



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) MANUAL OF CORPORATE GOVERNANCE, AS AMENDED

It is the policy of the GSIS to actively promote and pursue corporate governance reforms and to consciously observe principles of accountability and transparency. The Board of Trustees (BOT) and Management of the GSIS hereby promulgate and adopt this Manual of Corporate Governance to significantly enhance the corporate organization of the GSIS by making it a valuable partner of the government in national development, at par with the private sector and globally competitive.

A. DEFINITION OF TERMS AND COVERAGE

Section 1. *Definition of Terms.* Unless the context otherwise indicates, the following terms shall mean:

- a. Board of Trustees – the collegial body that exercises the corporate powers of the GSIS as specified in Section 41 of Republic Act (RA) 8291, which shall hereinafter be referred to as the “Board.” It is primarily responsible for the governance of the GSIS and, hence, in charge of setting policy direction and monitoring implementation of strategic and long-term goals.
- b. Conflict of Interest – arises when a member of the Board or an executive officer has a substantial interest in a business, and the interest of such corporation or business, or his or her rights or duties therein, may be opposed to or affected by the faithful performance of his or her official duties in the GSIS.¹
- c. Corporate Governance – the framework of rules, systems and processes in the GSIS that governs the performance by the Board and Management of their respective duties and responsibilities to the stakeholders.²
- d. Executive Officers - refer to the President and General Manager as Chief Executive Officer, the Senior Vice Presidents and Vice Presidents of the GSIS. As distinguished from Board Officers, Executive Officers form part of the Management of the GSIS.³

¹ Adopted from RA 6713, *Code of Conduct and Ethical Standards for Public Officials and Employees*.

² Adopted from SEC Memorandum Circular No. 6 Series of 2009, *Revised Code of Corporate Governance*.

³ Based on Section 1, GCG Memorandum Circular No. 2012-07, *Code of Corporate Governance for GOCCs*.

- d) Manual of Corporate Governance;
- e) CSR Statement; and
- f) Balanced Scorecard.

K. RESPONSIBILITY FOR THE TRUTHFULNESS AND FAIRNESS OF THE GSIS FINANCIAL STATEMENTS

Section 33. *Responsibility for Truthfulness and Fairness of Financial Statements.* As part of its accountability for the day-to-day operations of the GSIS, Management is primarily responsible for the preparation and presentation of the GSIS financial statements, as well as the truthfulness and correctness thereof.

The financial statements shall be prepared in conformity to the generally accepted accounting principles and shall reflect amounts that are based on informed judgment of Management with an appropriate consideration to materiality.⁵⁴

The Board shall oversee the maintenance of a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. In the exercise of its oversight function, the Board shall ensure the fairness of the information and representations contained in the financial statements.

L. COMMUNICATION

Section 34. *Communication within the Organization, with Stakeholders, and Continuing Education of GSIS Board, Executive Officers, and Employees on this Manual of Corporate Governance.* The following shall be pursued by the Board and Management toward an effective communication of this Manual:

- a. *Communication within the Organization.* The Board and Management shall ensure the full dissemination of this Manual to all employees and shall enjoin the development of organizational policies and processes consistent with this Manual.
- b. *Education on the Manual of Corporate Governance.* Funds shall be allocated for the conduct of an orientation program to institutionalize this Manual and for the continued education and training of all officers and employees to ensure compliance herewith.

⁵⁴ Based on COA Template on Statement of Management's Responsibility for Financial Statements.