error in the computation of Liquidated Damages (LD);</li> <li>4. There is a possibility of double payment/s, wherein the docs used are not original and/or certified true copy;</li> </ol>
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**CONCURRED BY:**

**IMC Members**

(Resigned)  
MR. ROMMEL D. RIVERA  
OIC-Director, AFG

(Resigned)  
MS. LAARNI U. TESTOR  
Chief, Treasury Division

**SIGNATURE REDACTED**  
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OIC-Director, PG-1  
(Concurrent, AFG-OIC, Director)

(Retired)  
MS. FLERIDA G. ARIAS  
OIC-Director, OG

(Deceased)  
MR. SIXTO ANTONIO, JR.  
Chief, CPRD

**SIGNATURE REDACTED**  
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Rank and File Representative

(To be identified by the IMC)  
CSO Representative

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Chief, Internal Audit Division  
(IMC, Member/OIC-Procurement Division VII, Concurrent IMC Secretariat)

**SIGNATURE REDACTED**  
MS. ROSA MARIA M. CLEMENTE  
OIC-Deputy Executive Director, PhilGEPS  
Vice-Chairperson

**SIGNATURE REDACTED**  
MS. BINGLE B. GUTIERREZ  
Executive Director  
Chairperson