

**PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)**  
**Validation Result of the 2020 Performance Scorecard**

Component						PITC Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
SOCIAL IMPACT	SO 1	Efficient Supply Chain for Foreign and Domestic Requirements									
	SM 1	Increase Percentage of International Trading Revenues from the Priority Sectors <sup>2</sup>	Revenue from the Priority Sectors / Total Revenue from Exports and Imports	10%	(Actual / Target) x Weight	95%	100%	- <sup>3</sup>	100%	10%	<p>PITC's Summary Computation of Actual Gross Revenue of Exports and Imports</p> <p>Debit Notes, Sales Proforma, Commercial Invoice, Order Confirmation, and BSP Reference Rates for Peso Conversion</p> <p>Validated actual based on total gross revenues from priority sectors amounted to ₱33.79 Million. Of which, ₱14.82 Million came from exports while ₱18.96 Million came from imports.</p> <p>GCG noted the following discrepancies on the submitted documents:</p> <p>a)The PITC reported a turnover value of ₱98.95 Million for all import services. However, upon review of the submitted documents for all transactions, only one (1) of the four (4) import transactions of the PITC may be considered as an international trading service and was processed within 2020. Hence, only ₱18.96</p>

<sup>1</sup> Based on the 4<sup>th</sup> Quarter Monitoring Report submitted by the PITC through a letter dated 28 April 2021. Officially received by the Governance Commission on 07 May 2021. The targets used by PITC in the computation of its self-rating were not consistent with the targets reflected in the GCG-transmitted Performance Scorecard.

<sup>2</sup> Per the updated list from DTI.

<sup>3</sup> No self-rating as the submitted 4<sup>th</sup> Quarter Monitoring Reported indicated a different measure for SM 1. Reported accomplishment was based on submitted supporting documents.

Component						PITC Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target		Actual	Rating	Actual	Rating		
											<p>Million of turnover value from PITC's import activities were considered.</p> <p>b) The PITC reported a turnover value of ₱15.31 Million for exports marketing and exports services. However, upon the examination of the debit notes of all the exports transaction of PITC in 2020, only a total turnover value of ₱14.82 Million of the exports trading were accounted for.</p>
SM 2	Increase in Number of SME Export Producers with General Service Agreement to Utilize the Customs Bonded Warehousing Facilities	Absolute Number	5%	(Actual / Target) x Weight	25	22	4.074%	22	4.40%	<p>General Service Agreements (GSAs)</p> <p>Debit Notes, Sales Proforma, Commercial Invoice, Order Confirmation, and BSP Reference Rates for Peso Conversion</p>	<p>Target not met.</p> <p>GSAs are valid for three (3) years. Two (2) out of the 22 reported accomplishment were signed in 2020.</p>
<b>Sub-total</b>		<b>15%</b>					<b>4.074%</b>		<b>14.40%</b>		

Component						PITC Submission¹		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
FINANCIAL	SO 2	Improve Financial Performance on Core Business Operations									
	SM 3	Increase Total Sales Turnover/ Transaction Value	Absolute Amount	30%	(Actual / Target) x Weight	₱10.34 Billion	₱8.877 Billion	21.718%	Cannot Be Validated	0%	Turnover Report Debit Notes, Sales Proforma, Commercial Invoice, Order Confirmation, and BSP Reference Rates for Peso Conversion for Sampled Transactions  Transactions reported under Government Accounts (Procurement Group) and International Trading Services Group – Customs Bonded Warehouse Department cannot be objectively verified due to insufficient documentation and/or discrepancies observed in the turnover report. Considering that the validation of accomplishment is based on the review and evaluation of documents from randomly selected transactions, the discrepancies noted by casted doubt on the reliability and accuracy of the internally generated Summary/Turnover Report.  Details of the findings are provided in <b>Appendix 1</b> .  It was also observed that the reported accomplishment includes a transaction reported by the Office of the President (OP). It

Component						PITC Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target		Actual	Rating	Actual	Rating		
											should be emphasized that marketing and/or procurement are not part of the functions of the OP.
SO 3	Attain Financial Sustainability										
SM 4	Net Operating Income	Operating Income – Operating Expenses	30%	(Actual / Target) x Weight	₱627 Million <sup>4</sup>	₱41.412 Million	30%	₱68.94 Million	3.30%	2020 COA Annual Audit Report	Target not met.  The validated accomplishment was computed based on PITC's operating income of ₱198.87 Million and operating expenses of ₱129.93 Million.
	Sub-total		60%				51.718%		3.30%		
SO 4	Customer Satisfaction										
SM 5	Percentage of Satisfied Customers	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondent	5%	(Actual / Target) x Weight If Less Than 80% = 0%	90%	89.256%	4.959%	89.2%	4.96%	Inception Report, Pre-Test Report, Training Report, Supervision and Spot-Checking Report, Observation and Clearing/Debriefing Report, Back Checking Report, Data Quality Control Report, Final Report, and Ten (10) Accomplished	Target not met.  The Governance Commission noted that the PITC used the old prescribed survey questionnaire. The PITC is reminded to utilize the new prescribed survey questionnaire for the surveys to be conducted for the 2021 and the years thereafter.

<sup>4</sup> Based on the figures stated in the submitted DBM Form No. 703.

Component						PITC Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
										Survey Questionnaires	
		<b>Sub-total</b>	<b>5%</b>				4.959%		4.96%		
INTERNAL PROCESS	SO 5	Establish PITC as an Export Trading Hub									
	SM 6	Percentage of Export Producers Linked to Buyers	Number of Successful Contracts / Number of Active Suppliers	5%	(Actual / Target) x Weight	16%	31%	5%	Cannot Be Validated	0%	<p>Reported accomplishment cannot be validated due to the inconsistencies in the Registry of Exports Suppliers and List of Active Suppliers.</p> <p>The companies Chanalli Decors &amp; Gift Shop, Geuel Handicrafts, Home Edition Manufacturing Corporation, Jasmine Ethnic Crafts, MASA Ecological Development, Inc., Noelle Enterprises, Puregold Price Club Inc., Snapsnax Ventures, Inc., and Suy Sing Commercial Corporation were excluded in the initially submitted Registry of Exports Suppliers but were included in the submitted List of Active Suppliers. It should be noted that the Registry of Export Supplies lists all suppliers of PITC</p>

		Component					PITC Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target		Actual	Rating	Actual	Rating		
LEARNING & GROWTH												whether active or inactive.  The Governance Commission also recommends PITC to improve current systems and procedures to ensure the regular and accurate updating of the Registry of Exports Suppliers.
	SO 6	Ensure Integration of Countertrade in Government Procurement as a Catalyst for National Development										
	SM 7	Number of New Countertrade Agreements Signed with Suppliers	Absolute Number	5%	(Actual / Target) x Weight	13	5	7.143%	5	1.92%	General Countertrade and Offset Agreements	Target not met.
	SO 7	Sustain ISO-QMS Certified Status										
	SM 8	ISO 9001:2015 Certification Sustained	Actual Accomplishment	5%	All or Nothing	Maintain ISO 9001:2015 Certification	Maintain ISO 9001:2015 Certification	5%	ISO 9001:2015 Certification Maintained	5%	Follow-Up/ Surveillance Audit Report	Target met.
	Sub-total		15%					17.143%		6.92%		
	SO 8	Increase Targeted Competencies to Level Up Corporate Performance										
	SM 9	Percentage of Employees Meeting Required Competencies	2020 Baseline – 2019 Baseline	5%	All or Nothing	Improvement in the Competency	Addressed Identified Competency Gaps of 25 Employees	5%	Cannot Be Validated	0%	Certification on the Number of Permanent Employees in 2019 and 2020	Reported accomplishment cannot be validated. PITC represented that the "[corporation] cannot provide the required documents pertaining to the [...] target due to time constraint and that

Component						PITC Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
					Baseline of the Organization <sup>5</sup>						the PITC] need considerable time to re-assess [the corporation's] tools to comply with [the] standards [of the Governance Commission]". <sup>6</sup>
		<b>Sub-total</b>	<b>5%</b>				<b>5%</b>		<b>0%</b>		
		<b>TOTAL</b>	<b>100%</b>				<b>82.894%</b>		<b>29.58%</b>		

6

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

$$\frac{\sum_{b=1}^B \left[ \frac{a \left( \frac{\text{Actual Competency Level}}{\text{Required Competency Level}} \right)}{A} \right]}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

<sup>6</sup> Letter of the PITC dated 08 October 2021. Officially received by the Governance Commission on 11 October 2021.



**VALIDATION OF SM 3: INCREASE TOTAL SALES TURNOVER/TRANSACTION VALUE**

PITC FUNCTIONAL GROUP	PITC REPORTED TURNOVER VALUE	SAMPLED ACCOUNTS	REMARKS
Office of the President	12,599,361.54	Department of Finance	Turnover value reported in the turnover report was consistent with the supporting documents.
Military Accounts (Procurement) Group	2,263,431,461.51	Hanhwa Corporation Veterans Memorial Medical Center	Turnover values reported for Hanhwa Corporation and Veterans Memorial Medical Center in the turnover report were consistent with the supporting documents.
Government Accounts (Procurement) Group	4,057,754,687.28	Geo-Surveys & Mapping Inc. University of the Philippines Los Baños	Turnover value reported for Geo-Surveys & Mapping Inc. in the turnover report was consistent with the supporting documents. However, turnover value for University of the Philippines Los Baños was not validated due to insufficient documentation (only debit notes and agency outsourcing requests were provided).
International Trading Services Group - Imports Department	98,949,094.60	Golden Orient Ship Management & Agencies Inc. Medtex Corporation Medtrends Distributor's Corp. Zenith Foods Corporation	Upon review of documents, it was observed that Medtex Corporation and Medtrends Distributor's Corp. are local companies. Thus, the transactions with such companies were not considered as imports. Moreover, the transaction of Zenith Foods Corporation was in 2019.  The PITC reported a turnover value of ₱19.04 Million for Golden Orient Ship Management & Agencies Inc. However, based on the review of submitted invoices, the turnover value for the company amounted to ₱18.96 Million.
International Trading Services Group - Customs Bonded Warehouse Department	1,631,115,399.75	Sunflower Umbrella Mfg. Co., Inc. Giardini Del Sole	Upon review of the submitted debit notes, a minimal discrepancy in the turnover value of Sunflower Umbrella Mfg. Co., Inc. was noted. The

9



PITC FUNCTIONAL GROUP	PITC REPORTED TURNOVER VALUE	SAMPLED ACCOUNTS	REMARKS
			<p>PITC reported a turnover value of ₱2,734,705.93 while the validated turnover value is ₱2,734,706.40.</p> <p>Moreover, based on the debit notes, it was noted that three (3) of the five (5) transactions with Giardini Del Sole were in 2019. Thus, the PITC reported turnover value of Giardini Del Sole of ₱428,319.08 was adjusted to ₱281,504.97.</p>
International Trading Services Group - Countertrade Department	797,846,492.53	Geo-Surveys & Mapping Inc. Hanhwa Corporation	Turnover value reported in the turnover report for the sampled accounts were consistent with the supporting documents.
Exports Trading Group	15,314,803.11	Foureme SL Shicata Co. Modish Store USA Etoile Kaito & Co., Inc. Artline Internacional S.A. de C.V. United Shipchandlers Limited Inc. Bionutrients Global S.R.L. de CV Sagana Association	<p>One (1) transaction was excluded as the supplier, Home Edition Manufacturing Corp., transacted directly with Modish Store USA and thus, did not avail of the services of the PITC.</p> <p>Based on the debit notes, the PITC reported turnover value of ₱15,314,803.11 was adjusted to ₱14,822,831.37.</p>
<b>Total</b>	<b>8,877,011,300.32</b>		

9