

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO)
Validation Result of the 2020 Performance Scorecard**

Objective/Measure	Component				PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
SO 1	Optimize the Level of Increase in Gross Revenue									
SM 1	Increase in Gross Revenue/Sales	Absolute Amount	20%	(Actual / Target) x Weight	₱16.2 Billion	₱18,631,434,266.41	-	₱18,627,675,229	20%	<p>Commission on Audit (COA) Annual Audit Report</p> <p>Monthly Sales Report per Game</p> <p>Target exceeded.</p> <p>The Governance Commission adjusted the gross revenue/sales figures based on the COA Annual Audit Report</p>
SO 2	Improve Collection Efficiency									
SM 2	Collection Efficiency Rate	Amount of Collection / Amount Due to PCSO	10%	All or Nothing	At Least 98% (With No Monthly Collection Below 98%)	99.14%	-	Cannot Be Validated	0%	<p>During the target setting for the 2020 Performance Scorecard, the PCSO emphasized that bulk of its collections is from Small Town Lottery (STL). However, there are also collections from its Lotto and Keno operations.</p> <p>Review of the monitoring reports showed that only the CER of the STL was computed.</p> <p>Moreover, the Governance Commission could not validate the amount to be collected from STL authorized agency corporations (AACs) using the Agency Agreements submitted as there were discrepancies in the reported Guaranteed Minimum Monthly Retail Receipts (GMMRR) in the report and the Agency Agreements.</p> <p>Small Town Lottery (STL) Collection Efficiency Summary Report</p> <p>Statement of Accounts for Operational Authorized Agency Corporations (AACs)</p> <p>Copies of AAC Contracts</p>
	Sub-total		30%				-		20%	

FINANCE

¹ The PCSO did not provide a self-rating in the submitted accomplishment report.

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
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SO 3	Ensure High Level of Customer Satisfaction								
SM 3a	Percentage of Satisfied Customers (Medical Assistance Claimants/Beneficiaries)	2.5%		90%	In-House Survey was Done			0%	Upon review of the submitted Final Report, the Governance Commission noted inconsistencies in the total number respondents. Moreover, the submitted supporting documents did not provide information on data gathering dates. Thus, the Governance Commission could not determine whether data gathering was conducted within the prescribed timeline. The Governance Commission could not also determine whether the required data quality control procedure was undertaken.
SM 3b	Percentage of Satisfied Customers (Prize Claimants)	2.5%	(Actual / Target) x Weight If Less Than 80% = 0%	90%	Letter to DAP was crafted for the request for data analysis. Survey results were collected with all concerned departments.	-	Cannot Be Validated	0%	
SM 3c	Percentage of Satisfied Customers (Lotto Outlet Owners / Operators)	2.5%		90%				0%	
SO 4	Rationalize Use of Charity Fund								
SM 4	Payment of Mandatory Contributions (Current)		(Actual / Target) x Weight If Below 90% = 0%	100% Payment of Mandatory Contributions (Current)	1Q: Released ₱610,825,527.54 as Current Mandatory Contributions to Various Agencies 2Q: Paid ₱48,637,902.11 as Current Mandatory Contributions to Various Agencies 3Q: No Released Mandatory Contributions for This	-	Cannot Be Validated	0%	The PCSO represented that the suspension on the draws for six-digit lotto and sweepstakes resulted in the non-payment of mandatory contributions to (a) Girl Scouts of the Philippines, (b) National Council on Disability Affairs, (c) Philippine Red Cross, (d) Philippines Sports Commission, (e) Quezon Institute, (f) Boy Scouts of the Philippines, and (g) Nutrition Foundation of the Philippines. Secretary's Certificate on Mandatory Contribution Schedule for 2020 Summary of Mandatory Contributions Paid Disbursement Vouchers, Order

CUSTOMERS

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 Validation Result of 2020 Performance Scorecard (Annex A)

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual		
					Quarter 4Q: Paid ₱89,444,575.67 as Current Mandatory Contributions for Various Agencies			of Payments, Copies of Checks, and Official Receipts	Based on the review of the 2020 COA AAR, the Governance Commission was able to confirm that no sweepstakes were conducted in 2020. However, review of the submitted sales report showed retail receipts for the six-digit lotto draws for January, February, March, and July 2020. As such, the PCSO should have remitted contributions to the appropriate beneficiaries. The Governance Commission also notes that for 2020, the PCSO included as part of its mandatory contributions the financial requirement under Executive Order (E.O.) No. 108, wherein the corporation was directed to set aside ₱420,585,000 or 50% of the remainder standby fund under Section 4 of E.O. No. 201, to cover for the financial requirements brought by the COVID-19 pandemic. Review of the submitted supporting documents showed that of the 11 beneficiaries of its mandatory contributions for 2020, only three (3) accounts can be validated. The summary of the validation of the Governance Commission is provided in Appendix 1 .

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks		
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual				
SM 5a	Reconciliation of Arrears Arising from Mandatory Contributions	Actual Accomplishment	5%	All or Nothing	Reconciliation of Arrears with 100% of Recipients Identified in the Financial Roadmap	Reconciled with CHED	-	The Remaining Unreconciled Accounts are Programs for Local (LGUs) and Greater Medicare Access Program	0%	Record of Checks Released/ Cash Paid Disbursement Vouchers, Order of Payment, Copies of Checks, Official Receipts Confirmation/ Reconciliation Letters from Various Agencies Memorandum from the Assistant General Manager for the Administrative Sector	Based on the validation conducted, the total arrears of the PCSO is adjusted to P2.226 Billion. Considering that accounts remained to be reconciled with LGUs and for the Greater Medicare Access Program, the arrears remain partial and for further adjustment subject to PCSO's submission of documents.
SM 5b	Settlement of Arrears Arising from Mandatory Contributions	Actual Accomplishment	5%	All or Nothing	100% Payment of Mandatory Contribution (Arrears)	Paid P215,282,536.32 to PhilHealth (Greater Medical Access Program) Payment of Balance to CHED amounting to P80.2 Million on Process (Check Prepared)	-	P1.896 Billion or 85% of the Adjusted Amount of Arrears Paid	0%	The Governance Commission notes that the unpaid or unverifiable contributions amounting to P329.57 Million corresponds to those due to CHED, LGUs, and PhilHealth (GMA Program).	
	Sub-total		37.5%				-		0%		
SO 5	Develop Better/Improve Highly Enticing Products										
SM 6	Gaming, Product Development and Marketing Sector Roadmap Implemented	Number of Projects Implemented / Total Number of Projects	7.5%	(Actual / Target) x Weight	Implementation of the Board-Approved "Gaming, Product Development and Marketing Sector Roadmap for 2020"	5 Projects/Activities Implemented Out of 12 Activities Scheduled for Implementation COMPLIED: 1. Procurement of PLS - TOR Submitted in October 2020 and Approved on 18 November 2020 per BR No. 214-A, s. 2020	-	Cannot Be Validated	0%	Memorandum from the Gaming, Product Development and Marketing Sector on Accomplishment Report for SM6	The grant of a zero rating is due to the non-submission of the Board-approved Gaming, Product Development and Marketing Sector Roadmap for 2020. Without the roadmap, the Governance Commission could not determine the projects/ activities scheduled for the year.

INTERNAL PROCESS

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual		
					2. CY 2020 Marketing Plan – Activities Ongoing 3. Jackpot Awareness: Print Media Advertising – Ongoing 4. Printing and Production of Ideal Stock of Betslips and other PCSO Official Forms/Templates – Ongoing 5. Deployment of Proposed Prize and Prize Pay-Out structure – Data Gathering Phase DEFERRED/ SUSPENDED: 1. Conduct of Monthly Mini-Games 2. Conduct of Text Trivia Game 3. Monthly Conduct of Remote Draws for a Digit Game 4. Promodiser Recruitment and Deployment 5. Evaluation of Submitted New Game Proposals 6. Sweepstakes Partner Tayo sa Kawanggawa Draw Dates 7. Partnership with Educational Institution for Product Research and Development				

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual		
SO 6	Improve Process Efficiency								
SM 7	Percentage of IMAP Applications Processed Within Prescribed Period	5%	(Actual / Target) x Weight	90%	96.48%	-	Cannot Be Validated	0%	In the submitted request for recalibration of the 2020 Performance Scorecard, the PCSO proposed to limit the monitoring of the turnaround time for SMs 7 and 8 to transactions received by the PCSO Main Office only (i.e., applications in branches are proposed for exclusion). However, as noted in the letter of the Governance Commission dated 08 February 2021, ³ considering that "the intention of the measures is to monitor the corporation's efficiency in processing the applications/transactions received nationwide", the PCSO was reminded to ensure that reports and documents to be submitted for SMs 7 and 8 should provide the corporate-wide accomplishment and that the absence of such information and supporting documents may result in the grant of an automatic zero score. Despite the reminder of the Governance Commission, the PCSO failed to provide the database of transactions per branch.
SM 8	Percentage of Guarantee Letters Processed Within Prescribed Period (IMAP)	5%	(Actual / Target) x Weight	90%	56%	-	Cannot Be Validated	0%	List of Guarantee Letters Processed Within the Prescribed Period Summary of GLs Processed Within the Prescribed Period per Region/Branch

² Prescribed period based on PCSO's compliance with Republic Act No. 11032 otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

³ Barcode Number: 2021-002234.

⁴ Processing period within 60 days.

Objective/Measure	Component		PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
	Formula	Weight	Target	Actual	Rating	Actual			Rating
SM 9 ISO 9001:2015 Aligned QMS Established	Actual Accomplishment	5%	Maintain ISO 9001:2015 Certification for the Covered Processes in 2019 or ISO 9001:2015 Certification for Operating Fund Payment Process = 2.5% Maintenance of ISO 9001:2015 Certification for the Covered Processes in 2019 and ISO 9001:2015 Certification for Operating Fund Payment Process = 5%	Reconstitution of the QMS Team During the Fourth Quarter and a Letter of Deferment was Sent to the TUV Rheiland Group	-	Cannot Be Validated	0%	Surveillance Audit Report from TUV Rheiland Copies of Certificates	Considering that the PCSO conducted a recertification audit in 2019, the PCSO is due for the first surveillance audit in 2020. In PCSO's letter to its certifying body, TUV Rheiland, dated 14 December 2020, the PCSO noted that the surveillance audit for PCSO's ISO 9001:2015 certification is due on 23 December 2020. However, the TUV Rheiland was unable to accommodate the corporation due to prior commitments and a fully booked calendar. As such, the PCSO requested for the deferment of the surveillance audit to 12 January 2021. Albeit the request was acknowledged by the TUV Rheiland, a copy of the certifying body's approval of the deferment was not submitted. Instead, the PCSO submitted an audit report for the second surveillance report and an ISO 9001:2015 certificate valid from 20 July 2021 to 08 March 2022. Thus, the Governance Commission could not verify the conduct of the first surveillance audit.
Sub-total		22.5%			-		0%		

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks		
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating	
SO 7	Hire, Develop, and Maintain Competent and Motivated Personnel										
SM 10	Improved Competency Level of the Organization	Actual Accomplishment ⁵	5%	All or Nothing	Improvement in the Competency Baseline of the Organization	Trained a Total of 188 Employees Improving at Least 12% of Competency Gaps	-	No Competency Assessment Conducted in 2019 and 2020	0%	Workforce Complement Details for 2019 and 2020 Memorandum from the Assistant General Manager for the Administrative Sector Computation of the Organizational Competency Score for 2019 and 2020	Target not met.
SO 8	Acquire and/or Develop Advanced Technology to Support Internal Processes										
SM 11	Percentage of Completion/ Implementation of ISSP	Number of Deliverables Accomplished / Total Number of 2020 Deliverables	5%	(Actual / Target) x Weight	100% Attainment of 2020 Deliverables Based on the Board-Approved ISSP 2019-2021 as Submitted to DICT	Development of Computerized Accounting System (CAS) – On Going Development – 20% Development of Human Resource System (HRS) – Live Run of FM & PIM Modules in the Main Office – 100%	-	33.33% (1 out of 3 Deliverables)	1.67%	Revised ISSP 2019-2021 as Submitted to DICT E-mail Submission of PCSO to DICT of the Revised ISSP 2019-2021	Based on the submitted 2019-2021 ISSP, there were 9 ICT projects for implementation. Of the 9 ICT projects, only 3 were due in 2020: (1) Establishment of Cybersecurity Phase 1;

⁵ The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^B \frac{a}{B}}{B}$$
 where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled.

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 Validation Result of 2020 Performance Scorecard (Annex A)

Objective/Measure	Component			PCSO Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual		
					Enhancement of PCSO STL Management System – Initial Application – 100%; Enhancement of the Application – 0% Establishment of Cybersecurity Phase 1 – Installed & Configured – 100% Establishment of Cloud Computing and Continuous Cloud Subscription – Awaiting for the Release of Clearance form DICT Roll-out of Computerized Accounting System (CAS) and Establishment of Connectivity in 3 Identified Branches (Bulacan, Cavite, and Davao) – 100% Acquisition and Development of PCSO Lottery System			Certificate of Acceptance Cybersecurity Phase 1 ICT Project Implementation Schedule	(2) Establishment of Cloud Computing and Continuous Cloud Subscription; and (3) Roll-out of Computerized Accounting System (CAS) and Establishment of Connectivity in 3 Identified Branches (Bulacan, Cavite and Davao) The Governance Commission was only able to validate the roll-out of the Cybersecurity Phase 1 project. Other 2020 deliverables under the ISSP could not be validated due to the non-submission of the necessary supporting documents.
	Sub-total	10%				-		1.67%	
	TOTAL	100%				-		21.67%	

SM 4: PAYMENT OF MANDATORY CONTRIBUTIONS (CURRENT)

#	BENEFICIARY/ITEM	LEGAL BASIS	PARTICULARS	PCSO REPORTED REMITTANCE	TOTAL AMOUNT DUE	REMARKS
1	Philippine Health Insurance Corporation (PhilHealth)	Section 37(c) of R.A. No. 11223	40% of the Charity Fund, Net of Documentary Stamp Tax (DST) payments and Mandatory Contributions of the PCSO as Provided for in R.A. No. 1169, as Amended	No Remittance Reported	Unverifiable	Cannot be validated. Under the IRR for the R.A. No. 11223, fund transfers to the PhilHealth should be made at the end of each quarter.
		E.O. No. 108 E.O. No. 201	50% of the Remainder Standby Fund under Section 4 of E.O. 201	₱420,585,000.00	₱420,585,000.00	Acceptable. The Governance Commission referred to the submitted copies of official receipt, check, and disbursement voucher to validate.
2	Commission on Higher Education (CHED)	R.A. No. 7722	Equivalent of 1% of the Gross Sales of the Lotto Operation	₱119,658,480.60	₱119,439,513.00 ¹	Acceptable. The payment covered January, February, March, August, September, October, November, and December 2020. The PCSO noted that the mandatory contributions for the months of October, November, and December 2020 were not claimed by the CHED.
3	Dangerous Drugs Board (DDB)	R.A. No. 9165	10% of all Unclaimed and Forfeited Sweepstakes and Lotto Prizes but Not Less than ₱12 Million per Year	₱7,386,632.30	Unverifiable	Cannot be validated. As noted in the 2020 Commission on Audit (COA) Annual Audit Report (AAR), prizes not claimed by the public within one (1) year from date of draw shall be considered as forfeited and shall form part of the Charity Fund for disposition. However, only forfeitures for December 2018 and January to February 2019 were noted as obligations due and paid by the PCSO. Moreover, the Governance Commission notes that per the 2020 COA AAR, Forfeitures of Unclaimed Prizes for 2019 amounted to ₱741,564,982.

¹ Computed based on the Gross Sales of Lotto Operations amounting to ₱ 11,943,951,300 recorded in the 2020 COA Annual Audit Report.

#	BENEFICIARY/ITEM	LEGAL BASIS	PARTICULARS	PCSO REPORTED REMITTANCE	TOTAL AMOUNT DUE	REMARKS
4	Philippine Sports Commission (PSC) – Sports Development Program	R.A. No. 6847	Six (6) Draws per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 425, s. 2015 dated 06 November 2015 and Board Resolution No. 0012, s. 2017 dated 27 January 2017	₱359,672.07	₱359,672.07	Acceptable. The target draw dates for the PSC are 18 January 2020, 21 April 2020, 08 August 2020, 15 August 2020, 07 November 2020, and 24 December 2020. Considering that the 6-Digit Lotto Draws were only conducted in January, February, March, and July 2020, only the lotto draw on 18 January 2020 was remitted by the PCSO.
5	Share of Local Government Units (LGUs)	E.O. No. 357 E.O. No. 357-A	A Proportionate Grant from the 30% Lotto Charity Fund in Favor of LGUs where Lotto Tickets are Sold	₱262,614,580.58	Unverifiable	Cannot be validated. No supporting documents were submitted by the PCSO.
6	Girl Scouts of the Philippines (GSP)	R.A. No. 620	One (1) Draw per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 425, s. 2015 dated 06 November 2015 and Board Resolution No. 0012, s. 2017 dated 27 January 2017	N/A	N/A	Excluded. No sweepstakes draw conducted in 2020.
7	Boy Scouts of the Philippines (BSP)	C.A. No. 595	One (1) Draw per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 425, s. 2015 dated 06 November 2015 and Board Resolution No. 0012, s. 2017 dated 27 January 2017	N/A	N/A	Excluded. No sweepstakes draw conducted in 2020.
8	National Council on Disability Affairs (NCDA)	R.A. No. 4564	One (1) Draw per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 425, s. 2015 dated 06 November 2015 and Board Resolution No.	N/A	N/A	Excluded. No sweepstakes draw conducted in 2020.

#	BENEFICIARY/ITEM	LEGAL BASIS	PARTICULARS	PCSO REPORTED REMITTANCE	TOTAL AMOUNT DUE	REMARKS
9	Philippine Red Cross (PRC)	R.A. No. 3867 R.A. No. 10072	0012, s. 2017 dated 27 January 2017 One (1) Draw per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 425, s. 2015 dated 06 November 2015 and Board Resolution No. 0012, s. 2017 dated 27 January 2017	No Remittance Reported	6D Lotto Based on 04 July 2020 and 21 July 2020 Draws	Cannot be validated. The Governance Commission notes that the PCSO announced the official draw results for the appropriate target draw dates. Further, ticket sales for 6-Digit Lotto were recorded for July 2020.
10	Quezon Institute	R.A. No. 4703	One (1) Draw per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 425, s. 2015 dated 06 November 2015 and Board Resolution No. 0012, s. 2017 dated 27 January 2017	N/A	N/A	Excluded. 6-Digit Lotto suspended in October 2020. The target Draw for the Quezon Institute is 31 October 2020.
11	Nutrition Foundation of the Philippines (NFP)	R.A. No. 4621	One (1) Draw per Annum Based on Lotto 6 Digit Game as per Board Resolution No. 0242, s. 2017 dated 11 October 2017	No Remittance Reported	6D Lotto Based on 14 July 2020 Draw	Cannot be validated. The Governance Commission notes that the PCSO announced the official draw results for the appropriate target draw dates. Further, ticket sales for 6-Digit Lotto were recorded for July 2020.