

BOARD RESOLUTION NO. 017 (s. 2024)**APPROVING THE DEVELOPMENT ACADEMY OF THE PHILIPPINES (DAP)
MANUAL OF CORPORATE GOVERNANCE PURSUANT TO THE GOVERNANCE
COMMISSION FOR GOVERNMENT OWNED AND CONTROLLED
CORPORATION (GCG) MEMORANDUM CIRCULAR NO. 2012-07**

WHEREAS, Section 42 of GCG Memorandum Circular (MC) No. 2012-07, otherwise referred to as the “Code of Corporate Governance for GOCCs”, and Section 3 of GCG MC No. 2013-05 dated 07 February 2014 with the subject, “2013 Interim Performance Based Bonus”, require the DAP to adopt and submit a Manual of Corporate Governance (hereinafter referred to as “Manual”) to the GCG, for its approval;

WHEREAS, on 03 April 2014, the DAP submitted its Manual to the GCG, and in a response letter dated 06 October 2015, the GCG evaluated the submission of the DAP Manual and granted it with provisional acceptance, subject to the required revisions on the provisions, as stated in the letter, for compliance;

WHEREAS, as directed by the DAP Board of Trustees (BOT) during the 04 January 2018 Board meeting, the approval of the Manual was recalled, subject to the checking and revision of certain terms and amendments, as proposed by then Undersecretary Tonisito MC Umali, former alternate representative of the Department of Education to the DAP BOT;

WHEREAS, during the subsequent 07 March 2018 Board meeting, then DAP Officer-in-Charge Magdalena L. Mendoza conveyed to the Board the revised and corrected draft Manual;

WHEREAS, pursuant to Executive Order No. 45, s. 2023, promulgated on 26 October 2023, the DAP was transferred from the Office of the President to the National Economic and Development Authority, which thereby calls for the updating of the Manual;

NOW, THEREFORE, be it RESOLVED, as it is hereby RESOLVED, that the DAP BOT hereby approves the DAP Manual of Corporate Governance.

RESOLVED FURTHER, that the GCG shall be furnished with this Manual for approval before its adoption and implementation.

RESOLVED FURTHER, that the Manual, as approved by the GCG, shall be uploaded in the DAP website.

RESOLVED FINALLY, that this Resolution shall take effect upon approval and signature of a majority of the members of the DAP BOT.

APPROVED on the 4th day of June 2024 in Pasig City.

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ACTION OF THE DAP BOARD OF TRUSTEES


ARSENIO M. BALISACAN


Secretary, National Economic and Development Authority
Chairperson




KARLO A. B. NOGRALES
Chairperson, Civil Service Commission
Vice-Chairperson

FRANCISCO P. TIU LAUREL, JR.
Secretary, Department of Agriculture
Member

KENNETH G. RONQUILLO
Undersecretary, Department of Health
Member-Alternate



WILFREDO E. CABRAL
Undersecretary, Department of Education
Member-Alternate


MARILYN B. BARUA-YAP
Undersecretary, Department of Agrarian Reform
Member-Alternate

AUGUSTO D. DELA PEÑA
Undersecretary, Department of Environment and Natural Resources
Member


CLARITO ALEJANDRO D. MAGSINO
Assistant Secretary, Department of Budget and Management
Member-Alternate


NIÑO RAYMOND B. ALVINA
OIC Undersecretary, Department of Finance
Member-Alternate


MAJAH-LEAH V. RAVAGO
President & Chief Executive Officer,
DAP Member

JETHER K. CORPUZ
Office of the President
Member

DEVELOPMENT ACADEMY OF THE PHILIPPINES (DAP) MANUAL OF CORPORATE GOVERNANCE

WHEREAS, the DAP subscribes to the State declared policy of treating Government-Owned or -Controlled Corporations (GOCCs) as significant tools for economic development and the statutorily mandated obligation of the State to 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, which are competent to carry out their functions, fully accountable to the State as its fiduciaries, and always acting for the best interests of the State;

WHEREAS, it is the policy of the State to require every GOCC, through its Governing Board, to promulgate and adopt its corporate governance rules and principles;

WHEREAS, the DAP, through its Board of Trustees, drafted this Manual of Corporate Governance in line with the foregoing policies¹;

NOW, THEREFORE, the DAP Board of Trustees, in its meeting on 04 June 2024, approves this Manual of Corporate Governance for implementation as follows:

I.

DEFINITION OF TERMS

Section 1. Definition of Terms. – For purposes of this Manual of Corporate Governance, the following terms shall have the following meanings:

“**Board Officers**” refer to Officers whose primary task is to serve the Board or to pursue the immediate functions of the Board, such as the Chairperson, Vice-Chairperson, Corporate Secretary, and the Compliance Officer.

“**Board of Trustees**” or “**BOT**” or “**Board**” refers to the body that exercises the corporate powers, conducts all business and controls or holds all properties of the DAP².

“**Charter**” refers to the Presidential Decree No. 205, as amended, creating the Development Academy of the Philippines and defining its purposes, nature, powers, and structure.

¹ Presidential Decree No. 205 (The DAP Charter), as amended by Executive Order No. 288, s. 1987; Republic Act No. 10149 (Financial Viability and Fiscal Discipline in GOCC); Executive Order No. 24, s. 2011 (Rules Governing the Compensation of GOCC BOTs); Executive Order No. 45, s. 2023 (Transferring the DAP to NEDA); and Governance Commission for GOCC Memorandum Circular No. 2012-07 (Code of Corporate Governance).

² The alternates of the BOT Members shall be formally introduced to, and take an oath to be administered by, the Chairperson during the first meeting that they will be present (stated during the BOT meeting last 15 April 2024).

“Charter Statement” refers to a statement of the DAP’s vision, mission and core values.

“Confidential Information” refers to all non-public information entrusted to or obtained by a member of the Board or Officer by reason of his/her position as such with the DAP. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the DAP or its customers/stakeholders if disclosed, such as: (1) non-public information about the DAP’s financial condition, prospects or plans, its marketing and sales programs and research and development information; (2) non-public information concerning possible transactions or projects with other companies, or information about suppliers, project partners, or any information that the DAP is under obligation to keep confidential; and (3) non-public information about internal discussions, deliberations and decisions, between and among Trustees and Officers.

“Chartered GOCC” refers to a GOCC, including a Government Financial Institution (GFI), created and vested with functions by a special law.

“Chief Executive Officer” or **“CEO”** refers to the highest-ranking corporate officer who heads the Management.

“Development Academy of the Philippines” or **“DAP”** a government- owned and controlled corporation, duly organized and existing under and by virtue of Presidential Decree No. 205, as amended.

“Ex Officio Trustee” refers to any individual who sits or acts as a member of the Board of Trustees by virtue of one’s title to another office, and without further warrant or appointment.

“Executive Committee” or **“ExeCom”** refers to the body given the authority to implement the policies determined by the Board in directing the course and business activities of the DAP.

“Extraordinary Diligence” refers to the measure of care and diligence that must be exercised by Trustees and Officers in discharging their functions, in conducting the business and dealing with the properties and monies of the DAP, which is deemed met when Trustees and Officers act using the utmost diligence of a very cautious person taking into serious consideration all the prevailing circumstances and material facts, giving due regard to the legitimate interests of all affected Stakeholders.

“Government Agency” refers to any of the various units of the Government of the Republic of the Philippines, including a department, bureau, office, instrumentality, or GOCC, or a local government or a

district unit therein.

“Government-Owned or -Controlled Corporation” or **“GOCC”** refers to any agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature and owned by the Government of the Republic of the Philippines, directly or through its instrumentalities, either wholly or, where applicable, as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock.

“Mother Agency” refers to the National Economic and Development Authority (NEDA) to which the DAP is attached for policy and program coordination³.

“Non-Stock GOCC” refers to a Chartered or Non-chartered GOCC that has no equity represented by shares of stock.

“Officers” refer to both Board Officers and Executive Officers.

“Performance Evaluation System” or **“PES”** refers to the process of appraising the accomplishments of the DAP in a given fiscal year based on set performance criteria, target and weights.

“Performance Scorecard” refers to a governance and management tool forming part of the performance evaluation system which consists of a set of measures, targets and initiatives that facilitate the achievement of breakthrough results and performance through the effective and efficient monitoring and coordination of the strategic objectives of the DAP.

“President of the DAP” refers to the Chief Executive Officer (CEO), who shall be appointed pursuant to existing laws, rules, and regulations⁴.

“Public Officials” or **“Public Officers”** refer to elective and appointive officials and employees, whether permanent or temporary, whether in the career or non-career service, whether or not they receive compensation, regardless of amount, who are in the National Government, and all other instrumentalities, agencies or branches of the Republic of the Philippines, including government- owned-or-controlled corporations, and their subsidiaries.

“Stakeholder” refers to any individual or entity for whose benefit the DAP has been constituted, or whose life, occupation, business or well-being is directly affected, whether favorably or adversely, by the

³ Executive Order No. 45, s. 2023 signed on 25 October 2023 – *Mother agency* refers to the department, which has jurisdiction over bureaus, offices, agencies, and GOCCs assigned to it by law in accordance with the applicable relationship as defined in Chapters 7, 8, and 9, Book IV of Executive Order No. 292, otherwise known as the "Administrative Code of 1987", cited in RA No. 11234.

⁴ Section 8, PD No. 205 (DAP Charter).

regular transactions, operations, or pursuit of the business or social enterprise for which the DAP has been constituted, and which would include management, employees, supply creditors, or the community in which the DAP operates.

“**Strategy Map**” refers to an integrated set of strategic choices or objectives drawn by the governing body, the successful execution of which results in the achievement of the DAP’s vision in relation to its mission or purpose for having been created.

“**Subsidiary**” refers to any corporate entity where at least a majority of the outstanding capital stock is owned and/or controlled, directly or indirectly, through one or more intermediaries by the DAP.

II.

ROLE OF THE DAP IN NATIONAL DEVELOPMENT

Section 2. Under its Charter, the DAP was created to promote and support the developmental efforts of the country’s human resource development programs designed to instill development perspectives and advance management capability in the leadership of key sectors of the government and the economy, as well as research, analysis, and publications programs of depth and quality to service the requirement of development planning, management, and implementation at both the macro and project levels.

The Philippine Development Plan 2023-2028 identified that strengthening the analytical, operational and evaluation capacity of civil servants, and raising the productivity performance of agencies are among the strategies to improve bureaucratic efficiency. Accordingly, a strong organizational link between the NEDA and the DAP is necessary to bolster the development and implementation of the latter’s human resource development programs, research, data collection, and information services, as well as to ensure consistency of its research, education and training with the National Government’s socioeconomic agenda.

In the fulfillment of its mandate, the DAP BOT and the DAP Management subscribe to the following principles:

- a. Operations of the DAP are rationalized and properly monitored in order that government assets and resources are used efficiently and government exposure to all forms of liabilities and subsidies is warranted and incurred through prudent means;
- b. Governance of the DAP is carried out in a transparent, responsible and accountable manner and with utmost degree of professionalism and effectiveness; and
- c. The DAP BOT is competent to carry out its functions, fully accountable

to the State as its fiduciary, and always acting in the best interest of the State.

III.

THE DAP BOARD OF TRUSTEES

Section 3. *Board Directly Vested with Corporate Powers.* – Having been vested directly by law with the legal capacity and authority to exercise all corporate powers, conduct all the business, and to hold all the properties of the DAP, the BOT is primarily responsible for the “governance and policy direction⁵” of the DAP. Consequently, it is the BOT, and not the Management, that is primarily accountable to the State for the operations and performance of the DAP.

Section 4. *Board Duty to Properly Select and Provide Independent Checks on Management.* – Concomitant with the power to select the President of the DAP/CEO and Vice-Presidents, as provided in the DAP Charter, it is the duty of the BOT to ensure that it appoints and employs only Officers who are fit and proper to hold such offices with due regard to their qualifications, competence, experience, and integrity. The BOT, therefore, is obliged to provide independent check on the Management.

Section 5. *Mandate and Responsibility for the DAP’s Performance.* – The BOT is responsible for providing policy directions, monitoring and overseeing Management actions, as provided in its Charter and other relevant laws, rules and regulations. These mandated functions and responsibilities include the following:

- a. Provide the corporate leadership of the DAP subject to applicable law, and the objectives set by the National Government through the Mother Agency;
- b. Establish the DAP’s vision and mission, strategic objectives, policies, and procedures, as well as values and standards through:
 - Charter Statements;
 - Strategy Maps; and
 - Other control mechanisms mandated by best business practices.
- c. Determine important policies that bear on the character of the DAP to foster its long-term success, ensure its long-term viability and strength, and secure its sustained competitiveness;
- d. Determine the organizational structure of the DAP, defining the duties and responsibilities of its Officers and employees and adopting a

⁵ Section 4 of Executive Order No. 288; and Section 4 of PD No. 205.

compensation and benefit scheme that is consistent with standards set by the concerned Executive, Legislative and/or Constitutional bodies, applicable laws, rules and regulations;

- e. Ensure that personnel selection and promotion shall be on the basis of merit and fitness, and that all personnel action shall be in pursuit of the applicable laws, rules and regulations;
- f. Provide sound written policies and strategic guidelines on the DAP's operating budget and major capital expenditures, and prepare the annual and supplemental budgets of the DAP;
- g. Comply with all reportorial requirements, as required in the Charter, as well as applicable laws, rules and regulations;
- h. Formally adopt and conduct annually the PES and the Performance Scorecard, and provide timely and accurate report of the results to the concerned mother agencies and/or oversight agencies; and
- i. Ensure the fair and equitable treatment of all Stakeholders, and enhance the DAP's relations with its Stakeholders.

Section 6. *Specific Functions of the Board.* – The Board shall, in addition to those enumerated in the DAP Charter, perform the following functions:

- a. Meet regularly to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, and ensure that all such meetings are properly documented or recorded;
- b. Determine the DAP's purpose and value, and adopt strategies and policies, including risk management policies and programs, in order to ensure that the DAP survives and thrives despite financial crises and that its assets and reputation are adequately protected;
- c. Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's over-all performance to ensure optimum results;
- d. Adopt a competitive selection and promotion process, a professional development program, as well as a succession plan to ensure that the Officers of the DAP have the necessary motivation, integrity, competence and professionalism;
- e. Monitor and manage potential conflicts of interest of Trustees and Management, including misuse of corporate assets and abuse in related party transactions;
- f. Implement a system of internal checks and balances, which may be applied in the first instance to the Board, and ensure that such systems are reviewed and updated on a regular basis;

- g. Ensure the integrity of the DAP’s accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- h. Identify and monitor, and provide appropriate technology and systems for the identification and monitoring of key risks and performance areas;
- i. Adopt, implement and oversee the process of disclosure and communications;
- j. Constitute an Audit Committee and such other specialized committees as may be necessary, or required by applicable regulations, to assist the Board in discharging its functions; and
- k. Conduct and maintain the affairs of the DAP within the scope of its authority, as prescribed in its Charter and applicable laws, rules and regulation.

Section 7. Composition of the Governing Board. – The composition of the BOT (the Governing Board) of the DAP is provided for in its Charter, i.e. Section 4 of Presidential Decree (PD) No. 205, dated 07 June 1973, as amended by Section 4 of PD 1061, dated 09 December 1976, and further amended by Section 1 of Executive Order 288 (issued under the Freedom Constitution), dated 25 July 1987.

ANNEX “A” – EO No. 288

ANNEX “B” – All Alternate Representative or
 Permanent Alternate Representative
 except DENR – Permanent Representative
 OP – Permanent Representative

Board of Trustees. The governance and policy direction of the DAP shall be vested in, and its powers exercised by, a BOT, which shall be composed of eleven members⁶ representing the following:

- (a) Office of the President (OP);
- (b) Department of Finance (DOF);
- (c) Department of Education (DepEd);
- (d) Department of Budget and Management (DBM);
- (e) Department of Agriculture (DA);

⁶ Section 4 of Executive Order No. 288, and RA No. 10149 enacted on 26 July 2010 defines *Ex Officio* Board Member as “any individual who sits or acts as a member of the Board of Directors/Trustees by virtue of one’s title to another office, and without further warrant or appointment.”

- (f) Department of Environment and Natural Resources (DENR);
- (g) Department of Health (DOH);
- (h) Department of Agrarian Reform (DAR);
- (i) Civil Service Commission (CSC);
- (j) NEDA; and
- (k) DAP.

The Trustees shall elect from among themselves the Chairperson and the Vice-Chairperson of the Board.

Section 8. *Limits to Compensation, Per Diems, Allowances and Incentives.* –

The compensation of members of the BOT shall be in accordance with Executive Order No. 24, series of 2011, “Prescribing Rules to Govern the Compensation of Members of the Board of Directors/Trustees in Government-Owned or-Controlled Corporations including Government Financial Institutions”. Section 7(a) thereof provides that “Department Secretaries, Undersecretaries, Assistant Secretaries and other government officials, who are Ex-Officio Board Members, including their Authorized Alternates/Representatives, shall not be entitled to any additional compensation for their services as such”.

Section 9. *Alternates of Ex-Officio Trustees.* – The Heads of Agencies (*Ex-Officio* Trustees) of government institutions named in the DAP Charter⁷ may designate their respective alternates, who, ideally, should be the officials next-in-rank to them, and whose acts shall be considered the acts of their principals. The designated alternates shall serve for a term of one year or until their designation is revoked or their replacement named. The Ex-Officio Trustee shall inform the DAP BOT in writing of the designation of his/her alternate and shall vouch that the alternate has the qualifications and none of the disqualifications to sit as a member of the Board of Trustees.⁸

Section 10. *Norms of Conduct.* – All members of the BOT, the President of the DAP, and other Officers shall observe the highest standards of personal conduct in the discharge and execution of their official duties. They shall perform and discharge their duties with the highest degree of excellence, professionalism, intelligence and skill.

Section 11. *Board Officers.* – The Board Officers of the DAP are the Chairperson of the Board, the Vice-Chairperson, the Corporate Secretary, and the Compliance

⁷ PD No. 205, as amended by EO No. 288.

⁸ GCG Memorandum Circular No. 2012-07 provides that “*Ex Officio* Directors may designate their respective alternates, who ideally should be the officials next-in-rank to them, and whose acts shall be considered the acts of their principals (Sec. 10).” Executive Order No. 24 issued on 10 February 2011 defines Authorized Alternate/Representative as an “individual who is officially designated by an *Ex-Officio* Board member to exercise the powers and perform the functions of the latter in the event of his/her absence or incapacity when allowed by law.” A designated permanent alternate is considered as the BOT member.

Officer, who must all be Filipino citizens⁹.

11.1. **Chairperson of the Board.** – The Chairperson shall perform the following functions:

- a. Call meetings to enable the Board perform to its duties and responsibilities;
- b. Approve meeting agenda in consultation with the President of the DAP and the Corporate Secretary;
- c. Preside at all meetings of the Board whenever present;
- d. Exercise control over quality, quantity and timeliness of the flow of information between Management and the Board; and
- e. Assist in ensuring compliance with the DAP's guidelines on corporate governance.

11.2. **Vice-Chairperson.** – In the absence of the Chairperson of the Board, the Vice Chairperson shall preside at the meetings of the Board.

11.3. **Board/Corporate Secretary.** – The BOT shall designate a Board/Corporate Secretary, preferably a lawyer, who shall have the following functions:

- a. Serve as an adviser to the Board Members on their responsibilities and obligations;
- b. Keep the minutes of meetings of the Board, Executive Committee, and all other committees in a book or books kept for that purpose, and furnish copies thereof to the Chairperson, the President of the DAP, and other members of the Board as appropriate;
- c. Keep in safe custody the seal of the DAP and affix it to any instrument requiring the same;
- d. Attend to the giving and serving of notices of Board meetings, if applicable;
- e. Be fully informed and be part of the scheduling process of other activities of the Board;
- f. Receive instructions from the Chairperson on the preparation of an annual schedule, the calling of Board meetings, the preparation of regular agenda for meetings, and notifying the Board of such agenda at every meeting;

⁹ Sec. 15, GCG Memorandum Circular No. 2012-07.

- g. Oversee the adequate flow of information to the Board prior to meetings; and
- h. Ensure fulfillment of disclosure requirements to regulatory bodies.

The Corporate Secretary shall have such other responsibilities as the Board may impose upon him or her. The Board shall have separate and independent access to the Corporate Secretary.

11.4. **Compliance Officer.** – The BOT shall designate a Compliance Officer who shall report directly to the Chairperson. The Compliance Officer shall perform the following duties:

- a. Monitor compliance by the DAP of the requirements under existing laws, rules and regulations and, if any violation is found, report the matter to the BOT and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- b. Appear before appropriate government agencies when summoned in relation to compliance issues; and
- c. Issue a certification every 30 May of the year on the extent of the DAP's compliance with the government corporate standards governing GOCCs for the period beginning 01 July of the immediately preceding calendar year and, if there are any deviations, explain the reason for such deviation.

The Compliance Officer shall coordinate with the Corporate Secretary where necessary.

The appointment of a Compliance Officer shall not relieve the BOT of its primary responsibility vis-à-vis the State, to ensure that the DAP has complied with all its reportorial, monitoring and compliance obligations.

Section 12. Board Committees¹⁰. – The Board shall be supported by the following specialized committees:

12.1. **The Executive Committee (ExeCom).** – Pursuant to Section 6 of the DAP Charter, the Executive Committee shall be composed of the President of the DAP and not less than three nor more than five other members to be elected by the Board from its members. Members of the ExeCom, other than the President of the DAP, shall hold office for terms of two years, unless at the time of election a shorter term is specified and shall be eligible for re-election.

¹⁰ Section 16.3, GCG Memorandum Circular No. 2012-07 provides that the Governing Board is not precluded “from formally combining the functions of the committees into such combinations that will best serve the interest of the GOCC.”

Section 7 of the DAP Charter specifies that the ExeCom shall administer the affairs of the DAP in accordance with such functions, powers, and responsibilities as may be delegated by the Board. In the exercise of such delegated functions, powers and responsibilities, the ExeCom shall have all the powers of the Board, except the power to fill a vacancy on the Board and to amend the rules and regulations of the DAP.

The ExeCom, in accordance with the authority granted to it by the BOT, or during the absence of the Board, shall act by a vote of at least two-thirds (2/3) of its members on such specific matters within its competence as may be delegated by the BOT in accordance with its Charter.

12.2. **Audit Committee**¹¹. – The Audit Committee shall consist of at least three (3) members of the Board, whose Chairperson should have audit, accounting or finance background. The Committee shall have the following duties and responsibilities:

- a. Oversee, monitor and evaluate the adequacy and effectiveness of the DAP's internal control system, engage and provide oversight of the DAP's internal and external auditors, and coordinate with the Commission on Audit (COA);
- b. Review and approve the following before submission to the Board: 1) audit scope and frequency, 2) annual internal audit plan, and 3) quarterly, semi- annual and annual financial statements. The Audit Committee shall endeavor to keep abreast of changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;
- c. Receive and review reports of internal and external auditors and regulatory agencies, and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
- d. Ensure that internal auditors have free and full access to the DAP's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results; and
- e. Develop a transparent financial management system to ensure the integrity of internal control activities throughout the DAP through a procedures and policies handbook that will be used by the entire organization.¹²

¹¹ Section 16.2.2, GCG Memorandum Circular No. 2012-07.

¹² Section 16.2.2(e), GCG Memorandum Circular No. 2012-07.

12.3. **Governance Committee**¹³. – The Governance Committee shall assist the BOT in fulfilling its corporate governance responsibilities. The Committee shall be composed of at least three (3) members of the BOT, and chaired by the Chairperson of the BOT. The Committee shall be responsible for the following:

- a. Oversee the periodic performance evaluation of the BOT and its committees and Management; and also conduct an annual self-evaluation of their performance;
- b. Decide whether or not a Trustee is able to and has been adequately carrying out his/her duties as trustee, bearing in mind the trustee's contribution and performance (e.g., competence, candor, attendance preparedness and participation). Internal guidelines shall be adopted that address the competing time and commitments that are faced when trustees serve on multiple boards;
- c. Recommend to the BOT regarding the continuing education of Trustees, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and
- d. Recommend the manner by which the BOT's performance may be evaluated and propose objective performance criteria to be approved by the Board. Such performance indicators shall address how the BOT will enhance long-term shareholder value.

12.4. **Nomination and Remunerations Committee**¹⁴. – The Nomination and Remunerations Committee shall consist of at least three (3) members of the Board. The Committee shall be responsible for the following:

- a. Install and maintain a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;
- b. Review and evaluate the qualifications of all persons nominated to positions in the DAP which require appointment by the Board, or recommendation for the appointment by the President of the Philippines through the Governance Commission for GOCCs (GCG) in the case of the President of the DAP; and
- c. Develop recommendations to the GCG for updating the CPCS and ensuring that the same continues to be consistent with the DAP's culture, strategy, control environment, as well as the pertinent laws, rules and regulations.

¹³ Section 16.2.3 (a-d), GCG Memorandum Circular No. 2012-07.

¹⁴ Section 16.2.4 a-d), GCG Memorandum Circular No. 2012-07.

12.5. **Risk Management Committee**¹⁵. – The Risk Management Committee shall consist of at least three (3) members, with at least one member having a background in finance and investments. The Risk Management Committee shall be responsible for the following:

- a. Perform oversight risk management functions, specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the DAP, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
- b. Develop the Risk Management Policy of the DAP and ensure compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the DAP, especially at the BOT and Management level; and
- c. Provide quarterly reporting and updating the Board on key risk management issues as well as *ad hoc* reporting and evaluation on investment proposals.

12.6. **The Academic Council**. – The Academic Council (hereinafter referred to as “the Council”) is the DAP’s highest academic body chaired by the President of the DAP/CEO, who is also the Council’s presiding officer. The Council shall be composed of seven (7) members, as follows:

- a) President of the DAP/CEO as Chairperson and Presiding Officer;
- b) Senior Vice-President for Programs Group;
- c) Dean of the Graduate School of Public and Development Management (GSPDM);
- d) External Member;
- e) External Member;
- f) External Member; and
- g) External Member.

The term of office/service of the External Members of the Council shall be five (5) years, provided that of the first set of External Members, two (2) shall have a term of office of three (3) years, and the other two (2) for a term of five (5) years.

The President of the DAP/CEO, Senior Vice-President, and Dean of the GSPDM are to recommend the External Members of the Council based on the composition set forth above, for approval of the DAP BOT.

The Council shall perform the following functions and exercise the following powers:

- a. Serve as the policy-making and quality assurance body of the BOT for its educational graduate degree programs as well as

¹⁵ Section 16.2.5(a) to (c) of GCG Memorandum Circular No. 2012-07.

training programs leading to graduate degree(s);

- b. Formulate, review and approve policies and guidelines for the DAP's educational graduate degree programs and training programs leading to graduate degree(s);
- c. Prescribe the academic programs of the DAP, including their institution, revision, abolition, and merger, subject to the approval of the DAP BOT and/or its Executive Committee;
- d. Review and approve the curricula of the DAP's educational graduate degree programs leading to graduate degree(s);
- e. Set standards for faculty qualifications and performance which the DAP Management shall use for faculty selection and performance review;
- f. Set qualification standards for the selection of students/participants which will guide the screening and acceptance to educational graduate degree programs and training programs that could lead to graduate degree(s);
- g. Approve the recommendations of the head(s) of the DAP's academic programs on the graduation of students/participants and the grant of degrees and/or honors to students/participants before the President of the DAP confers the appropriate degree(s) and/or honors;
- h. Exercise disciplinary power over students of the DAP's academic programs through the heads of the academic programs subject to the review by the President of the DAP according to the policies, rules, and regulations formulated by the Council and approved by the BOT;
- i. Undertake the periodic review of academic courses, programs, standards, thrusts, and policies; and
- j. Adopt internal rules of procedures it finds necessary for the effective and efficient discharge of its powers and performance of its functions.

IV.

MANAGEMENT

Section 13. Role of Management. – The DAP Management shall be responsible for running the day-to-day affairs of the DAP. It shall develop and implement the following systems and processes to achieve the objectives set by the Board: a) organizational

structures that work effectively and efficiently in attaining the goals of the DAP; b) useful planning, control, and risk management systems that assess risks on an integrated cross-functional approach; c) information systems that are defined and aligned with an information technology strategy and the business goals of the DAP; and d) a plan of succession that formalizes the process of identifying, training and selecting successors in key positions in the DAP¹⁶.

Management shall likewise act in accordance with its Quality Manual (Annex “C”) and shall abide by its Citizen Charter (Annex “D”).

Section 14. Management Primarily Accountable to the Board of Trustees. – Management is primarily accountable to the BOT for the operations of the DAP. As part of its accountability, the DAP Management shall regularly provide all members of the Board with a balanced and understandable account of the DAP’s performance, position and prospects on a monthly basis¹⁷.

Section 15. Chief Executive Officer (CEO). – Pursuant to Section 8 of the DAP Charter, the President of the DAP is the CEO of the DAP. The President of the DAP/CEO shall be responsible to, and shall be supervised by, the BOT. In addition to these responsibilities under Section 8 of the DAP Charter, the President of the DAP/CEO shall:

- a. Exercise general supervision and authority over the regular course of business, affairs, and property of the DAP, and over its employees and officers;
- b. See to it that all orders and resolutions of the Board are carried into effect;
- c. Submit to the Board after the close of each fiscal year, a complete report of the operations of the DAP for the preceding year, and the state of its affairs;
- d. Report to the Board from time to time all relevant matters which the interest of the DAP may require to be brought to its notice; and
- e. Perform such other duties and responsibilities that may be imposed by the Board.

The President of the DAP/CEO shall be selected by the BOT pursuant to Section 8 of PD No. 205, as amended, pertinent provisions of RA No. 10149, and relevant GCG issuances.¹⁸ The term of office of the President of the DAP/CEO shall be for one (1) year, unless sooner removed for cause: *Provided*, however, that the President of the DAP/CEO shall continue to hold office until the successor is appointed and qualified.

¹⁶ Section 18, GCG Memorandum Circular No. 2012-07.

¹⁷ Section 19, GCG Memorandum Circular No. 2012-07.

¹⁸ The GCG appointment process pursuant to RA No. 10149 is as follows: 1) Mother Agency will submit to the GCG a list of nominees for the GOCC Governing Boards in accordance with GCG M.C. No. 2012-04; 2) submitted nominees will undergo another level of screening by the GCG Search Committee; 3) once the nominees are found to be qualified, they will be included in the shortlist of nominees to be submitted to the President of the Philippines 4) for his approval and signature (<https://icrs.gcg.gov.ph/board-appointments/>).

Section 16. Vice-President. – In accordance with Section 5(d) of the DAP Charter, the BOT shall appoint one or more Vice-Presidents to assist the President of the DAP in the administration of the affairs of the DAP.

Section 17. Power of the Board to Discipline/Remove Officers. – Subject to existing civil service laws, rules and regulations, and in ensuring compliance with the requirements of due process, the BOT shall have the authority to discipline, or remove from office, the CEO, or any other Officer, upon a majority vote of the members of the BOT who actually took part in the investigation and deliberation¹⁹.

V.

DUTIES AND OBLIGATIONS OF TRUSTEES AND OFFICERS

Section 18. Fiduciaries of the State. – Trustees and Officers are fiduciaries of the State in that (a) they have the legal obligation and duty to always act in the best interest of the DAP with utmost good faith in all dealings with the properties, interests and monies of the DAP; and (b) they are constituted as trustees in relation to the properties, interests and monies of the DAP²⁰.

Section 19. Directors and Officers as Public Officials. – Trustees and Officers are Public Officials as defined by, and are therefore covered by the provisions of the “Code of Conduct and Ethical Standards for Public Officials and Employees,” with its declared policies: (a) to promote a high standard of ethics in public service; and (b) Public Officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest²¹.

Section 20. Respect for and Obedience to the Constitution and the Law. – As Public Officials, a Trustee or Officer shall respect and obey the Constitution, and shall comply, and cause the DAP to faithfully and timely comply, with all legal provisions, rules and regulations, and corporate governance standards, applicable to them and to the DAP in which they serve, and to act within the bounds of the DAP’s Charter²².

Section 21. Duty of Diligence²³. – The fiduciary duty of diligence of Trustees and Officers to always act in the best interest of the DAP, with utmost good faith in all its dealings with the property and monies of the DAP, includes the obligation to:

- a. Exercise extraordinary diligence, skill and utmost good faith in the conduct of the business and in dealing with the properties of the DAP,

¹⁹ Section 22, GCG Memorandum Circular No. 2012-07.

²⁰ Section 23, GCG Memorandum Circular No. 2012-07.

²¹ Section 24, GCG Memorandum Circular No. 2012-07.

²² Section 25, GCG Memorandum Circular No. 2012-07.

²³ Section 26, GCG Memorandum Circular No. 2012-07.

using the utmost diligence of a very cautious person with due regard to all the circumstances;

- b. Apply sound business principles to ensure the financial soundness of the DAP; and
- c. Elect and/or employ only Officers who are fit and proper to hold such office with due regard to their qualifications, competence, experience and integrity.

Every Trustee or Officer by the act of accepting such position in the DAP, affirms and agrees to: (1) have a working knowledge of the statutory and regulatory requirements affecting the DAP, including the contents of its Charter and the requirements of the concerned mother and government oversight agencies; and (2) always keep himself/herself updated of industry developments and business trends to safeguard the DAP's interests and preserve its competitiveness.

Section 22. Duty of Confidentiality. – The Trustees and Officers shall not use or divulge confidential or classified information officially made known to them by reason of their office and not made available to the public, either: (1) to further their private interests, or give undue advantage to anyone; or (2) which may prejudice the public interest²⁴.

Section 23. Duty of Loyalty²⁵. – The fiduciary duty of loyalty of Trustees and Officers to always act in the best interest of the DAP, with utmost good faith in all its dealings with the property and monies of the DAP, includes the obligation to:

- a. Act with utmost and loyalty to the DAP;
 - b. Avoid conflicts of interest and declare any interest they may have in any particular matter before the Board; and
 - c. Avoid (1) taking for themselves opportunities related to the DAP's business; (2) using the DAP's property, information or position for personal gain; or (3) competing with the DAP's business opportunities.
- 23.1. **Avoid Conflict of Interest.** – Trustees and Officers shall at all times avoid any actual or potential conflict of interest with the DAP. Each shall also avoid any conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

Any question about a Trustee's or Officer's actual or potential conflict of interest with the DAP shall be brought promptly to the attention of the Chairperson of the Board, who will review the question and determine an appropriate course of action.

23.2. **Trustee Relation to the DAP Properties, Interests and Monies.** –

²⁴ Section 30, GCG Memorandum Circular No. 2012-07.

²⁵ Sections 27-28, GCG Memorandum Circular No. 2012-07.

Except for duly authorized reimbursement for actual and reasonable expenses and incentives, any and all realized and unrealized profits, and/or benefits including, but not limited to, the share in the profits, incentives of Trustees or Officers in excess of what is authorized, and any benefit from the performance of Trustees or Officers acting for and in behalf of the DAP in dealing with its properties and other interest, are to be held in trust by such Trustee or Officer for the exclusive benefit of the DAP.

23.3. **Taking of Corporate Opportunities.** – Where a Trustee or an Officer, by reason of his/her being a member of the Board or an Officer of the DAP, acquires or receives for himself/herself a benefit or profit of whatever kind or nature, including but not limited to, the use of the properties of the DAP for his/her own benefit, the receipt of commission(s) on contract(s) with the DAP or its assets, or the taking advantage of corporate opportunities of the DAP, all such profits or benefits shall be subject to restitution pursuant to Section 24 of R.A. No. 10149, without prejudice to any administrative, civil or criminal action against such Trustee or Officer. The remedy of restitution shall apply notwithstanding the fact that such Trustee or Officer risked his/her own funds in the venture.

23.4. **Restitution.** – Pursuant to Section 24 of RA No. 10149, upon the determination and report of the Commission on Audit (COA) pursuant to a Notice of Disallowance which has become final and executory, that properties or monies belonging to the DAP are in the possession of a Trustee or Officer of the DAP without authority, or that profits are earned by the Trustee or Officer in violation of his/her fiduciary duty, or the aggregate per diems, allowances and incentives received in a particular year are in excess of the limits provided under existing laws, rules and regulations, the Trustee or Officer receiving such properties or monies shall immediately return the same to the DAP.

Failure by a Trustee or Officer to make the restitution within thirty (30) days after a written demand has been served shall subject such Trustee or Officer to criminal and administrative liability under pertinent laws.

Section 24. No Gift Policy²⁶. – A Trustee or Officer shall not solicit, nor accept, directly or indirectly any gift, gratuity, favor, entertainment, loan or anything of monetary value ("Gift") from any person where such Gift:

- a. Would be illegal or in violation of law;
- b. Is part of an attempt or agreement to do anything in return;
- c. Has a value beyond what is normal and customary in the DAP's business;
- d. Is being made to influence the member of Board's, or Officer's actions as

²⁶ Section 29, GCG Memorandum Circular No. 2012-07.

such; or

- e. Could create the appearance of a conflict of interest.

The DAP Board of Trustees shall formally adopt a “No Gift Policy” and ensure its full advertisement to the community and its strict implementation by particular set of rules.

VI.

OBLIGATIONS OF THE DAP TO TRUSTEES AND OFFICERS

Section 25. Providing for Staff Support to Trustees. – The DAP shall provide the members of its Board of Trustees with reasonable support staff through the Board Secretariat, headed by the Board/Corporate Secretary, as well as office facilities to allow them to properly discharge their duties and responsibilities.

Section 26. Obtaining of Directors and Officers Liability Insurance (DOLI)²⁷. – Having imposed the highest level of responsibility and accountability on the members of the Board and Officers, i.e., that of extraordinary diligence, it is equitable that when the DAP itself and/or the member of the Board and Management are sued before tribunals on matters that are within the official functions and capacity and on matters where business judgment has been exercised in good faith, that there be proper recovery of costs of litigation and the judgment liability imposed. To this end, the DAP BOT shall consider obtaining DOLI coverage for itself and the members of the BOT and Officers against contingent claims and liabilities that may arise from, as well as the expenses that may be incurred in prosecuting, the actions that may be filed against the DAP arising from the actions of the BOT and/or Management that may cause loss or damage to third parties.

Nothing in this section shall be construed as to authorize the reimbursement or the incurring of costs, such as the payment of premiums on DOLI coverage, by the DAP on the litigation expenses incurred and the judgment liability decreed against a Trustee or Officer for breach of any of his fiduciary duties or for fraud committed in the performance of his or her duties to the DAP and/or its stakeholders.

VII.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND RELATIONS WITH STAKEHOLDERS

Section 27. Duty to Be Responsive to Stakeholders²⁸. – Every Trustee and Officer accepts the position fully aware that he assumes certain responsibilities not only to

²⁷ Section 31, GCG Memorandum Circular No. 2012-07.

²⁸ Section 33, GCG Memorandum Circular No. 2012-07.

the DAP, but also with different constituencies or Stakeholders, who have the right to expect that the DAP is being run in a prudent manner and with due regard to the interests of all Stakeholders. Consequently, members of the Board and Officers shall deal fairly with the DAP's employees, customers, suppliers and other Stakeholders. No member of the Board or Officer shall take unfair advantage of the DAP's employees, customers, suppliers and other Stakeholders through manipulation, concealment, abuse of confidential or privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Section 28. CSR Principles²⁹. – As an integral part of the National Government, GOCCs, like the DAP, are inherently mandated to be socially responsible, to act and operate as good corporate citizens. The BOT shall thus recognize and perform the obligations the DAP has towards the National Government, as well as to its employees, suppliers, customers and other Stakeholders, and the communities in which it operates.

The Trustees, Officers and all its employees are required to abide by ethical policies as mandated by duly constituted authorities. The protection of the reputation and goodwill of the DAP is of fundamental importance, and Trustees, Officers and employees should be aware of the disciplinary implications of breaches of policy.

Every member of the DAP is encouraged to promptly report any potentially illegal, improper and/or unethical conduct that they may become aware of at their workplace or in connection with their work. The DAP shall have an environment that enables its people to raise genuine and legitimate concerns internally. However, in the event that the people of the DAP believe their reporting to management may result in harassment, or undue distress, they may contact the Mother Agency of the DAP or the concerned oversight government agencies, as the case may be, to report such matters.

Section 29. Formal Recognition of the Stakeholders. – The BOT shall, as an integral part of its Charter Statement and embodied in its Manual of Corporate Governance, identify and formally recognize the DAP's major and other Stakeholders, identify the nature of their interests, provide a hierarchy system of their conflicting interest in the DAP, and provide a clear policy on communicating or relating with Stakeholders accurately, effectively and sufficiently, together with a system to properly render an accounting on how the DAP has served their legitimate interests.

DAP's key stakeholders include its customers, oversight agencies, external suppliers, tenants and guests, participants/students/scholars and trainees, faculty and resource persons, the Asian Productivity Organization (APO), the DAP BOT, and the DAP employees. Following is a brief and general description of each of these stakeholders.

- a. **Customers.** – Customers include National Line Agencies (NLAs), Local Government Units (LGUs), constitutional bodies, legislature, judiciary, and government corporations. Other customers include international organizations and funding institutions, private firms including small and medium enterprises, Non-Government Organizations (NGOs), and the

²⁹ Section 34, GCG Memorandum Circular No. 2012-07.

academe. Customers require the DAP to provide quality project and program interventions in a timely manner and at a competitive cost.

Integrity and honesty in dealings with customers is necessary for a successful and sustained business relationship. The DAP shall operate a highly effective and efficient organization, focused on meeting customer objectives with the aim of providing services which give fair value and consistent quality, reliability and safety in return for the price paid for the same. The DAP shall endeavor to continuously improve its processes and the skills of its staff in order to ensure that it continues to add value to its customers' needs and interests.

The DAP should have clear and strong lines of communication which allow it to respond quickly and efficiently to customer and market requirements, as well as the public needs, and for the customers to receive consistent service in order to successfully and consistently deliver what the DAP is mandated to do.

- b. Oversight Agencies.** – Oversight agencies include the NEDA to which the DAP is attached, the GCG, the DBM, the Commission on Audit (COA), the CSC, and the OP. Oversight agencies have a variety of reporting requirements and they expect that accurate reports are submitted on schedule.
- c. Agencies Providing Statutory Benefits to Employees.** – This category of government agencies includes the Government Service Insurance System (GSIS), the Home Development Mutual Fund, also known as the Pag-IBIG Fund (HDMF), and the Philippine Health Insurance Corporation (Philhealth).

The DAP pays the monthly premium or contribution for each of its regular employees to these agencies to enable its employees to enjoy their benefits. For this purpose, these provident and insurance agencies require and expect the DAP to inform employees of said benefits, the requirements for application and access to those benefits and the timely payment of premiums and contributions.

- d. Suppliers.** – As with other relationships with the Stakeholders, the DAP should aim to develop relationships and improve networking with business partners and suppliers based on mutual trust. The DAP should aim to offer, through partnership with its suppliers, the best combination of state-of-the-art technology and world class service, strong customer relations and deep industry knowledge and experience, together with the capacity to implement and deliver value-added solutions on a timely and cost-effective manner. Suppliers expect clear requirement specifications and terms of reference and efficient processing of payments after delivery. The external suppliers include suppliers of goods and services needed for the efficient management of the DAP's facilities and operations.

- e. **Tenants and Guests.** – Tenants and guests include corporate and individual entities who make use of the DAP facilities in Pasig and Tagaytay, whether for the long- or short-term durations.

All tenants and guests of the DAP require timely release of their contracts of use and compliance with the terms of the contract. In addition, tenants and guests expect prompt delivery of service, courteous, professional and approachable staff, as well as maintained facilities.

- f. **Training Participants, Students and Scholars.** – Training participants, students and scholars include all individuals or groups of individuals who participate in the training and academic programs or interventions of the DAP.

Training participants, students and scholars require quality program interventions that are timely and relevant to their organization's needs.

- g. **Faculty Members.** – Faculty members are those individuals engaged by the DAP for involvement in capacity building, whether for academic or non-academic programs/projects of the DAP. They may be involved in module development, lectures, and other related activities in delivering the training and learning intervention.

The DAP faculty members require clear terms of reference prior to engagement and the timely processing of their contracts. For the delivery of their services, they expect the DAP to provide competitive rates and timely processing of payments upon delivery or completion of expected outputs.

- h. **Consultants and Resource Persons.** – Consultants and resource persons include individuals engaged by the DAP to deliver a lecture, module or an identified pre-agreed output, which contributes to the completion of a project or program intervention of the DAP. They require clear terms of reference and the timely processing of their contracts. For the delivery of their services, they expect the DAP to provide competitive rates and timely processing of payments upon delivery or completion of expected outputs.

- i. **The Asian Productivity Organization (APO).** – The APO is a regional, inter- governmental organization composed of 20 economies in the Asia Pacific region. Its mission is to “contribute to the sustainable socioeconomic development of the Asia and the Pacific through enhancing productivity”³⁰. As a member of this organization, the APO expects the Philippines and the DAP, which is the country's National Productivity Organization (NPO), to collaborate with it and other NPOs in promoting productivity through the implementation of various programs on productivity.

³⁰ Asian Productivity Organization. Mission Statement (<https://www.apo-tokyo.org/overview/>).

- j. **Academic Oversight Bodies.** – This refers to the Commission on Higher Education (CHED) and the Professional Regulation Commission (PRC). The DAP is classified as special higher education, with academic autonomy in accordance with its legal mandate. Academic oversight bodies require reportorial compliance on the submission of programs description, list of graduates, and other relevant academic records

- k. **Employees.** – Every employee in the DAP is encouraged to:
 - a. Remember that the biggest stakeholder is the Government;
 - b. Share the vision of the DAP;
 - c. Be accountable to the public;
 - d. Listen and learn from his/her co-employees;
 - e. Think and act as a team;
 - f. Focus on the customers and strive for customer satisfaction;
 - g. Respect others;
 - h. Communicate with stakeholders and customers;
 - i. Deliver results and celebrate success; and
 - j. Protect the reputation of the DAP.

There should be employee development discussions and structured training programs for continuing personal and professional development for employees.

Section 30. Health and Safety. – The DAP should aim to ensure a safe and healthy working environment for all its employees, and guests. The DAP should comply with all relevant local legislation or regulations, and best practice guidelines recommended by national health and safety authorities, and shall regularly inform its personnel about its health and safety policies.

Section 31. Environment. – The DAP acknowledges that there are inevitable environmental impacts associated with daily operations. It shall be the goal of the DAP to minimize harmful effects and consider the development and implementation of environmental standards to achieve this to be of great importance. As such, the DAP should adopt the policy of: "Reduce", "Reuse" and "Recycle".

In the course of its operations, the DAP should implement policies to reduce consumption of energy, water and other natural resources. It should also strive to re-use and recycle where possible, and dispose of non-recyclable items responsibly. By adopting simple, environmentally friendly initiatives, the DAP strives to set an example for the community it serves.

VIII.

DISCLOSURE AND TRANSPARENCY REQUIREMENTS

Section 32. Transparency as the Essence of Corporate Governance. – In line with its belief that the essence of corporate governance is transparency, the DAP shall endeavor to disclose all material information to the National Government and the public in a timely and accurate manner.

Section 33. Mandatory Website. – The DAP shall maintain a website and post therein for unrestricted public access the following:

33.1. *On Institutional Matters:*

- a. The latest version of its Charter;
- b. List of Subsidiaries and Affiliates; and
- c. Government Corporate Information Sheet (GCIS)

33.2. *On the Board and Officers:*

- a. Complete listing of the Trustees and Officers with relevant profile, and their membership in Board Committees;
- b. Complete compensation package of all the board members and officers, including travel, representation, transportation and any other form of expenses or allowances;
- c. Information on Board Committees and their activities; and
- d. Attendance record of Directors in Board and Committee meetings.

33.3. *On Financial and Operational Matters:*

- a. Their latest annual Audited Financial and Performance Report within thirty (30) days from receipt of such Report;
- b. Audited Financial Statements in the past three (3) years;
- c. Quarterly, and Annual Reports and Trial Balance;
- d. Current Corporate Operating Budget (COB);
- e. Local and foreign borrowings;

- f. All borrowings guaranteed by the Government;
- g. Any material risk factors and measures taken to manage such risks; and
- h. PES.

33.4. *On Governance Matters:*

- a. Charter Statement/Mission-Vision Statements;
- b. Performance Scorecards and Strategy Map;
- c. Organizational Chart;
- d. Manual of Corporate Governance;
- e. CSR Statement; and
- f. Balance Scorecard.

33.5. Such other information or report that the GCG may require.

Section 34. Mandatory Reports. – The Board shall regularly submit, as may be required by the GCG and other Government Agencies, the following:

- a. Performance Scorecards;
- b. Implementation of the audit recommendations of COA; and
- c. Compliance with commitments on serving loans to, and borrowings guaranteed by the National Government.

Section 35. Other Reportorial Requirements. – The DAP shall also submit to the GCG periodically in electronic form the following:

- a. Common Form financial statements based on annual audited financial statements within thirty (30) days from receipt of the report;
- b. Income Tax Return duly stamped by the Bureau of Internal Revenue (BIR);
- c. Cash and investment balances;
- d. Capital expenditure program;
- e. Statement of Financial Operations;
- f. Acquisition or disposition of assets;

- g. Off Balance Sheet transactions; and
- h. Reports for the annual corporate budget call such as but not limited to the following:
 - (1) Physical and Financial Performance reports (the immediately preceding three (3) years); and
 - (2) Sources and Uses of Funds (the immediately preceding three (3) years) and the proposal for the coming year.

IX.

HIGHEST STANDARDS PRINCIPLE

Section 36³¹. Public service being a public trust, nothing in this Manual shall be construed as:

- 36.1. *On Corporate Governance Standards:* Relieving or excusing the DAP, its Trustees and Officers, from complying with more rigorous standards of corporate governance as those required by regulatory agencies having jurisdiction over their operations.
- 36.2. *On Reportorial Requirements:* A waiver of the separate reportorial requirements mandated by the regulatory agencies that have jurisdiction over the DAP and its operations.
- 36.3. *On Administrative and Criminal Liabilities:* A waiver of the administrative or criminal liabilities imposed by existing laws, rules and regulations, such as the Anti-Graft and Corrupt Practices Act, and the Code of Conduct and Ethical Standards for Public Officials and Employees for Government Officials, for offenses or breach of ethical standards committed by Trustees, Officers and employees of the DAP.

X.

MISCELLANEOUS PROVISIONS

Section 37. Amendments. – This DAP Manual of Corporate Governance may be amended by the DAP BOT with a simple majority of its members.

Section 38. Effectivity. – This Manual shall be effective upon approval of the DAP BOT and after fifteen (15) days from its publication in the DAP website.

³¹ Section 48, GCG Memorandum Circular No. 2012-07.