



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

April 25, 2008

CUSTOMS MEMORANDUM ORDER
NO. 23-2008

TO: All Bureau Officials and Employees

SUBJECT: Effective Management of the Bureau of Customs Integrity Action Plan

I. Objectives:

1. To provide guidelines and procedures in the effective management of the Bureau's Integrity Action Plan.
2. To comply with Strategic Action No. 7 of Goal No. 2 of the BOC Strategic Plan for 2008-2012 (Continue the implementation of the Customs Anti-corruption Plan).
3. To institute better accountability and responsibility in the accomplishment of activities, programs and projects.

II. Bureau of Customs Integrity Action Plan (BOC-IAP)

The Customs Anti-Corruption Plan (CACAP) circulated per Memorandum of the Office of the Commissioner dated February 16, 2007 is hereby updated and renamed as the Bureau of Customs Integrity Action Plan (BOC-IAP), copy of which is hereto attached and shall form part of this Order until revised and/or amended.

The BOC-IAP which has been made more strategic and given a positive image is a holistic approach to improve the level of integrity and foster good governance by introducing programs, projects and activities that threads throughout the entirety of Customs Administration focusing on areas where enhancements/improvements have to be made such as cargo clearance procedures, automation, legislation, leadership, human resources, financial management, and external relationships, to name a few. The activities are clustered into three objectives of enhancing individual integrity, safeguarding the integrity of systems and interfacing with the external environment on integrity programs.

III. The Integrity Development Committee (IDC) and its functions:

The Integrity Development Committee initially created pursuant to CPO D-58-2006 amended by CPO-D-40-2007 shall continue to function as the primary mover of the Integrity Action Plan, however, shall be reconstituted as follows:

Chairman – Commissioner of Customs
Managing Chairman – Deputy Commissioner, Internal Administration Group
Members – President, Collector's Association of the Philippines
Representative, Bureau of Customs Employees Association
Representative, Office of the Commissioner
BOC Resident Ombudsman
President, Chamber of Customs Brokers, Inc.
All BOC Responsible Officials for each IAP Activity
Secretariat - Director, Administration Office and Selected Staff

A Customs Personnel Order shall be issued to implement the above composition.

The IDC shall perform the following functions:

1. To monitor the implementation of programs and projects in the BOC Integrity Action Plan, provide the necessary support and assistance to the Responsible Official/s and submit progress report to the BOC management, national anti-corruption bodies, regional and international organization and other interested stakeholders;
2. To review, evaluate and update the BOC-IAP programs and projects at least once a year or as often as necessary;
3. To continually identify systems, processes and procedures in the BOC that are vulnerable to corruption; proposed programs and projects to address the same for possible inclusion in the BOC-IAP; and
4. To serve as the focal group for all discussions and activities relating to anti-corruption measures in the Bureau.

IV. Reporting and Monitoring Guidelines:

1. Each Responsible Official named in the BOC-IAP shall form his/her own Working Team to plan and execute the detailed activities/actions required for his/her project. The initial detailed working plan, format hereto attached, shall be submitted by the Responsible Official to the IDC not later than May 30, 2008 and shall be updated as often as necessary.
2. The IDC shall conduct monthly meetings, preferably on the 2nd Tuesday of the month, to gather status reports based on the submitted detailed Working Plan and to discuss relevant issues, concerns and problems.
3. As far as practicable, the IDC meetings shall have the Commissioner in attendance even if the Managing Chairman shall chair the actual meetings and ensure compliance to all reportorial requirements.
4. Each Responsible Official shall strictly submit a Quarterly Accomplishment Report, which are due on the following dates:
 - First Quarter, covering Jan-March by April 15
 - Second Quarter, covering April-June by July 15
 - Third Quarter, covering July-September by October 15
 - Fourth Quarter, covering October-December by January 15
5. The IDC Secretariat shall be responsible for gathering and collating Quarterly Reports for submission to BOC management, national anti-corruption bodies, regional and international organization and other interested stakeholders.

V. Accountability and Effectivity

1. Each Responsible Official shall be held accountable and responsible to ensure accomplishment of his/her program/project/activity including the timely submission of required reports.
2. This Order shall take effect immediately.

NAPOLEON D. MORALES
Commissioner



BOC INTEGRITY ACTION PLAN (BOC-IAP)

DETAILED Work Program					
Cluster No. _____, Item No. _____ Title of the Project/Program _____					
DETAILED & SEQUENTIAL ACTIVITIES	OUTPUT	DURATION	COST, IF ANY	PERSON RESPONSIBLE	REMARKS

Submitted by:

NAME & SIGNATURE OF RESPONSIBLE OFFICIAL

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BUREAU OF CUSTOMS INTEGRITY ACTION PLAN (IAP)
 In support of the Bureau of Customs' 5-year Strategic Plan (2008-2012)

ITEM NO. / KEY ELEMENT	STRATEGIC GOAL	PROGRAM/PROJECT ACTIVITIES	TIME FRAME / COMPLETION DATE	VERIFIABLE PERFORMANCE INDICATORS	RESPONSIBLE OFFICIAL(S)	STATUS AS OF JUNE 2008
Cluster 1: Enhancing Individual Integrity						
1. Code of Conduct	Employee compliance with appropriate ethical behavior	<ol style="list-style-type: none"> Issuance of a revised Code of Conduct. <ol style="list-style-type: none"> Establish a multi-disciplinary work group to draft function-specific code. Clarify gifts policy, penalties and rewards, conflict of interest, complaint handling and whistleblowing Include a table of offenses and penalties Post the new Code of Conduct in the BOC website Ensure that all employees sign that they have received, read and understood the Code of Conduct <ol style="list-style-type: none"> Disciplinary action for all employees who do not sign Conduct orientation/workshop and seminars regarding the Code of Conduct. 	August 31, 2008 August 31, 2008 November 30, 2008 Within one month of non-compliance December 31, 2008	A code of conduct is put into effect Code of conduct posted on the website 100% of employees acknowledge receipt of the Code of Conduct and understand its contents Percentage of employees not disciplined within one month of compliance due date 100% of employees receiving orientation workshop and seminars	Dep Com Chavez	
2. Human Resource Management	Increase and rationalize the compensation and benefits of employees	<ol style="list-style-type: none"> Use the compensation benchmark study and other justifications to support bills exempting the BOC from the Salary Standardization Act Draft appropriate order(s) on overtime and non-monetary benefits, e.g. housing and scholarships similar to the Bureau of Immigration Study and identify actions to use non-traditional sources of funding e.g. user fees and charges 	December 31, 2008	Bill supported, order(s) drafted and sources identified	Dep Com Chavez	
3. Human Resource Management	Enhancement of HR Procedures on Reassignment, Designation, Recruitment, and Promotions	<ol style="list-style-type: none"> Amend CMO 37-2007 to incorporate rules on nepotism and conflict of interest. Develop a feedback mechanism to ensure that the policies, rules, and regulations as stated in the existing orders are strictly complied with. Initiate work measurement study to determine real and actual manpower requirements in sensitive divisions/offices as a priority to use as basis for deployment consideration. <ol style="list-style-type: none"> deployment or other action conducted 	May 31, 2008 June 30, 2008 June 30, 2008 3-4 months after study/test completed	Amended CMO issued. Feedback mechanism deployed. Work measurement study on priority sensitive areas initiated Deployment or other action(s) conducted within 4 months of study completion	Dep Com Chavez	

BUREAU OF CUSTOMS INTEGRITY ACTION PLAN (IAP)
 In support of the Bureau of Customs' 6-year Strategic Plan (2008-2012)

ITEM NO. / KEY ELEMENT	STRATEGIC GOAL	PROGRAM/PROJECT/ACTIVITIES	TIME FRAME / COMPLETION DATE	VERIFIABLE PERFORMANCE INDICATORS	RESPONSIBLE OFFICIAL(S)	STATUS AS OF JUNE 2008
4. Training	Institutionalize integrity training	1. Revise existing training modules to include integrity topics	June 30, 2008	Integrity topics incorporated in training modules	Dep Com Chavez / Libeth Bonifacio	
		2. Continue the conduct of integrity trainings, workshops, and seminars	June 30, 2008	Personnel trained on integrity		
		3. Initiate the conduct of the integrity program among Customs brokers and representatives in coordination with brokers' associations	June 30, 2008	Integrity training among brokers conducted		
		4. Develop and implement an evaluation system on the impact of integrity programs	December 31, 2008	System developed		
5. Internal Inquiry/ Affairs	Efficient investigation and disposition of cases	1. Demonstrate will to combat corruption by a dramatic increase in staff through detail, until other ways can be devised	June 30, 2008	At least ten personnel detailed to IPD	Dep Com Templo / Aily Samlanta	
		2. Develop a strategy to increase the personnel complement of Internal Inquiry and Prosecution Division as an alternative if the Rationalization Plan is not realized	September 30, 2008	Strategy developed		
		3. Recruit and train new staff with investigative skills from anticipated increases in staff	December 31, 2008	New staff recruited and trained		
		4. Conduct analysis to identify relevant and job-specific training needs that can be addressed by programs that are readily available	December 31, 2008	Training needs analysis conducted		
		5. Issue CAOs, CMOs, and manuals to strengthen systems and procedures including Internal Integrity	September 30, 2008	CAOs, CMOs, and manuals issued		
		6. Disengage the office from its IPK function in order to increase the focus on the Internal Affairs function	September 30, 2008	PK function disengaged from IPD		

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BUREAU OF CUSTOMS INTEGRITY ACTION PLAN (IAP)
 In support of the Bureau of Customs' 5-year Strategic Plan (2008-2012)

ITEM NO. / KEY ELEMENT	STRATEGIC GOAL	PROGRAM/PROJECT ACTIVITIES	TIME FRAME / COMPLETION DATE	VERIFIABLE PERFORMANCE INDICATORS	RESPONSIBLE OFFICIAL(S)	STATUS AS OF JUNE 2008
Cluster 2. Safeguarding the Integrity of Systems						
1. Integrity Action Plan	Effectively manage the Integrity Action Plan	Issue Customs Memorandum Order that will define the rules of procedures 1. Rename the CACP to "BOC Integrity Action Plan" 2. Specific sub-activities should be represented in separate work plans 3. Submission of timely and complete updates every quarter 4. Indication of reasons for no activity or timeframes not met in the update 5. Functions and responsibilities of the Integrity Development Council i. Commissioner chairs the IDC ii. Receipt by the secretariat of complete quarterly updates in a timely manner 6. Attachment of separate work plans and any deliverable products to the updates	Draft CMO: First Wednesday of April 2008 CMO issued: First Wednesday of May 2008	CMO signed by the Commissioner and circularized	Dep Com Chavez	
2. Corruption Risk Management	Address corruption vulnerable processes in sensitive parts/divisions/offices	1. Study, identify, and formulate a corruption risk management plan with the assistance of the Office of the Resident Ombudsman for these sensitive divisions/offices in selected ports and Headquarters including the following processes: a) risk identification (through risk assessment) b) risk sourcing (identifying the drivers or sources of risk) c) risk prioritization 2. Develop a system to implement and monitor the corruption risk management plan 3. Initiate monitoring	December 31, 2008 January 31, 2009 February 16, 2009	Corruption risk management plan formulated Implementation and monitoring system completed Monitoring system implemented	Dep Com Chavez	
3. Internal Control	Institutionalize reviews of customs procedures and activities to maintain integrity	1. Develop a strategy to make the Internal Control Office permanent as an alternative if the Rationalization plan is not realized. 2. Request for a budget for the Internal Control Office in the General Appropriations Act 3. Explore the possibility of an outside review of the content and scope of the Internal Control program 4. Conduct pilot and receive training on Internal Control Manuals for the following areas: Accreditation, Selectivity System, Import/Export Declaration, and Post entry Audit 5. Initiation of the first phase of the Internal Control Program 6. Expand the coverage of internal control/audit to all vulnerable areas with priority to financial management processes	June 30, 2008 March 31, 2008 September 30, 2008 September 30, 2008 October 1, 2008 Ongoing September 31, 2008	Strategy developed ICO Budget provided for 2009 ICO Manual reviewed and found acceptable Pilot tested, Training completed First phase initiated 100% coverage of all vulnerable areas	Dep Com Chavez/ Winara Cowie	

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BUREAU OF CUSTOMS INTEGRITY ACTION PLAN (IAP)
In support of the Bureau of Customs' 5-year Strategic Plan (2008-2012)

ITEM NO. / KEY ELEMENT	STRATEGIC GOAL	PROGRAM/PROJECT ACTIVITIES	TIME FRAME / COMPLETION DATE	VERIFIABLE PERFORMANCE INDICATORS	RESPONSIBLE OFFICIAL(S)	STATUS AS OF JUNE 2008
4. Reform and Modernization	Efficiency of Customs Processing	<ol style="list-style-type: none"> Draft Customs Modernization Bill in line with the Revised Kyoto Convention and other International Conventions Issue Customs rules and regulations in a codified manner and following the RKC structure Conduct orientation seminars and training of all ports on the new rules and regulations to ensure consistency of implementation Establish Compliance Center to monitor compliance with RKC Conduct periodic time release studies, assuming donor funding, to identify bottlenecks that can be eliminated and establish benchmarks quantifying the effects of changes to the process Develop and implement strategies in consultation with the brokerage community to minimize the direct contact between brokers and Customs Officers especially in the examination process with strict criteria for any exceptions by amending the appropriate provision of law. The strategy will also provide a process where resolution of disputes between examiners and brokers can be addressed 	<p>June 30, 2008</p> <p>September 30, 2008</p> <p>1-2 months after passage of bill</p> <p>1-2 months after passage of bill</p> <p>Ongoing</p> <p>Strategies developed by May 30, 2008</p> <p>Implementation by September 30, 2008</p>	<p>Bill submitted to Congress</p> <p>Rules finalized and issued</p> <p>Orientation seminars and training initiated</p> <p>Compliance Center established</p> <p>Time release studies initiated when major processing changes made</p> <p>Strategies developed</p> <p>Strategy implemented</p>	<p>Legal- Dep Com Umali</p> <p>Assessment - Dep. Comm. Nicolas</p> <p>IT- Dep. Comm Arevalo</p>	
5. Seizure Proceedings	Enhancement of seizure proceedings	<ol style="list-style-type: none"> Review and harmonize all regulations pertaining to seizures including strict compliance with regulatory period and sanctions on non-compliance Issue Rules of Procedures on seizure cases 	<p>May 30, 2008</p> <p>September 30, 2008</p>	<p>Regulations reviewed and harmonized</p> <p>Manual of operations issued</p>	<p>Dep Comm Nicolas</p>	
6. Accreditation	Strengthen the Accreditation Process	<ol style="list-style-type: none"> Review and revise existing rules and regulations on accreditation Issue manual of operations for accreditation Hire and/or designate permanent staff to handle accreditation Conduct skills enhancement training for staff Establish computerized system to accredit importers and brokers with the use of CPRS in coordination with MISTG 	<p>August 30, 2008</p> <p>September 30, 2008</p> <p>September 30, 2008</p> <p>October 30, 2008</p> <p>October 30, 2008</p>	<p>Revised rules and regulations issued</p> <p>Manual of operations issued</p> <p>Permanent staff hired or designated</p> <p>Skills training conducted</p> <p>CPRS tested and running</p>	<p>Dep Comms Nicolas, Umali and Arevalo</p> <p>Dep Com Arevalo/ Dir Nagala</p>	

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7. Auction Proceedings	Efficiency and integrity in the handling and disposition of seized and forfeited goods	1. Issue a comprehensive regulation on forfeiture and disposition of forfeited goods 2. Initiate a study to assess options including outsourcing of storage and disposition of seized, forfeited and abandoned goods.	September 30, 2008	Regulation issued Study completed	Dep. Com Nicolas	
8. Automation	Efficient Customs Processes	1. Provide automation to all customs processes a. Application solutions: - Administrative Support Systems - Imports and Assessment Systems - BOC Portal - Export Processing System - Operations Support Management Systems b. Change Management and training c. Implementation and rollout d. Operations facilities and technical architecture 2. Develop and implement mechanisms to monitor usage and possible integrity violations 3. Improve current feedback mechanism from customers and ensure dissemination of process to all ports 4. Resolve technical issues and provide necessary data or access to the database to appropriate BOC offices subject to criteria for this access	December 31, 2008	Systems tested and running in all ports and supports nationwide	Dep Com Arevalo/ Dir. J. Nagato	
			December 31, 2008	Data access provided to selected offices	Dep Com Arevalo/ J. Taborda	
9. Post Entry Audit	Effectiveness of Post Audit	1. Recruit new staff with audit skills from anticipated increases in staff 2. Conduct analysis to identify relevant and job-specific training needs that can be addressed by programs that are readily available 3. Issue CAOs, CMOs, and manuals to strengthen systems and procedures including internal integrity 4. Conduct ongoing training and seminars among stakeholders regarding post entry audit and informed compliance as a joint undertaking of BOC and the trade community	December 31, 2008	100 percent increase over current PEAG staff	Asst Com Ugan/ Atty. Ursabia/ Atty. Crisologo	
			June 30, 2008	Training needs analysis completed		
			December 31, 2008	CAOs, CMOs, and manuals issued		
			April 30, 2008	Trainings and seminars initiated		

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BUREAU OF CUSTOMS INTEGRITY ACTION PLAN (IAP)
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10. Cargo Risk Management	Effective use of resources	1. Recruit and train new staff with risk management skills when the staffing level increases	December 31, 2008	New staff recruited and trained	Dep Com Templo/ Dir. Paguntalan	
		2. Conduct relevant and job-specific training with programs that are readily available	Sept. 30, 2008	On the job-training conducted		
		3. Identify equipment needs and obtain procurement	May 30, 2008	Appropriate equipment procured		
		4. Create a compliance measurement unit to measure risk	September 30, 2008	Compliance measurement unit created		
		5. Until unfiltered access to data is obtained, identify and utilize other methodologies to ascertain high risk shipments	May 30, 2008	Risk identification methodologies utilized		