

**PHILIPPINE RETIREMENT AUTHORITY
2017 Performance Scorecard Evaluation**

	Objective/Measure	Component		Rating Scale	Target	PRetA Submission		GCG Validation		Supporting Documents	GCG Remarks	
		Formula	Weight			Actual	Rating	Actual	Rating			
SO 1 Generate Investment and Foreign Exchange												
SOCIAL IMPACT	SM 1	Annual Foreign Currency Generated from Visa Deposit	Net Visa Deposit	10%	(Actual/Target) x Weight	\$51.45 Million	\$63.50 Million	10.00%	\$57.00 Million	10%	<ul style="list-style-type: none"> • COA Annual Audit Report for the year ended 31 December 2017 • Summary Report on Net Visa Deposit for 2017 • Summary Report on DBP New Placements • List of Accounts Deposited in 2017 and Withdrawn in 2017 with DBP • Summary Report on Total Amount of Private Banks' Contribution 2017 	PRetA exceeded the target. Under the 2017 COA Audited Report, it showed that visa deposits reached \$57.00 Million in 2017.

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SM 2	Establish a System that will Monitor the Actual Expenditures of Retirees (spend on conversion, household, services, medical, etc.)	Actual Accomplishment	5%	All or Nothing	Establish Baseline	Baseline Established	5.00%	Baseline Established	5.00%	<ul style="list-style-type: none"> Analysis report of the results to the survey conducted by PRetA's Corporate Planning Department namely, the REMS¹. 	Acceptable.	
Sub-total		15%				15.00%		15.00%				
SO 2 Retirees with Excellent PRetA Experience												
STAKEHOLDERS	SM 3	Customer Satisfaction Rating conducted by 3 rd Party Consultant	Actual Accomplishment	10%	All or Nothing	Satisfactory or its Equivalent Percentage ²	Satisfactory	10.00%	Satisfactory 81.1% of respondents gave at least Satisfactory rating (score of 6)	10.00%	<ul style="list-style-type: none"> Final Report on the Conduct of Customer Satisfaction Survey for the PRetA submitted by Sustainable Development Solutions 	While PRetA was required to follow the prescribed rating scale, the use of 10-point rating scale remains relevant and acceptable. Based on the report submitted and using a weighted average, 81.1% of the respondents were satisfied with the service they received from PRetA. Out of the 1,637 respondents, 1,387 gave a rating of at least 6 (Somewhat Satisfied).

¹ Retiree Expenditure Monitoring System

² Using 5-point rating scale provided by GCG.

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SO 3 Increase Total Enrollees										
SM 4	Net Enrollment for the Year	Net Enrollment at the End of Rating Period = Gross Enrollment – Cancellation for the year	10%	(Actual/Target) x Weight	5,675	4,779	8.42%	Report cannot be validated	0%	<ul style="list-style-type: none"> • COA Annual Audit Report • Yearly SRRV Enrollment and Cancellation Report • Monthly Enrollment and Cancellation of PRA Retirees Report • Gross SRRV Enrollees for 2017 Report <p>Upon validation of the supporting documents submitted, reports reflected varying numbers.</p> <p>The inconsistencies puts a doubt on the validity and accuracy of the reported accomplishment as well as the supporting documents submitted. Hence, PRetA is given an automatic score of 0%.</p>
SO 4 Increase Number and Productivity of Industry Partners										
SM 5	Increase Number of merchant partners	Absolute Number	10%	(Actual/Target) x Weight	25	28	10.00%	28	8.00%	<ul style="list-style-type: none"> • List of Accredited Merchant Partners as of December 2017 from the Marketing Department • Certificates of Accreditation <p>Only 28 Accredited Merchant Partners had Certificates of Accreditation issued by PRetA.</p>

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SM 6	Number of retirees availing of the merchant partner's services	Absolute Number	5%	(Actual/Target) x Weight	Establish baseline	Baseline Established	5.00%	0	0%	<ul style="list-style-type: none"> Report from Marketing Department re processed Statement of Accounts from Merchant Partners 	<p>PRetA reported to have established a baseline of 1,916 retirees availing the services of Sacred Heart Diagnostic Medical Center and Sunshine Place Recreation Center.</p> <p>However, upon validation, the reported merchants were not accredited partners of PRetA in 2017. Hence, the reported "establish baseline" is cannot be considered.</p>
		Sub-total	35%				33.42%		18.00%		

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SO 5 Maintain Financial Viability												
FINANCIAL	SM 7	Revenue Generated	Gross Income from Operations + Interest Income from VISA Deposits	10%	(Actual/Target) x Weight	₱773.67 Million	₱773.42 Million	9.99%	₱773.42 Million	9.99%	<ul style="list-style-type: none"> • COA Annual Audit Report • Unaudited Statement of Income and Expenses as of 31 December 2017 	<p>Acceptable.</p> <p>While revenues for 2017 shows a 16.36% increase compared to 2016, it should be noted that COA observed that the income for 2017 was overstated by P9.988 Million due to the use of cash basis, instead of accrual, in the recognition of income.</p> <p>While there is such an observation, GCG recommends the recognition of the revenues as reflected in the audited Income Statement as accomplishment of PRetA for 2017. PRetA is hereby required to adhere to the recommendations of COA to adopt the accrual method in its recognition of revenue and to adjust/restate the 2017 financial statement as necessary. Should be reflected in its 2018 financial statements.</p>

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SO 6 Maximize Revenues											
SM 8	Net Operating Income	Revenues + Interest Income from Visa Deposit – Operating Expenses	10%	10% - ₱470 Million and above; 5% - ₱338.74 Million to ₱469 Million; 0% - Less than ₱338 Million	₱338 Million	₱513.77 Million	10.00%	₱513.77 Million	10.00%	<ul style="list-style-type: none"> COA Annual Audit Report Unaudited Statement of Income and Expenses as of 31 December 2017 	Acceptable.
Sub-total			20%				19.99%		19.99%		
SO 7 Intensify Marketing and Promotion Campaign											
SM 9	Return on Marketing Expense ³	Passport and Visa or Application Fees / Total Marketing Expense	5%	(Actual/Target) x Weight	1017%	378%	1.86%	203%	1.00%	<ul style="list-style-type: none"> COA Annual Audit Report 	The decline in the return on marketing expense can be attributed to the significant increase in marketing expenses at 65% coupled with a meager increase in passport/visa application of only 11.5%.
SO 8 Improved Marketing Process											
SM 10	Increase in the number of walk-in Principal Member with approved applications (principal only)	Absolute Number	5%	(Actual/Target) x Weight	677	552	4.08%	Report cannot be validated	0.00%	<ul style="list-style-type: none"> Gross SRRV Enrollees for 2017 Monthly Enrollment and Cancellation 	Supporting document is the same as the submission for SM 4. Actual accomplishment cannot be objectively validated due to inconsistencies on the

³ Includes advertising and travelling expenses, per diem and marketer's fee.

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									of PRA Retirees Report	report and supporting documents submitted.	
SO 9 After-Enrollment Services											
SM 11	Average turnaround time in processing ID renewal ⁴	Average no. of processing days upon receipt of complete documents up to the release of ID	5%	[1-(Actual-Target) / Target] x Weight	Walk-in Applicant – Same day From Satellite Office – within 7 working days	Walk-in Applicant = Within the Day From Satellite Office = 10 working days	4.50% 0.29%	Report cannot be validated	0.00%	<ul style="list-style-type: none"> ID Renewal Report FY 2017 for Head and Satellite Offices List of transactions processed in the Head Office and Satellite Office Sample transaction documents 	<p>PRetA, reported a total of 793 applications received from the Satellite Offices which were processed within an average of 9.180 working days and the Head Office received a total of 7,460 requests all processed within the same day.</p> <p>Supporting documents such as the application and payment for ID were requested for a selected sample size of 30. Based on the evaluation of the supporting documents, only 15 transactions were able to match with the report of PRetA.</p> <p>The reliability and validity of the report and supporting documents submitted were questionable, posing difficulty on the part of</p>

⁴ From submission of complete documents up to the release of ID

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										<p>the Governance Commission to objectively validate the reported score. In view of this, PRetA is awarded 0% score for this measure.</p> <p>n a letter dated 27 April 2018⁶, PRetA requested for a reconsideration on the weight distribution. From the 2.50% each for HO and SO, they requested to re-allocate the weights based on the percentage share in the total number of transactions, which will result to a 4.50% and 0.50% allocation for HO and SO, respectively. To allot different weights depending on the location discriminates the importance of transactions made in the SO, thus, the equal distribution of weight is retained and the request of PRetA is <u>DENIED</u>.</p>

⁶ Officially received by the Governance Commission on 30 April 2018.

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SM 12	Increase local points of accessibility of retirees to PRetA's post-enrollment services	Actual Accomplishment	5%	(Actual/Target) x Weight	Establish helpdesk or points of accessibility in 10 LGUs with agreement with PRetA ⁷	7 LGUs Province of Aklan Roxas, Isabela City of Tagaytay Bayambang, Pangasinan Province of Rizal Angeles City, Pampanga Castillejos, Zambales	3.50%	-	0.00%	<ul style="list-style-type: none"> Sanggunian Resolutions of the Municipality of Castillejos, Municipality of Bayambang, Province of Aklan Certificates of Recognition awarded to LGUs. <p>PRetA reported that they partnered with seven (7) LGUs, however, upon validation, there were no agreements made relating to the target.</p> <p>No helpdesk or accessibility points indicated in the submitted resolutions/certifications. No additional documents were submitted to support the target.</p>
Sub-total			20%				14.23%		1.00%	
SO 10 Quality Management System										
SM 13	ISO 9001 Accreditation	Actual Accomplishment	5%	All or Nothing	ISO 9001:2008 Certification, all sites all processes	ISO 9001:2008 Certification, all sites, all processes	5%	ISO Certificates issued on 12 April 2018	0.00%	<ul style="list-style-type: none"> ISO 9001:2008 Registration Certificate of PRetA <p>This measure was set to be accomplished in 2017, however, the ISO 9001:2008 certification of PRetA was only obtained in 12 April 2018 with the Management Review</p>

⁷ 1) Boracay; 2) Palawan; 3) Laoag; 4) Bohol; 5) Cagayan de Oro; 6) Ilagan, Isabela; 7) Dumaguete; 8) Camarines Sur; 9) Tacloban; and 10) Taboc City, Kalinga*

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									<ul style="list-style-type: none"> Minutes of Management Review 	held only on 15 January 2018.	
SO 11 Improve Competency of the Workforce											
SM 14	Development of Board-approved Competency Framework	Actual Accomplishment	5%	All or Nothing	Implementation of Competency Model and Establishment of Baseline	Baseline established	5%	Baseline established	5.00%	<ul style="list-style-type: none"> Terminal Report and Outputs submitted by Clearvision Outsourcing 	Acceptable. PRetA was able to exceed the target by determining the competency baseline of individual employees in the organization. Further, PRetA was able to come-up with a three-year plan to address the competency gaps identified.
		Sub-total	10%				10%		5.00%		
		TOTAL	100%				93.90%		58.99%		