



BOARD AUDIT COMMITTEE

CY 2018 ACCOMPLISHMENT REPORT

I. COMPOSITION OF THE BOARD AUDIT COMMITTEE –

The Board Audit Committee, pursuant to Board Resolutions No. 103-2017 and No. 077-2018 is composed of (1) Chairperson and (2) Members of the Governing Board.

During the period January – August 15, 2018, the Committee's composition is comprised of the following Board of Directors through Board Resolution No. 103-2017:

Dir. Conrad S. Capa	–	Chairperson
Dir. Edicio G. Dela Torre	–	Member
Dir. Alan P. Tanjuakio	–	Member

On June 5, 2018, Dir. Abundio Edicio G. Dela Torre was replaced by Dir. Manuel L. Serra, Jr., thus the Board Audit Committee was then reconstituted on August 15, 2018 through Board Resolution No. 077-2018:

Dir. Conrad S. Capa	–	Chairperson
Dir. Manuel L. Serra, Jr.	–	Vice - Chairman
Dir. Alan P. Tanjuakio	–	Member

II. FUNCTIONS AND RESPONSIBILITIES OF THE AUDIT COMMITTEE –

Pursuant to the PCA Manual of Corporate Governance, the Committee is responsible for the following:

1. Oversee, monitor and evaluate the adequacy and effectiveness of the Authority's internal control system; engage and provide oversight of PCA's internal and external auditors, and coordinate with the Commission on Audit (COA);
2. Review and approve audit scope and frequency of the annual internal audit plan; quarterly, semi-annual and annual financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit going concern assumptions, compliance with accounting standards and compliance with tax, legal, regulatory and COA requirements;
3. Receive and review reports of internal and external auditors and regulatory agencies, and ensure that Management is taking appropriate corrective

actions, in a timely manner in addressing control and compliance functions with regulatory agencies;

4. Ensure that internal auditors have free and full access to all the Authority's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;
5. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the PCA through a Handbook on Procedures and Policies which will be used by the entire Authority.

During the year, the Committee conducted eight (8) meetings as follows:

- | | |
|----------------------|-----------------------|
| 1) January 24, 2018 | 5) August 15, 2018 |
| 2) February 20, 2018 | 6) September 28, 2018 |
| 3) June 01, 2018 | 7) October 12, 2018 |
| 4) June 13, 2018 | 8) November 08, 2018 |

III. BOARD AUDIT COMMITTEE'S ACCOMPLISHMENTS --

1. The Committee reviewed and recommended for approval of the Governing Board the following:
 - a. Annual Audit Plan for CY 2018 of the Internal Audit Department (IAS);
 - b. Reviewed the CY 2018 Annual Procurement Plan (APP) of the Authority;
 - c. Reviewed the CY 2018 Corporate Operation Budget (COB) of the Authority;
 - d. Reviewed and deliberated the request for modification of expenditures for CY 2017;
2. Reviewed the request for renewal of the Contract of Lease between PCA and Bureau of Fisheries and Aquatic Resources (BFAR);
3. Deliberated the issue on alleged irregularities in the supply and delivery of coconut seedlings in Region XIII for appropriate action by the Board;
4. Reviewed and recommended for approval of the Governing Board the contract for the supply and delivery of 106,164 bags of Agricultural Grade Salt (AGS) for Region X;
5. The Committee also reviewed the Revised Terms of Reference (TOR) for Multi-Nutrient Fertilizer (MNF) and proposed for approval of the Board the

realignment of the MNF budget to seedlings procurement subject to DBM clearance/approval;


6. Reviewed the Guidelines in the Implementation of the Seed Farm Development Project (SFDP);
7. Reviewed and deliberated the Supplemental Annual Procurement Plan (SAPP) 2018 due to funds that are needed to be diverted to other use and for use of other units;
8. Reviewed the proposed Indicative Annual Procurement Plan for CY 2019;
9. Assessed the Financial Statements for the year ended December 31, 2017 for approval of the Governing Board if the same are in compliance with the requirements prescribed under COA Circular No. 2015-004.
10. Recommended to the Board the lifting of Board Resolution No. 176-2017, suspending the issuance of Notice to Proceed for the supply and delivery of seedlings due to the settlement of the alleged irregularities involving the supplier;
11. Studied the proposed Guidelines on the Implementation of the Seed Farm Development Project (SFDP). Upon Audit's recommendation to increase the rental fee to P30,000.00 from 20,000 to attract land owners to lend their properties to PCA, the Committee endorsed the proposed Guidelines for approval of the Board;
12. The Supplemental Annual Procurement Plan (SAPP) 2018-002 was deliberated and endorsed for approval of the Board;
13. In the exercise of their oversight function to receive and review reports of internal and external auditors and regulatory agencies, in order to ensure that Management is taking appropriate corrective actions in a timely manner in addressing control, the Committee reviewed the following Internal Audit Service (IAS) Accomplishment Reports for CY 2018:
 - a. Project performance for 2016-2017 Coconut Fertilization Project (CFP) in Region VI and 2017 Coconut-Cacao Enterprise Development Project (KEDP-CCEDP) in PCA Region XI;
 - b. The procurement process of the 2017 procurements of agri-inputs based on the approved contracts in PCA-Region VII, X and XI if these are compliant with RA 9184;
 - c. 2017 GAD performance in PCA Region XI;

- d. Revenue Management, determine if the collections for PCA fee and other income are properly accounted for and efficiently and effectively handled and utilized;
 - e. Human Resource Development, review and evaluate the efficiency and effectiveness of HR management operations/system in the Central Office;
 - f. Special Audits on the following:
 - 1. Implementation of CY 2015 ACPRP-IPOP in Region XIII
 - 2. Investigation on stolen items in Laboratory Services Division
 - 3. Alleged anomaly on the procurement of seedlings for CSDP in PCA –Region VI
 - 4. Audit investigation on RA 8048 in PCA Region V.
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BOARD COMMITTEE FOR COCONUT ENTERPRISE DEVELOPMENT (CocoED)

CY 2018 ACCOMPLISHMENT REPORT

I. COMPOSITION OF THE BOARD COMMITTEE FOR COCONUT ENTERPRISE DEVELOPMENT (CocoED) –

Pursuant to Board Resolutions No. 054-2017 and No. 077-2018, the Board Committee for Coconut Enterprise Development (CocoED) is composed of (1) Chairperson and (2) members.

During the period January – August 15, 2018, the Committee's composition is comprised of the following Board of Directors through Board Resolution No. 54-2017:

Dir. Alan P. Tanjuakio	--	Chairperson
Dir. Edicio G. Dela Torre	--	Vice - Chairman
Dir. Romulo J. de la Rosa	--	Member

On June 5, 2018, Dir. Abundio Edicio G. Dela Torre was replaced by Dir. Manuel L. Serra, Jr., thus the Board Committee for Coconut Enterprise Development (CocoED) was then reconstituted on August 15, 2018 through Board Resolution No. 077-2018:

Dir. Alan P. Tanjuakio	--	Chairperson
Dir. Roque G. Quimpan	--	Vice - Chairman
Dir. Romulo J. de la Rosa	--	Member

II. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD COMMITTEE FOR COCONUT ENTERPRISE DEVELOPMENT (CocoED) –

Pursuant to the PCA Manual of Corporate Governance, the Committee is responsible for the following:

1. Formulate/review policies to be submitted to the Board for adoption of Governing Board for policy matters;
2. Review, assess and endorsement of proposals for coco-hub prior to the approval of the Board;

3. Develop continuing partnership and productive alliance between PCA and its partners (LGUs, SUCs and private/social enterprise) for the establishment of commercial coconut processing enterprises.

During the year, the CocoED Committee held six (6) Committee meetings as follows:

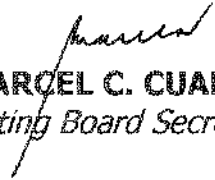
- 1) January 11, 2018
- 2) January 24, 2018
- 3) February 20, 2018
- 4) April 17, 2018
- 5) May 30, 2018
- 6) October 30, 2018

III. BOARD COMMITTEE FOR COCONUT ENTERPRISE DEVELOPMENT (CocoED)'s ACCOMPLISHMENTS –

1. The Committee reviewed and deliberated the status of the different coco-hub projects located in different regions if these are compliant to the requirements prescribed by PCA;
2. To give emphasize on the importance of convergence approach and linkages with the LGUs for providing support services and marketing assistance to the community-based organization, the Committee endorsed for approval of the Governing Board the amended guidelines on the implementation of the KANIB Enterprise Development Project.
3. In pursuit to develop continuing partnership with LGUs, SUCs, and other private/social enterprises, the said Committee reviewed and recommended appropriate actions on the following business proposals from the different proponents:
 - a. Memorandum of Agreement (MOA) and Usufruct Agreement between PCA and MLGU-Balilihan;
 - b. Revised Business Plan, MOA and Usufruct Agreement of Basud Coconut and Pineapple Multi-Purpose Cooperative (BACOPICO);
 - c. Business Plan of Greenlife Coconut Products Philippines, Inc.;
 - d. Usufruct Agreement between PCA and MLGU of Ivisan, Capiz;
 - e. Soro-soro Ibaba Development Cooperative;
 - f. People's officials, Employees and Community Multi-Purpose Cooperative;
 - g. PCA-Led;

- h. Department of Public Works and Highway (DPWH);
 - i. Gingo-og Federation of Agricultural Multi-Purpose Cooperative (GinFamco);
and
 - j. Municipal Local Government Unit (MLGU)-Alabat, Quezon.
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BOARD SPECIAL COMMITTEE ON PHYSICAL ASSET UTILIZATION AND MANAGEMENT

CY 2018 ACCOMPLISHMENT REPORT

I. COMPOSITION OF THE BOARD SPECIAL COMMITTEE ON PHYSICAL ASSET UTILIZATION AND MANAGEMENT –

The Board Special Committee on Physical Asset Utilization and Management was created on April 18, 2018, pursuant to Board Resolution No. 035-2018 which composed of (1) Chairperson and (2) Members, viz:

Dir. Roque G. Quimpan	–	Chairperson
Dir. Alan P. Tanjuakio	–	Member
Dir. Edicio G. Dela Torre	–	Member

Due to the replacement of Dir. Edicio G. Dela Torre by Dir. Manuel L. Serra, Jr., the Committee's composition was reconstituted on August 15, 2018 which is comprised of the following Board of Directors through Board Resolution No. 077-2018:

Dir. Roque G. Quimpan	–	Chairperson
Dir. Conrado S. Capa	–	Member
Dir. Alan P. Tanjuakio	–	Member

On October 2018, due to the need of the Committee to make an inventory of all the PCA assets located nationwide, the said Board Committee was reconstituted to represent the three geographical regions pursuant to Board Resolution No. 102-2018, viz:

Dir. Roque G. Quimpan	–	Chairperson
Dir. Conrado S. Capa	–	Member (<i>Luzon</i>)
Dir. Alan P. Tanjuakio	–	Member (<i>Visayas</i>)
Dir. Manuel L. Serra, Jr.	–	Member (<i>Mindanao</i>)

II. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD SPECIAL COMMITTEE ON PHYSICAL ASSET UTILIZATION AND MANAGEMENT –

The Committee has the following responsibilities:

1. To make an inventory of all the real property assets of the PCA nationwide, set the guidelines for the utilization of these assets, and to make proper use thereof; and
2. To provide updated report on the assets and properties of the Authority to the Board.

During the covered period, the Committee held two (2) meetings on the stated dates:

- 1) May 11, 2018
- 2) October 12, 2018

III. HIGHLIGHTS OF ACCOMPLISHMENT/S

1. The objective of the said Committee is to make an inventory of all the real properties of PCA located in the different regions of country. It also aims to determine the status of their utilization and ownership.
2. In pursuit of its objectives, the Committee reviewed and recommended to the Governing Board the delineation of the PCA Agro-Forest Reserved in Agusan del Sur pursuant to Presidential Decree No. 1768 for possible establishment of coconut seedgardens.
3. The Committee further deliberated the proposed plan of the City Government of Davao City of making a portion of the PCA Davao Research Center (DRC) as the relocation site of informal settlers in Davao City.
4. Above all, the Committee had directed the titling of all properties being utilized by PCA which are not under the name of the Authority.

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BOARD RISK MANAGEMENT COMMITTEE

CY 2018 ACCOMPLISHMENT REPORT

I. COMPOSITION OF THE BOARD RISK MANAGEMENT COMMITTEE –

Pursuant to Board Resolution No. 054-2017, the Board Risk Management Committee and the Special Committee on Coconut Scale Insect (CSI) are two different Board Committees.

But during the Annual Review and Assessment of Policies and Programs, the Board, during its meeting on 21 March 2018, approved Board Resolution No. 032-2018 merging the Special Committee on Coconut Scale Insect (CSI) with the Board Risk Management Committee which composed of (1) Chairperson and (2) members.

Dir. Roque G. Quimpan	–	Chairperson
Dir. Conrad S. Capa	–	Vice-Chairman
Dir. Alan P. Tanjuakio	–	Member

II. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD RISK MANAGEMENT COMMITTEE –

Pursuant to the PCA Manual of Corporate Governance, the Committee is responsible for the following:

1. Performing oversight risk management functions specially in the areas of managing credit, market, liquidity, operational, legal, reputation and other risks of the PCA, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
2. Developing the Risk Management Policy of the PCA, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the PCA, especially at the Board and Management level; and,
3. Providing quarterly reporting and updating the Board on key risk management issue as well as ad hoc reporting and evaluation on investment proposals.


During the covered period, the Committee conducted four (4) meetings as follows:

- 1) May 11, 2018
- 2) August 08, 2018
- 3) September 11, 2018
- 4) September 28, 2018

III. HIGHLIGHTS OF ACCOMPLISHMENT/S

1. The Committee reviewed and deliberated the 2018 Performance Scorecard for submission to the Governance Commission for GOCCs.
 2. With the CSI infestation in PCA Zamboanga Peninsula, the Committee discussed the new protocol using the new Biocon agent, the comperiella, proven to be more effective in the eradication of CSI in Zamboanga.
 3. The committee also reviewed and deliberated the Proposed 60-Day Action Plan on Comprehensive IPM treatment operations in Basilan with its corresponding Work and Financial Plan submitted by the Task Force on Coconut Scale Insect Emergency Action Plan (CSIEAP).
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BOARD NOMINATION AND REMUNERATIONS COMMITTEE

CY 2018 ACCOMPLISHMENT REPORT

I. COMPOSITION OF THE BOARD NOMINATION AND REMUNERATIONS COMMITTEE –

During the first quarter of the year, the composition of the Board Nomination and Remunerations Committee (NomCom) pursuant to Board Resolution No. 054-2017, are as follows:

Dir. Abundio Edicio G. Dela Torre	–	Chairman
Dir. Alan P. Tanjuakio	–	Vice-Chairperson
Dir. Roque G. Quimpan	–	Member

The Board Nomination and Remunerations Committee (NomCom) for brevity, consists of one (1) Chairperson and three (3) members, which one is a non-voting member. Pursuant to Board Resolution No. 033-2018 approved on 21 March 2018, the Chairman and Members of the NomCom during this period is composed of the following:

Dir. Abundio Edicio G. Dela Torre	–	Chairman
Dir. Roque G. Quimpan	–	Vice-Chairperson/Member
Dir. Alan P. Tanjuakio	–	Member
Dir./Admin. Romulo J. De la Rosa	–	Non-Voting Member

Considering the appointment of Dir. Manuel L. Serra, Jr. as new Member of the PCA Governing Board, the Board deems it fit to reconstitute the Committee's composition and designate the Chairperson. Thus, Board Resolution No. 077-2018 was passed and approved on 15 August 2018:

Dir. Manuel L. Serra, Jr.	–	Chairman
Dir. Roque G. Quimpan	–	Vice-Chairperson/Member
Dir. Alan P. Tanjuakio	–	Member
Dir./Admin. Romulo J. De la Rosa	–	Non-Voting Member

II. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD NOMINATION AND REMUNERATIONS COMMITTEE –

In the performance of their duties, the NomCom, pursuant to PCA Manual of Corporate Governance, has the following responsibilities:

1. Install and maintain a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;
2. Review and evaluate the qualifications of all persons nominated to positions which require appointment by the Board;
3. Recommend to the GCG nominees for the shortlists in line with the Governing Board's composition succession plan;
4. Develop recommendations to the GCG for updating of CPCS in accordance with pertinent laws, rules and regulations.

During the covered period, the NomCom conducted seven (7) committee meetings, held on the stated dates:

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|----------------------|----------------------|
| 1) February 20, 2018 | 5) October 30, 2018 |
| 2) April 17, 2018 | 6) December 5, 2018 |
| 3) May 30, 2018 | 7) December 12, 2018 |
| 4) October 17, 2018 | |

III. HIGHLIGHTS OF ACCOMPLISHMENT/S

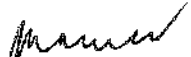
1. To augment the present Plantilla position of the Authority, the NomCom, pursuant to its power to ensure to employ officers who are fit and proper to hold offices with due regard to their qualifications, competence and integrity, the Committee recommended the filling-up and appointment of the following personnel to vacant Executive-Managerial (Ex-Man) positions for the following Offices:

- | | |
|--------------------------------|----------------|
| a) Legal Affairs Service (LAS) | d) Region VIII |
| b) Regions I-IVB | e) Region X |
| c) Region VI | f) Region XII |

2. The Committee had also screened and reviewed the qualifications of candidates recommended by Management to be designated to Ex-Man positions.

3. In exercise of its oversight function and to strictly protect the interest of the coconut industry, the Committee had instituted and implemented disciplinary actions to erring employees and officers of PCA-Region XIII.
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