

**PAPER FOR THE DEPARTMENT OF TRADE AND INDUSTRY
18 JULY 2006 REGIONAL MEEETING
Hampton Function Room, Oxford Suites
Durban corner P. Burgos Sts, Makati City**

**By
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A pleasant afternoon to everyone.

Being with you today is indeed a welcome opportunity for me, as this not only paves the way for an introduction of the Integrity Development Action Plan or IDAP's measures and milestones, but sort of a homecoming to an institution – particularly to a group – the Regional Operations Group – which once upon time, actually 18 years ago, opened its doors and allowed me to be part of a very professional breed of public servants.

It was August of 1988 when I joined DTI – through it's Regional Operations' Group – at that time, under the leadership of Usec Follosco. I also had the opportunity to move around DTI's other groupings – from ROG to PPSCG to IIG 10 years after, that is, in August of 1988 - I left DTI –

I had been with other departments and offices, but I would like to share with you that I always looked back at my stay with DTI as the most challenging phase of my life.

In fact, in all the other offices I have been to, after DTI – I have never forgotten to introduce to those offices and my peers - the many important lessons on improved systems and procedures, professionalism, challenges and trials, commitment, excellence – and even the art of facing frustration tolerance – that I learned from my 10 years of stay with DTI as all of those, I believe, contributed to my being what I have become both as a person and as a public servant.

And this is the reason, why I opted to personally give you the briefing – pagpapasalamat po sa 10 taong paghubog sa akin ng institusyong DTI upang maging isang mabuting lingkod ng bayan.

And even if I am fully aware of how committed you are to your work – I still believe that you could still do more – and this is, through the adoption and implementation in your respective places of work - of all applicable anticorruption measures of the Integrity Development Action Plan or IDAP or sometimes even referred to as the 7-4-7-4 strategies.

What is IDAP?

IDAP is the output of the December 2004 unprecedented Presidential Anti-Corruption Workshop attended by over 100 top officials coming from about 40 national government. This has 22 anticorruption measures that are doables, and, has been adopted, as the National Anti-Corruption Framework for the Executive Branch. Heads of Offices covered by the IDAP committed to the adoption of the measures starting January 2005 –

- and, this served as an integrity pact between the President and the Heads of Agencies. PAGC has been tasked to exercise oversight functions over the covered agencies as regards level of compliance and value added in terms of improvement in governance and reduced level of perception as regards extent of graft and corruption in public offices.

The 22 anti-corruption measures are reflective of the vision, mission and goals set by PAGC, and these talk of:

“A Graft and Corrupt-Free Philippines characterized by transparency and accountability in governance, honesty and integrity in the bureaucracy in a corruption intolerant society” for the vision

And for the Mission, we say:

“To be the President’s arm in eradicating graft and corruption through effective Deterrence, Prevention and Education in partnership with all stakeholders”

For the Goals, we have:

Under Deterrence (investigation/enforcement) – “to make graft and corruption a high-risk, low-reward activity”

Under Prevention – “to minimize opportunities for graft and corruption and ensure that systems of agencies are corruption-resistant”

For Education – “To promote corruption-intolerant society by raising awareness that mobilizes citizenry and by disseminating good citizenship values and institutionalizing the code of ethics in agencies”

On the provision of oversight functions on the implementation of the Integrity Development Action Plan, PAGC did the following intervention from the December 2004 workshop:

- requirement for monthly submission by IDAP-covered agencies of accomplishment reports
- conduct of bi-monthly follow-up sessions
- conduct of Performance Indicators workshop
- conduct of the semestral IDAP Enhancement Seminar/Workshop
- conduct of special sessions by special committees to address given requirements
- issuance of an IDAP Circulars serving as guide on IDAP implementation
- forging of several partnerships with both local and international partners for the provision of much needed assistance taking the form of grants, trainings and the like
- ensuring that the necessary issuances from the Office of the President are done to support IDAP implementation and sustainability requirements

and these proved useful and produced positive results

+ IDAP is now in over 60 offices from the 40 agencies initially covered, and these are, presented in alphabetical order:

- 1. Bureau of Customs**

- 2. Bureau of Immigration**
- 3. Bureau of Internal Revenue**
- 4. Bureau of Jail Management and Penology**
- 5. Department of Agrarian Reform**
- 6. Department of Agriculture**
- 7. Department of Budget and Management**
- 8. Department of Education**
- 9. Department of Energy**
- 10. Department of Environment & Natural Resources**
- 11. Department of Finance**
- 12. Department of Foreign Affairs**
- 13. Department of Health**
- 14. Department of Interior and Local Government**
- 15. Department of Justice – Nat'l Prosecution Service**
- 16. Department of Labor and Employment**
- 17. Department of National Defense**
 - Armed Forces of the Philippines**
- 18. Department of Public Works and Highways**
- 19. Department of Science and Technology**
- 20. Department of Social Welfare and Development**
- 21. Department of Tourism**
- 22. Department of Trade and Industry**
- 23. Department of Transportation & Communication**
- 24. Housing and Urban Development Coord Council**
 - National Housing Authority**
 - Housing and Land Use Regulatory Board**
 - National Housing Mortgage Finance Corp**
 - Housing Guarantee Corporation**
 - Home Development Mutual Fund**
- 25. Land Regulation Authority**
- 26. Land Transportation Office**

- 27. Land Transportation and Regulatory Board**
- 28. Metro Manila Development Authority**
- 29. National Anti-Poverty Commission**
- 30. National Economic Development Authority**
- 31. National Irrigation Authority**
- 32. National Labor Relations Commission**
- 33. Office of the President**
- 34. Office of the Presidential Adviser on Peace Process**
- 35. Office of the Vice President**
- 36. Philippine National Police**

Additional Agencies phased in for 2005 include:

- 37. Bureau of Corrections**
- 38. Social Security Commission/Social Security System**
- 39. Land Bank of the Philippines**
- 40. Government Service and Insurance System**
- 41. Bureau of Fire Protection (your group)**

Others that expressed interest to be covered for 2006

- 42. Province of Bulacan**
- 43. City of Marikina**
- 44. Municipality of Cainta**
- 45. NAPOCOR**
- 46. SBMA**
- 47. Senate of the Philippines**
- 48. Presidential Council for Values Formation**

And now, on the 22 doables under IDAP:

On the area of Prevention, we have 7 doables:

- 1. strengthening of internal control through the institutionalization of internal audit service**
- 2. conduct of Integrity Development Review or IDR in 5 agencies**

3. **fast tracking of the electronic New Government Accounting System and electronic bidding for the procurement of goods, services and infrastructure projects**
4. **incorporating integrity check in recruitment and promotion of government personnel**
5. **institutionalization of a multi-stakeholder personnel and organizational performance evaluation system**
6. **protection of meager income of government employees by ensuring a level for take home pay**
7. **adoption of a single ID system for government officials and employees.**

We have four for the Education Strategies,

1. **dissemination of compendium of anticorruption laws, rules and regulations**
2. **preparation of agency-specific code of ethical standards**
3. **conduct of ethics training, spiritual formation, and moral recovery program for agencies and stakeholders**
4. **integration of anti-corruption modules for elementary and secondary levels.**

On deterrence or investigation and enforcement, we have seven:

1. **development of agency Internal Complaint Unit (including the protection of whistleblowers).**
2. **setting up/strengthening of agency Internal Affairs Unit.**
3. **publish blacklisted offenders and maintain on-line central database for public access**
4. **holding superiors accountable for corrupt activities of subordinates**
5. **effective use of existing agency administrative disciplinary machinery and publication of results of administrative cases handled**

6. **advocacy for the submission of Income Tax Returns as attachment to the Statement of Assets, Liabilities and Networth**
7. **PAGC's carrying out of an independent survey to check anti-graft and corruption program effectiveness**

And on Strategic Partnership, we have four:

1. **linking of existing databases of complementary agencies and sharing of information**
2. **need to enlist or enhance participation of private sector and civil society in various areas of governance**
3. **need to tap international development agencies and private sector for support**
4. **institutionalization of the participation of stakeholders in agency activities**

For the specific milestones under these strategies, we present the following:

On the first doable that is on the strengthening of internal control through the institutionalization of internal audit service – the desired outcome from this measure is the revival and strengthening of systems integrity in the agencies covered by IDAP

The yearly COA audit reports, most often than not, emphasized the absence of strong control mechanisms or most of the times written as presence of weak controls in the agencies, thus, the recommendation to set up internal audit unit. But these observations, findings and recommendations – unfortunately remain to be just like that – observations, findings and recommendations – as records would show that there is very limited compliance or in case of implementation, sustainability is wanting.

With the IDAP, all departments are now being – actually forced – to comply with the law – as the Rationalization and Streamlining Plan or RSP per EO 366, will not be approved if the submission does not include an Internal Audit Structure in the proposal. Towards this end, DBM has likewise released its position and communication to the agency Heads and Civil Service Commission on the importance of giving priority to the creation of IAS units and approval of the position classification for internal auditors.

This doable likewise got World Bank's nod as it released US\$ 300,000.00 grant to fund strengthening of internal audit units and internal auditors for better transparency and accountability, initially focusing on the procurement system – for an efficient and effective procurement monitoring and enforcement.

The first two components of this project – that is on mapping of internal audit functions and on the preparation of a generic internal audit manual – has been awarded to the winning service provider, the SGV.

The project, worth over P6.0 Million, will take about 8 months and there are 15 pilot project beneficiaries which include the Office of the Ombudsman as a representative of the Constitutional bodies, 3 from the Local Government Units – the Province of Bulacan, City of Marikina and Municipality of Cainta. The rest come from the executive branch – DA, DPWH, DOH, DEPED, DILG, DBM-PS, DSWD, DND/AFP, PNP, OP and NAPOCOR.

Under this project, COA has been tapped and already agreed to be a resource agency to ensure that internal auditing concerns shall be considered.

A downstream assignment of this project, which is Component 3 of the Grant- is on the development of Certification Program for Internal Auditors.

When implemented, this will translate to corruption eradication through:

- the development of a quality assessment program on internal auditing functions
- a generic internal audit manual
- a national training program and certification for internal auditors (this can be a downstream assignment for SGV depending on their level of performance)
- and, procurement records management and monitoring system
- the last component is on the strengthening of PAGC as an oversight agency.

Agencies' compliance level to this measure is guided by a list of things to do and to have including the corresponding point systems on a per measure basis. This is what I earlier pointed out when I mentioned the 5-point rating scale.

Thus for this 1st doable, the indicators are presented on the screen.

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Audit findings are available to the public (except those concerning national security) Impact of its effectiveness as a mechanism to prevent corrupt practices and assist management in achieving more effective governance regularly assessed
4	<ul style="list-style-type: none"> ▪ Random audits are carried out with reports and recommendations for action provided to the head of the agency * Appropriate follow-up action are taken on any findings as maybe necessary
3	<ul style="list-style-type: none"> ▪ Internal Audit Unit already operationalized ▪ Internal Audit Unit has a manual of procedures IAU has already complied with the International Standard for the Professional Practice of Internal Auditing and the Code of Ethics promulgated by the (AGIA)
2	<ul style="list-style-type: none"> ▪ Department Order already disseminated to the employees * Orientation and discussion on the Department Order held Training of Internal Auditors
1	<ul style="list-style-type: none"> ▪ Department Order creating the Internal Audit Unit, charter, structure and function of which are in accordance with

	Administrative Order No. 70 and DBM Circular 2004-04, already approved
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On the second doable, that is, on the conduct of Integrity Development Review or IDR in pilot agencies, the first 5 agencies include BOC, BIR, DPWH, PNP and LTO. A lot of processes have already started on these agencies and this is covered by the EC-Ombudsman project. By this time, the assessors' reports on the results of the Corruption Resistance Review (which covers Integrity Development Assessment, Survey of Employees, and Analysis of Results) and the Corruption Vulnerability Assessment, is being finalized.

Hopefully, within the year, 10 more agencies will be added to this list, your agency included, with DND/AFP, BFP, DENR, DLR, DOH, DBM-PS, LRTA, NIA and National Transmission Commission.

The rest of the agencies not covered by the EC-OMB project, have been provided with a copy of the "Do-It-Yourself Manual" to help them prepare for the IDR process.

Most of you might wonder what IDR is all about. Hence, the need for a little explanation. IDR is a preventive measure against corruption that aims to build institutional foundations to prevent corruption before it occurs. This entails a systematic diagnosis of the corruption resistance in place in an agency and its vulnerabilities to corruption. Here, 10 components are being evaluated and these 10 are clustered into three areas:

The Individual – where we have leadership, code of ethics, and gifts and benefits policy

Second Group is on Organizational – where he have recruitment and promotion, performance management, procurement, financial management, internal reporting, and corruption risk management

The last group is on environment which focus on managing interface with stakeholders.

Seeing the components, one can easily understand this process' objectives. And these are:

- ✓ Determine the level of integrity development within the agency
- ✓ Identify the agency's vulnerability to corruption
- ✓ Assess the adequacy of agency's safeguards to forestall corruption
- ✓ Prepare a Corruption Prevention and Integrity Enhancement Plan
- ✓ Establish benchmarks by which agency performance and results of anti-corruption programs can be monitored

For this measure, our indicators are flashed on the screen:

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ IDR findings already presented and validated with the management/head of agency ▪ Agency already prepared an agency anticorruption/integrity development plan (Roadmap) ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ Corruption Vulnerability Assessment already conducted which includes: <ul style="list-style-type: none"> ○ Preparation of a Site Visit Plan ○ Process map ○ Risk Assessment ○ Evaluation of controls and safeguards
3	<ul style="list-style-type: none"> ▪ Corruption Resistance Review (CRR) already conducted which includes: <ul style="list-style-type: none"> ○ Integrity Development Assessment (IDA) ○ Survey of Employees ○ Analysis of Results
2	<ul style="list-style-type: none"> ▪ Assessors to constitute IDR team identified and trained ▪ IDR implementation plan for the agency already prepared
1	<ul style="list-style-type: none"> ▪ MOA among the agency, service provider and PAGC or OMB already signed (should include the scope of the IDR and the terms of reference, timeframe, resource and

	manpower requirements for the conduct of the IDR)
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On the fast tracking of the electronic New Government Accounting System and electronic bidding for the procurement of goods, services and infrastructure projects – per COA’s latest report submitted to the Commission,

+ eNGAS is installed in 85 agencies nationwide (63 NGAs, 2 GOCCs, 20 LGUs);

on going roll out in 40 agencies (14 NGAs, 6 GOCCs, 20 LGUs); and,

for roll out in 174 agencies (76 NGAs, 24 GOCCs, 74 LGUs).

When in place, it is expected that there will be greater transparency, correct, reliable, complete and timely recording of government financial transactions and reports.

The indicators here are.....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ e-NGAS in place and operational
3	<ul style="list-style-type: none"> ▪ Concerned personnel already trained on e-NGAS
2	<ul style="list-style-type: none"> ▪ MOA between COA (Government Accounting and Finance Management Information System) and the head of agency on e-NGAS implementation already signed ▪ Employees already oriented on the MOA
1	<ul style="list-style-type: none"> ▪ Agency already complied with all the E-NGAS requirements which include: <ul style="list-style-type: none"> ○ Server System Requirements ○ Workstation requirements ○ People ware requirements ○ Local Area Network (LAN ○ Existing System

On the fourth doable that is on incorporating integrity check in recruitment and promotion of government personnel – IDAP covered agencies have been briefed of the importance of factoring in lifestyle check and background check in the components of integrity check.

Parameters/guidelines for the efficient implementation of this measure is being crafted by a Consultant.

The indicators are....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Impact as to its effectiveness as a mechanism to prevent corrupt practices regularly assessed ▪ Results of the review used to enhance the recruitment and promotion process
4	Performance of the personnel selection/promotion review board regularly reviewed
3	<ul style="list-style-type: none"> ▪ Integrity check incorporated during the recruitment and promotion process based on the approved guidelines
2	<ul style="list-style-type: none"> ▪ Written guidelines for the inclusion of integrity check in the recruitment and promotion process communicated to all employees ▪ Agency has a functioning personnel selection/promotion review board ▪ HRD personnel and members of the selection/promotion review board trained in conducting integrity check
1	<ul style="list-style-type: none"> ▪ Department Order and written guidelines for the inclusion of integrity check in its recruitment and promotion process in accordance with CSC guidelines approved

On the institutionalization of a multi-stakeholder personnel and organizational performance evaluation system, IDAP covered agencies have been reminded to use performance evaluation system in accordance with CSC guidelines on the matter specially on the use of the Performance Management System that includes a numerical evaluation of outputs and outcomes to IDAP participating agencies. PAGC has been emphasizing that performance evaluation should not be tied up to

the granting of productivity bonus but should instead be directly anchored on meritorious performance.

The indicators here are.....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Results of the review used to promote good behavior and performance of employees ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ System for rewarding good performance and sanctioning poor performance in place ▪ Multi-stakeholder performance evaluation system regularly reviewed and improved
3	<ul style="list-style-type: none"> ▪ Multi-stakeholder performance evaluation system conducted regularly
2	<ul style="list-style-type: none"> ▪ Orientation of the employees on the multi-stakeholder performance evaluation system conducted ▪ Composition of the Performance Evaluation Review Committee (PERC) already identified
1	<ul style="list-style-type: none"> ▪ Department Order and written guidelines to implement a multi-stakeholder performance evaluation system in accordance with CSC Memorandum Circular No. 13, s. 1999 approved and disseminated

Next is on the protection of meager income of government employees by ensuring a level for take home pay (equivalent to the minimum threshold necessary to sustain a family's basic needs of both food and non-food requirements). Here, the Office of the President, On 19 September 2005, issued E.O. 462 which is on Adopting Measures and Safety Nets to Protect Government Employees, Creating the Committee on Protection of Income of Government Employees, and Other Purposes.

The parameters for ratings are.....

RATING	LEVELS OF ACHIEVEMENT
5	Impact of its effectiveness as a mechanism to prevent corrupt

	practices regularly assessed
4	Level of implementation of the Department Order and guidelines regularly reviewed
3	Amount of take-home pay of employees in accordance with the D.O. and guidelines (D.O. operationalized)
2	Orientation on the Department Order and guidelines conducted to all employees
1	Department Order and written guidelines in accordance with GAA provision on the minimum amount of take-home pay of the employees approved and disseminated

And on the last doable under prevention strategy, that is on the adoption of a single ID system for government officials and employees, NEDA released the IRR for its implementation last year but we see implementation middle of this year after the Supreme Court’s ruling saying that there is nothing wrong with E.O. 420 on the use of single ID system for public servants.. This measure aims to enhance the integrity and reliability of government-issued ID cards.

This is expected to be in place this year.

On the Education Strategies’ accomplishhments:

Under the first measure, that calls for the dissemination of compendium of anticorruption laws, rules and regulations – per Office of the Ombudsman, the targeted uploading of the subject laws, rules and regulations has been set for the early part of 2006. The USAID-ROLE is also preparing an anticorruption case digest which is expected to be completed and to be disseminated within this year. IDAP-covered agencies, on the other hand, have resorted to the dissemination of laws, rules and regulations applicable to their mandates.

The indicators for this measure are.....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed

4	<ul style="list-style-type: none"> ▪ All computers in the agency have anti-corruption laws, rules and regulations that could be downloaded and printed ▪ Anti-corruption laws, rules and regulations displayed in conspicuous places
3	<ul style="list-style-type: none"> ▪ Orientation on anti-corruption laws, rules and regulations with the employees conducted
2	<ul style="list-style-type: none"> ▪ Department Order for the compilation of anti-corruption laws, rules and regulations (applicable to the agency) approved and disseminated
1	<ul style="list-style-type: none"> ▪ Research, compilation and coordination with an anti-corruption agency like PAGC or Ombudsman done ▪ Compiled anti-corruption laws, rules and regulations approved for dissemination

On the preparation of agency-specific code of ethical standards, IDAP covered agencies have been provided with the Ombudsman’s template which they can use to pattern their own codes with emphasis on the contents to include instilling values and ethics in reinforcing principles under RA 6713 (which is the Code of Conduct and Ethical Standards for Public Officials and Employees) specifically on –

- + prohibition on financial and material interest**
- + prohibition on outside employment**
- + disclosure and/or misuse of confidential information**
- + solicitation or acceptance of gifts**
- + mandatory filing of SALS**
- + disclosure of business interests and financial connections**
- + proper divestment to avoid conflict of interest**

The indicators are.....

RATING	LEVELS OF ACHIEVEMENT
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5	<ul style="list-style-type: none"> ▪ The agency code of ethical standards regularly reviewed for effectiveness in specifying and promoting desired behavior of employees ▪ The code of ethical standards integrated in all operating systems of the agency (e.g. human resource management, procurement) ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ Employees' record of adherence to or violation of the agency code of ethical standards used as one of the considerations for promotion ▪ Rewards given to officials and employees who consistently exhibit behavior consistent with the agency code of ethical standards
3	<ul style="list-style-type: none"> ▪ Agency-specific code of ethical standards consistently enforced, with managers having clear tasks of promoting and monitoring compliance ▪ Applicable provisions of the code of ethical standards included in contracts with external parties (e.g. suppliers)
2	<ul style="list-style-type: none"> ▪ Agency-specific code of ethical standards and reward and sanction guidelines approved and disseminated Employees oriented and made to sign a sworn commitment to comply with the code of ethical standards
1	<ul style="list-style-type: none"> ▪ Department Order creating an agency-specific code of ethical standards consistent with RA 6713 approved and disseminated

In the 20 December joint Cabinet, National Security Council and NEDA Board meeting, the President gave the instruction to have these two measures given more attention and ensure that all agencies shall register compliance to these within this year.

The third is on the conduct of ethics training, spiritual formation, and moral recovery program for agencies and stakeholders. The desired outcome here is to have more government employees with renewed sense of idealism. And the indicators here are:

RATING	LEVELS OF ACHIEVEMENT
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5	<ul style="list-style-type: none"> ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ Trainings conducted reviewed and evaluated ▪ Trainers evaluated
3	<ul style="list-style-type: none"> ▪ Trainings conducted in accordance with the training plan
2	<ul style="list-style-type: none"> ▪ Trainings to be conducted yearly and pool of trainers identified ▪ Training program plan approved
1	<ul style="list-style-type: none"> ▪ Department Order prioritizing ethics training spiritual formation and moral recovery program approved and disseminated ▪ Discussions, studies and coordination with agencies on appropriate trainings on values formation conducted

The last doable is on the integration of anti-corruption modules for elementary and secondary levels. This is a project undertaken by the Office of the Ombudsman and the Department of Education and Culture. The teaching exemplars affirm the indispensability of values education programs that focus on building personal honesty, integrity and competence in every member of the society.

The exercise of oversight function on the implementation of the education measures are being turned over to the Presidential Council on Values Formation for PAGC to have more time for the next strategy, that is on deterrence or investigation and enforcement.

On deterrence or investigation and enforcement,

Under the first measure, that calls for the development of agency Internal Complaint Unit (including the protection of whistleblowers). The objective of this measure is to facilitate exposure of graft and corruption and any form of ethical misconduct within an agency and to motivate more informants to come out overcoming the social belief or taboo on denouncing fellow citizens.

PAGC is conducting continuous coordination with the IDAP focal persons of each agency and with DBM to ensure that the agency proposals for RSP approval would have this in their structures.

The indicators are....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ The agency regularly assesses whether the internal reporting system being used is an effective mechanism to prevent corrupt practices ▪ Results of the assessment used to improve and enhance the internal reporting process
4	<ul style="list-style-type: none"> ▪ The agency protects and rewards employees who report corrupt behavior
3	<ul style="list-style-type: none"> ▪ The agency has an internal reporting system which follows a standard processing time and specifies roles and responsibilities for accepting reports and giving advice to employees who want to report corruption ▪ The agency records steps taken on complaints and provide feedback to complainants ▪ Coordination with Internal Affairs Unit on-going
2	<ul style="list-style-type: none"> ▪ Employees oriented on the procedures for reporting corrupt incidents ▪ Relevant personnel trained on the handling of complaints and reports of corruption
1	<ul style="list-style-type: none"> ▪ Department Order creating ICU and guidelines (which specify what constitutes corrupt and unethical behavior and the responsibilities for reporting) approved and disseminated

The second doable is on the setting up/strengthening of agency Internal Affairs Unit. This aims to have a stronger investigative capability within the agency and faster resolution of graft and corruption cases.

PAGC is helping covered agencies by sharing its processes, forms and guidelines developed and incorporated in PAGC’s complaints and case management Manual of Operations which was developed through the assistance of USAID-ROLE. Work here is a direct manifestation of positive moves under this doable and an exercise of acceptance of ones’ responsibilities and accountabilities. This addresses the challenge posed by Her Excellency for each of the selected 10 agencies to submit at least a case per quarter involving a “big fish” to either the Office of the Ombudsman or PAGC as a means to fight graft and win the same fight.

These 10 select agencies are: DEPED, BIR, BOC, DENR, DPWH, DLR, DOH, DOJ, DILG and NLRC. We have noted DOH’s, BIR’s and DPWH’s compliance on this.

The indicators are.....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ The agency regularly assesses whether the investigation system being used is an effective mechanism to prevent corrupt practices ▪ Results of the assessment used to improve and enhance the investigation process
4	<ul style="list-style-type: none"> ▪ Coordination with other anti-corruption body (e.g. PAGC and OMB) on-going ▪ The agency imposes appropriate sanctions to erring employees and officials
3	<ul style="list-style-type: none"> ▪ The agency has an investigation system which follows a standard processing time and specifies roles and responsibilities for conducting investigations
2	<ul style="list-style-type: none"> ▪ The agency regularly disseminates information on the disposition of cases ▪ Relevant personnel trained on investigation
1	<ul style="list-style-type: none"> ▪ Department Order creating IAU and guidelines approved and disseminated

Then, we have the need to publish blacklisted offenders and maintain on-line central database for public access.

For this year, the President has a very specific instruction for PAGC to give more focus on this measure. Hence, the Commission is now conducting press conferences in connection with affirmed cases carrying punitive recommendations.

In 2005, there were 2 top officials dismissed from their respective offices – an Assistant Secretary from the Office of the President and a Regional Director of the National Commission on Indigenous Peoples (NCIP) –

and for the 1st semester of 2006, three top officials suffered the same fate – the Chairman of PHILRACOM, the Administrator of NDA and a Regional Director of BLGF; and the suspension of a Director from the Office of the President and a Division Superintendent from Cebu for 6 and 3 months without pay, respectively. Pending before the Office of the President are 11 more cases with punitive sanctions involving an Undersecretary, an Assistant Secretary, Heads of Offices, and Directors.

On the blacklisting, to be considered are employees or officials, found guilty of violations and whose sanctions involve dismissal with perpetual disqualification from public office or whoever is covered by cases whose decisions have become final and executory. Also included are suppliers who violated the Procurement Law (this is done through GPPB and to date, and per World Bank's records, there are over 1000 blacklisted firms in GPPB website for procurement violations).

The outcome of this measure is to have greater perception of corruption being a high risk, low reward activity.

The indicators are....

RATING	LEVELS OF ACHIEVEMENT
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5	<ul style="list-style-type: none"> ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed ▪ Results of the assessment used to improve or modify the measure
4	<ul style="list-style-type: none"> ▪ Policies on blacklisting regularly reviewed and improved
3	<ul style="list-style-type: none"> ▪ Blacklisted offenders published in agency publication, in the website and made available to the public
2	<ul style="list-style-type: none"> ▪ Employee orientation on the publishing of blacklisted offenders held
1	<ul style="list-style-type: none"> ▪ Department Order and guidelines (with consideration on the legal implications) directing the publish of blacklisted offenders approved and disseminated

Fourth is on holding superiors accountable for corrupt activities of subordinates. The desired outcome is for superiors to become conscientious in preventing corrupt activities of their subordinates.

On this, PAGC issued IDAP Circular No 2 – 2006 to serve as guide on how this measure is to be addressed. It specifically states the existing rules upon which this can best be practiced, the ones taken from Section 38, Chapter 9, Book 1 of the Administrative Code of 1987, that says:

- 1. A public officer shall not be civilly liable for acts done in the performance of his official duties unless there is a clear showing of bad faith, malice or gross negligence.**
- 2. Any public officer who, without just cause, neglects to perform a duty within a fixed period by law or regulation, or within a reasonable period if none is fixed, shall be liable for damages to the private party concerned without prejudice to such other liability as may be prescribed by law.**

3. A head of a department or a superior officer shall not be civilly liable for the wrongful acts, omissions of duty, negligence, or misfeasance of his subordinates, unless he has actually authorized by written order the specific act or misconduct complained of.

Likewise, as a general rule, superior officers cannot be held liable for the acts of their subordinates, however, there was a ruling which noted several exceptions and suggests that the superior officer may be held liable. This is the one by Mechem (Cruz, Liability of Public Officers 2003 Edition) with the following issues:

1. where, being charged with the duty of employing or retaining his subordinates, he negligently or willfully employs or retains unfit or improper persons;
2. where, being charged with the duty to see that they are appointed and qualified in a proper manner, he negligently or willfully fails to require of them the due conformity to the prescribed regulations;
3. where he so carelessly or negligently oversees, conducts or carries on the business of his office as to furnish the opportunity for the default; and,
4. a fortiori where he has directed, authorized or cooperated in the wrong.

The indicators for this measure are:

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Guidelines and rules of procedures regularly reviewed and improved ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed ▪ Results of the assessment used to improve or enhance the measure
4	<ul style="list-style-type: none"> ▪ Superiors are held accountable/sanctioned for corrupt activities of their subordinates in accordance with the guidelines
3	<ul style="list-style-type: none"> ▪ System in holding superiors accountable for corrupt activities of subordinates in place and operational

2	<ul style="list-style-type: none"> ▪ Employees and heads oriented on the doctrine of command responsibility
1	<ul style="list-style-type: none"> ▪ Department Order holding superiors accountable for corrupt activities of subordinates and guidelines in accordance with E.O. 292 approved and disseminated

Fifth is on the effective use of existing agency administrative disciplinary machinery and publication of results of administrative cases handled.. This hopes to achieve greater adherence to and a more proactive implementation of the administrative disciplinary machinery.

The indicators are...

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ Existing agency administrative disciplinary machinery regularly reviewed and improved
3	<ul style="list-style-type: none"> ▪ Reports on the implementation of existing agency administrative disciplinary machinery regularly submitted to the agency head
2	<ul style="list-style-type: none"> ▪ Orientation/reorientation of employees on existing agency administrative disciplinary machinery conducted
1	<ul style="list-style-type: none"> ▪ Department Order reinforcing the use of existing agency administrative disciplinary machinery approved and disseminated

Sixth is on advocacy for the submission of Income Tax Returns as attachment to the Statement of Assets, Liabilities and Networth.

The objective is to have increased transparency on the income and net worth of public servants.

The indicators are....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none">▪ Copies of the ITRs as attachment to the SALN of presidential appointees submitted for PAGC database▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none">▪ The agency rewards employees who attached their ITR to their SALN
3	<ul style="list-style-type: none">▪ ITRs of personnel with other sources of income attached to their SALN
2	<ul style="list-style-type: none">▪ Employee orientation on the relevance of attaching the ITR to the SALN held
1	<ul style="list-style-type: none">▪ Department Order advocating submission of ITR as attachment to the SALN

Seventh is on PAGC's carrying out of an independent survey to check anti-graft and corruption program effectiveness.

This employs the use of measurable evaluation indicators already being used as basis for assessing level of agency compliance and later on hopes to measure value-added as regards improvement in the level of perception of covered agencies integrity and governance.

On Strategic Partnership, we have four:

Updates here include reports of actual collaboration with the other members of the society to strengthen the fight against graft and corruption.

First is on linking of existing databases and sharing of information with complementary agencies is concerned.

The desired outcome is to have greater sharing of information and increased incidence of collaborative undertakings among agencies as they do their respective tasks.

The indicators are:

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Impact of its effectiveness as a mechanism to prevent corrupt practices regularly assessed
4	<ul style="list-style-type: none"> ▪ Report on the utilization of the information shared ▪ Linking of existing databases to complementary agencies regularly reviewed and improved
3	<ul style="list-style-type: none"> ▪ Sharing of databases and information between/among agencies on-going
2	<ul style="list-style-type: none"> ▪ Employee orientation on sharing of information with other agencies conducted
1	<ul style="list-style-type: none"> ▪ Department Order and guidelines on sharing of information approved and disseminated

For this year, PAGC started collating the IDAP-covered agencies' hotline numbers for assistance and complaints as well as information on anti corruption measures being implemented apart from the IDAP.

The collated information shall be uploaded to PAGC website (pagc.gov.ph) by 3rd quarter of 2006 for easy access of the general public.

Second is on the need to enlist or enhance participation of private sector and civil society in various areas of governance.

The desired outcome from this measure is to have greater vigilance and strategic investments in various forms by the private sector and civil society.

The indicators for this measure are:

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Regular review and study of the involvement of private sector and civil society conducted ▪ Results of the review used to improve partnership ▪ Impact regularly assessed if it is an effective mechanism to prevent corrupt practices

4	<ul style="list-style-type: none"> ▪ Operational process where inputs from private sector and civil society are taken into consideration--in place
3	<ul style="list-style-type: none"> ▪ Private sector and civil society involved in various agency-activities related to the promotion of good governance
2	<ul style="list-style-type: none"> ▪ Employee orientation on the signed MOA conducted
1	<ul style="list-style-type: none"> ▪ MOA (with guidelines specifying the extent of participation) formalizing private sector and civil society participation signed/approved and disseminated

PAGC's share on this measure is in expanding its networking with the other stakeholders to bring IDAP and its covered agencies closer to the public.

Thus, partnerships/collaboration with the following groups, have been forged: with the Philippine Government Employees Association, the Procurement Watch, Inter-Agency Anti-Graft Coordinating Council, Coalition Against Corruption – specifically the Transparency and Accountability Network, Office of the Ombudsman for the European Commission – Office of the Ombudsman Corruption Prevention Project,

Association of Government Internal Auditors, Volunteers Against Crime and Corruption, and Fellowship of Christians in Government .

Likewise, coordination to phase in the Government Watch, Faith-Based Organizations like Barug Filipino, and PCCI, among others, is in progress.

Indicators here are.....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Regular review and study of the involvement of private sector and civil society conducted ▪ Results of the review used to improve partnership ▪ Impact regularly assessed if it is an effective mechanism to prevent corrupt practices
4	<ul style="list-style-type: none"> ▪ Operational process where inputs from private sector and

	civil society are taken into consideration--in place
3	<ul style="list-style-type: none"> ▪ Private sector and civil society involved in various agency-activities related to the promotion of good governance
2	<ul style="list-style-type: none"> ▪ Employee orientation on the signed MOA conducted
1	<ul style="list-style-type: none"> ▪ MOA (with guidelines specifying the extent of participation) formalizing private sector and civil society participation signed/approved and disseminated

Third is on the need to tap international development agencies and private sector for support

For the indicators:

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Partnerships with various partner agencies and the private sector assessed as regards effectiveness in attaining agency goals ▪ New donors support agency activities
4	<ul style="list-style-type: none"> ▪ Process of implementation of each project reviewed and evaluated for improvement ▪ Monitoring system in place and operational
3	<ul style="list-style-type: none"> ▪ Employees oriented on the agreement/s with partner agencies ▪ Approval and implementation of the project
2	<ul style="list-style-type: none"> ▪ Project proposal submitted for approval ▪ Official communication from partner agencies and private sector signifying approval of request for support for particular projects/activities released (e.g. Grant or Cooperative Agreements)
1	<ul style="list-style-type: none"> ▪ Areas requiring support and possible providers of the support from the international community identified

PAGC, for its part, has been getting financial and technical support from WORLD BANK and USAID in ensuring success in the implementation of IDAP measures that directly relate to these international groups' thrusts.

As indicated in the desired outcome, involvement of international development agencies and private sector for support result to greater external resources mobilization and contributes to an improved perception on the government's resolve to fight graft and corruption.

The last measure requires institutionalization of the participation of stakeholders in agency activities, thus, the need for the creation of an IDAP Committee and tapping members of PGEA, AGIA, FOCIG and other groups within an agency to help monitor progress of IDAP implementation which is a clear manifestation of positive moves on this area

The indicators here cover.....

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Regular review and study of the involvement of stakeholder conducted ▪ Results of the review used to improve partnership
4	<ul style="list-style-type: none"> ▪ Feed back mechanism where stakeholder inputs are taken into consideration in place and operational
3	<ul style="list-style-type: none"> ▪ Stakeholder participates in various agency-activities
2	<ul style="list-style-type: none"> ▪ Employee orientation on the signed MOA conducted
1	<ul style="list-style-type: none"> ▪ MOA (with guidelines specifying the extent of participation) formalizing stakeholder participation signed/approved and disseminated (e.g. Employees' Union)

Agency compliance for December 2005 and March 2006 per PAGC ranking reveals the following inputs:

TOP 10

2005	1 st Quarter of 2006
1. Department of Health	1. Department of Health
2. Bureau of Internal Revenue	2. Bureau of Internal Revenue
3. Department of Social Welfare & Development	3. Department of Social Welfare & Development
4. Department of Science and Technology	4. Department of Trade and Industry
5. Office of the President	5. Department of Science and Technology

TOP 10

2005	1 st Quarter of 2006
6. Department of Education	6. Office of the President
7. Department of Environment and Natural Resources	7. Department of Public Works & Highways
8. Department of Public Works & Highways	8. Department of Education
9. Land Registration Authority	9. Department of Environment & Natural Resources
10. National Economic Development Authority	10. Philippine National Police

In 2005, the top 10 agencies' moves towards IDAP – were reflective of strong political will of the officials tapped to implement IDAP in their respective areas of

jurisdiction. They have taken IDAP seriously and ensured that the measures are put in place and people not just at the central office but even in the regional or provincial offices are made aware of the reforms and are made participants to the agency programs and activities that are supportive to the institutionalization of a given measure.

The least compliant ones are in the bottom of the list. But being in the bottom never meant that those agencies are the most corrupt offices in the bureaucracy. This just simply tells us, that the ones in the bottom are those that did not give enough attention or in worst cases – no attention at all – to the IDAP initiatives. Just like what happened to DTI – in year ending 2005 when it landed to the bottom 5 (because there was no submission of required reports or even if there was any – such did not capture the IDAP requirements) – but, as Sec Favila took time to ensure that IDAP is going to be given attention, by 1st Quarter of 2006, DTI is top 4.

Being on top or being at the bottom is not really an issue as the ranking changes monthly....except for the DOH which has been a consistent topnotcher.

And so, for our bottom five:

BOTTOM 5

2005	1 st Quarter of 2006
1. Department of Trade and Industry	1. Department of Justice*
2. Department of Justice	2. Department of Tourism*
3. Department of the Interior and Local Government	3. Land Transportation Franchising & Regulatory Board*
4. Department of Agriculture	4. Department of Agriculture
5. Bureau of Immigration	5. Bureau of Immigration

*no submission

Many lessons can be derived here –

on best practices which are shared between and among the IDAP focal persons during the regular sessions that PAGC conducted to help others improve on their performance level.

Some of the best practices point to: planning what needs to be done and who shall be asked to do the tasks, capturing agreements, decisions taken, action plans, timelines, and the like, in written form, disseminating information to the rest of the public officials and employees in their respective offices and taking time to bring reforms for their regional or provincial offices

On the reasons for failure to register improvements in ratings:

These include failure of the IDAP designated focal person/s to report to their respective superiors – not even the Department's Secretary is given updates on IDAP, targets and accomplishment reports are personally set/prepared by the focal person hence no action has ever been taken by the Department, draft circulars/orders/guidelines remain as draft.

And so, the key is to ensure that the following needs are addressed by an agency doing IDAP:

- Need for proactive IDAP focal person/s**
- Need for active participation in IDAP-related activities**
- Need for timely submission of progress reports**
- Need to ensure compliance to IDAP indicators**
- Need to establish/sustain effective coordination with PAGC**

On the DENR, DTI and PNP stories, these just prove that if we want to do something...we could do such but such would require commitment to reach the goal not only through your own efforts but through collaboration with others.

Thus, for your group, as you do your IDAP monitoring, you can take a look at these inputs. And don't forget that should there be any area of assistance which to your assessment can be provided by PAGC, we are just a call's away .

May our Creator, through our Mother Mary, continuously bless all our undertakings as we do all these for the greater glory of HIS name. Let us not fail HIM.

Magandang hapon po at maraming salamat.