



Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**

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## CY 2021 Performance Report of the Risk Management Committee

The PhilHealth Board's Risk Management Committee performs oversight risk management and investment functions. The Committee accordingly gave policy directions to the Management to duly handle reputational, financial, business environment and infrastructure risks. They also provided insights on how the Management could better position assets in order to maximize gains in investments. For CY 2021, the Committee met four (4) times and approved/discussed the following:

- I. **Information Systems Strategic Plan (ISSP) for CY 2021-2023**, which was also approved by the Board en banc and the Department of Information and Communication Technology (DICT). This provides a 3-year framework/strategic plan to enable PhilHealth to address its requirements for information systems (IS) development and allocation of information technology (IT) resources in support of the following:
  1. PhilHealth's Corporate Strategy Map (CSM)
  2. PhilHealth's Medium-Term Development Plan aligned with Universal Health Care
  3. Philippine Health Agenda (PHA)
  
- II. **Accomplishment Report of the Project Management Team for Risk Management (PMT-RM)** which provided updates and status of the office's programs/projects/activities. Specifically, the reports presented the following:
  1. PMT-RM CY 2020 Accomplishment Report
  2. Highlights of Reports Submitted to the Chief Risk Officer:
    - a. Risk Assessment Certification (RAC) for New or Amended Programs, Projects and Policies Monitoring Report
    - b. Report on the Best Practices, Issues and Concerns in the Implementation of Risk Management in PROs
    - c. Comparative Report on CYs 2019 and 2020 Top Risks
    - d. Comparative Report on Risk Information Management System (RIMS) Compliance for CYs 2019 and 2020
    - e. Report on the Results of CY 2020 RM Online Quiz
    - f. Identified Top Risks and Top Fraud Risks and their Risk Response Plans based from approved policies with issued RAC and risks reported in the Risk Information Management System (RIMS)
  
- III. **Change in Committee Chairmanship and Vice Chairmanship.** In its October 26, 2021 meeting, the Committee approved the chairmanship of the Department of Finance (DOF) and the Vice Chairmanship of the Department of Health to the Risk Management Committee. This is in line with the DOF's mandate to ensure that the public sector's exposure to private sector companies is monitored and well-managed through leveraging their representation to the various government agencies and institutions.
  
- IV. **IAG Position Paper on the Applicability of Risk Assessment Certificates (RAC) to Internal Audit Reports**, wherein an exemption was granted to the Internal Audit Group (IAG) in the submission of Risk Self-Assessment Questionnaire (RSAQ) as part of the Completed Staff Work (CSW) for the presentation of Internal Audit Reports. The exemption was granted due to the inapplicability of the RSAQ to Internal Audit Reports which are mostly statements of gaps in the form of audit observations. The exemption shall also ensure efficiency in communicating results of internal audit engagements, especially those that warrant immediate attention of the Audit Committee and Management; as well as, clarifying responsibilities on risk assessment and development of risk



response plan that are within the purview of IAG vis-à-vis the business process owners in-charge of developing policies and procedures.

- V. **Updates on Investment Placements** which further strengthened the oversight function of the Board, through the Risk Management Committee, over Investment Management and Operations. Here, the Committee lengthily discussed PhilHealth authorized investments & their distribution, outstanding corporate bonds, investment yields, portfolio & income, disposition on maturities & subsidies, investment plans, funding & investment processes and the existing Omnibus Guidelines on Fund Investments.
- VI. **Critical Risk Areas for PhilHealth**, wherein the Committee deliberated on the risk areas in the Corporation which needs focus to ensure effective and efficient operations (i.e. systems, processes and procedures) across PhilHealth. These critical risk areas shall be constantly monitored and reported to the RiskCom by the PMT-RM along with their status and the implementation of their risk response plans or mitigating actions.
- VII. **Liquidity Management and Maturities Positioning Strategies**, where the Committee discussed the process of funding and investments in the Corporation. They also reviewed the Omnibus Guidelines on Fund Investments, Investment Disposition Strategies and the Comparative SSD & BVAL Rates.
- VIII. **Proposed Guidelines on Corporate Bonds** which the Committee thoroughly reviewed, including the existing guidelines & policies on corporate bonds, as well as the current approved investment parameters on corporate bonds investments. The Committee then agreed to decide on the proposed revision on the computation of the Single Company Exposure Limit (SCEL) once the benchmarking with other GOCCs/GFIs is completed.
- IX. **Report on Fund Utilization - Investment Cashflow**, where the Committee discussed the fund utilization, comparative investment cashflow for CYs 2018-2021(3<sup>rd</sup> quarter), as well as PhilHealth's disposition on maturities and National Government subsidies.
- X. **Request for Reprogramming of CY 2020 Procurement Project of PRO CARAGA to CY 2020 CAPEX**. Here, the Committee approved for presentation to the Board en banc the continuing appropriation of the following CY 2019 procurement projects of PRO Caraga totalling P4,079,858.29:
  1. Airconditioning Equipment and Ancillary Materials/Supplies
  2. Leasehold Improvement of LHIO Tandag City
- XI. **CY 2022 Corporate Operating Budget (COB)**, wherein the Committee deliberated the proposal and ensured that all items are in accordance with the approved CY 2022 Corporate Thrusts and GCG commitments. They then approved the COB proposal for presentation to the Board en banc with specific instructions to ensure that details are accurate, projections are reality-based, and that data are specific.

## Committee Membership

The members of the Committee are as follows, with three (3) members having a background in finance and investments in compliance with the PhilHealth Manual of Corporate Governance:

1. Department of Finance (DOF) seating as its Chairperson
2. Department of Health (DOH) as its Vice Chairperson
3. Department of Social Welfare and Development (DSWD)
4. PhilHealth PCEO Atty. Dante A. Gierran, CPA (Indirect Contributors Sector Representative)
5. Alejandro L. Cabading (Expert Panel Representative)
6. Dr. Jason Roland N. Valdez (Direct Contributors Sector Representative)
7. Dr. Teodoro J. Herbosa (Expert Panel Representative)



The tables below show the dates of the Risk Management Committee meetings that were held in CY 2021 and the attendance of each member:

### Risk Management Committee Meetings Conducted

No.	Date
1	January 25
2	July 26
3	October 26
4	November 23

### Attendance of Risk Management Committee Members

Current Members	Agency / Sector	1/25	7/26	10/26	12/23	Total
1. OIC-DTOP Eduardo G. Mariño III	DOF / BTr	✓	✓	✓	✓	4/4
2. Dir. Beverly Lorraine C. Ho, MD, MPH	DOH	✓	✓	✓	✓	4/4
3. PCEO Atty. Dante A. Gierran, CPA	PhilHealth	✓	X	✓	✓	3/4
4. Asec. Joseline P. Niwane	DSWD	✓	✓			2/2
5. Atty. Glenda R. Rumohr	DSWD			✓	✓	2/2
6. Alejandro Labrado Cabading	Expert Panel	✓	✓	✓	✓	4/4
7. Dr. Jason Roland N. Valdez	Direct Contributors Sector	✓	✓	✓	✓	4/4
8. Dr. Teodoro J. Herbosa	Expert Panel				✓	1/1

*Note: Dark blue fields denote that the member was not yet or no longer on board at the time of the meeting.*