



**Accomplishment Report  
Risk Management Committee  
CY 2025**

The Risk Management Committee convened twice in CY 2025 to discuss key matters on the Company's risk management system and material controls. The following are the salient matters addressed during said meetings:

Division Chief Ral A. Lavin (DC Lavin) presented the Report on Lotto Agents with Low Sales covering the period of March 1 to March 31, 2025. The report highlighted operational and financial concerns arising from low sales performance, non-operation, and non-compliance of certain Lotto agents with contractual obligations. The Board actively deliberated on the matter, raising inquiries on enforcement mechanisms, monitoring procedures, and the lack of formal recommendations regarding termination or sanctions.

The Board emphasized the need to strengthen oversight mechanisms, ensure proper enforcement of contractual provisions, and require the submission of regular reports on agent performance, including terminations and pull-outs. The Board discussed the material operational and financial controls, particularly those affecting revenue generation, agent compliance, and accountability systems within the Agency.

Further, DC Lavin presented the Agency Risks and its Respective Action Plan, which outlines the key risks confronting the Agency and the corresponding mitigation measures. The plan identified significant risks across critical areas, including information technology security, human resource management, and medicine supply chain operations.

The Board took cognizance of the identified risks and the proposed control measures, including:

1. Procurement and implementation of updated IT security solutions to prevent cyber threats and data breaches;
2. Automation of human resource systems to address risks on data storage, unauthorized access, and personnel capability gaps; and
3. Immediate re-bidding processes to mitigate risks related to medicine supply shortages and ensure continued service delivery.

The Board effectively reviewed the Company's risk management system, as embodied in the Risk and Action Plan, including the adequacy of mitigation strategies and the assignment of responsibilities to concerned units for implementation.

Overall, the Board has undertaken a review of both the Company's risk management framework and material internal controls, including those relating to financial and operational performance, thereby ensuring that risks are properly identified, monitored, and addressed.

**OFFICE OF THE BOARD SECRETARY**