LAND BANK OF THE PHILIPPINES ANNUAL RISK AND CONTROL SELF-ASSESSMENT (RCSA) FOR BUSINESS PROCESSES

LBP RESOURCES AND DEVELOPMENT CORPORATION

(Name of Department/Office) For the Year 2014

Mega Process Major Process Sub-Process	Resource Management Operations Support - Other Banking Construction and Renovation Service	Operations Support		-															
A. RISK IDENTIFICATION						B. RISK ASSESSMENT													
						RISK ASSESSMENT OF INHERENT LOSS ASSESSMENT OF CONTROL RISK MEASU								SUREMENT	1	[
RISK REFERENCE	RISK	RISK DRIVER (Causes of Risk)	BAS	SEL II RISK EVENT CATEGO	L II RISK EVENT CATEGORIES		BASIS OF COMPUTATION (e.g., actual loss, penalties/sanctions, cost of	IMPACT		EXISTING CONTROLS	CONTROL ADEQUACY		HISTORICAL FREQUENCY		PROBABILITY (Control Score x Historical Frequency Score)		RISK SCORE (Impact Score x Probability Level)	RISK WEIGHT	POTENTIAL LOSS (Inherent Loss X Risk Weight)
			LEVELI	LEVEL II	LEVEL III	(Absolute Amount in Peso)	recovery, overtime payladditional manhours, opportunity loss, etc.)	Level	Score		Description	Score	Frequency of Occurrence	Score	Score	Level	Probability Level)		
Activity 1. Implementa	Product Delivery & Support	Unprofessional manner of delivering	Execution Delivery	Vondore and	Outcourcipa	150,000,00	Depailing	Venileur	1	Implementation of amended systems	Tight Control in Place	2	1 to 2 Event/o in a Vasa	2	4	2	2	08/	
	Froduct Delivery & Support	services to clients	and Process Management	Suppliers	Outsourcing	150,000.00	renaities	Very Low		and procedures for withdrawal/procurement of construction materials, tools and equipment	ngit contonin nace	2	1 to 2 Event/s in a Year	2	4	2	2	0%	-
	People Development & Performance	Inexperience and inadequate trainin of project supervisors and workers	ng Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Other task misperformance	1,000,000.00	Opportunity loss	Very Low	1	 Key duties and responsibilities, qualifications, standards for the position have been adopted. 2. Setting of work standars, institutionalization of PeE and Team Leaders; 3. Conduct internal training and seminars for Team Leaders and P.E.; and 4. Performance Evaluation and appraisal of workers. 	Completely Under Contro	1	1 to 2 Event/s in a Year	2	2	2	2	0%	-
	Insurance	Additional project cost no longer covered w/ Contractor's All Risk Insurance (CARI). Insufficient insurance coverage to protect the company from financial loss due to possible accident claims	Damage to Physical Assets	Disaster and Other Events	Natural disaster losses	300,000.00	Actual loss	Very Low	1	Insurance policy (CARI) covers the original project cost plus change orders per amended policy of securing CARI	Completely Under Contro	1	1 to 2 Event/s in a Year	2	2	2	2	0%	-
	Contract	Construction agreement between LBP and LBRDC states that the primary responsibility of the contractor is to secure a copy of approved building permit prior to start of the project. Todate, the Branch is responsible for the said application	Business Disruption and Systems Failures	Systems	Hardware	200,000.00	Penalties/sanctions	Very Low	1	Per revised construction agreement between LBP and LBRDC states that the primary responsibility of the contractor id to secure a copy of approved building permit from the Branch prior to start of the project.	Completely Under Contro	1	0 Event in a Year	1	1	1	1	0%	-
	Accounting, Reporting and Disclosure	Long outstanding receivables from LBP on completed projects	Business Disruption and Systems Failures	Systems	Hardware	2,000,000.00	Opportunity loss	Very Low	1	Submission of complete documentary requirements for billing purposes and regular meetings with LBP PMED to reconcile records.	Tight Control in Place	2	5 to 6 Events in a Year	4	8	3	3	0%	-
	Recruiting & Retention	Salaries and wages are not competitive	Employment Practices and Workplace Safety	Employee Relations	Compensation benefit termination issues	1,500,000.00	Opportunity loss	Very Low	1	Upgrading the pay grade for some positions,e.g. Team Leaders, Pes, Foreman and skilled workers to be at par with industry rates.	Moderate Control in Place	3	1 to 2 Event/s in a Year	2	6	3	3	0%	-
	Fraud	Lack of security measure resulting to theft and loss of personal properties of employees	External Fraud	Fraud and Theft	Theft or robbery	1,500,000.00	Actual loss	Very Low	1	Updated duties and responsibilities of Project Engineers, Foremen and Team Leaders	Tight Control in Place	2	1 to 2 Event/s in a Year	2	4	2	2	0%	-
	Outsourcing Arrangements	Delay in the implementation of specialty work items due to lack of qualified specialized contractor	Business Disruption and Systems Failures	Systems	Utility outage or disruptions	3,000,000.00	Penalties	Very Low	1	Implementation of Revised Implementing Rules and Regulations of R.A. 9184	Completely Under Contro	1	1 to 2 Event/s in a Year	2	2	2	2	0%	-
	Succession Planning	Lack of qualified young professionals (engineers) that will be trained in case some senior engineers went abroad or retires from work	Execution Delivery	Transaction Capture Execution and Maintenance	Other task misperformance	500,000.00	Opportunity loss	Very Low	1	Continuos recruiting/hiring of qualified applicant by the company's Human Resources Department.	Completely Under Contro	1	1 to 2 Event/s in a Year	2	2	2	2	0%	
	Forecasting	Lack of qualified staff that will monitor the prices of construction materials from time to time	Execution Delivery and Process Management	Monitoring and Reporting	Inaccurate external report_loss incurred	500,000.00	Actual loss	Very Low	1	Continuos recruiting/hiring of qualified applicant by the company's Human Resources Department.	Completely Under Contro	1	0 Event in a Year	1	1	1	1	0%	-
Activity 2.																			
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Activity 3.			-	1	1											I			
Activity 4.																			

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A. RISK IDENTIFICATION						B. RISK ASSESSMENT RISK ASSESSMENT OF INHERENT LOSS ASSESSMENT OF CONTROL RISK MEASUREMENT													
						RISK ASSESSMENT OF INHERENT LOSS				ASSESSMENT					PROP	KISK MEAS BABILITY	UKEMENT		
RISK REFERENCE	RISK	RISK DRIVER (Causes of Risk)	BASEL II RISK EVENT CATEGORIES			INHERENT LOSS (Absolute Amount in Peso)	BASIS OF COMPUTATION (e.g., actual loss, penalties/sanctions, cost of	of		EXISTING CONTROLS	CONTROL ADEQUACY		HISTORICAL FREQUENCY		PROBABILITY (Control Score x Historical Frequency Score)		RISK SCORE (Impact Score x R	RISK WEIGHT	POTENTIAL LOSS
			LEVELI	LEVEL II	LEVEL III	(Absolute Amount in Peso)	recovery, overtime pay/additional manhours, opportunity loss, etc.)	Level	Score		Description	Score	Frequency of Occurrence	Score	Score	Level	(Impact Score x RISK WEIGHT Probability Level)	(Inherent Loss X Risk Weight)	
Activity 5.			1				r												
Activity 6.			1	1															
Activity 7.			1	1															
Activity 8.			1	1															
Activity 9.																			
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Activity 10.																			
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SUMMARY			Ī																

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Total Inherent Loss	Php10,650,000.00
Total Potential Loss	Php0.00
Overall Risk Level for Process Risk	Very Low

Prepared by: JOEY R. ATIENZA
Reviewed by:

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