



**Accomplishment Report  
Risk Management Committee  
CY 2024**

The Risk Management Committee is a committee constituted under the PCSO Manual of Corporate Governance whose main responsibility involves the oversight on risk management functions, specifically in the areas of operational, legal, and reputational risks including the effective management of crisis situations.

The Committee convened in three (3) separate meetings and the various matters discussed may be summarized as follows:

**I. Special Committee on Surveillance, Heightened Investigation and Evaluation of Lawless and Deceptive online activities (SHIELD)**

A special committee was created to protect PCSO's online reputation and address fraudulent domains. SHIELD was tasked to monitor the online presence of fake and phishing websites and implement measures against identity theft of PCSO officials and cyberattacks on the agency's digital infrastructure. Other activities of SHIELD involve the following:

- a. Coordination with the Department of Information and Communications Technology to discuss the effective protection of PCSO's digital infrastructure and execution of the necessary agreements to expedite investigations on fraudulent domains.
- b. Coordination with the National Bureau of Investigation to discuss the procedure for case build-up and initiate prosecution of the perpetrators of fraudulent Lotto websites and pages.
- c. Preparation and submission of reports on the unauthorized online activities for further investigation by the appropriate government agency.
- d. Study on the possibility of prosecuting bettors and promoters of illegal gambling websites.
- e. Formulation of policies to implement an agency-wide approach on the prevention of cyberattacks and identification of fraudulent websites.

**II. PCSO Risk and Action Plan**

It was reported to the Committee by the Data Security Division (DSD) that it has completed the installation of a next-generation anti-virus software. Likewise, the agency has completed the procurement of a Cloud Security Posture Management, a software that identifies and responds to security threats and risks across cloud environments/infrastructure.

Further, in line with the modernization of the agency's IT Infrastructure, the DSD reported the award of the procured IT infrastructures for both Lots I and II and shall oversee their proper installation and implementation.

Meanwhile, to address issues on data security risk, the Committee has adopted the recommendation to isolate the corporate intranet programs of the agency. Lastly, interim processes have been crafted and implemented to ensure business continuity and address temporary downtime of these corporate intranet programs.

**Office of the Board Secretary**



**Accomplishment Report  
Audit Committee  
CY 2024**

The Audit Committee is one of the committees constituted under the PCSO Manual of Corporate Governance. Its main function is to oversee, monitor, and evaluate the adequacy and effectiveness of PCSO's internal control system, including the review of the audit scope and frequency. In 2024, the Audit Committee convened in four (4) separate meetings to assess the planned and completed audits, as well as monitor the activities of the Internal Audit Services (IAS). The discussions held by the members the Committee may be summarized as follows:

**I. Cancellation Feature of Lotto Terminals**

The feature of Lotto terminals allowing cancellation of bets was disabled as the Committee discovered an unusual volume of cancellations in different Lotto outlets. Upon the conduct of further investigation, it was revealed that the number of cancellations by Lotto outlets did not correspond to the actual number of cancelled tickets. The Committee directed the IAS to closely monitor the matter and assist in building a case against erring Lotto agents as the agency lost significant revenue due to said irregularity.

**II. Agency Agreements and Notices of Extension**

The Branch Offices subjected to audit were determined to have attained their targets although the renewal of Agency Agreements and issuance of Notices of Extension may be improved further. Through the findings of the Committee, the Board resolved to delegate the authority to sign said documents to the Assistant General Manager of the Branch Operations Sector resulting in the faster turnover time for the subject documents.

**III. Discrepancies in the Listed and Actual Properties of the Agency**

There was a discrepancy observed in the records of the agency with respect to its listed properties and the actual physical inventory. The IAS coordinated with the Assets and Supply Management Department (ASMD) and the Disposal Committee (DC) to reconcile said discrepancies. Due to these findings, the DC made several recommendations to the Board for disposal of unserviceable vehicles and unusable properties.

Meanwhile, the IAS together with the representatives of the Accounting and Budget Department (ABD) and ASMD visited 49 branch offices for the one-time cleansing of PCSO properties.

After the one-time cleansing, an exit conference was conducted so that recommendations and actions to be taken are properly noted by the Branch Offices concerned.

**IV. Audit of Leased Multi-function Photocopying Machines**

It has been reported to the Committee that some photocopying machines do not align with the specific need of the particular department or offices. Upon looking into the matter, it was found that the discrepancy in billing of the machines is very minimal and overall, the cost of leasing the photocopying machines remains economically beneficial for the agency.

**Office of the Board Secretary**



**Accomplishment Report  
Nomination and Remuneration / Compensation Committee  
CY 2024**

The Nomination and Remuneration / Compensation Committee is a committee constituted under the PCSO Manual of Corporate Governance whose main responsibilities include oversight on personnel selection, performance evaluation, and review of the competency development program of the agency.

The Committee convened in two (2) separate meetings and the discussions held may be summarized as follows:

**I. Reclassification of Various Positions with Reference to DBM IOS**

Pharmacists in several departments requested a salary grade realignment and the agency sought clarification from the Department of Budget and Management (DBM), which referred the same to the Governance Commission for GOCCs (GCG).

Upon further study, it was found that other positions will be affected by the reclassification and it was recommended to the Board that said positions be reclassified as well to prevent wage disparity and distortion in the organizational structure and staffing pattern of the agency.

The Committee recommended the approval of the proposed organizational structure and staffing pattern of the affected units, including the updated functional and job descriptions of the proposed positions, and release of salary differentials to the affected employees. The requirements for reclassification were completed and submitted to the GCG after approval by the Board.

**II. Recruitment and Promotion**

The Human Resources Department reported the status of the agency's recruitment and promotion. It was determined that the agency was able to process and complete the appointment of more than a hundred employees but the percentage of newly-hired individuals is only a fraction of the actual personnel complement.

The Committee directed to prioritize hiring for these vacant positions and coordination with other government agencies to extend the recruitment efforts of the agency. The PRIME-HRM accreditation was also discussed to lessen the mandatory submission of appointments to the Civil Service Commission.

Through the recommendations of the Committee, the agency shall continue to publish vacant positions and screen qualified applicants, to increase the number of newly-hired individuals and promote qualified incumbent employees.

**Office of the Board Secretary**