REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE

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BUREAU OF CUSTOMS

BOC-03-04437

MEMORANDUM

TO : **ALL BOC OFFICIALS AND EMPLOYEES**

FROM : **REY LEONARDO B. GUERRERO**
Commissioner JAN 28 2020

SUBJECT : **PERFORMANCE GOVERNANCE SYSTEM ONLINE TEST**

DATE : **January 23, 2020**

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1. In connection with the 2nd Stage of the Performance Governance System (PGS), which is Compliance Stage, all BOC personnel, to include casuals, are required to take the Online PGS Test and will be given **three attempts** to pass.

2. All personnel are expected to be familiar with the BOC-Level Governance Documents and the 9 Elements of the Performance Governance System (PGS), which have already been cascaded to your respective offices/ports and widely disseminated during and after the Initiation Stage.

3. Failure to pass the Online PGS Test after the third attempt will require the concerned BOC personnel to undergo a refresher course. Results of the test will form part of Personnel Records/Files.

4. Likewise, a reviewer for the test will be provided by e-mail. In this regard, all BOC personnel and casuals are required to submit their respective email addresses to **paolo1123dejesus@gmail.com** by **Jan 31, 2020.**

   Non-submission of your respective email addresses will result to the issuance of a show cause order.

5. Attached is the Schedule of Online Tests (**"Annex A"**) and review materials (**"Annex B"**) for your guidance.

6. **FOR STRICT COMPLIANCE.**

Annex A

Schedule of Online Test

From	To	Activity
Monday, February 10, 2020	Friday, February 14, 2020	PGS Core Team, OSM Central and Focal Points
Monday, February 17, 2020	Friday, February 21, 2020	All attendees of the Cascading Sessions
Monday, February 24, 2020	Friday, February 28, 2020	All personnel of the Bureau of Customs
Monday, March 2, 2020		Publication of those who will take the Second Test
Tuesday, March 3, 2020	Friday, March 6, 2020	Second Attempt to pass[1]
Monday, March 9, 2020		Publication of those who will take the Third Test
Tuesday, March 10, 2020	Friday, March 13, 2020	Third Attempt to pass[2]
Monday, March 16, 2020	Friday, March 20, 2020	Refresher: Cascading Seminar[3]

[1] Personnel who failed the 1st Attempt
[2] Personnel who failed the 2nd Attempt
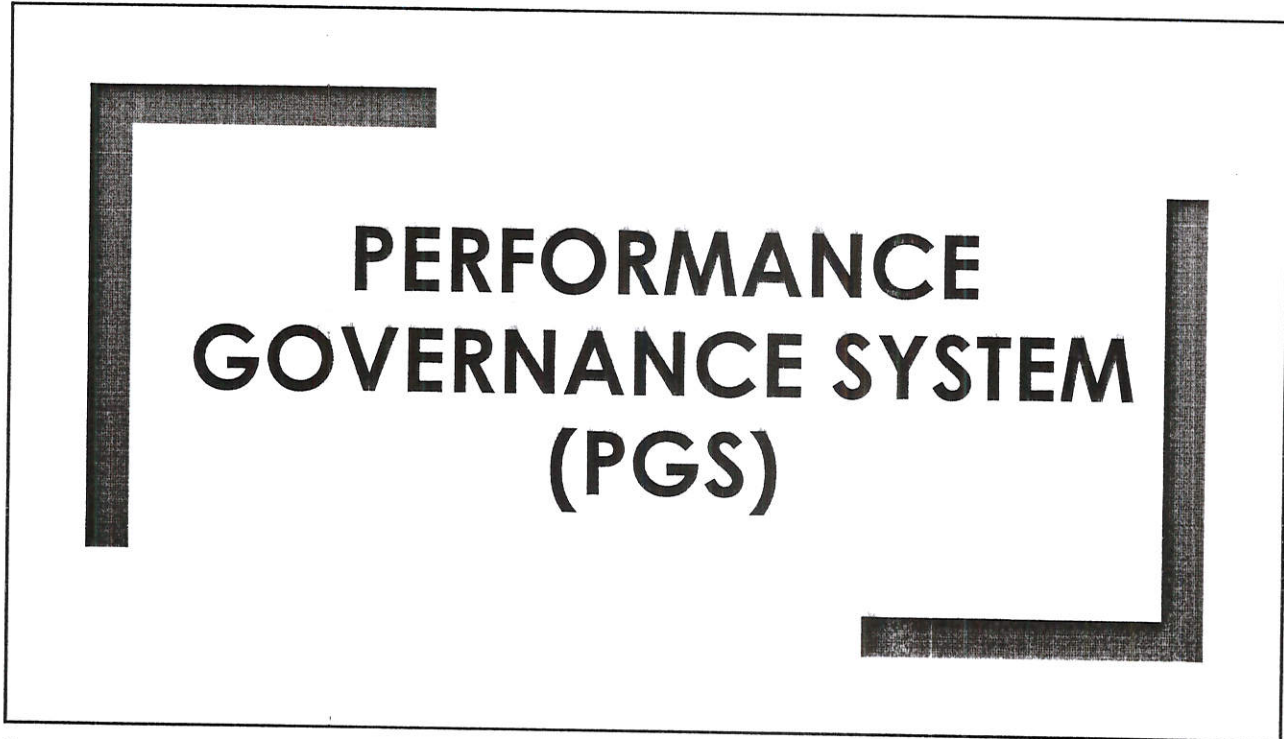[3] Personnel who failed the 3rd Attempt will undergo a Cascading Seminar

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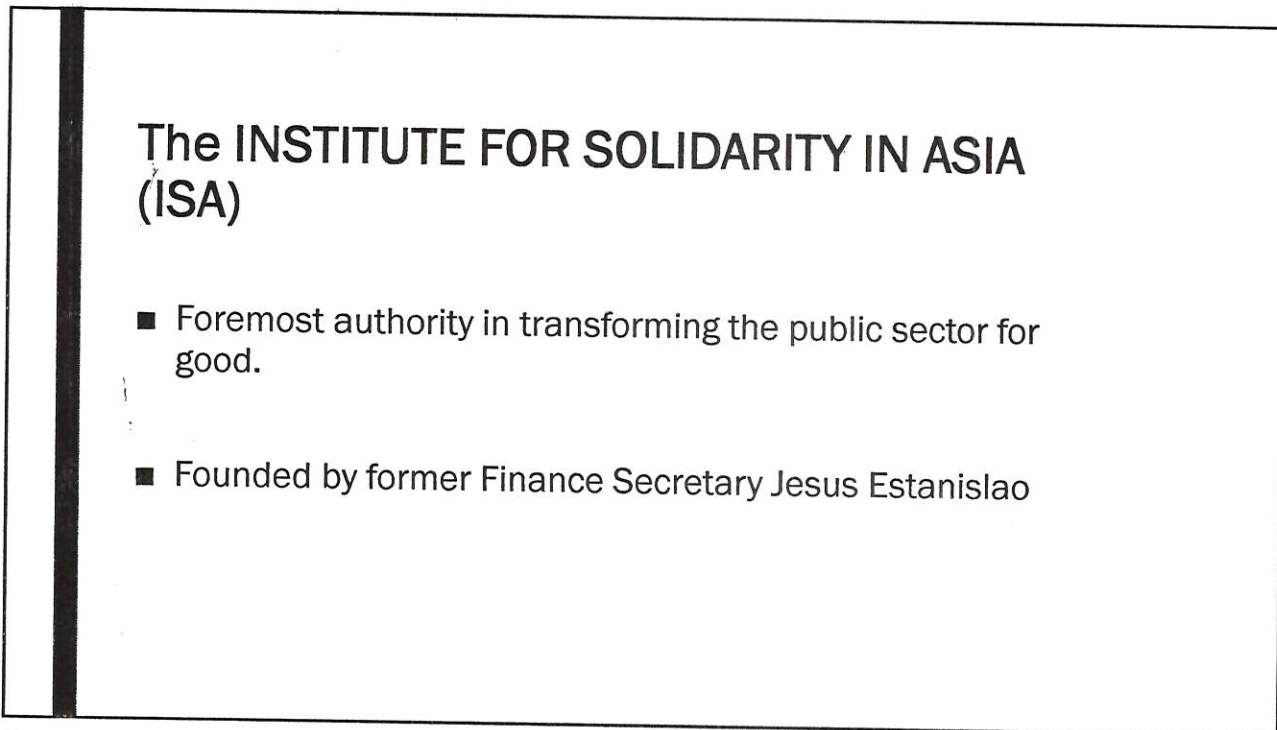
Annex B

- WHAT IS PGS?

- 9 ELEMENTS OF THE PGS

- BOC-LEVEL GOVERNANCE DOCUMENTS

PERFORMANCE GOVERNANCE SYSTEM (PGS)

1

The INSTITUTE FOR SOLIDARITY IN ASIA (ISA)

- Foremost authority in transforming the public sector for good.

- Founded by former Finance Secretary Jesus Estanislao

2

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What is PGS?

3

Performance Governance System

- Adopts global best practices on Strategy Design and Strategy Execution

- Holistic and collaborative framework

- Meets the rising needs of Philippine public sector institutions

4

The difference of PGS from other
Accreditation and Certification Programs

OWNERSHIP

5

Four Stage Pathway

| Initiation | Compliance | Proficiency | Institutionalization |

6

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1ST STAGE: INITIATION

- Focuses on **Strategy Design**

7

2nd STAGE: COMPLIANCE

- Focuses on **Strategy Execution**

8

3rd STAGE: PROFICIENCY

■ Focuses on **monitoring** and **evaluation of the strategy**
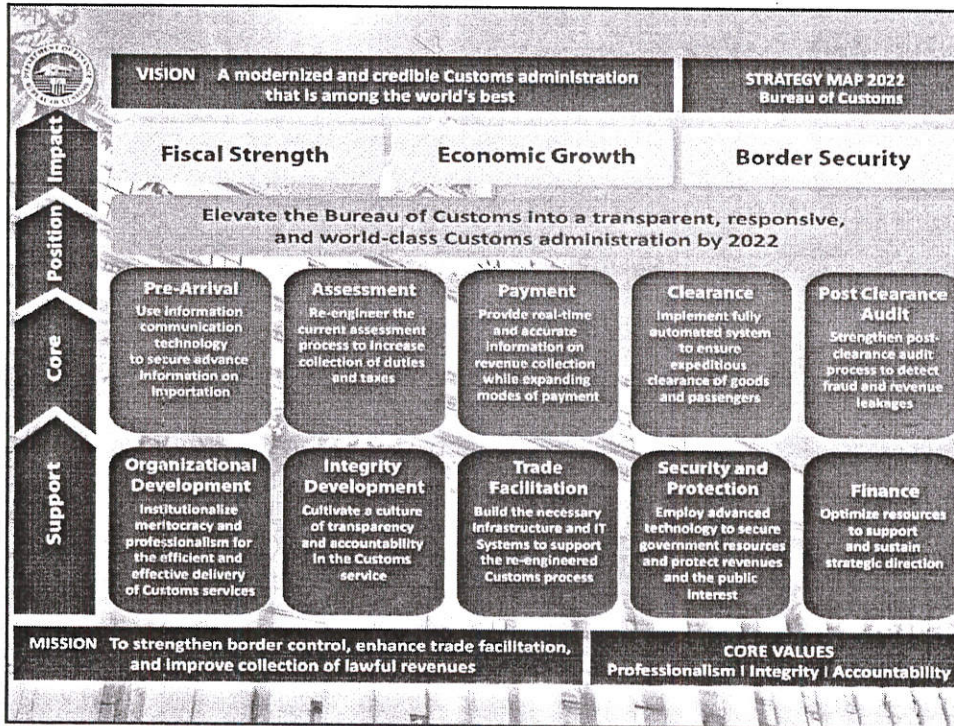
9

4th STAGE: INSTITUTIONALIZATION

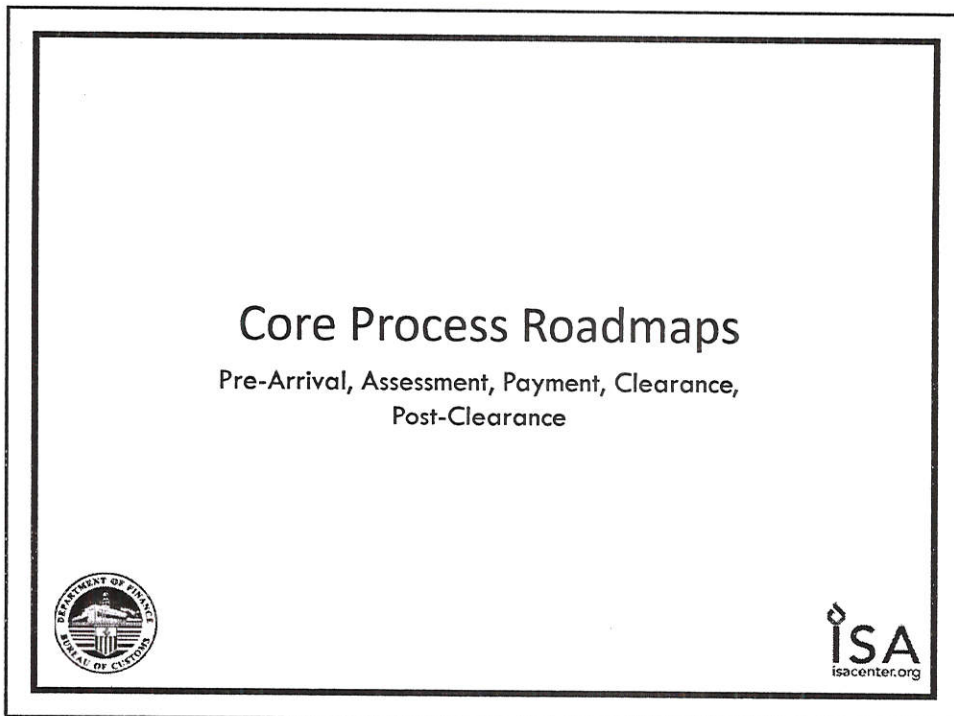■ Focuses on the **attainment of breakthrough results**

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ELEMENTS OF THE PERFORMANCE GOVERNANCE SYSTEM

Before an organization is conferred into the four-stage PGS Pathway, it must embed the following essential governance elements:

1. **Basic Governance Documents** – Identifying a path towards transformation through a well-formulated Charter Statement, Strategy Map, and Enterprise Scorecard – all anchored on a strategic positioning.

2. **PGS Core Team** – Establishing a group of PGS champions representing strategic areas and operating units of the organization who will spur the execution of the strategy, rally for performance results, and actively supervise the progress of the organization.

3. **Cascading Framework** – Instilling a culture founded on a shared responsibility and accountability to the organization's strategy through a rationalized cascading tool harmonized to its day-to-day operations. Under the PGS, scorecards, scoreboards, or execution plans are used to cascade and eventually monitor the strategic contributions of units and individuals.

4. **Office for Strategy Management (OSM)** – Forming a unit created purposely for overseeing strategy design, strategy execution, and strategy sustainability. The identified OSM members must assist in cascading the strategy to strategic units and/or project teams. The OSM should also start monitoring the strategy and planning how it can align its budget to the strategy.

5. **Strategic Performance Assessments (SPA)** – Creating a discipline of accountability within the organization to reinforce the PGS. Through regular and competent monitoring and evaluation, operations and functions of the different units of the organization are being closely monitored to ensure effectiveness. Execution plans and second-level scorecards or scoreboards must be valuated through an operations review.

6. **Multi-Sector Governance Council (MSGC)** – Founding a council of key stakeholders to formalize their participation in the organization's strategy. More than providing strategic and substantive advice to move the organization forward in its governance journey, MSGC members are expected to attend regular meetings, work within their committees, and have targeted contributions for the attainment of the strategic goals. For Compliance, the MSGC should be formally created and meet at least once to gather initial inputs and recommendations to the strategy.

7. **Governance Culture** – Cultivating the values of integrity, fairness, and accountability to create a culture of good governance in the organization. Components of this element include creating plans for linking the budget and the incentives or promotion program to the strategy, having a clear and consistent communication strategy, and the presence of commitment from the leadership team.

8. **Governance Sharing** – Sharing the good governance advocacy through identifying and sharing best practices within the organization and extending these to other institutions and organizations. Through the chosen cascading framework, the organization must begin evaluating the best practices in the different units.

9. **Validated Breakthrough Results** – Mission-related, influenced by the organization, and truly transformative. The organization must be able to demonstrate their monitoring of the strategy, including its chosen impact indicators.

1/28/2020

1

Core Process Roadmaps

Pre-Arrival, Assessment, Payment, Clearance,
Post-Clearance

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2

PRE-ARRIVAL ROADMAP

KRA	Use information communication technology to secure advance information on importers and goods	Shorten processing time for accreditation		
		Decrease in number of non-compliant stakeholders		
	DELIVERABLES			
	2019	2020	2021	2022
Accreditation	Audit report on flaws in accreditation procedures Online submission of application	Online Accreditation System Regulations on reengineered accreditation procedures issued and implemented MOA on National Single Window System with identified partner government agencies	Automated Accreditation System integrated with identified partner government agencies	
Risk Management	Cargo Targeting System Audit report on flaws in Risk Management procedures	Cargo Targeting System to include Air Manifest New E2M Advanced Risk Management System Regulations to re-engineer risk management procedures issued and implemented to provide clearer parameters on selectivity system and establish an audit trail	Risk Management System integrated with Cargo Targeting System	Analytics-based Risk Management System
Licensing & Clearance	CMO on Permit Claiming and Utilization	Pilot Implementation of Trade Net Licensing and Clearance with 5 pilot agencies Electronic Certificate of Origin Live Exchange with ASW	Integration and Licensing & Clearance with the Trade Net Portal	Full utilization of Trade Net Portal

3

ASSESSMENT ROADMAP

KRA	Re-engineer the current assessment process to increase collection of duties and taxes	Decrease in number of fraudulent transactions (forfeitures, alerts, and cases filed)		
		Collection Efficiency		
	DELIVERABLES			
	2019	2020	2021	2022
Rules on Specific Description of Goods	Audit report on goods declaration procedures	Regulations to enhance goods declaration procedures to prevent misdescription and misclassification of goods issued implemented Enhanced selectivity rules/criteria for goods description	Approved design and budget for re-engineered goods declaration procedures	Functional re-engineered goods declaration system integrated to the customs automated system
		Proposed design for automated alphabetical index of goods	Approved design and budget for automated alphabetical index of goods	Functional alphabetical index of goods integrated to the customs automated system
Examination & Inspection	Audit report on examination & inspection procedures	Regulations to re-engineer examination & inspection procedures to ensure check and balance and prevent familiarity with stakeholders issued and implemented	Functional and separate Physical Examination Unit with body cameras and gadgets linked to a recording system	X-ray image integrated into the examiner's dashboard and the customs automated system
Value Reference System	Policy on the harmonization of the National Value Verification System (NVVS) and the Value Reference Information System (VRIS)	Enhanced Value Reference System Fully Functional Product-based Value Reference System		
Application of Rules of Origin	Policy mandating use of Electronic Certificate of Origin when applicable	Bilateral agreement with other countries on the electronic transmittal of certificate of origin	Functional system for the viewing and verification of electronic certificate of origin integrated to the customs automated system	

4

PAYMENT ROADMAP

	Provide real-time and accurate information on revenue collection while expanding modes of payment		Decrease in number of unreconciled collection reports of BOC and BTr	
KRA	**DELIVERABLES**			
	2019	**2020**	**2021**	**2022**
Enhanced Automated Payment System	Utilization of Cash SAD and Cash Miscellaneous System Module	Establishment of online payment system for miscellaneous transactions Utilization of Informal Entry System Module for informal commercial transactions	Expansion of other modes of payment to cover all transactions (i.e. e-commerce de minimis)	Additional module for payment system of changed import process Interconnectivity with other collection agents on payment system
Policy Support	Feasibility Study on an enhanced BOC Payment System enabling payment in all financial institutions	Regulations on enhanced BOC Payment System MOAs with other banking institutions for the enhanced BOC Payment System	Approved design for the BOC Payment System integrated into the Customs Automated System	Functional enhanced BOC Payment System integrated into the Customs Automated System

5

CLEARANCE ROADMAP

		Implement fully automated system to ensure expeditious clearance of goods and passengers	Increase volume of dutiable/taxable goods Decrease violations of CMTA and related laws Shorten Clearance Period from Lodgment to OLRS		
KRA		**DELIVERABLES**			
		2019	**2020**	**2021**	**2022**
Consumption	**Formal**	Audit report on flaws in clearance procedures Regulations to enhance clearance procedures to prevent fraud and compliant with international standards	Regulations to enhance clearance procedures implemented	Approved design and budget for the integration of x-ray scanners to the automated system	Functional hardware and software for the integration of x-ray scanners to the automated system
	Informal	Audit report on flaws in clearance procedures	Regulations to enhance informal entry clearance procedures to prevent fraud and compliant with international standards	Approved design and budget for the automated clearance system	Regulations to enhance clearance procedures implemented Functional clearance system integrated to the customs automated system
	Postal	Procedures on the clearance process issued Functional Postal Tracking System	Proposed design for the automated clearance system integrated to the postal tracking system	Approved design and budget for the automated clearance system	Functional clearance system integrated to the customs automated system
	Express shipment	Amended regulations on the clearance process issued	Amended regulations on the clearance process implemented Proposed design for the automated express shipment clearance system	Approved design and budget for the automated express shipment clearance system	Functional express shipment clearance system integrated to the customs automated system
	Passenger	Parameters for a customized Advance Passenger Information System and Passenger Name Records	Issuance of a directive to Airlines and Shipping Lines to comply with Passenger Data Submission Systems	Approved design and budget for the integration of customized APIS and PNR with airlines system	Functional customized APIS and PNR integrated with airline system

6

POST-CLEARANCE AUDIT ROADMAP				
Strengthen post-clearance audit process to detect fraud and revenue leakages		Increase amount of lost revenue recovered		
		Improve compliance rate of Stakeholders		
KRA	DELIVERABLES			
	2019	2020	2021	2022
Audit Systems	Regulations for Account-based Audit Proposed design for a Computer-aided risk Analysis system for audit	Regulations and Procedures for Transaction Audit and Account-based Audit Approved design for Computer-Aided Risk Analysis Targeting System for audit	Approved budget for the Computer-Aided Risk Analysis Targeting System for audit	Functional Computer-Aided Risk Analysis Targeting System to include data analytics and machine learning integrated to the Customs Automated System

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Support Process Roadmaps

Organizational Development, Integrity Development,
Border Security, Protection and Safety

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ORGANIZATIONAL DEVELOPMENT ROADMAP

Institutionalize meritocracy and professionalism for the efficient and effective delivery of Customs services			Increase in % of positions occupied by qualified and competent personnel		
			PRIME-HRM Accreditation Level		
KRA		**DELIVERABLES**			
		2019	2020	2021	2022
PRIME-HRM	BOC HRM System	• Competency Framework • Policy on Equal Employment Opportunity Principle • Personnel Inventory Report	• HRM Systems cascaded to internal and external stakeholder (thru IEC materials) • Career Development Plan • HRM Systems implemented	Functionally-linked HRM System	HRM Systems regularly reviewed and improved based on M&E results aligned with strategic goals
	Recruitment, Selection, and Placement	• Revised Merit Selection Plan (MSP) • Revised Rating Criteria • Revised System of Ranking Positions (SRP) • 1000 vacant positions filled	• Pilot implementation of Internal Administration Management System (IAMS/HRIS) for RSP • RSP Citizen's Charter • Monitoring and Evaluation Plan for RSP • Additional personnel hired	Functional IAMS for RSP Additional personnel hired every year in compliance with Restructuring Plan	
	Learning & Development		• Learning and Development Plan • Guidelines in the selection of nominees to L&D interventions • Learning Needs Assessment Report • Proposed plan and budget to establish a Customs learning facility	• Pilot implementation of Internal Administration Management System (IAMS/HRIS) for L&D • Monitoring and Evaluation Plan for L&D	Functional IAMS for L&D Functional Customs Capacity Building Center
	Performance Management System		• Revised Strategic Performance Management System	• Individual Development Plan (IDP) • Monitoring and Evaluation Plan for PMS	Functional IAMS for PMS
	Rewards & Recognition		• Program on Awards and Incentives for Service Excellence (PRAISE) • Guidelines on the implementation of Lateral Attrition Law	• Pilot implementation of Internal Administration Management System (IAMS/HRIS) for R&R • Monitoring and Evaluation Plan for R&R	Functional IAMS for R&R
Policy Reforms		• Draft EO on Restructuring with new org. structure • Draft EO on Customs Border Protection Service • Draft Bill on Exemption from SSL to include Section 202 of the CMTA • Draft CAO on Service Fees	• Proposed Amendments to the CMTA • Draft Staffing Pattern • Codification of all BOC Rules and Regulations		

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INTEGRITY DEVELOPMENT ROADMAP

Cultivate a culture of transparency and accountability in the Customs service		Improve Net Trust Rating		
		Decreased complaints with PCC and ARTA		
KRA	**DELIVERABLES**			
	2019	2020	2021	2022
Detect/ Preventive	Interim Quality Management System Office	Audit Report on BOC Major Offices/Ports for ISO 9001:2015 Certification	ISO 9001:2015 Certifications of BOC Major Offices/Ports	
	PGS Initiated Accreditation	PGS Compliant Accreditation	PGS Proficient Accreditation	PGS Institutional Accreditation
	INFORMATION & COMMUNICATION TECHNOLOGY SYSTEM (ICTS) is 100% inter-operative with VASP or no longer needs VASP and 25% migration into Digital Forms & Transactions	50% migration into Digital Forms & Transactions (Document Management System)	75% migration into Digital Forms & Transactions	Upon installation of CUSTOMS PROCESSING SYSTEM (CPS), 100% interoperable with National Single Window, ASEAN Customs Transit System (CTS), WCO & WTO Systems and migration into WCO & WT Digital Forms & Transactions
	ICTS Linked Communications and Data Command Control Centre	**ICTS** and X-ray Machines Network Command Control Centre	**ICTS** and BOC Border Security (ISAFP, Interpol, and others) Linked Command Control Centre	
	ICTS to install Data Analytics to determine data anomalies	Create Baseline for Misdeclaration and Risk Misassessment	Reduce by 30% the Risk of Misdeclaration and Risk Misassessment	Reduce by 50% the Risk of Misdeclaration and Risk Misassessment

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1/28/2020

INTEGRITY DEVELOPMENT ROADMAP

KRA	Cultivate a culture of transparency and accountability in the Customs service	Improve Net Trust Rating / Decreased complaints with PCC and APTA		
	DELIVERABLES			
	2019	2020	2021	2022
Correct/ Punitive	100% Biometric and Facial Recognition Annual Registration of all Brokers, Track Owner, Trucker Driver, Security Personnel and BOC Stakeholders handling E2M/TRS and External Stakeholders (LTO Database) (from 2018 and 2019 budget)			
	All Brokers, Truckers Owners, Drivers & Security Personnel are required to attend annually the "Integrity Transparency and Accountability in Public Service (ITAPS)" seminar by the Bureau of Labor Relations (BLR) & the National Integrity Center (NIC) of the Office of the Ombudsman			
	All BOC Employees and ALL PERSONNEL FOR PROMOTION AND/OR TRANSFER are required to attend the "Integrity Transparency and Accountability in Public Service (ITAPS)" one-day seminar by the Bureau of Labor Relations (BLR) & the National Integrity Center (NIC) of the Office of the Ombudsman			
	Complete Time Release Study and Potential Corruption Points Report	Formulate and Implement BOC Integrity Programs		
	Proposals from the Institute of Corporate Directors and Former CSC Commissioner Balomores and Anti-Red Tape Act Integrity Program with Spiritual Content are being finalized	Formulate and Implement BOC Organizational Value Transformation Programs		
	HR Complete Pocket Size BOC Code of Conduct or BOC Code Book	Distribution to all BOC Personnel and Inspection of Part of Uniform		

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INTEGRITY DEVELOPMENT ROADMAP

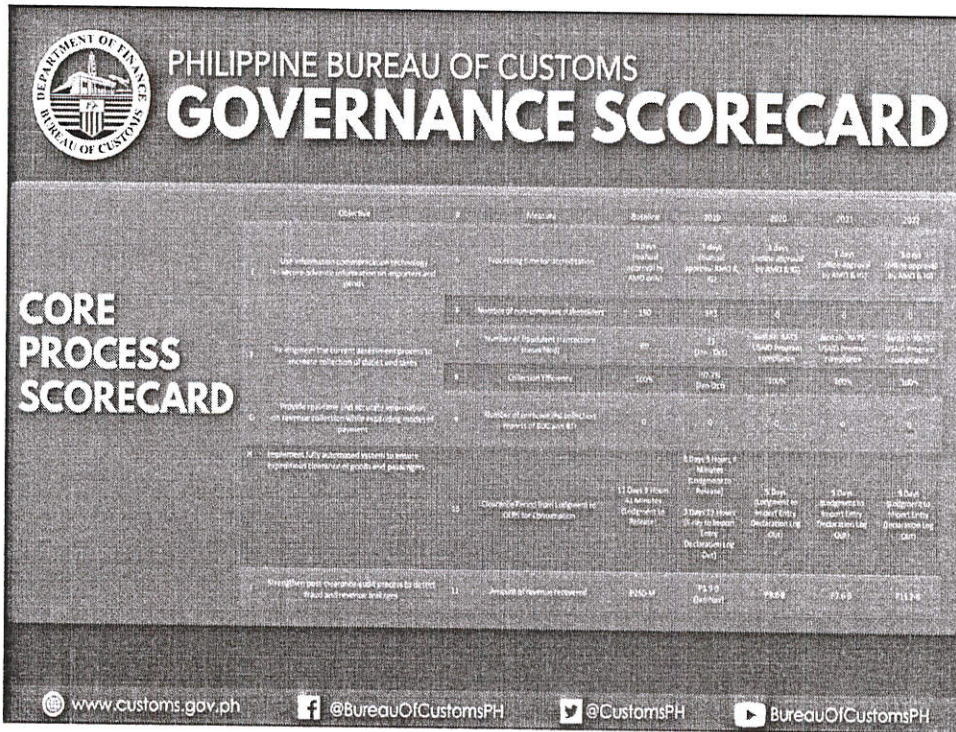| KRA	Cultivate a culture of transparency and accountability in the Customs service	Improve Net Trust Rating / Decreased complaints with PCC and APTA		
	DELIVERABLES			
	2019	2020	2021	2022
Protect/ Promotive	10% Improvement in Transparency International Public Perception Survey	30% Improvement in Transparency International Public Perception Survey	50% Improvement in Transparency International Public Perception Survey	70% Improvement in Transparency International Public Perception Survey
	MSGC Formed to provide International & domestic industry insights to the OSM-PGS Teams and the QMS Office			
	Power Point Promotional Materials for Distribution to Exporters/Importers, in Conferences, in Expos & at Electronic Billboards	Video Promotional Material for Movie Houses and TV	Philippine Customs Show Series (Adopting US, Canadian and Australian Customs Show Series with a twist in BOC that showcases a BOC Actor/Actress Poster Boy/Girl Volunteer)	

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BORDER SECURITY, PROTECTION, AND SAFETY ROADMAP

Employ advanced technology to secure government resources and protect revenues and the public interest		Decrease in smuggling cases of anti-social and prohibited goods	
		Decrease in unauthorized access to customs premises and official documents	

KRA	DELIVERABLES			
	2019	2020	2021	2022
Pre-Arrival	• Proposed design for the National Customs Intelligence System (NCIS) • Policy granting limited access to E2M and NSW of the Enforcement and Intelligence Units	• Approved design for the National Customs Intelligence System (NCIS) • Regulation integrating Trade Net with the customs automated system	• Approved budget for the National Customs Intelligence System (NCIS) • Subscription to Vessel Tracking System (VTS) for 4 users	Functional National Customs Intelligence System (NCIS) integrated to the customs automated system
Clearance for Transit and Warehousing		Functional Enhanced Cargo Transit Monitoring System (ECTMS) using GPS		
Security Support — Installations		Proposed budget for CCTV system with facial recognition and 1-month storage capability	Functional CCTV system with facial recognition and 1-month storage capability	
Security Support — Documents	Security Survey and Inspection Report	Regulations on document management system issued Functional Document Management System		
Security Support — Systems		Functional Cybersecurity system		

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PHILIPPINE BUREAU OF CUSTOMS
GOVERNANCE SCORECARD

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