



# LAGUNA LAKE DEVELOPMENT AUTHORITY

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## MATERIAL RISK FACTORS AND MEASURES TAKEN TO MANAGE SUCH RISKS

Risk Category	Risk	Measures
Strategic risk	<ul style="list-style-type: none"> <li>• Amendment of mandate and/or Charter</li> <li>• abolition or adverse reorganization</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of legislative agenda for issues that may have significant impacts on the mandate of the Authority.</li> <li>• Submission of position papers to change legislative perspective or political mindset</li> </ul>
Credit risk / financial risk	<ul style="list-style-type: none"> <li>• Non-collection of penalties and fines (EUFs)</li> </ul>	<ul style="list-style-type: none"> <li>• Policy issuances for the acceptance of staggered payment were approved to provide opportunity for regulatee-debtor to settle or meet their financial obligations with the Authority.</li> <li>• Filing of cases for collection.</li> </ul>
Compliance risk	<ul style="list-style-type: none"> <li>• compliance with standards, policies, and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Processes and activities of organizational units providing frontline services are regularly reviewed and assessed to determine whether the same complies with established standards, policies, and procedures.</li> </ul>
Operational risk	<ul style="list-style-type: none"> <li>• Low level of organizational and individual performance</li> </ul>	<ul style="list-style-type: none"> <li>• Monetary and non-monetary benefits are provided to enhance morale and productivity.</li> <li>• Recognition of employees' union through CNA, and participation in decision-making processes</li> </ul>
	<ul style="list-style-type: none"> <li>• Loss due to force majeure</li> </ul>	<ul style="list-style-type: none"> <li>• Assets are insured by appropriate insurance coverage with GSIS</li> </ul>
	<ul style="list-style-type: none"> <li>• Data and records management issues</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of data security protocols, such as regular back-up of data, provision of access control system to documents, among others.</li> </ul>

<b>Risk Category</b>	<b>Risk</b>	<b>Measures</b>
Fraud risk	<ul style="list-style-type: none"> <li>• Inappropriate conduct or corruption</li> <li>• Unethical practices</li> <li>• Vulnerability to fraudulent acts</li> </ul>	<ul style="list-style-type: none"> <li>• All money and properties received by Officers and staff are accounted as government funds and properties. Funds and properties are regularly inspected and inventoried by the Committee of Inventory and witnessed by representatives from Internal Audit Division and Commission of Audit.</li> <li>• Officers whose duties permit or require the custody of government funds are bonded in accordance with existing laws, rules and regulations.</li> <li>• Documentary requirements for the disbursement of funds are thoroughly examined.</li> <li>• Job rotation system is implemented</li> </ul>
Regulatory risk	<ul style="list-style-type: none"> <li>• Failure to comply of regulatees</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of cease and desist orders, demolition of illegal aqua structures, imposition of fines and penalties, among others</li> </ul>
Governance risk	<ul style="list-style-type: none"> <li>• Check and balance issues</li> </ul>	<ul style="list-style-type: none"> <li>• Operations, financial, and compliance audits are regularly conducted.</li> </ul>