



Armed Forces and Police Mutual Benefit Association, Inc.

Col Bonny Serrano Road cor. EDSA, Camp Aguinaldo, Quezon City, 1110

Trunkline: +63 (2) 8822-MBAI (6224) | Email: mail@afpmbai.ph

Web: www.afpmbai.com.ph | Facebook: AFPMBAI

Risk Management and Related Party Transaction Committee Meeting
Minutes No. 2021-05
20 May 2021
Video Conference

PRESENT

MGEN TYNE T BAÑAS PA (RET) – Chairman
MGEN ROLANDO B TENEFANCIA PA (RET) – Vice Chairman
BGEN VIRGILIO B BARTOLOME PA (RET) - Member
MGEN FLORANTE M AMANO PAF - Member
CSUPT ROEL JEREMY G DIAZ BFP - Member

IN ATTENDANCE

LTCOL JEFFERSON C ALMAZAN PA (RET) – Head, Executive Services Division (ESD)
ATTY ELIZABETH DEL FONSO HIDALGO – Head, Compliance Office (CO)
MS LAIZEL VALDEMOR – Risk Management Specialist
MS MARITES M PEÑOSO – Board Relations Specialist, Board Relations Office (BRO)
MS PRESCILLA B GARCIA – Board Relations Coordinator, Board Relations Office (BRO)

I. CALL TO ORDER

Having ascertained the presence of a quorum, TRUSTEE TENEFANCIA presided over the meeting and called the meeting to order at 3:15 P.M.

II. ELECTION OF CHAIRMAN AND VICE CHAIRMAN OF THE COMMITTEE

TRUSTEE BAÑAS was elected as CHAIRMAN of the Committee after being nominated by TRUSTEE BARTOLOME and with TRUSTEE DIAZ having moved that the nominations be closed. Thereafter, TRUSTEE BAÑAS presided over the meeting as CHAIRMAN.

TRUSTEE TENEFANCIA was elected as Vice Chairman of the Committee after being nominated by TRUSTEE AMANO, and with TRUSTEE DIAZ having moved that the nominations be closed.

II. REVIEW AND APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING DATED 20 APRIL 2021

There being no further correction, upon the motion of TRUSTEE TENEFANCIA duly seconded by TRUSTEE AMANO, the Committee approved Minutes No. 2021-04 of the RMRPTC Regular Meeting dated 20 April 2021.

III. ORIENTATION FOR RMRPTC

LtCol Jefferson S Almazan PA (Ret) started the briefing/orientation of the RMRPTC and its role as a Committee to the overall operations of AFPMBAI. He presented the structure of the Committee as shown on the next page:



Thereafter, Atty Elizabeth Del Fonso-Hidalgo presented the following (details of the presentation are attached as Annex A):

1. RMRPTC Charter: Responsibilities
2. Strategic Oversight of RMRPTC for CY 2021
3. Performance Targets for CY 2021 *(also detailed per Quarter)*
4. Performance Assessment of Board Committee
5. Current undertakings
6. Corporate Risk Management Plan (CRMP)

In relation to the Joint Investment Committee and RMRPTC meeting which was mentioned by Atty Hidalgo during the presentation, TRUSTEE TENEFRANCIA suggested for the members to get a copy of the Joint Committee protocol from the shared Google drive for their reference and information.

IV. MATTERS FOR INFORMATION

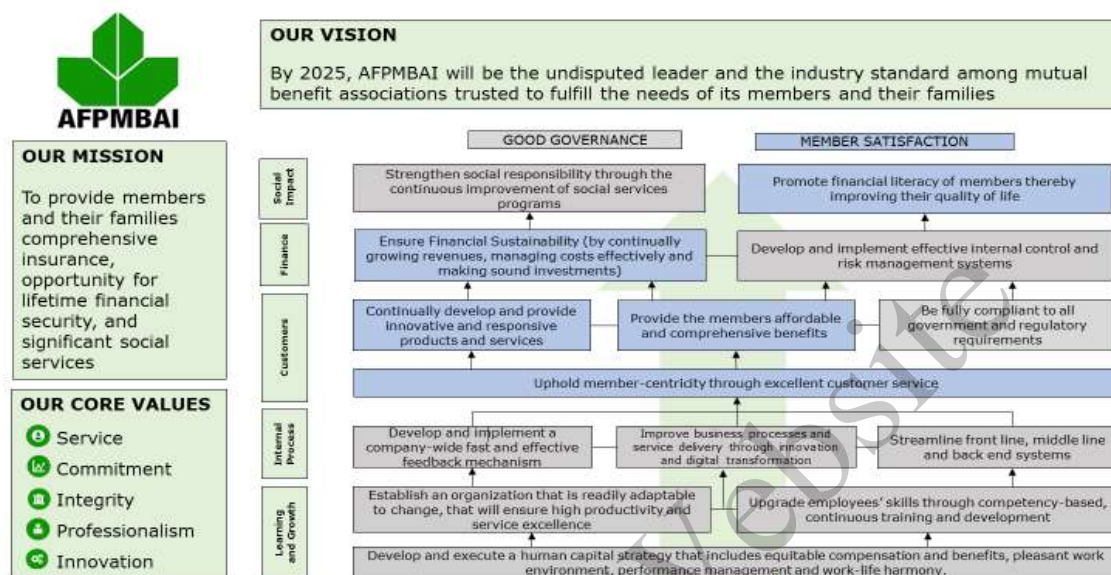
A. 1Q Accomplishments on CY 2021 Key Initiatives - RMRPTC Oversight

Mr Gerald Sam Agbay, Head of the Strategic Management Office (SMO) presented the 1Q Accomplishments on CY 2021 Key Initiatives that is being looked into the RMRPTC as follows:

Background

- Last 29 December 2020 the Board approved the Long-term Strategic Objectives and CY2021 Corporate Plans
- To ensure implementation and achievement of the CY2021 Corporate Plans, management is reporting to Board Committees the management's accomplishments on the approved initiatives

Shown below is the basis of the Association's operation plans and budget. This is the story of AFPMBAI and the direction it is following. Initiatives crafted by the management are all done to support this approved strategy map:



RISK MANAGEMENT AND RELATED PARTY TRANSACTION COMMITTEE					
Perspective	Strategic Objectives	Strategic Measures	Targets	Initiatives	OPR
FINANCIAL	4. Develop and implement effective internal control and risk management systems	11. Enhanced internal control systems (Audit Findings – issue Closure)	80% of offices having 80% issue closure	1. Sustainable corporate governance program	RMO
		12. Risk Maturity Level	Repeatable	a. Enhance/Implement Risk Management Systems b. ACGS Mentoring Program c. Improve Business Continuity Policy	Compliance RMO

RMRPTC is also looking at the internal processes perspective specifically on the Association's systems and risk management plans. Core initiatives that they ensure implementation are the integration and utilization of the new systems and Accedata.

FINANCIAL PERSPECTIVE		
Strategic Objective: Develop and implement effective internal control and risk management systems		
Targets	Accomplishments	Remarks
80% of offices having 80% issue closure - Enhanced internal control systems	• 53% Issue Closure	• Presented an update of issue closures to the Audit Committee Meeting on 17 March 20
Repeatable - Risk Maturity Level	• Repeatable	
KEY INITIATIVES	ACTUAL	REMARKS
Sustainable corporate governance program a. Enhance/Implement Risk Management Systems	<ul style="list-style-type: none"> Presented the AFPMBAI's Top 22 Risks during the Jan 2021 RMRPTC Meeting Revised Investment Policy (completed with risk mitigating measure) approved by BOT last 5 Apr 2021 	

FINANCIAL PERSPECTIVE

Strategic Objective: Develop and implement effective internal control and risk management systems

Targets	Accomplishments	Remarks
80% of offices having 80% issue closure - Enhanced internal control systems	• 53% Issue Closure	• Presented an update of issue closures to the Audit Committee Meeting on 17 March 20
Repeatable - Risk Maturity Level	• Repeatable	

KEY INITIATIVES	ACTUAL	REMARKS
b. ACGS Mentoring Program	• Voting in Absentia was approved by the Board on 9 March 2021	

FINANCIAL PERSPECTIVE

Strategic Objective: Develop and implement effective internal control and risk management systems

Targets	Accomplishments	Remarks
80% of offices having 80% issue closure - Enhanced internal control systems	• 53% Issue Closure	• Presented an update of issue closures to the Audit Committee Meeting on 17 March 20
Repeatable - Risk Maturity Level	• Repeatable	

KEY INITIATIVES	ACTUAL	REMARKS
c. Improve Business Continuity Policy	• Ongoing revision of the Business Continuity Policy	With 50% completion

Resolution

Upon motion of TRUSTEE TENEFRAANCIA duly seconded TRUSTEE AMANO, the Committee noted the report on the 1st Quarter Accomplishments for CY 2021 on RMRPTC oversight, as presented.

B. Update on the AFPMBAI Business Continuity Management Plan

Ms Laizel Valdemor, Risk Management Specialist presented the update on the AFPMBAI Business Continuity Management Plan as follows:

In line with the objective of the Association to develop and implement effective internal control and risk management systems, the improvement of the Business Continuity (BC) Policy has been included as one of the strategic initiatives for CY 2021.

Background

Rationale: Due to the unprecedented challenges and threats affecting/might affect the AFPMBAI's operating environment, it is imperative for the Association to improve and implement a comprehensive BCM to ensure that the Association and its critical functions remain resilient and operational in the event of a disruption.

Date	Particulars
January 25, 2018	The BOT approved the AFPMBAI Business Continuity Management Policy. This was published to all employees thru MC No. 002-2018 on February 5, 2018
January 15, 2021	IOM from the President and CEO with subject Crafting and/or Review of Priority Policies

Objective of the BCM Policy

To provide a mechanism for the development of contingent capacity and plans that will enable management to focus on maintaining and resuming the Association's most critical functions during times of contingencies, disasters, calamities, and pandemic, while working in a planned way toward eventual restoration of operations and ensuring continuance of unaffected operations.

Status Update

Date	Activity
April 21, 2021	Presentation of the proposed Business Continuity Policy to the Risk Management Committee (RMC) – 50% completed
May 3 – 6, 2021	Conducted focus group discussion with the OPRs to complete the necessary information in the Business Impact Analysis Template (<i>with pending discussion with Finance Division</i>)

Comparative Assessment of the Contents of BCM Policy

Table of Contents	Existing BCM Policy (MC No. 002-2018)	Proposed BCM Policy
I. Introduction	✓	✓ with revised statements
II. References	✓	✓
III. Policy Statement	✓	✓ with revised statements
IV. Purpose	✓	✓ with revised statements
V. Scope	✓	✓ specific scope added
VI. Assumptions	X	✓
VII. Definition of Terms	✓	✓ with new words added
VIII. Guiding Principles	✓	✓
IX. Guidelines	✓	✓ with new guidelines added
X. Roles and Responsibilities	✓	✓ with BCM Structure & team compositions added
XI. Procedures	X	✓
XII. Policy Review	✓	✓
XIII. Penalty Provision	✓	✓
XIV. Rescission Clause	✓	✓
XV. Effectivity	✓	✓

Table of Contents	Existing BCM Policy (MC No. 002-2018)	Proposed BCM Policy
IX. Guidelines		
A. BCM Framework	X	√
1. BCM and Incident Lifecycle	X	√
2. Incident Alert Level and Escalation	X	√
B. Risk Assessment	X	√
C. Business Impact Analysis	X	√
D. Business Continuity Strategies	X	√

Table of Contents	Existing BCM Policy (MC No. 002-2018)	Proposed BCM Policy
X. Roles and Responsibilities		
A. BCM Structure	X	√
B. Team Composition, Roles and Responsibilities	√ Roles & Responsibilities only	√

Table of Contents	Existing BCM Policy (MC No. 002-2018)	Proposed BCM Policy
XI. Procedures		
A. Emergency Response Phase	X	√
B. Recovery Phase	X	√
C. Resumption Phase	X	√
D. Restoration Phase	X	√

Action Plans

- Conduct the remaining FGD schedule for Finance Division
- Incorporation of the Business Impact Analysis and Risk Assessment results to the proposed BC Policy
- Drafting of a proactive BCP that will enable the Association to respond in a timely and efficient manner

Proposed Timeline

Particulars	Date
Presentation to RMRPTC for endorsement	July 2021
Approval of BOT	July 2021

TRUSTEE TENEFRAANCIA commented that there should be a more detailed presentation of the previous Business Continuity Plan as compared to what is being proposed to be revised to enable the members of the Committee to give their inputs/ suggestions and clarifications.

Resolution

Upon motion of TRUSTEE BARTOLOME duly seconded by TRUSTEE TENEFRANCIA, the Committee noted the Update on the AFPMBAI Business Continuity Management Policy, as presented.

Directive

To make a detailed information on the proposed policy for revision; to make a comparison between the previous and the proposed revision on the policy.

V. OTHER MATTERS

LtCol Almazan informed the Committee of his upcoming retirement on 7 June 2021. He thanked all the members of the Committee for the knowledge that he had gained and for the opportunity given to him.

The CHAIRMAN likewise, thanked LtCol Almazan for his contributions to the Committee.

On the other hand, the CHAIRMAN requested to elaborate on the report of the RMRPTC Committee Chairman presented during the Annual General Membership (AGM) Meeting.

LtCol Almazan assured the CHAIRMAN that this would be included in the next RMRPTC meeting.

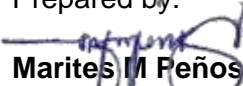
Directive

To elaborate the report (Key Risks) of the previous RMRPTC Chairman in the AGM Meeting, to be presented in the next meeting.

V. ADJOURNMENT

There being no other matter to discuss, upon motion of TRUSTEE TENEFRANCIA, duly seconded by TRUSTEE DIAZ, the meeting was adjourned at 4:17 P.M.

Prepared by:


Marites M. Peñoso
Board Relations Specialist
Board Relations Office

APPROVED:


MGEN TONY T. BANAS PA (RET)
Chairman


MGEN ROLANDO B TENEFRANCIA PA (RET)
Vice Chairman


MGEN FLORANTE M AMANO PAF
Member


BGEN VIRGILIO B BARTOLOME PA (RET)
Member


CSUPT ROEL JEREMY G DIAZ BFP
Member

-end-

Uploaded in Website