



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
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09 July 2019

MR. EMMANUEL F. PIÑOL
*Secretary, Department of Agriculture
and NFA Council Chairperson*
ATTY. JUDY CAROL L. DANSAL
Administrator
NATIONAL FOOD AUTHORITY (NFA)
Philippine Sugar Center Building,
North Avenue, Diliman, Quezon City

**RE: VALIDATION RESULT OF 2018 PERFORMANCE
SCORECARD OF NFA**

Dear Secretary Piñol and Administrator Dansal

This is to formally transmit the validation result of NFA's 2018 Performance Scorecard. Based on the validation of documentary submissions, NFA gained an overall score of **59.47%** (See **Annex A**). The same is to be posted in NFA's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07¹.

In line with Item 2 of GCG M.C. No. 2017-01², particularly the achievement of a weighted-average score of at least 90% in its 2018 Performance Scorecard, NFA is ineligible to grant the Performance Based Bonus (PBB) to its officers and employees. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149³.

Consequently, pursuant to GCG M.C. No. 2016-01⁴, failure to qualify for PBB means that the Appointive Members of the Governing Board of NFA shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman

MICHAEL P. CLORIBEL
Commissioner

MARITES C. DORAL
Commissioner

cc: COA Resident Auditor - NFA

¹ Code of Corporate Governance for GOCCs, dated 28 November 2012.

² Interim Performance-Based Bonus, dated 09 June 2017.

³ GOCC Governance Act of 2011.

⁴ Compensation Framework for Members of the GOCC Governing Boards, dated 10 May 2016.

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NATIONAL FOOD AUTHORITY (NFA)
Validation Result of 2018 Performance Scorecard

		Component			NFA Submission			GCG Validation			Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SOCIAL IMPACT	SO 1	Ensure Food Security										
	SM 1	Buffer Stocks Maintained	Sum of the Days to Last (DTL) per month / 12	15%	All or Nothing	15 Days	2.13 Days	0%	2.13 Days	0%	Monitoring and Compliance Report for Procurement in the National and Regional Level Random Sampling: NFA Provincial Offices (Regions III, VIII and X) Emails and Inventory Reports Updated Daily Consumption Requirement and NFA Food Security Stocks 2018 Average Annual Per Capita Consumption of Rice (by Province) Computation of Buffer Stocks	Target not met.
	Sub-total		15%				0%		0%			

Validation Result of 2018 Performance Scorecard (Annex A)

		Component			NFA Submission			GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
STAKEHOLDERS	SO 2	Availability, Accessibility, Affordability and Food Safety									
	SM 2	Average Farmgate Price in Surplus Provinces	Farmgate Price (P/kg)	10%	(Actual / Target) x Weight 0% = if less than P15.30/kg	P17.00/kg	P21.12/kg	10%	P20.39/kg	10%	Provincial and Regional Report on the Average Farmgate Price of Palay Farm, Wholesale and Retail Prices of Palay, Rice and Corn Report PSA website data NFA exceeded the target. The GCG-validated accomplishment was based on the data gathered from the PSA website.
	SM 3	Stocks Maintained in Safe & Consumable Condition	% Total Stocks in Safe & Consumable Condition / Total Stocks Stored	10%	99% – 100% = 10% 98% – 98.99% = 7% 97% – 97.99% = 5% 96% – 96.99% = 3% < 96% = 0	100%	99.83%	10%	99.83%	10%	National Quality Assessment Report (QUASAR) National Consolidated Report per Commodity per Stock Quality Percentage Performance Rating of Stocks per Region National Consolidated Report of Consumable Acceptable.

Validation Result of 2018 Performance Scorecard (Annex A)

Component			NFA Submission			GCG Validation			Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
									Stocks per Region per Commodity	
									Summary of Commodity per Region per Quality for Good and Consumable Stocks	
									Consolidated Report on Non-Consumable (Sweepings and Damaged)	
									Stocks per Cereal Type per Region	
									Summary of Non-Consumable (Sweepings and Damaged)	
									Volume of Assessed Stocks per Region per Commodity per Age (Good, Treated & Infested)	
									Monthly Grains Stock Quality Report	

Validation Result of 2018 Performance Scorecard (Annex A)

Objective/Measure		Component			NFA Submission			GCG Validation			Supporting Documents	GCG Remarks
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SM 4	Number of Alternative Distribution Centers in 10 Priority Provinces	Absolute Number	10%	(Actual / Target) x Weight	+370	405	10%	405	10%		List of Alternative Distribution Centers submitted by Provincial Offices Application for License/Registration	Acceptable.
SO 3	Sustain Client Satisfaction											
SM 5	Percentage of Satisfied Customers	Number of respondents who gave a rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight 0% = if less than 80%	90% of respondents who gave a rating of least Satisfactory	Overall Rating of Respondents: Very Satisfied Farmers = 4.66 - Very Satisfied Retailers = 4.76 - Very Satisfied	5%	Result not acceptable	0%		Terminal Report as submitted by People Dynamics 2018 NFA Customer Satisfaction Survey Report Sample Accomplished Survey Forms Data Collection Reports on CSS as submitted by Provincial Managers	NFA's survey employed a disproportionate sampling method which is not consistent with the GCG Standard Guidelines. Part IV.3.e of the said guidelines require that for GOCCs with several types of customers, each type of customer should be represented. The sample size should be proportionate to the size of each customer type. Moreover, the respondent criteria prescribed under GCG Standard Methodology was not followed as NFA required respondents to have at least one transaction for the years 2016 to 2017.

Validation Result of 2018 Performance Scorecard (Annex A)

Component						NFA Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SM 6	Number of Provinces for the Implementation of the Registration and Licensing Information System (RLIS)	Number of Provinces / Target	10%	(Actual / Target) x Weight	+ 41 Provincial Offices	Completed the installation, training and implementation of the RLIS in 41 NFA Provincial Offices	10%	+41 Provincial Offices	10%	NFA Branches emails to NFA Head Office transmitting the reports generated from the RLIS Sample reports generated using the RLIS	Acceptable.
	Sub-total			45%				45%		40%		
SO 4 Improve Collection Efficiency												
	SM 7	Collection of Trade Accounts Receivables	Amount of Collection from Trade Accounts Receivables / Total Trade Accounts Receivables	10%	(Actual / Target) x Weight 0% = if less than 90%	100% of Trade Accounts Receivables Aged 3 Years and Below ¹	94.66 %	9.47%	94.66%	9.47%	Summary and Detailed Report on Accounts Receivables collection with official receipt numbers Copy of some official receipts for the sampling	Acceptable.

¹ Per NFA letter dated 05 April 2018, the Trade Accounts Receivables Aged 3 years and Below totals to P56,607,864.39.

Component					NFA Submission			GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SO 5	Divestment of Non-Performing Assets										
SM 8	Divestment of Assets Approved for Disposition by the NFA Council	Actual Accomplishment	10%	5% = Conduct of bidding or public auction 10% = Divestment or disposal of the asset	Divestment of any one of (1) part of General Santos City or (2) Calintaan, Occidental Mindoro for divestment	Complete Staff Work for Calintaan Property finalized and submitted to ARP Chairperson; Divestment of General Santos Property for approval of the NFA Council	4%	Any one of (1) part of General Santos City or (2) Calintaan, Occidental Mindoro for divestment not divested	0%	Memorandum of the NFA Deputy Administrators and Assistant Administrators to the NFA Administrator regarding the proposed divestment of the 1,136 sq.m. of NFA Lot in población, Calintaan, Occidental Mindoro Minutes of Special Meeting of the NFA Council	The submitted supporting documents do not show that there was a bidding, public auction or divestment made for the subject properties.
SO 6	Debt Management										
SM 9	Managed Debt Level	Debt Level Equal to or Lower than the Projected Level by End of a Given Year	10%	₱130 Billion and below = 10% ₱131 Billion to ₱135 Billion = 5% Above ₱135 Billion = 0%	₱130 Billion	₱102.59 Billion	10%	₱102.59 Billion	10%	2018 Unaudited Financial Statements as submitted to COA	Acceptable.
Sub-total			30%				23.47%		19.47%		

Validation Result of 2018 Performance Scorecard (Annex A)

		Component				NFA Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
LEARNING AND GROWTH	SO 7	Establish Quality Management System (QMS)									
	SM 10	Implement Quality Management System	Actual Accomplishment	5%	<p>5% = ISO Certification for NCR-CDO, FDC, and Region III (Cabanatuan City) under 9001:2015 standards; and Passing of Surveillance Audit for Tarlac Provincial Office</p> <p>2.5% = ISO Certification for NCR-CDO and FDC under 9001:2015 standards; Passing of Surveillance Audit for Tarlac Provincial Office; and Readiness Assessment for Region III (Cabanatuan City)</p>	<p>ISO 9001:2015 Certification for NCR-CDO, FDC, and Region III (Cabanatuan City)</p> <p>Passing of Surveillance Audit for Tarlac Provincial Office</p>	<p>NCR-CDO – Bidding for Pre-ISO Certification Consultant withheld pending developments of R.A. 11203 and its IRR.</p> <p>FDC – with Certificate of Registration</p> <p>Region III (Cabanatuan City) – Conduct of QMS Internal Audit completed (Readiness Assessment Certificate requested from the consultant)</p> <p>Tarlac Provincial Office – With Certificate of Attestation</p>	2.5%	<p>ISO 9001:2015 Certification for FDC and Tarlac Provincial Office</p>	0%	<p>Certificate of Registration issued by Certification International</p> <p>Attestation issued by AJA Registrars, Inc.</p> <p>Minutes of Management Review Meeting</p>

Component					NFA Submission			GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SO 8	Competency Framework										
SM 11	Percentage of Employees Meeting Required Competencies	Number of positions assessed / Total number of positions	5%	(Actual / Target) x Weight	Establish Competency Baseline Covering 50% of positions per organization at level ²	Competency Baseline covering 50% of positions per organizational Level established	5%	Competency Baseline result not acceptable No Competency Integration No Updated HR Policies	0%	2018 Competency Baseline Competency Assessment Forms (Self and Supervisor)	The competency gaps per position were presented as the variance between the supervisor assessment and the self-assessment. It shall be noted, however, that competency gap is defined as the difference between the current competency level of the employees and the required competency level. Moreover, NFA failed to submit Competency Integration and Updated HR Policies which are part of the implementation of the competency model.
Sub-total			10%				7.5%		0%		
			100%				75.97%		59.47%		

² involves the Competency Assessment and the implementation (i.e. Assessment Tools/Processes, Competency integration and Updated HR Policies). Covering positions for each of the organizational levels: a) Senior Management; b) Middle Management c) Professional and Supervisory; and d) Clerical General Staff