



GCG MEMORANDUM CIRCULAR NO. 2015 – 07 (3rd Issue)

SUBJECT : CORPORATE GOVERNANCE SCORECARD (CGS) FOR GOCCs

DATE : 17 March 2023

1. **BACKGROUND AND PURPOSE.** – In line with the declaration of policy under the “GOCC Governance Act of 2011” (R.A. No. 10149), the State recognizes the potential of Government-Owned or -Controlled Corporations (GOCCs) as significant tools for economic development. Pursuant thereto, the State shall ensure that the governance of GOCCs is carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness, under Governing Boards who are competent to carry out their functions, fully accountable to the State as its fiduciaries and always acting for the best interest of the State.

In view thereof, and to reinforce the **CODE OF CORPORATE GOVERNANCE FOR GOCCs** mandated under Section 5(c) of R.A. No. 10149, this Circular has been issued to establish a **CORPORATE GOVERNANCE SCORECARD (CGS) FOR GOCCs** within the GOCC Sector covered by R.A. No. 10149.

2. **OBJECTIVES.** - The CGS is a quantitatively-driven evaluation tool derived from existing and globally accepted standards¹ and practices. The CGS serves as an instrument to assess the Corporate Governance initiatives and practices of GOCCs using a methodology benchmarked against the OECD Principles of Corporate Governance and ASEAN Corporate Governance Scorecard.

The CGS aims to recognize well-governed GOCCs and raise Corporate Governance standards and practices.

Accordingly, the CGS shall serve the basis for the following:

- (a) Reinforcing the exercise of the State’s ownership rights through GCG;
- (b) Establishing a standardized framework in assessing the GOCCs’ level of corporate governance;
- (c) Identifying the GOCCs’ strengths and weaknesses compared to existing corporate governance provisions;
- (d) Assessing the level of adherence of GOCCs to best practices and international standards of corporate governance; and
- (e) In tandem with the Performance Scorecard, ensure the improvement in transparency of GOCCs’ corporate governance initiatives and practices.

¹ See R.A. No. 10149; *Code of Corporate Governance for GOCCs* (GCG M.C. No. 2012-07); *OECD Principles of Corporate Governance for State Owned Enterprises*; and the ASEAN Corporate Governance Framework.

3. **COVERAGE.** – The CGS shall be implemented in all GOCCs covered by R.A. No. 10149.
4. **ASSESSMENT.** - The Governance Commission shall undertake the final and official evaluation of the CGS along with the disclosures found in its official website [see ***Annex A*** for the overall CGS Questionnaire]. Assessment shall be based on the disclosures in the GOCCs' official websites.

There shall be two (2) levels of assessment of the GOCC's CGS:

4.1. ***GOCC Self- Assessment*** – The GOCC shall conduct a Self-Assessment by submitting an accomplished Corporate Governance Scorecard Report (CGSR) [see ***Annex B*** for the CGSR-A and CGSR-B Forms and ***Annex C*** for the CGSR Guidelines and General Instructions]. Supporting documents shall also be submitted as attachments to the CGSRs, along with a duly-notarized certificate from the Corporate Secretary or Compliance Officer attesting to the truthfulness of the information provided in the CGSRs [see ***Annex D*** for the CGSR Certificate].

4.2. ***GCG Validation*** – The GCG shall validate the CGSRs of the GOCC through verification of available information in the GOCC's website and the supporting documents/reference links submitted.

5. **SCHEDULE.** - The CGS Questionnaire shall be divided into two parts and assessment thereof shall be conducted within separate assessment periods. The GOCC shall submit its accomplished ***CGSR-A*** every 1st of April and the accomplished ***CGSR-B*** shall be submitted every 1st of October. No extension of deadline shall be granted except if the request for extension is grounded on factors not within the control of the GOCC which shall be explained in the request. Such extension shall only be granted once, and its deadline shall not exceed fifteen (15) days.

The GCG validation shall be conducted within forty (40) working days after each given deadline. For GOCCs granted with extension, the GCG validation shall be conducted forty (40) working days after the extended deadline. The evaluation shall be based on the disclosures found in the GOCC's official website during the time of assessment and data not available in the website during the time of assessment shall not be given any points.

6. **EXIT CONFERENCE.** - An Exit Conference shall be scheduled once the two-part Assessment has been concluded. The Attendees from the GOCC are: two (2) Board Members and the Corporate Secretary/Compliance Officer.

The Governance Commission shall discuss the CGS Results with the concerned GOCC. The Exit Conference shall be properly documented.

7. **OVERALL CGS RATING EQUIVALENT** - The overall CGS Rating shall be assigned a corresponding rating equivalent based on the following rating scale:

CGS Rating	Rating Equivalent
90.00% - 100.00%	Outstanding
80.00% - 89.99%	Excellent
70.00% - 79.99%	Above Average
60.00% - 69.99%	Average
<u>10.01% - 59.99%</u>	<u>Below Average</u>
<u>0.00% - 10.00%</u>	<u>Fail</u>

Meanwhile, the non-submission of CGSR-A or B will be scored zero (0.00) and non-submission of both CGSRs will have a CGS rating of zero percent (0.00%) and rating equivalent of FAIL. This shall not preclude the Commission from filing the appropriate administrative action² for failure to comply.

8. **RELEASE OF OVERALL CGS RESULTS AND EQUIVALENT-** The GOCC's overall CGS Results and Rating Equivalent shall be computed based on the two-part assessment conducted. The CGS rating and rating equivalent shall be provided to the GOCCs and the consolidated CGS Results of all the GOCCs shall be submitted to the Office of the President at the end of the fourth quarter of the year. The Governance Commission shall publish on the GCG website the CGS Rating and Rating Equivalent of all GOCCs based on the assessment.

9. **CGS RATING EQUIVALENT AS COMPONENT OF THE PERFORMANCE EVALUATION FOR DIRECTORS (PED) SCORE OF GOCC BOARD MEMBERS.** - The overall CGS Rating Equivalent of the GOCC for the calendar year shall be assigned a percentage equivalent and shall form part of the GOCC Board Members' PED Score for the same calendar year.

In accordance with Section 3.2 of GCG M.C. No. 2014-03 (4th Issue), the CGS Rating is 10% of the total PED Score of the GOCC Board Member.

10. **SEPARABILITY CLAUSE.** - If any provision of this Memorandum Circular is declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.
11. **REPEALING CLAUSE.** - All other GCG orders, circulars, issuances, and decisions, as well as Board resolutions, or parts of the foregoing, which are inconsistent with this Memorandum Circular are hereby repealed or modified accordingly.

² Based on the mandatory disclosures under GCG M.C. No. 2012-07 and pertinent provisions under R.A. No. 6713.

12. **EFFECTIVITY.** - This Circular shall take effect immediately upon its publication in the Commission's website at www.gcg.gov.ph.



JUSTICE ALEX QUIROZ (RET.)
Chairperson



ATTY. GIDEON D.V. MORTEL, D.C.L.
Commissioner



ATTY. GERALDINE B. BERBERABE-MARTINEZ
Commissioner

ANNEX A:
CORPORATE GOVERNANCE SCORECARD FOR GOCCS QUESTIONNAIRE

#	Question	Guiding Reference	Y/N
I. Stakeholder Relationships			
1	Does the GOCC disclose a policy that:		
a.	Stipulates the existence and scope of its effort to address customer's welfare?	GCG MC No. 2012-07 Chapter VII Sec. 35, Sec. 37	
b.	Elaborates its efforts to interact with the communities in which they operate?	GCG MC No. 2012-07 Chapter VII Sec. 34	
c.	Ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	GCG MC No. 2012-07 Chapter VII Sec. 40	
2	Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies?		
a.	Customer health and safety	GCG MC No. 2012-07 Chapter VII Sec. 35, Sec. 37	OECD Principle IV (A) & Global Reporting Initiative
b.	Interaction with the communities	GCG MC No. 2012-07 Chapter VII Sec. 34	
c.	Environmentally-friendly value chain	GCG MC No. 2012-07 Chapter VII Sec. 40	
3	Does the GOCC have a separate corporate social responsibility (CSR) report/section or sustainability report/section?	GCG MC No. 2012-07 Chapter VIII Sec. 41, Sec. 43.4.e	
4	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.		
	Does the GOCC provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public, etc.) can use to voice their concerns and/or complaints for possible violation of their rights?		OECD Principle IV (B)
5	Performance-enhancing mechanisms for employee participation should be permitted to develop.		
a.	Does the GOCC explicitly mention the health, safety and welfare policy for its employees?	GCG MC No. 2012-07 Chapter VII Sec. 39	OECD Principle IV (C) Global Reporting Initiative: Sustainability Report
b.	Does the GOCC publish data relating to health, safety and welfare of its employees?		
c.	Does the GOCC have training and development programmes for its employees?	GCG MC No. 2012-07 Chapter VII Sec. 36	
d.	Does the GOCC publish data on training and development programs for its employees?		
6	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.		

#	Question		Guiding Reference		Y/N
	a.	Does the GOCC have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	GCG MC No. 2014-04	OECD Principle IV (E)	
	b.	Does the GOCC have procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		OECD Principle IV (E)	
II. Disclosure and Transparency					
7	Does the GOCC's website disclose the following items:		R.A. No. 10149 Chapter V Sec. 25, GCG MC No. 2012-07 Chapter VIII Sec. 41	OECD Principle V (A) OECD Principle V € ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence ICGN 5.0 Remuneration	
	a.	Corporate objectives			
	b.	Financial performance indicators			
	c.	Non-financial performance indicators			
	d.	Details of whistle-blowing policy			
	e.	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners			
	f.	Training and/or continuing education programme attended by each director/commissioner			
8	Are the Annual Reports downloadable from the GOCC's website?				
9	Corporate Governance Confirmation Statement				
		Does the GOCC's website contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?		OECD PRINCIPLE V (A) (8)	
10	Timely filing/release of annual/financial reports				
	a.	Are the audited annual financial report/statement uploaded on the website within 60 days upon receipt from COA?		OECD Principle V, Transparency and Disclosure, A. OECD Principle II. The Stae Acting as an Owner F. (3)	
	b.	Is the annual report released within 90 days from release of audited financial report?			
	c.	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	GCG MC No. 2012-07 Chapter VIII Sec. 42 (d)	OECD Principle V (C) OECD Principle V (E) OECD Principle V-(A). ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements	
III. Responsibilities of the Board					
11	Corporate Vision/Mission				

#	Question	Guiding Reference		Y/N
a.	Has the Board of Directors reviewed the vision and mission/ strategy in the last financial year?	GCG MC No, 2012-06 Chapter III Sec. 27.1 (a)	OECD PRINCIPLE 6 (P58) ICGN:3.2 Integrity	
b.	Does the Board of Directors monitor/oversee the implementation of the corporate strategy?	GCG MC No, 2012-06 Chapter III Sec. 27.1 (b)		
12	Did the GOCC achieve 90% in the PES?			
13	Code of ethics or conduct	GCG MC No. 2012-07 Chapter VIII Sec. 41	OECD PRINCIPLE VI	
a.	Are the details of the code of ethics or conduct disclosed?			
b.	Does the GOCC disclose that all Directors/Commissioners, senior management and employees are required to comply with the code?			
c.	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?			
14	Does the Board appoint a <u>Nomination and Compensation / Remuneration Committee</u> ?	GCG MC No. 2012-07 Chapter III Sec. 16.2.4. RA No. 10149 Chapter IV Sec.23 GCG MC No. 2012-07 Chapter VIII. Sec. 41	OECD Principle II. The State Acting as an Owner, F. (2) ICGN Global Corporate Principles 5.0 Remuneration & 5.4 Transparency 2013 ASEAN Corporate Governance Scorecard E.2.10 & E.2.16 SEC MC No. 2. s. 2002 Sec. 9 (B)(b)	
15	Did the Nomination and Compensation/Remuneration Committee meet at least twice during the year?			
16	If yes, is the report of the Nomination and Compensation/Renumeration Committee publicly disclosed?			
17	Does the Board appoint an <u>Audit Committee</u> ?	GCG MC No. 2012-07 Sec. 8 (j) GCG MC No. 2012-07 Chapter III Sec. 16.2.2 GCG MC No. 2012-07 Chapter VIII. Sec. 41	OECD Principle V. Transparency and Disclosure, B. 2013 ASEAN Corporate Governance Scorecard E.2.22 SEC MC NO.2 s. 2002 Sec. 9 (A)	
18	If yes, is the report of the Audit Committee publicly disclosed?			
19	Does at least one member of the Audit Committee have an audit, accounting or finance background (qualification or experience)?			
20	Did the Audit Committee meet at least four times during the year?			
21	Does the Board appoint a <u>Risk Management Committee</u> ?	GCG MC No. 2012-07 Chapter III Sec. 16.2.5. GCG MC No. 2012-07 Chapter III Sec. 8 (b), (h)	OECD Principle VI D (6)	
22	If yes, is the report on Risk Management Committee publicly disclosed?			
23	Does at least one member of the Risk Management Committee have a background in finance and investments?	GCG MC No. 2012-07 Chapter III Sec. 16.2.5.		
24	Board meetings and attendance			
a.	Are the Board of Directors meetings scheduled at the beginning of the year? (end of Q1)			
b.	Does the Board of Directors meet at least monthly?	GCG MC No. 2012-07 Sec. 8 (a)		

#	Question	Guiding Reference	Y/N
c.	Did the Board of Directors meet on at least 75% on their scheduled meetings?	INDO SCORECARD	
d.	Has each of the directors/commissioners attended at least 90% of all the board meetings held during the year?	OECD PRINCIPLE VI (E)	
e.	Did the Board of Directors meet separately at least once during the year without the President/CEO present?	WORLD BANK PRINCIPLE 6	
25	Access to information		
a.	Does the GOCC have a policy that stipulates board papers for Board of Directors/Commissioners meetings be provided to the Board at least three (3) working days in advance of the board meeting?		
b.	Is the Board Secretary trained in legal, accountancy or company secretarial practices?		
26	Internal Audit		
a.	Does the company have a separate internal audit function?	GCG MC No. 20120-07 Chapter III Sec. 16.1, 16.2.2. (a) & (d)	OECD PRINCIPLE VI (D)
b.	Does the appointment and removal of the internal auditor require the recommendation of the Audit Committee?		OECD PRINCIPLE VI (D) (7) WORLD BANK PRINCIPLE 6 ASX Principles on CG
27	Risk Oversight		
a.	Does the company disclose the internal control procedures/risk management systems it has in place?		OECD PRINCIPLE 6 (VI) (D) (7)
b.	Does the Annual Report disclose that the Board of Directors/Commissioners has overseen a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?		UK CODE (JUNE 2010)
c.	Does the company disclose how key risks are managed?		OECD PRINCIPLE V (A)
d.	Does the Annual Report contain a statement from the Board of Directors or Audit Committee commenting on the adequacy of the GOCC's internal controls/risk management systems?		

#	Question	Guiding Reference	Y/N
28	Board Chairman		
	Do different persons assume the roles of Chairman and CEO?	OECD PRINCIPLE VI ICGN: 2.5 Role of the Chair	
29	Board of Directors Development		
a.	Does the GOCC have orientation programmes for new Directors?		
b.	Does the GOCC have a policy that encourages Directors/Commissioners to attend on-going or continuous professional education programmes?	R.A. No. 10149 Sec. 16, GCG MC No. 2012-05 Art. 5 (f)	OECD PRINCIPLE VI (E)
c.	Did all Appointive Directors attend at least 1 training for the calendar year?		
30	Board Appraisal		OECD PRINCIPLE VI (D) (2)
a.	Is an annual performance assessment conducted of the Board of Directors?	GCG MC No. 2012-07 Chapter III	OECD Principle VI. The Responsibilities of the Boards of State-Owned Enterprises, F. 2013 ASEAN Corporate Governance Scorecard E.5.5 & E.5.6
b.	Does the GOCC disclose the process followed in conducting the Board assessment?		
c.	Does the GOCC disclose the criteria used in the Board assessment?		
31	Committee Appraisal		UK CODE (JUNE 2010)
	Is an annual performance assessment conducted of the Board of Directors Committees?		
BONUS			
Stakeholder Relationships			
1	Does the GOCC practice Global Reporting Index (GRI) on its annual reports?		International <IR> Framework - DRAFT ,IIRC Council Item 3b Meeting of 5
Disclosure and Transparency			
2	Quality of Annual Report		
	Are the audited annual financial report/statement released within 30 days upon the receipt from COA?		OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of
PENALTY			
Responsibilities of the Board			
1	Are there members of the Board of Directors who hold more than five (5) positions in GOCCs and PLCs?		
2	Is there non-compliance with Good Governance Conditions?		

CORPORATE GOVERNANCE SCORECARD REPORT A

Name of GOCC:

Sector:

Date submitted:

Year being assessed:

COMPONENT				GOCC SUBMISSION			GCG VALIDATION		
GRP	ITEM	QUESTION	ANS	GUIDE	COMPLIANCE	ANS	REFERENCE LINK/SUPPORTING DOCUMENTS	ANS	REMARKS
I. Stakeholder Relationship									
I	1.a	Does the GOCC disclose a policy that: Stipulates the existence and scope of its effort to address customer's welfare?	Y	The GOCC must 1.) identify its stakeholders and 2.) state the policies that were created for the welfare of its customers. The stated policies must not be ambiguous and should include their underlying principles and guidelines.	Sample: The Manual of Corporate Governance identified the various stakeholders of the GOCC. The GOCC issued a memorandum circular (GOCC MEMO Circular No. 2017-XX on the GOCC Duties towards its Stakeholders the...	Y	Sample: GOCC Manual of Corporate Governance GOCC MEMO Circular No. 2017-XX "GOCC Duties towards its Stakeholders the..." http://gov.ph		
I	1.b	Does the GOCC disclose a policy that: Elaborates its efforts to interact with the communities in which they operate?	Y	The GOCC must clearly identify its policy on interacting with the communities around it. The identified policy must not be ambiguous and should include its principles and guidelines.					
I	1.c	Does the GOCC disclose a policy that: Ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	Y	The GOCC must clearly identify its policy on 1) keeping its value chain environmentally friendly or 2) promoting sustainable development. The identified policy must not only show how the GOCC complies with existing environmental regulations but should also show how it employs value processes that reduce waste and damage to the environment. The policy should also not be ambiguous and should include its principles and guidelines.					
I	2.a	Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies? (Customer health and safety)	Y	The GOCC must state the activities it has undergone during the year being assessed to implement its policies on customer health and safety. The GOCC must state the dates when the aforementioned activities took place.					
I	2.b	Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies? (Interaction with the communities)	Y	The GOCC must state the activities it has undergone during the year being assessed to implement its policies on community interaction. The GOCC must state the dates when the aforementioned activities took place.					
I	2.c	Does the GOCC disclose the activities that it has undertaken to implement the abovementioned policies? (Environmentally-friendly value chain)	Y	The GOCC must state the activities it has undergone during the year being assessed to implement its policies on promoting sustainable development and/or environmentally-friendly value chain. The GOCC must state the dates when the aforementioned activities took place.					
I	3	Does the GOCC have a separate corporate social responsibility (CSR) report/section or sustainability report/section?	Y	The GOCC must identify both (1) the social and environmental issues of its stakeholders and (2) the activities it undertook to address the said issues during the year being assessed. No points will be given if only the stakeholders and their CSR issues are identified.					
I	4	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. Does the GOCC provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	Y	The GOCC must have contact details (phone number or email address) specifically for concerns and/or complaints.					
I	5.a	Performance-enhancing mechanisms for employee participation should be permitted to develop. Does the GOCC explicitly mention the health, safety and welfare policy for its employees?	Y	The GOCC must clearly identify its policy on employee health, welfare and safety. The identified policy must not be ambiguous and should include its principles and guidelines.					

I	5.b	Does the GOCC publish data relating to health, safety and welfare of its employees?	Y	The GOCC must publish data related to health, safety and welfare of its employees such as, but not limited to, absenteeism and occupational injuries/diseases.						
I	5.c	Does the GOCC have training and development programmes for its employees?	Y	The training and development programs for employees must have occurred during the year being assessed and there should be a brief description describing each of the programs.						
I	5.d	Does the GOCC publish data on training and development programs for its employees?	Y	The GOCC must give the name of the program and either the 1.) number of participants per program or 2.) average hours per training held						
I	6.a	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this. Does the GOCC have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	Y	The GOCC must disclose the actual procedures of their whistleblowing policy for their employees or grievance machinery. Merely stating that they have a policy will not suffice.						
I	6.b	Does the GOCC have procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?	Y	The GOCC should explicitly disclose the procedures/mechanism in place that protects the whistleblower from retaliation						
COMPONENT					GOCC SUBMISSION			GCG VALIDATION		
GRP	ITEM	QUESTION	ANS	GUIDE	COMPLIANCE	ANS	REFERENCE LINK/SUPPORTING DOCUMENTS	ANS	REMARKS	
II. Disclosure and Transparency										
II	7.a	Does the GOCC's website disclose the following items: Corporate objectives	Y	The GOCC's corporate objectives must be specific, measurable, achievable, realistic and timely. Showing the GOCC's performance scorecard will also be given points.						
II	7.b	Does the GOCC's website disclose the following items: Financial performance indicators	Y	Apart from declaring the financial performance indicators in the annual report and audited financial statements, declaring the financial strategic measures in the GOCC's performance scorecard will also merit points.						
I	7.c	Does the GOCC's website disclose the following items: Non-financial performance indicators	Y	Apart from declaring the non- financial performance indicators in the annual report and accomplishment reports, declaring the non-financial strategic measures in the GOCC's performance scorecard will also merit points						
II	7.d	Does the GOCC's website disclose the following items: Details of whistle-blowing policy	Y	The GOCC must disclose the actual procedures of their whistleblowing policy for their stakeholders. Merely stating that they have a whistleblowing policy will not suffice.						
II	7.e	Does the GOCC's website disclose the following items: Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Y	All of the biographical details of ex officio and appointive directors being asked by the item must be provided, otherwise no point will be given should there be a missing detail.						
II	7.f	Does the GOCC's website disclose the following items: Training and/or continuing education programme attended by each director/commissioner	Y	All the trainings of Appointive Directors up until the year being assessed must be disclosed. If the Appointive Director did not attend a meeting on the year being assessed, a statement regarding his lack of training must be made in order to garner points for this item.						
II	9	Does the GOCC's website contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	Y	The GOCC must state that it fully complies with the code of corporate governance and if there is non-compliance, it must explain the reason for the non-compliance. Merely stating that the GOC "generally complies" with the code of corporate governance will not be taken as full compliance and will not garner any points						
COMPONENT					GOCC SUBMISSION			GCG VALIDATION		
GRP	ITEM	QUESTION	ANS	GUIDE	COMPLIANCE	ANS	REFERENCE LINK/SUPPORTING DOCUMENTS	ANS	REMARKS	
III. Board Responsibility										

III	11.a	Has the Board of Directors reviewed the vision and mission/ strategy in the last financial year?	Y	The GOCC must disclose that the Board has reviewed the mission, vision and strategy during the year being assessed. The date of review must also be indicated. Merely stating the GOCC's mission, vision and strategy, and posting documents (strategy map and scorecard) will not be given points.					
III	11.b	Does the Board of Directors monitor/oversee the implementation of the corporate strategy?	Y	There should be a disclosure on how the Board oversees the implementation of the corporate strategy.					
III	13.a	Are the details of the code of ethics or conduct disclosed?	Y	The details of the Code of Ethics or Conduct must be disclosed. Merely stating that the GOCC has a Code of Ethics without divulging information on the coverage of the Code or how breaches are handled will not suffice.					
III	13.b	Does the GOCC disclose that all Directors/Commissioners, senior management and employees are required to comply with the code?	Y	It must be explicitly stated that all the Directors, senior management and the employees are required to comply with the Code. If the Code is only for employees, the item will be marked as "N."					
III	13.c	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	Y	Examples of activities done in order to implement or monitor compliance with the Code of Ethics/Conduct are: - communicating the code to all existing and new employees and directors - making the code available on the company intranet for ease of access - requiring all parties to declare annually that they have complied with the code of ethics or conduct					
III	14	Does the Board appoint a Nomination Compensation / Remuneration Committee?	Y	The GOCC must disclose the names of all of the members of its Nomination, Compensation / Remuneration Committee during the year being assessed. Merely stating the name of the office/agency of the Ex Officio Member will not suffice and will not garner any points.					
III	15	Did the Nomination Compensation/Remuneration Committee meet at least twice during the year?	Y	The GOCC must publish the meeting attendance records during the year being assessed.					
III	16	If yes, is the report of the Nomination Compensation/Remuneration Committee publicly disclosed?	Y	The GOCC must publish an accomplishment report of the committee and/or minutes of the meetings held.					
III	17	Does the Board appoint an Audit Committee?	Y	The GOCC must disclose the names of all of the members of its Audit Committee during the year being assessed. Merely stating the name of the office/agency of the Ex Officio Member will not suffice and will not garner any points.					
III	18	If yes, is the report of the Audit Committee publicly disclosed?	Y	The GOCC must publish an accomplishment report of the committee and/or minutes of the meetings held.					
III	19	Does at least one member of the Audit Committee have an audit, accounting or finance background (qualification or experience)?	Y	The educational qualifications and/or work experience of the Audit Committee Members should be disclosed. At least one of the Audit Committee Members must have an audit, accounting or finance educational or work background in order to garner points for this item.					
III	20	Did the Audit Committee meet at least four times during the year?	Y	The GOCC must disclose all the audit committee meetings held during the year being assessed.					
III	21	Does the Board appoint a Risk Management Committee?	Y	The GOCC must disclose the names of all of the members of its Risk Management Committee during the year being assessed. Merely stating the name of the office/agency of the Ex Officio Member will not suffice and will not garner any points.					
III	22	If yes, is the report on Risk Management Committee publicly disclosed?	Y	The GOCC must publish an accomplishment report of the committee and/or minutes of the meetings held.					
III	23	Does at least one member of the Risk Management Committee have a background in finance and investments?	Y	The educational qualifications and/or work experience of the Risk Management Committee Members should be disclosed. At least one of the Risk Management Committee Members must have an investment and finance educational or work background in order to garner points for this item.					
III	24.a	Are the Board of Directors meetings scheduled at the beginning of the year? (end of Q1)	Y	The GOCC must explicitly disclose that the meetings held on the year being assessed were scheduled well in advance and when they were scheduled.					
III	24.b	Does the Board of Directors meet at least monthly?	Y	The GOCC must show its attendance records that there were monthly meeting held.					

III	24.c	Did the Board of Directors meet on at least 75% on their scheduled meetings?	Y	In order to garner points for this item, the GOCC must be able to first prove that meetings were scheduled in advance (Q. 24.a.) After which, a schedule of actual meetings held must be shown to prove that the Board met on at least 75% of their scheduled meetings.					
III	24.d	Has each of the directors/commissioners attended at least 90% of all the board meetings held during the year?	Y	All of the attendance of Appointive and Ex Office/Alternate Directors must be considered and all of them should have attended at least 90% of the board meetings held during the year in order to garner points for this item.					
III	24.e	Did the Board of Directors meet separately at least once during the year without the President/CEO present?	Y	The GOCC must explicitly state a meeting held on a specific date wherein the Board met without the President/CEO present.					
III	25.a	Does the GOCC have a policy that stipulates board papers for Board of Directors/Commissioners meetings be provided to the Board at least three (3) working days in advance of the board meeting?	Y	The GOCC must clearly disclose that the Board was provided with the board papers for the upcoming meeting at least 3 working days in advance of the said meeting.					
III	25.b	Is the Board Secretary trained in legal, accountancy or company secretarial practices?	Y	The GOCC should disclose the educational and work background of the Corporate Secretary. In order to garner points for this item, there should be proof that the Corporate Secretary has legal, accountancy or secretarial educational/work background.					
III	26.a	Does the company have a separate internal audit function?	Y	There should be a clear showing that there is a separate internal audit function in the GOCC, whether it be a singular internal auditor, an entire internal audit department or an external firm. If it is a secondary function of an existing staff or department, the GOCC will not garner points for this item.					
III	26.b	Does the appointment and removal of the internal auditor require the recommendation of the Audit Committee?	Y	The GOCC should explicitly state that the appointment and removal of the internal auditor require the approval of the Audit Committee. Should the charter of the GOCC provide for another mode of appointment/removal of the internal auditor, this should also be stated in order for the assessors to consider such issue.					
III	27.a	Does the company disclose the internal control procedures/risk management systems it has in place?	Y	The GOCC must name all the key internal control procedures and its risk management system. There should also be an assignment of responsibilities in order to garner points for this item.					
III	27.b	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Y	The GOCC's annual report must explicitly state that the Board conducted a review of the company's risk management system and material controls during the year being assessed.					
III	27.c	Does the company disclose how key risks are managed?	Y	The GOCC must disclose all of its key risks (operational, compliance and financial) and how they are being managed. Merely disclosing a list of risks will not garner any points.					
III	27.d	Does the Annual Report contain a statement from the Board of Directors or Audit Committee commenting on the adequacy of the GOCC's internal controls/risk management systems?	Y	The GOCC's Board or Audit Committee must explicitly state that the GOCC's risk management systems and internal controls are adequate.					
III	28	Do different persons assume the roles of Chairman and CEO?	Y	The GOCC's PCEO and Chairman during the year being assessed must be clearly identified in the website. An N/A rating will be given should the GOCC's charter provide that the Chairman and PCEO positions must be held by a single person.					
III	29.a	Does the GOCC have orientation programs for new Directors?	Y	The GOCC must not only state that it has an orientation programs for Directors. Details and/or coverage of the orientation program must be disclosed in order to garner points for this item.					
III	29.b	Does the GOCC have a policy that encourages Directors/Commissioners to attend on-going or continuous professional education programs?	Y	Apart from stating the GOCC's training policy and continuous education programs for its Directors, the GOCC may also state that it has a training budget allocated for the Directors on the year being assessed.					
III	29.c	Did all Appointive Directors attend at least 1 training for the calendar year?	Y	The GOCC must disclose that each Appointive Director attended at least one (1) training during the year being assessed. If there is an Appointive Director who did not attend at least one (1) training the GOCC will not garner points for this item.					

III	30.a	Is an annual performance assessment conducted of the Board of Directors?	Y	The GOCC should conduct its own Board Appraisal which is different from GCG's Internet-Based Performance Evaluation for Directors (IPED). It must be readily apparent when the said Board Appraisal was conducted in order to garner points for this item.					
III	30.b	Does the GOCC disclose the process followed in conducting the Board assessment?	Y	The GOCC must disclose the entire process involved in undertaking the Board Appraisal.					
III	30.c	Does the GOCC disclose the criteria used in the Board assessment?	Y	The GOCC should clearly state all the criteria that the Board Members used in their Board Appraisal.					
III	31	Is an annual performance assessment conducted of the Board of Directors Committees?	Y	The GOCC should conduct an Appraisal of its Committees' performance during the year being assessed. It must be readily apparent when the said Committee Appraisal was conducted in order to garner points for this item.					

CORPORATE GOVERNANCE SCORECARD REPORT B

Name of GOCC:
Sector:
Date submitted:
Year being assessed:

COMPONENT					GOCC SUBMISSION			GCG VALIDATION		
GRP	ITEM	QUESTION	ANS	GUIDE	COMPLIANCE	ANS	REFERENCE LINK/SUPPORTING DOCUMENTS	ANS	REMARKS	
II. Disclosure and Transparency										
I	8	Are the annual reports downloadable from the GOCC's website?	Y	Annual reports/Financial statements on the year being assessed must be downloadable from the GOCC's website.						
II	10.a	Are the audited annual financial report/statement uploaded on the website within 90 days upon receipt from COA?	Y	The GOCC must explicitly state the 1.) date of receipt of the AFS from COA and 2.) the date when the AFS was released/published online. An N/A rating will be given for this item if the COA-audited financial report is not yet available or not yet transmitted to the GOCC, provided that the evidence/proof of their financial reports have already been submitted for audit and that they disclose their unaudited financial reports instead.						
II	10.b	Is the annual report released within 90 days from release of audited financial report?	Y	The GOCC must explicitly state the 1.) date of receipt of the AFS from COA and 2.) the date when the Annual Report was released/published online.						
II	10.c	Is the true and fairness/fair representation of the annual financial statement/report affirmed by the board of directors/commissioners and/or the relevant officers of the company?	Y	There should be a statement on/for made by the Directors and/or relevant officers confirming the truthfulness and fairness of the GOCC's financial statements.						
COMPONENT					GOCC SUBMISSION			GCG VALIDATION		
GRP	ITEM	QUESTION	ANS	GUIDE	COMPLIANCE	ANS	REFERENCE LINK/SUPPORTING DOCUMENTS	ANS	REMARKS	
III. Responsibilities of the Board										
III	12	Did the GOCC achieve 80% in the PES?	Y	The GOCC must publish the GCG-validated performance scorecard on the year being assessed.						
COMPONENT					GOCC SUBMISSION			GCG VALIDATION		
GRP	ITEM	QUESTION	ANS	GUIDE	COMPLIANCE	ANS	REFERENCE LINK/SUPPORTING DOCUMENTS	ANS	REMARKS	
IV. Bonus										
IV	1 Stakeholder Relationship	Does the GOCC practice Global Reporting Index (GRI) on its annual reports?	Y	The GOCC must publicly disclose that it has adopted integrated reporting based on the GRI framework for its disclosure.						
IV	2 Timely release of annual financial report	Is the audited annual financial report/statement released within 30 days upon receipt from COA?	Y	The GOCC must explicitly state the date when the AFS was released from COA and when it was published.						
V. Penalty										
V	1 Responsibility of the Board	Are there members of the Board of Directors who hold more than five (5) positions in GOCCs and PLCs?	N	The GOCC must name all the directorships of their Appointed Directors to other GOCCs and PLCs. Should the Director have more than 5 positions in other GOCCs and PLCs, the GOCC will be marked N on this item.						
V	2 Responsibility of the Board	Is there non-compliance with Good Governance Conditions?	N	The GOCC must disclose the results of GCG's evaluation of its good governance conditions. Should the GOCC fail to comply with two or more conditions, it will be marked N on this item.						

CORPORATE GOVERNANCE SCORECARD REPORT (CGSR) GUIDELINES AND GENERAL INSTRUCTIONS

A. Use of CGSR Form

The Corporate Governance Scorecard Report (CGSR) Forms A and B serves as answer sheets to be accomplished by the GOCC in reporting its compliance with the CGS. The CGSR is the prescribed form that the GOCC shall submit together with the attached supporting documents to the Governance Commission.

B. Preparation of CGSR

The CGSR has a *GOCC Submission* main column which is further divided into four (4) columns, all of which must be filled up by the GOCC:

COMPONENT						GOCC SUBMISSION			
GRP	ITEM	QUESTION	ANS	SCORE	GUIDE	COMPLIANCE	ANS	SCORE	REFERENCE LINK/SUPPORTING DOCUMENTS
I	1.a	Does the GOCC disclose a policy that: Stipulates the existence and scope of its effort to address customer's welfare?	Y	1	The GOCC must 1.) identify its stakeholders and 2.) state the policies that were created for the welfare of its customers. The stated policies must not be ambiguous and should include their underlying principles and guidelines.	Sample: <i>The Manual of Corporate Governance identified the various stakeholders of the GOC. The GOCC issued a memorandum circular (GOCC MEMO Circular No. 2017-XX on the GOCC Duties towards its Stakeholders the...</i>			Sample: <i>GOCC Manual of Corporate Governance GOCC MEMO Circular No. 2017-XX "GOCC Duties towards its Stakeholders the..."</i> http://gov.ph

1. **COMPLIANCE** Column – Indicate how the GOCC is compliant with the CGS item. Refer to the GUIDE column for specific guidelines on how this item will be considered valid.
2. **ANS** Column – The GOCC must mark **Y**, **N**, or **N/A**. If a GOCC chooses to mark a question as **N/A**, the GOCC must justify its decision under the **COMPLIANCE** Column.
3. **SCORE** Column – Refer to Annex A of GCG M.C. No. 2015-07 for the corresponding score of each CGS item.
4. **REFERENCE LINKS/SUPPORTING DOCUMENTS** Column – all CGSR items must have reference links or documents to support the rating given, or else the item will not be given points. If the supporting document/s are voluminous, the GOCC may upload them in the website and provide their links, or mark them as Annexes and attach them to the CGSR.

C. Filing of the Report

1. The Governance Commission shall release three (3) notices via email to the GOCCs reminding them of their CGSR compliance within the corresponding deadlines. Meeting/s with the GOCC/s concerned shall be conducted as needed. After the 01 April and 01 October submission deadlines, the Governance Commission shall not grant any request for extension except if the request for extension is grounded on factors not within the control of the GOCC which shall be explained in the request. Such extension shall only be granted once, and its deadline shall not exceed fifteen (15) days. GOCCs without or incomplete submission shall receive a CGS rating of zero percent (0.00%) and rating equivalent of FAIL.
2. The soft copy of the fully-accomplished **CGSR - A** together with its supporting documents must be submitted via official email to GCG on or before **01 April**, while the **CGSR - B** together with its supporting documents shall be submitted to the Governance Commission on or before **01 October**. The CGSRs shall be electronically submitted to cso@gcg.gov.ph. The GOCC Corporate Secretary or Compliance Officer must also provide a duly-notarized certificate attesting to the truthfulness of the information provided in the CGSRs.

3. The CGSRs shall cover all relevant disclosures provided in the GOCC's official website unless stated otherwise by the Governance Commission.
4. By submitting the CGSR to the Governance Commission, the GOCC agrees to be assessed on their corporate governance practices. The overall CGS results shall be submitted to the Office of the President by the end of the fourth quarter of the year.

CERTIFICATION

This is to certify that the information provided in the Corporate Governance Scorecard (CGS) Report of the (GOCC Name) are true and correct based on available records, disclosures and information that can be verified within the Corporation.

DONE, this _____ day of _____ in _____, Philippines.

Corporate Secretary

SUBSCRIBED AND SWORN to before me, this _____ day of _____ in _____, Philippines.

Doc No. _____
Page No. _____
Book No. _____
Series of _____

(Person Administering Oath)