



## **RISK MANAGEMENT COMMITTEE REPORT FOR CALENDAR YEAR 2018**

### **Committee Membership for CY (as of December 31, 2018)**

Chairperson :	Atty. Alberto C. Agra
Members :	Dir. Dioscoro E. Esteban Jr. Dir. Oscar T. Lactao Dir. Warren Rex H. Liong Dir. Michael B. Peloton Dir. Ulysses T. Sevilla

### **Functions of the PRA Risk Management Committee (RMC)**

In accordance with Section 16.5 of the Code of Corporate Governance for GOCCs, the PRA Risk Management Committee (RMC) is responsible for performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational, and any other risks of the PRA, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities; developing the Risk Management Policy of the PRA, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the PRA, especially at the Board and Management level; and providing quarterly reporting and updating the Board on key risk management issues as well as *ad hoc* reporting and evaluation on investment proposals.

### **2018 RMC Accomplishment**

The approval of Philippine Reclamation Authority's (PRA) Risk Management Charter and Manual was the highlight of the RMC's accomplishment for the year 2018. The Risk Management Charter formally organizes the Risk Management Committee of the PRA and defines the various roles, functions, and responsibilities of management and key personnel who are responsible for ensuring, coordinating and implementing the risk management systems and processes of the Agency. The Charter defines the purpose and scope of risk management at PRA, which may include the organization's philosophy and approach to managing risks. On other hand, the purpose of the PRA Risk Management Manual is to describe PRA's framework and procedures for risk management. It defines the actions and responsibilities of PRA Officers, and mechanisms and processes for the management of risks. Further, it provides an adequate

and consistent system to identify, measure, control and monitor the various risks faced by PRA in achieving its goals and objectives through:

1. Identification and assessment of broad array of risks that could negatively impact the achievement of PRA goals and objectives;
2. Establishing a program structure that engages the concerned PRA personnel to identify, prioritize risks and prepare an action plan; and
3. Providing the Management Committee and Board of Directors with key information to make risk-informed decisions and to effectively allocate resources.

Efforts to develop the charter and manual commenced in the first quarter of 2018. A Risk Management awareness briefing was held on 15 February 2018 attended by the PRA Board of Directors and PRA Officers. Thereafter, series of risk management training sessions from April to August 2018 were conducted in AIM Conference Center, Makati City. All the members of the Board, the Management Committee, Department and Division Managers actively participated in the trainings and workshops. Brainstorming sessions and various inter-department exercises were undertaken in the identification of key risks, risk assessment and preparation of Risk Management Plan for the core business processes of the PRA. The workshop sessions enabled the PRA Board of Directors and Management to understand and appreciate risk management concepts, and the process and approach involved in risk management.

The Risk Management Plan for the major business processes of the PRA, *i.e. Marketing and Estates Management, Land Development, Construction Management and Technical Services, and Reclamation and Regulation*, was approved by the Management Committee and the Board of Directors.

A Risk Management Group (RMG) was constituted and approved on 20 June 2018 by the PRA Board of Directors, in its Resolution No. 4885, Series of 2018. To promote risk-awareness culture across the organization, the composition of the RMG is represented by all departments of the PRA. The first edition of the PRA Risk Management Charter and Manual was approved by the Board of Directors on 04 September 2018, in its Resolution No. 4909, Series of 2018. A copy of the PRA Risk Management Charter and Manual was submitted by PRA to the Governance Commission for GOCCs (GCG) on 11 December 2018.

**Prepared by:**

  
**Atty. Johanna Mayamba-Gargantiel**  
*Chief Risk Officer*

**Approved by:**

  
**ATTY. ALBERTO C. AGRA**  
*Chairperson*  
*Board Risk Management Committee*