



Republic of the Philippines
Office of the President

PHILIPPINE CHARITY SWEEPSTAKES OFFICE

Sun Plaza Building, 1507 Shaw Boulevard corner Princeton St., Mandaluyong City 1552

www.pcsso.gov.ph



AUDIT COMMITTEE 2022 ACCOMPLISHMENT REPORT

A. Approval of PCSO Internal Audit Services Annual Audit Plan for the Year 2022

Pursuant to the 2016 PCSO Manual of Corporate Governance, the Audit Committee recommended the approval of the PCSO Internal Audit Services Audit Plan to the Board of Directors. This was approved through Resolution No. 0021 series of 2022 consisting of activities, as follows:

1. Regular audits in the Head Office of the following:
 - a. STL Compliance
 - b. 2021 Marketing Plan
 - c. Lotto Supplies Management
 - d. Recruitment Process of New Hires
 - e. Information System Strategic Plan (ISSP)
 - f. Implementation of Malasakit Centers
 - g. Compliance to COA-AOMs
2. Follow-up audits of the following:
 - a. Charity payables
 - b. Status of Defaulted Accounts
3. Branch audits:
 - a. One (1) Branch in Northern and Central Luzon Department
 - b. One (1) Branch in Southern Tagalog and Bicol Region
 - c. One (1) Branch in Visayas
 - d. One (1) Branch in Mindanao
4. Other activities:
 - a. Monitoring of compliances

B. Other audit assignments as instructed by PCSO management

Pursuant to BR No. 0021, series of 2022, the Audit Committee supervised the conduct of the following activities in CY 2022:

- a. Special Audit Re: Alleged Malversation of Ms. Nimfa Hoy-Designated Cashier of Bukidnon Branch
- b. Independent Investigation on the status of HRIS Project
- c. Special audit on the HRIS Project
- d. Remote audit of Apayao Branch Office
- e. Remote audit of Aurora Branch Office
- f. Audit on CY 2021 Marketing Plan
- g. Monitoring of compliances with COA AOMs for CY 2021
- h. Remote audit of Occidental Mindoro Branch Office
- i. Spot audit of Laguna Branch Office
- j. Audit on the remaining inventory of Keno Thermal Rolls and Betslips
- k. Spot Audit of Batangas Branch Office
- l. Spot Audit of Tarlac Branch Office
- m. Audit on the Compliance of Small Town Lottery (STL)
- n. Audit of Accrued Leave
- o. Follow up Audit on the Accounts Payable Charity
- p. Spot Audit of Negros Oriental Branch Office
- q. Spot Audit of Siquijor Branch Office
- r. Spot Audit of Ilocos Sur Branch Office
- s. Follow up Audit of Accrued Leave Credits

/ Signed

ATTY. REYMAR SANTIAGO
Board Secretary VI



REMUNERATION AND COMPENSATION COMMITTEE
2022 ACCOMPLISHMENT REPORT

I. Implementation of Compensation and Position Classification System (CPCS)

The Office of the President approved Executive Order 150, Series of 2021 on the "Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (S. 2016), and For Other Purposes," which became effective on 5 October 2021 following its publication.

On 9 February 2022, the PCSO received the Authorization to Implement the CPCS under Executive Order No. 150. Based on PCSO's nature of operations, financials, and full-time equivalent (FTE) positions, GCG summarized PCSO CPCS classification and tier as follows:

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<i>Category</i>	2
<i>GOCC Grade</i>	19
<i>Tier</i>	1
<i>Applicable CPCS Salary Structure</i>	Category 2 Salary Structure

The PCSO Board discussed the full implementation of the salary schedules under Category 2 Salary Structure as authorized by GCG, as well as the authorized allowances, benefits and incentives (ABIs) provided under the CPCS, charged against PCSO's Corporate Operating Budget, subject to the usual accounting and auditing rules and regulations and the retroactive application of the appropriate salary structure, and the ABIs under the CPCS effective October 5, 2021 in accordance with Chapter I (1) of the CPCS Implementing Guidelines.

Accordingly, the PCSO Board in Resolution No. 0035, Series of 2022 dated February 28, 2022 approved the following: (i) Implementation of regular salary of employees using Category 2 Salary Structure starting March 1, 2022; (ii) The payment of salary differential from October 5, 2021 to February 28, 2022; and (iii) Payment of differential of year-end bonus for Year, subject to applicable taxes.

The PCSO Board also approved the creation of a committee through Special Order No. 04-SO/197 on April 11, 2022 to conduct further study regarding the CPCS which shall prepare a request for reconsideration on issues/concerns arising from the implementation of the CPCS, for approval of the Board prior to submission to GCG.

The CPCS Committee met on June 9, 2022 and discussed the final summary of the positions for upgrading, duties and responsibilities and organization's structure.

II. Approval of the Hierarchy of Positions, Comparable Duties and Responsibilities and Job Grade of PCSO Officials and Employees

- a) The Hierarchy of Positions on the approved Organizational Structure for each Sector/Department to demonstrate the hierarchy of positions within the agency and within the office/department, pursuant to Board Resolution No. M0059, Series of 2022.
- b) The comparable duties and responsibilities of each position based on GCG-approved Rationalization Plan in 2013 vis-à-vis the actual duties and responsibilities of officials and employees in 2016 up to present due to the nationwide expansion of PCSO gaming operations, duly approved under PCSO Board Resolution No. M-0059, Series of 2022. The updated duties include lottery specific functions during lotto/STL draws by PCSO officials and employees, after regular office hours on weekdays and during weekends.
- c) The Job Grade of its officials and employees, the summary of its proposed job levelling, upgrading of positions and band classification of PCSO's plantilla positions based on skills and eligibility requirements approved by the Board in No. M-0059, Series of 2022.

III. Motion for Reconsideration on PCSO Category and the Implementation of CPCS

On December 23, 2022, the PCSO transmitted to the Governance Commission for GOCCs its Motion for Reconsideration on PCSO's Classification and its Authority to Implement the Compensation and Position Classification System (CPCS). In said Motion for Reconsideration, the PCSO Board requested reconsideration of the following in relation to the implementation of the GCG approved CPCS Authorization, and prayed for the approval of the above-stated items and the following:

- a) The Data Collection Kit and Certificate of Fund Availability showing that the PCSO can fund and sustain the grant;
- b) The upgrade of Job Grade of several positions who were lumped together in one job grade, and consider their accountabilities to avoid distortion of salaries;
- c) The upgrade of job grade of professionals whose positions require board/bar eligibility, in order to recognize their work contributions, knowledge requirements, people-related skills, analytical skills, and varying levels of leadership requirement among others;

- d) The upgrade of job grade of all Department Managers from Job Grade 14 and 15 to Job Grade 17;
- e) The positions of PCSO affected employees as co-terminus to the incumbent, and to approve their corresponding job grades.
- f) The grant of Lottery Draw Pay for all PCSO officials and employees based on their actual performance of work or different roles during the conduct of lottery draws; and
- g) The classification given to PCSO which should be Category 2, Grade 20, Tier 1, instead of Category 2, Grade 19, Tier 1.

Signed

ATTY. REYMAR SANTIAGO
Board Secretary V



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RISK MANAGEMENT COMMITTEE 2022 ACCOMPLISHMENT REPORT

I. Health Protocol in the Workplace

In order to mitigate the risks of transmission of COVID – 19 within the workplace in view of the implementation of alternative work arrangements for those who report to work physically, the 2022 Amendments to the Protocol on Management of Covid-19 Cases, was discussed by the Board, as follows:

- a. Parameters for Implementation of Alternative Work Arrangements (AWA)
- b. Work from Home Set-up
- c. Management of Suspected and Confirmed Cases of Covid-19
- d. Use of Leave Credits for Absences due to Quarantine and/or Treatment of Covid-19
- e. Process on Return to Work
- f. Policy on Unvaccinated and Partially Vaccinated Personnel
- g. Protocols for Promotion of Employee Health and Safety and Prevention of Spread of Covid-19

Said recommendations were implemented through Memorandum Order No. 2022-012 issued on January 26, 2022.

II. Gaming Operations of the agency

In 2021, the Five-Year Lease of the Customized PCSO Lottery System (2021 PLS Project) with Joint Venture of Philippine Gaming Management Corporation (PGMC), International Lottery and Totalizer Systems, Inc. (ILTS) and Pacific Online Systems Corporation (POSC) collectively known as JV PGMC-ILTS-POSC was expected to be completed and delivered. The project intended to modernize the gaming operations of the agency. In November 2021, the JV requested the Board for the amendment of delivery period due to global supply chain issues which affected the delivery of hardware components.

With the impending expiration of the ELA on July 31, 2022 for POSC and on August 22, 2022 for PGMC and pending the completion and eventual commercialization of the PLS Project, the Gaming, Product Development and Marketing Sector (GPDMS) recommended the extension of the SELA on a month-to-month basis under the existing terms and conditions up to the completion of deliverables and eventual commercialization of the PLS Project but not to exceed one (1) year.

On July 28, 2022, the Board of Directors approved the following thru Resolution No. M-002 to avoid disruption of the online Lotto games:

1. Extension of the Equipment Lease Agreements with Pacific Online Systems Corporation and Philippine Gaming Management Corporation on a month-to-month basis for three (3) months only; and
2. Retention of the existing monthly rate at six percent (6%).

Considering the impending expiration of the above extension on October 31, 2022 for POSC and November 22, 2022 for PGMC, the GPDMS proposed the undertaking of a public bidding for the lease of the lottery system and equipment for a period of one (1) year instead of extending the ELAs. The same was approved by the Board of Directors through Resolution No. M-0013 on September 6, 2023. However, the bidding was declared a failure by the BAC due to non-compliance of the lone bidder with Republic Act No. 9182 requirements. With this, the PCSO Board approved another extension of the ELAs with POSC and PGMC on a month-to-month basis for two (2) months only as a stop-gap measure through Board Resolution No. M-0030, series of 2022 on October 26, 2023.

Signed

ATTY. REYMAR SANTIAGO
Board Secretary VI