



## **CY 2022 Performance Report of the Risk Management Committee** *Approved by the Risk Management Committee on 16 January 2023*

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. Most especially, the Committee reviews and approves the Corporate Operating Budget to ensure the proper and appropriate allocation of funds granted to the Corporation. For CY 2022, the Committee met three (3) times and approved/discussed the following:

- I. **CY 2022 Supplemental Budget** which was triggered by the increase in administrative cost from 5% to 7.5% under the General Appropriations Act (GAA) for the effective implementation of the National Health Insurance Program (NHIP) and the Universal Health Care (UHC). The supplemental budget amounting to Php626 million, which was duly approved by the Board en banc, gave way to more activities and programs of the Corporation to meet the increasing demands of the members on affordable health care services as mandated by the Government.
- II. **Project Management Team for Risk Management (PMT-RM) Accomplishment Report.** As the Risk Management arm of the Corporation, the PMT-RM constantly reports to the Board's Risk Management Committee. The PMT-RM's accomplishment report include the Corporation's reported top risks, top fraud risks, risk assessment certification and, compliance to the risk information management system, among others. Also included in their reports are risk descriptions with proposed risk response plans which the Committee also reviews and discusses at length. This process keeps the Board abreast with the Corporation's risk exposures and risk management activities.
- III. **Critical Risk Areas** 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.
- IV. **Status of PhilHealth Investments.** As another part of its mandate, the Risk Management Committee monitors the Corporation's investments and constantly asks the Treasury Department to report its status. This maintains the Board's confidence in the investment activities of the Corporation and ensures its robust financial standing.
- V. **Proposal on Corporate Bonds Investments: Approved Pool of Qualified Corporate Bonds for Investments.** Procurement of Corporate Bonds is time-bound, thus the need to have a pool of qualified bonds for investment was proposed. This will ensure that the Board is duly apprised of the purchases of Corporate Bonds while expediting the evaluation of bond offerings. It was duly approved by the Board en banc, with the reminder that the Management will immediately report to the Board after actual purchases of Corporate Bonds.
- VI. **Proposal on Corporate Bonds Investments: Compliance to DOF-Asset Liability Management Committee (ALCO) Directive on the Lifting of Restrictions on Conglomerate Companies with Exposure to Liquor.** The Committee authorized the investment in Corporate Bonds issued by the Alliance Global, Inc. and San Miguel Corporation in compliance with the

directive and guidance of the DOF-ALCO. This was subsequently approved by the Board en banc and the above conglomerates were added to the approved pool of corporate bond investment.

**VII. CY 2023 Corporate Operating Budget (COB)** wherein the Committee deliberated the proposal and ensured that all items are in accordance with the approved CY 2023 Corporate Thrusts and GCG commitments. They then approved the COB proposal amounting to Php213.74 Billion, which was subsequently approved by the Board en banc.

### Committee Membership

The members of the Committee for CY 2022 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)

The tables below show the dates of the Risk Management Committee meetings that were held in CY 2020 and the attendance of each member:

### Risk Management Committee Meetings Conducted

No.	Date
1	May 24
2	October 25
3	November 24

### CY 2022 Attendance Record of Risk Management Committee Members

Current Members	Agency / Sector	5/24	10/25	11/24	Total
1. OIC-DTOP Eduardo G. Mariño III	DOF / BTr	✓	✓	✓	3/3
2. Dir. Beverly Lorraine C. Ho, MD, MPH	DOH	✓			1/1
3. Dr. Lilibeth C. David, MPH, MPM, CESO I	DOH		X*	✓	1/2
4. Asec. Janet P. Armas	DSWD	✓			1/1
5. Usec. Charles Frederick T. Co	DSWD		✓	✓	2/2
6. Alejandro Labrado Cabading, CPA	Expert Panel	✓	✓	✓	3/3
7. Dr. Jason Roland N. Valdez	Direct Contributors Sector	✓	✓	✓	3/3
8. Atty. Dante A. Gierran, CPA	Indirect Contributors Sector				1/1

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

\* Had to attend the WHO Regional Committee for the Western Pacific