

Republic of the Philippines
PHILIPPINE COCONUT AUTHORITY



MEMORANDUM CIRCULAR NO. 02
Series of 2016

ESTABLISHING THE PCA INTERNAL WHISTLEBLOWING POLICY

A. STATEMENT OF POLICY

It is hereby declared as policy that the governance of Philippine Coconut Authority is carried out in a transparent, responsible and accountable manner with the utmost degree of professionalism and effectiveness. The PCA also adheres to the promotion of integrity and accountability in public service to maintain credibility and reliability in the delivery of services to its stakeholders.

The PCA recognizes that Whistleblowers are the primary vehicle through which misconduct is exposed, and that fact that witnesses to misconduct are oftentimes subject to retaliation for speaking out. This retaliation creates a chilling effect on the willingness of the people to come forward and bring to light misconducts.

The GCG has implemented Memorandum Circular No. 2014-04 entitled "Whistleblowing Policy for the GOCC Sector" pursuant to R.A. No. 10149, otherwise known as "The GOCC Governance Act of 2011". This framework serves as guide in crafting and establishing the PCA Whistleblowing Policy.

The Code of Conduct for the Officials and Employees of the Philippine Coconut Authority (Corporate Order No. 02 series of 2009) requires the PCA officials and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities; practice honesty and integrity in fulfilling one's responsibilities and comply with all applicable laws and regulations. It is the responsibility of all PCA officials and employees to comply with the Code of Conduct and to report violations or suspected violations in accordance with the Whistleblowing Policy.



The purpose of this Whistleblowing Policy is to enable any concerned individual to report and provide information, anonymously if he/she wished and even testify on matters involving the actions or omissions of the employees and officials of PCA and protect the identity of the Whistleblower from retaliation for his actions.

B. DEFINITION OF TERMS

1. PCA Whistleblowing Committee - refers to the Committee tasked with the handling of the implementation of this Policy.
2. Whistleblowing – refers to the process whereby employees are encouraged to report suspected violations, complaints or concerns involving financial disclosures, accounting, internal control, code of conduct and ethics or policies. Whistleblowing encourages employees to bring unethical or illegal practices to the forefront and addressing them before they become fatal to the organization. Whistleblowing is a key defense against override of internal controls and thus, can help improve corporate governance.
3. Reportable Conditions – matters that may be brought to the attention of the Authority through this Policy.
4. Reporting Channels – refers to the PCA Whistleblowing Committee drop box and members' emails and telephone numbers:

Legal Affairs Service : Tel. No. 928-4501 local 555

Internal Audit Department : mso_223@yahoo.com

Office of the Administrator : pca_ofad@yahoo.com
Fax No. 921-7631

Drop Box : Located at PCA Ground Floor Lobby

Website : pca.da.gov.ph

5. Respondent – the person who is subject of a report filed with the Authority through this Policy as enumerated in section D below.
6. Retaliatory action – means the discharge, suspension, demotion, harassment, blacklisting or the refusal to hire an employee, or other adverse employment action taken against an employee in the terms and

conditions of employment, or other actions which interfere with an employee's ability to engage in protected activities set forth under this policy.

7. Whistleblower – a person who reports a Reportable Condition to the Authority through this Policy.
8. Whistleblowing Report – refers to a complaint filed by a Whistleblower about a Reportable Condition.

C. CREATION OF PCA INTERNAL WHISTLEBLOWING POLICY

A PCA Internal Whistleblowing Rules is hereby issued with the following objectives:

1. To encourage employees, officials and stakeholders to bring suspected malpractices, ethical and legal violations they are aware of to an internal authority.

2. To avoid exposing the company to risk or damage that may occur when employees circumvent internal control mechanism or violate certain code of conduct. A strong whistleblowing program is one of the best means of reducing the impact of fraud and serious misconduct.

3. To help promote and develop a culture of openness, accountability and integrity within the Company. The policy supports and assists staff who has genuine concern to bring it to the attention of people within the Authority which can take appropriate actions.

D. SCOPE OF THE PROGRAM

1. The Policy shall apply to PCA officials and employees. The following concerns and issues shall encompass reporting by concerned employees:

- a. Violations of the provisions of the following rules and regulations, to wit:

- 1.) R. A. No. 6713, "Code of Conduct and Ethical Standards for Public Officials and Employees";
 - 2.) R. A. 3019, "Anti-Graft and Corrupt Practices Act",
 - 3.) R. A. 7080, as amended, "The Plunder Law"; iv. Book II, Title VII, Crimes Committed by Public Officers, The Revised Penal Code;

- 4.) Executive Order No. 292 s. 1987, "Administrative Code of 1987";
 - 5.) R.A. No. 10149, "The GOCC Governance Act of 2011";
 - 6.) GCG MC No. 2012-05, "Fit and Proper Rule";
 - 7.) GCG MC No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector";
 - 8.) GCG MC NO. 2012-07, "Code of Corporate Governance for GOCCs";
 - 9.) PCA Manual of Corporate Governance; and
 - 10.) Other Circulars and Orders and applicable laws and regulations.
- b. Fraud, financial malpractice or negligence;
 - c. Failure to comply with a legal or regulatory obligation;
 - d. Criminal offense has been, is being, or is likely to be committed
 - e. Breach of the Code of Conduct for the Officials and Employees of the Philippine Coconut Authority pertaining to the following:
 - 1.) Work Behaviour
 - 2.) Prohibited Activities
 - 3.) Serious Misbehaviour
 - 4.) Sabotage, Espionage and Violation of Trade Security
 - 5.) Breach of Security and Safety Measures
 - 6.) Disorderly Conduct
 - 7.) Betrayal of Trust
 - 8.) Neglect of Duty

E. PROTECTED ACTIVITIES

The PCA Management shall not take any retaliatory action against an employee, official or stakeholder because the employee does any of the following:

- a. Discloses, threatens to disclose, or is about to disclose to his immediate superior or through any means under this policy an activity, policy or practice of the employer, co-employee, Director, that the employee reasonably believes is in violation of a law, regulation or policy.
- b. Provides information to, or testifies before any panel duly constituted under this policy or competent court of jurisdiction conducting an investigation, hearing or inquiry into any violation committed of under the scope of this program or of any law, rule, regulation or policy.
- c. Discloses, threatens to disclose or is about to disclose to a superior or through any means provided under this policy, or public officer a policy

or practice of an employer, co-employee or Director that the employee reasonably believes is incompatible with a clear mandate of public policy concerning the public safety or welfare or protection of the environment.

- d. Assists or participates in any activity, policy or practice which the employee reasonably believes –
 - 1.) Is in violation of a law, or a rule or regulation promulgated pursuant to law, or policy.
 - 2.) Is fraudulent or criminal
 - 3.) Is incompatible with a clear mandate of the board and/or public policy.

An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

F. POLICIES

- 1.) The confidentiality of reporting channels/mechanisms shall be maintained wherein whistleblowers can confidently convey or communicate their concerns and/or complaints.
- 2.) The Code of Conduct for the Officials and Employees of the Philippine Coconut Authority shall complement this Policy.
- 3.) All reports must state the specific conditions/s, action/s and/or omission/s being complained about, as well as the corresponding laws, rules or regulations allegedly violated. If possible, documentary and other evidence in support of the allegation must be submitted for evaluation.
- 4.) All reports by whistleblowers shall be treated fairly, properly and confidentially to the greatest extent possible. As such, the process allows for anonymous reporting. The Whistleblower who informs against any wrongdoing may choose to maintain his anonymity and provide a manner by which he/she can be contacted without jeopardizing his anonymity. If any employee is making an identity disclosure, said employee shall retain his/her anonymity unless he/she agrees otherwise.
- 5.) The anonymity is limited and exclusive only to the whistleblower. All respondents or those complained of must be clearly identified by their full names and positions. Furthermore, the alleged violations, actions and/or omissions must be clearly identified, together with the law, rule and regulation violated.

- 6.) In the event that the whistleblower withdraws or desist from providing additional information, the investigation shall continue provided that the evidence gathered is sufficient as determined by the Whistleblowing Committee.
- 7.) In the event that the complained employee resigns prior to the final resolution of the case against him, the investigation shall still continue provided that the evidence gathered is sufficient as determined by the Whistleblowing Committee.
- 8.) The filing of a case in a court of competent jurisdiction does not affect the conduct of the investigation to determine administrative liability, if any.
- 9.) The whistleblowing program intends to provide warnings and promote ethical conduct in the Company. In this manner, the whistleblower may raise matters of concern or issues that are within the scope of the program enumerated per letter D above.
- 10.) The Authority shall ensure that no employee shall be at risk of suffering some form of retribution as a result of reporting or raising a concern.
- 11.) Employees shall be responsible to raise only genuine concerns, in good faith and without an ulterior motive. The process should not be used to support personal grievances about conditions of employment or disputes.
- 12.) The Whistleblower may directly file the Complaint to the Governance Commission for GOCCs, in case he/she is not comfortable in reporting the alleged illegal or unethical behavior through the ways and means provided for by the Authority.

G. CREATION OF THE PCA WHISTLEBLOWING COMMITTEE

The PCA Whistleblowing Committee which shall handle the implementation of this Policy is hereby created to be composed of the following personnel:

Chairperson	:	Attorney VI, Legal Affairs Service
Members	:	Department Manager II, Internal Audit Department

Head Executive Assistant, Office of the
Administrator

H. ACCOUNTING AND AUDITING MATTERS

The Board Audit Committee shall address all reported concerns or complaints regarding corporate accounting principles, internal controls or auditing. The Management shall immediately notify the Board Audit Committee of any such complaint and work with the committee until the matter is resolved.

I. OTHER CONCERNS

- 1.) The outcome of an investigation, which may result to disciplinary action under the Code of Conduct for the Officials and Employees of the Philippine Coconut Authority shall remain confidential.
- 2.) It is the role of the Internal Audit Department to periodically evaluate the design and effectiveness of the whistleblowing as a whole. The program should reflect changes in operations and remain current with best practices.
- 3.) All communications made through the whistleblowing process shall be treated with due diligence and properly investigated.

J. AMENDMENT OF THE POLICY

The Governing Board shall revise and review periodically the significance of the Whistleblowing Policy.

Approved per PCA Governing Board Resolution No. 034-2016 issued on 17 March 2016.



GLENN B. SANTOS
OIC Administrator