

## **RISK OVERSIGHT COMMITTEE**

### **2019 Accomplishment Report**

The Risk Oversight Committee (ROC) assists the Board of Trustees in carrying out its responsibilities for policy formulation and for oversight of System-wide risks, including compliance with applicable laws and regulations. It also performs oversight functions in all Information Technology (IT) matters.

The ROC is headed by Trustee Wilfredo C. Maldia.



The ROC operates under a written charter. It meets at least once a month. All Trustees are members of the ROC. A majority of the Trustees present during a meeting constitutes a quorum.

For 2019, the ROC had a total of 13 meetings consisting of 11 regular meetings and two special meetings held on 23 September 2019 and 29 October 2019, respectively.

<b>Trustee</b>	<b>Number of Meetings Attended</b>
Chairperson Wilfredo C. Maldia	13
Board Chairman and Acting PGM Rolando L. Macasaet	13
Former PGM Jesus Clint O. Aranas*	5
Trustee Alan R. Luga	13
Trustee Jocelyn de Guzman Cabreza	13
Trustee Nina Ricci Ynares-Chiongbian	13
Trustee Anthony B. Sasin	13
Trustee Kahar H. Macasayon	13
Trustee Carlo Antonio B. Almirante	13

\*Jesus Clint O. Aranas resigned as President and General Manager effective 3 July 2019

The ROC sets risk policies and oversees System-wide risks. The task of accepting, controlling, and monitoring specific risks is delegated to the Management. The ROC, through the Risk Management Office (RMO), monitors the risks. The RMO provides and presents the following regular reports to the ROC:

1. Quarterly Social Insurance (SI) risk monitoring report;
2. Quarterly General Insurance (GI) risk monitoring report
3. Monthly Financial Risk Report; and
4. Risk Assessment of all matters submitted to the ROC for consideration.

The regular identification and updating of enterprise-wide risks are ensured through the conduct of the Risk Control and Self-Assessment (RCSA) Surveys. Based on the RCSA surveys, heat maps with residual risks are generated to summarize the assessments after appropriate mitigating

controls have been considered, and to prioritize the risks which should be monitored. Managing risk is part of good governance and leadership. It is a core responsibility and is integrated into all activities of GSIS.

Pursuant to its IT oversight functions, the Information Technology Services Group (ITSG) and the Information Security Office (ISO) are required to submit their annual Business Cases to the ROC prior to Board approval. Furthermore, the ITSG and ISO report to the Committee the status of their current, on-going, and pending projects on a quarterly basis.

Key actions of the ROC for the year include:

1. Regular monitoring of the following:
  - Loans and investments portfolio of the GSIS;
  - Asset allocation;
  - Problematic Big and Medium Ticket Accounts; and
  - Quarterly Performance of Philippine Investment Alliance for Infrastructure (PINAI).
2. Amended the ROC Charter and included additional strategic functions of the Risk Management Office.
3. Initiated the study to create/offer the following products.
  - Mortgage Redemption Insurance
  - Cyber insurance.
4. Pushed for the reduction of past due Housing Loan accounts.
5. Recommended the creation of the IT Steering Committee.
6. Directed the RMO to develop risk appetites and provide risk alerts.
7. Conducted special meetings which discussed the outlook of the Philippine Stock Exchange and the performance of the GSIS investments handled by the two external fund managers.
8. Facilitated the conduct of the 2019 Enterprise Risk Maturity Assessment Tool (ERMAT) Online Survey.

In addition, the ROC after due deliberation endorsed to the Board for approval the following:

1. Maximum Allowable Limits of Total School Fees per Semester per Edu-Child Category for S.Y. 2019-2020;
2. 2018 Dividends to Unlimited Optional Life Insurance Policyholders for 2019;
3. 2018 Cash Benefits for the Compulsory Life Insurance Policies for 2019 Distribution;
4. Cash Gift for Old Age and Disability Pensioners;
5. Proposed MOA between GSIS Branch Offices and Local Government Agencies/Local Government Units for the purpose of setting up a temporary/transient GSIS Business Continuity Services site.
6. Proposed GSIS Risk Appetite Statements;

7. Renewal of the appointment of Megaworld Corporation as exclusive leasing agent and accounts manager of GSIS properties at Technoplaza 2; and
8. Criteria for qualifying bidders for reinsurance contracts in lieu of the minimum A.M. Best Credit Rating requirement.