



PCA BOARD COMMITTEES REPORT 2023

The Republic Act (RA) No. 11524, otherwise known as the "*Coconut Farmers and Industry Trust Fund Act*", gives way to the newly reconstituted Philippine Coconut Authority (PCA) Board and also mandates that the PCA shall be reconstituted and strengthened to ensure the participation of coconut farmers in the crafting and implementation of the Coconut Farmers and Industry Development Plan¹. Section 5 of RA No. 11524 presents the composition of the PCA Board, to wit:

"The composition of the PCA Board is hereby amended and the same shall now be composed of the following:

- (a) The Secretary of the Department of Agriculture (DA), as Chairperson;*
- (b) The Secretary of the Department of Finance (DOF), as Vice Chairperson;*
- (c) The Secretary of the Department of Budget and Management (DBM);*
- (d) The Secretary of the Department of Science and Technology (DOST);*
- (e) The Secretary of the Department of Trade and Industry (DTI);*
- (f) The Administrator of the Authority; and*
- (g) Three (3) members from the coconut farmers sector (one (1) from Luzon, Visayas, and Mindanao)"*

The Governance Commission for GOCCs (GCG) Memorandum Circular (MC) No. 2012-07² provides for the constitution and rationale of Board Committees. It provides that the creation of Board Committees and other such oversight bodies enables the members of the Governing Board to efficiently manage their time and ensure the proper understanding and resolution of all issues affecting the GOCC and the proper handling of all other concerns. The constitution of the different Committees will also allow the Board to effectively utilize the expertise of its Directors.³

In view of the foregoing, the MC also mandates the Governing Boards of GOCCS to constitute the proper committees to assist them in performing their duties and responsibilities, providing each of the committees with written terms of reference defining the duties, authorities and the composition of the committees constituted. The committees shall report to the entire Board as a collegial body and the minutes of their meetings shall be circulated to all members of the Board.⁴ With such provisions, the Board Committees were constituted through several Board Resolutions. (*Presented below*)

I. 01 January 2023 – 19 February 2023

The PCA Board, in the meeting held on 05 October 2022, resolved to revert the organization of PCA Committees based on the PCA Manual: (a) Executive Committee, (b)

¹ Section 5 of RA No. 11524

² Code of Corporate Governance for GOCCs.

³ Section 16 of the GCG Memorandum Circular No. 2012-07

⁴ Section 16.1 of the GCG Memorandum Circular No. 2012-07

Audit Committee, (c) Governance Committee, (d) Nomination and Remunerations Committee, (e) Risk and Management Committee, (f) Board Technical Review Committee.⁵

It might also be noted that pursuant to Board Resolution No. 022-2021, the Board resolved to merge the Nomination and Remunerations Committee with Executive Committee.

Pursuant to Article 7, Section 20 of the PCA Manual of Corporate Governance, adopted from the GCG Memorandum Circular No. 2012-07 as promulgated under RA No. 10149, Mr. Bernie F. Cruz was declared the duly elected Administrator/CEO of the PCA last 12 December 2022.

In view of the foregoing and the new appointments of President Ferdinand R. Marcos, Jr, these are the Board Committees and the respective members for the period of January 1 to February 19, 2023.

Board Committees	Position	Directors
A. Executive Committee and Nomination and Remunerations Committee	Chairperson <i>Ex-Officio</i> Members	President Ferdinand R. Marcos, Jr. – DA Sr. Usec. Domingo F. Panganiban – DA Sec. Benjamin E. Diokno – DOF Sec. Amenah F. Pangandaman – DBM Sec. Renato U. Solidum, Jr. – DOST Sec. Alfredo E. Pascual – DTI
B. Governance Committee	Chairperson <i>Ex-Officio</i> Members	President Ferdinand R. Marcos, Jr. – DA Sr. Usec. Domingo F. Panganiban – DA Sec. Benjamin E. Diokno – DOF Sec. Amenah F. Pangandaman – DBM
C. Risk Management Committee	Chairperson Members	Sec. Benjamin E. Diokno -DOF Sec. Amenah F. Pangandaman - DBM Sec. Renato U. Solidum - DOST Dir. Frank Roy M. Ribo - Visayas CFSR
D. Audit Committee	Chairperson Members	Sec. Renato U. Solidum, Jr. – DOST Sec. Benjamin E. Diokno – DOF Sec. Alfredo E. Pascual – DTI Dir. Flor L. Olivar - Luzon CFSR
E. Board Technical Review Committee (BTRC)	Chairperson Alternate Members and Alternates	Sr. Usec. Domingo F. Panganiban – DA ▪ Usec. Mercedita A. Sombilla Sec. Benjamin E. Diokno - DOF ▪ Usec. Catherine L. Fong ▪ Asec. Glenda R. Rumohr Sec. Amenah F. Pangandaman – DBM ▪ Usec. Tina Rose Marie L. Canda ▪ Asec. Cristina B. Clasara Sec. Renato U. Solidum – DOST ▪ Asec. Dr. Leah J. Buendia ▪ Exec Dir. Dr. Reynaldo V. Eborra Sec. Alfredo E. Pascual – DTI ▪ Usec. Blesila A. Lantayona 1) Admin. Benjamin R. Madrigal, Jr. - PCA 2) Admin Bernie F. Cruz – PCA (<i>Starting 12 December 2022</i>) ▪ DA Roel M. Rosales

⁵ Board Resolution No. 034-2022 - Organization of The Philippine Coconut Authority Board Committees

II. 20 February 2023 – 31 December 2023

During the 1st Regular Board Meeting on 20 February 2023, the PCA Board approved the reorganization and reconstitution of Board Committees through **Board Resolution No. 006-2023**⁶. The mandatory committees were combined into two committees to streamline the system and provide effective and efficient delivery of public service, to wit:

(1ST COMMITTEE)

Executive and Governance Committee

The Executive and Governance Committee shall be composed of the following mandatory committees, and shall function as provided by the CCGG, viz –

1. Executive Committee;
2. Governance Committee; and
3. Nomination and Remunerations Committee;

(2ND COMMITTEE)

Audit and Risk Management Committee

The Audit and Risk Management Committee shall be a combination of the two remaining mandatory committees under the CCGG, and shall function accordingly pursuant to the same, thus –

1. Audit Committee; and
2. Risk Management Committee

The combination of the committees allowed the PCA to employ faster and simpler mechanisms needed for the pursuance of its mandate in developing the industry to its full potential in line with the new vision of a united, globally competitive, and efficient coconut industry. Furthermore, it is combined to result in the conduct of fewer Board Committee meetings and yet still take into consideration the standards provided in the Performance Evaluation for Directors in the GOCC Sector.

In the same meeting, the new membership in the Board Committees was also approved through **Board Resolution No. 007-2023**. The new membership in the PCA Board Committees is in accordance with Section 16.2 of the Governance Commission for GOCCS (GCG) Memorandum Circular No. 2012-07, or the Code of Corporate Governance for GOCCs.

⁶ Approving the Proposed Reorganization and Reconstitution of Board Committees and the Creation of a Technical Working Group for Each Committee

COMMITTEE	PROPOSED MEMBERSHIP
1. EXECUTIVE AND GOVERNANCE COMMITTEE	<p>Chairperson – Secretary, Department of Agriculture</p> <p>Vice-Chairperson – Secretary, Department of Finance</p> <p>Members:</p> <ul style="list-style-type: none"> - Secretary, Department of Science and Technology - Secretary, Department of Trade and Industry - Administrator, Philippine Coconut Authority - Luzon Coconut Farmer Sector Representative - Visayas Coconut Farmer Sector Representative - Mindanao Coconut Farmer Sector Representative
2. AUDIT AND RISK MANAGEMENT COMMITTEE	<p>Chairperson – Secretary, Department of Budget and Management</p> <p>Vice-Chairperson – Secretary, Department of Finance</p> <p>Members:</p> <ul style="list-style-type: none"> - Secretary, Department of Science and Technology - Luzon Coconut Farmer Sector Representative - Visayas Coconut Farmer Sector Representative - Mindanao Coconut Farmer Sector Representative

E&GC COMPOSITION



The E&GC Composition board features nine members arranged in three rows. The top row includes H.E. President FERDINAND R. MARCOS, JR. (DA Secretary, Chairperson) and BENJAMIN E. DIOKNO (DOF Secretary, Vice Chairperson). The middle row consists of RENATO U. SOLIDUM, JR. (DOST OIC-Secretary, Member), ALFREDO E. PASCUAL (DTI Secretary, Member), and BERNIE F. CRUZ (PCA Administrator/CEO, Member). The bottom row includes FLOR L. OLIVAR (Farmer Representative from the Luzon Coconut Farmer Sector, Member), FRANK ROY M. RIBO (Farmer Representative from the Visayas Coconut Farmer Sector, Member), and PEPITO P. CAPANGPANGAN (Farmer Representative from the Mindanao Coconut Farmer Sector, Member).

H.E. President FERDINAND R. MARCOS, JR.
DA Secretary
Chairperson

BENJAMIN E. DIOKNO
DOF Secretary
Vice Chairperson

RENATO U. SOLIDUM, JR.
DOST OIC-Secretary
Member

ALFREDO E. PASCUAL
DTI Secretary
Member

BERNIE F. CRUZ
PCA Administrator/CEO
Member

FLOR L. OLIVAR
Farmer Representative
from the Luzon Coconut
Farmer Sector, Member

FRANK ROY M. RIBO
Farmer Representative
from the Visayas Coconut
Farmer Sector, Member

PEPITO P. CAPANGPANGAN
Farmer Representative
from the Mindanao Coconut
Farmer Sector, Member

A&RMC COMPOSITION



The A&RMC Composition board features nine members arranged in three rows. The top row includes AMENAH F. PANGANDAMAN (DBM Secretary, Chairperson). The middle row consists of BENJAMIN E. DIOKNO (DOF Secretary, Vice Chairperson) and RENATO U. SOLIDUM, JR. (DOST OIC-Secretary, Member). The bottom row includes FLOR L. OLIVAR (Farmer Representative from the Luzon Coconut Farmer Sector, Member), FRANK ROY M. RIBO (Farmer Representative from the Visayas Coconut Farmer Sector, Member), and PEPITO P. CAPANGPANGAN (Farmer Representative from the Mindanao Coconut Farmer Sector, Member).

AMENAH F. PANGANDAMAN
DBM Secretary
Chairperson

BENJAMIN E. DIOKNO
DOF Secretary
Vice Chairperson

RENATO U. SOLIDUM, JR.
DOST OIC-Secretary
Member

FLOR L. OLIVAR
Farmer Representative
from the Luzon Coconut
Farmer Sector, Member

FRANK ROY M. RIBO
Farmer Representative
from the Visayas Coconut
Farmer Sector, Member

PEPITO P. CAPANGPANGAN
Farmer Representative
from the Mindanao Coconut
Farmer Sector, Member

III. Functions of the Board Committees

1. *Executive Committee*⁷

Depending on the size of the Governing Board, it may constitute an Executive Committee composed of not less than three (3) members of the Board, with the Chairman of the Board being the Committee Chairman. The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by a vote of at least two-thirds (2/3) of its members on such specific matters within the competence of the Board as may from time to time be delegated to the Executive Committee in accordance with the GOCC'S Charter or By-Laws, except with respect to:

- a) Approval of any action for which shareholders' approval is also required;
- b) Filling of vacancies on the Board or in the Executive Committee;
- c) Amendment or repeal of By-Laws or the adoption of new By-Laws;
- d) Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;
- e) Distribution of cash dividends; and
- f) Exercise of powers delegated by the Board exclusively to other committees.

2. *Audit Committee*⁸

- a) Overseeing, monitoring and evaluating the adequacy and effectiveness of the GOCC'S internal control system, engage and provide oversight of the GOCC'S internal and external auditors. and coordinate with the Commission on Audit (COA);
- b) Reviewing and approving audit scope and frequency, 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;
- c) Receiving and reviewing reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
- d) Ensuring that internal auditors have free and full access to all the GOCC'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; and

⁷ Section 16.2.1 of the GCG Memorandum Circular No. 2012-07

⁸ Section 16.2.2 of the GCG Memorandum Circular No. 2012-07

- e) Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the GOCC through a procedures and policies handbook that will be used by the entire organization.

3. *Governance Committee*⁹

- a) Overseeing the periodic performance evaluation of the Board and its committees and Management; and also conducting an annual self-evaluation of their performance;
- b) Deciding whether or not a Director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards;
- c) Recommending to the Board regarding the continuing education of Directors, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and
- d) Recommending the manner by which the Board's performance may be evaluated and proposing objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder value.

4. *Nomination and Remunerations Committee*¹⁰

- a) Installing and maintaining 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;
- b) Reviewing and evaluating the qualifications of all persons nominated to positions in the GOCC which require appointment by the Board;
- c) Recommending to the GCG nominees for the shortlist in line with the GOCC's and its subsidiaries' Board composition and succession plan; and
- d) Developing recommendations to the GCG for updating the CPCS and ensuring that the same continues to be consistent with the GOCC'S culture, strategy, control environment, as well as the pertinent laws, rules, and regulations.

⁹ Section 16.2.3 of the GCG Memorandum Circular No. 2012-07

¹⁰ Section 16.2.4 of the GCG Memorandum Circular No. 2012-07

5. *Risk Management Committee*¹¹

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

IV. Board Committee Meetings


Board Committee Meetings	
Executive and Governance Committee Meeting	2
Audit and Risk Management Committee Meeting	5

Prepared by:


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Noted by:


ATTY. LUZ J. PEREZ
Board Secretary V


ATTY. ROMINA J. TABABA-VENTURANZA
Board Secretary IV

¹¹ Section 16.2.5 of the GCG Memorandum Circular No. 2012-07