



PCA BOARD COMMITTEES REPORT FOR CY 2024

I. INTRODUCTION AND BACKGROUND

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 emphasizes 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 allows 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

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

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*)

II. 1ST TO 3RD QUARTER OF CY 2024

During the first three (3) Quarters of CY 2024, the PCA Board Committees Composition is in accordance with the approved reorganization and reconstitution of Board Committees through **Board Resolution No. 006-2023**⁵, approved in the prior year during the Regular Board Meeting on 20 February 2023. The mandatory committees were combined into two committees to streamline the system and provide effective and efficient delivery of public service:

A. Executive and Governance Committee

The Executive and Governance Committee shall be composed of the following mandatory committees. Functions include overseeing the periodic performance evaluation of the Board, recommending continuing education for Directors, and ensuring compliance with governance standards or/and as provided by the CCGG, *viz* –

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

B. Audit and Risk Management Committee

The Audit and Risk Management Committee shall be a combination of the two remaining mandatory committees under the CCGG. Functions include overseeing the internal control system, reviewing audit reports, and developing a transparent financial management system or/and accordingly under 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, yet it still takes into consideration the standards provided in the Performance Evaluation for Directors in the GOCC Sector.

The new membership in the Board Committees was then approved through **Board Resolution No. 007-2023**. The new membership in the PCA Board Committees is in

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

⁵ Approving the Proposed Reorganization and Reconstitution of Board Committees and the Creation of a Technical Working Group for Each Committee

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.

A Technical Working Group (TWG) for each Board Committee was also created to study and review all documents and compliances on matters submitted before the specialized Board Committee meetings. The TWG submits recommendations on such matters to be taken during the committee meetings. The TWG shall be composed of, and headed by the Alternates of the PCA Board Member under this Committee.

In addition to the Board Alternate Members composing the TWG-ARM, the PCA Deputy Administrator for the Administrative and Finance Branch (AFB), and the Head of the PCA-Internal Audit Department (IAD), are likewise included as members in the TWG-ARMC.)

NAME OF BOARD COMMITTEES	COMMITTEE POSITION	NAME OF DIRECTORS
<i>Pursuant to Board Resolution No. 007-2023, dated 20 February 2023.</i>		
A. EXECUTIVE and GOVERNANCE COMMITTEE <u>- Technical Working Group - (TWG-EGCC)</u>	Chairperson:	Sec. FRANCISCO P. TIU LAUREL, JR. - DA
	<i>Ex-Officio</i>	Usec. ROGER V. NAVARRO - DA
	Vice-Chairperson:	Sec. RALPH G. RECTO - DOF
	Members:	Sec. RENATO U. SOLIDUM, JR. - DOST
		Sec. MA. CRISTINA A. ROQUE - DTI
		Admin. DEXTER R. BUTED - PCA
		Dir. FLOR L. OLIVAR - Luzon CFSR
		Dir. FRANK ROY M. RIBO - Visayas CFSR
		Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR
	DA	<i>a) Usec. ROGER V. NAVARRO</i>
	DOF	<i>b) Usec. Cheryl Marie Natividad-Caballero</i>
	DOST	<i>a) Asec. GLENDA R. RUMORH-FIGUEROA</i>
	DTI	<i>b) PM HOOMER A. MONROYO</i>
		<i>a) Asec. Dr. LEAH J. BUENDIA</i>
		<i>b) Exec. Dir. Dr. REYNALDO V. EBORA</i>
		<i>a) Asec. DOMINGO R. TOLENTINO, JR.</i>
B. AUDIT and RISK MANAGEMENT COMMITTEE <u>- Technical Working Group – (TWG-ARMC)</u>	Chairperson:	Sec. AMENAH F. PANGANDAMAN - DBM
	Vice-Chairperson:	Sec. RALPH G. RECTO - DOF
	Members:	Sec. RENATO U. SOLIDUM, JR. - DOST
		Dir. FLOR L. OLIVAR - Luzon CFSR
		Dir. FRANK ROY M. RIBO - Visayas CFSR
		Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR
	DBM	<i>a) Usec. ROLANDO U. TOLEDO</i>
	DOF	<i>b) Asec. MARY ANNE Z. DELA VEGA</i>
	DOST	<i>a) Asec. GLENDA R. RUMORH-FIGUEROA</i>
		<i>b) PM HOOMER A. MONROYO</i>
		<i>a) Asec. Dr. LEAH J. BUENDIA</i>
		<i>b) Exec. Dir. Dr. REYNALDO V. EBORA</i>
	PCA, DA-AFB	Atty. LUCIUS JUN-JUN G. MALSI
	PCA, DM-IAD	Department Manager - Internal Audit Department



E&GC COMPOSITION



Sec. FRANCISCO P. TIU LAUREL, 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



E&GC COMPOSITION



Sec. FRANCISCO P. TIU LAUREL, JR.
DA Secretary
Chairperson



RALPH G. RECTO
DOF Secretary
Vice Chairperson



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



ALFREDO E. PASCUAL
DTI Secretary
Member



DEXTER R. BUTED
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

III. CHANGES IN BOARD MEMBERSHIP

On **12 January 2024**, the Vice Chairperson of the Board changed due to the appointment of the new Secretary of the Department of Finance, Secretary Ralph G. Recto, replacing former Secretary Benjamin E. Diokno.

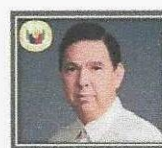
On **02 August 2024**, a new Secretary of the Department of Trade and Industry (DTI), Ma. Cristina A. Roque, was appointed, replacing Secretary Alfredo E. Pascual. These changes also affected the membership of the Board Committees.



E&GC COMPOSITION



Sec. FRANCISCO P. TIU LAUREL, JR.
DA Secretary
Chairperson



RALPH G. RECTO
DOF Secretary
Vice Chairperson



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



MA. CRISTINA A. ROQUE
DTI Acting Secretary
Member



DEXTER R. BUTED
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



AMENAH F. PANGANDAMAN
DBM Secretary
Chairperson



BENJAMIN E. DIKNO
DOF Secretary
Vice Chairperson



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



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Farmer Sector, Member



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Farmer Representative
from the Mindanao Coconut
Farmer Sector, Member

A&RMC COMPOSITION



AMENAH F. PANGANDAMAN
DBM Secretary
Chairperson



RALPH G. RECTO
DOF Secretary
Vice Chairperson



RENATO U. SOLIDUM, JR.
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Member



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IV. RECONSTITUTION OF BOARD COMMITTEES

During the 4th quarter of the year, the Board observed that both Board Committees were handling a wide range of issues, which could reduce their effectiveness and impede prompt decision-making. Therefore, on **14 October 2024**, a reconstitution of board committees and its memberships was proposed to ensure more specialized attention to essential areas while managing other priorities. The creation of a Coconut Farmers and Industry Development Plan (CFIDP) Committee was also proposed to serve as an oversight committee to ensure that CFIDP Programs are properly implemented. After several discussions among the members of the PCA Board, the proposed reconstitution, amendment of functions, and composition of the PCA Board Committees were approved through **Board Resolution No. 033-2024**.

NAME OF BOARD COMMITTEES	COMMITTEE DESIGNATION	NAME OF DIRECTORS
A. EXECUTIVE COMMITTEE	Chairperson: <i>Ex-Officio</i> Vice-Chairperson: Members:	Sec. FRANCISCO P. TIU LAUREL, JR. - DA Usec. ROGER V. NAVARRO - DA Sec. AMENAH F. PANGANDAMAN - DBM Admin. DEXTER R. BUTED - PCA Dir. FLOR L. OLIVAR - Luzon CFSR Dir. FRANK ROY M. RIBO - Visayas CFSR Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR

B. AUDIT COMMITTEE	Chairperson: Vice-Chairperson: Members:	Sec. AMENAH F. PANGANDAMAN - DBM Sec. RENATO U. SOLIDUM, JR. - DOST Sec. MA. CRISTINA A. ROQUE - DTI Dir. FLOR L. OLIVAR - Luzon CFSR Dir. FRANK ROY M. RIBO - Visayas CFSR Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR
C. GOVERNANCE COMMITTEE	Chairperson: <i>Ex-Officio</i> Vice-Chairperson: Members:	Sec. FRANCISCO P. TIU LAUREL, JR. - DA <i>Usec. ROGER V. NAVARRO - DA</i> Sec. RALPH G. RECTO - DOF Admin. DEXTER R. BUTED - PCA Dir. FLOR L. OLIVAR - Luzon CFSR Dir. FRANK ROY M. RIBO - Visayas CFSR Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR
D. NOMINATION & REMUNERATIONS COMMITTEE	Chairperson: Vice-Chairperson: Members:	Sec. MA. CRISTINA A. ROQUE - DTI Sec. RENATO U. SOLIDUM, JR. - DOST Sec. AMENAH F. PANGANDAMAN - DBM Dir. FLOR L. OLIVAR - Luzon CFSR Dir. FRANK ROY M. RIBO - Visayas CFSR Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR
E. RISK MANAGEMENT COMMITTEE	Chairperson: Vice-Chairperson: Members: <i>Ex-Officio</i>	Sec. RALPH G. RECTO - DOF Sec. RENATO U. SOLIDUM, JR. - DOST Sec. FRANCISCO P. TIU LAUREL, JR. - DA <i>Usec. ROGER V. NAVARRO - DA</i> Sec. MA. CRISTINA A. ROQUE - DTI Dir. FLOR L. OLIVAR - Luzon CFSR Dir. FRANK ROY M. RIBO - Visayas CFSR Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR
F. SPECIAL COMMITTEE ON COCONUT FARMERS & INDUSTRY DEVELOPMENT PLAN (CFIDP)	Chairperson: Vice-Chairperson: Members: <i>Ex-Officio</i>	Sec. RALPH G. RECTO - DOF Sec. RENATO U. SOLIDUM, JR. - DOST Sec. FRANCISCO P. TIU LAUREL, JR. - DA <i>Usec. ROGER V. NAVARRO - DA</i> Admin. DEXTER R. BUTED - PCA Dir. FLOR L. OLIVAR - Luzon CFSR Dir. FRANK ROY M. RIBO - Visayas CFSR Dir. PEPITO P. CAPANGPANGAN - Mindanao CFSR

1. Executive Committee⁶

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 Committee⁷

- 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

⁶ Section 16.2.1 of the GCG Memorandum Circular No. 2012-07

⁷ Section 16.2.2 of the GCG Memorandum Circular No. 2012-07

interference in determining its scope, performing its work and communicating its results; and

- 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 Committee⁸

- 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 Committee⁹

- 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

⁸ Section 16.2.3 of the GCG Memorandum Circular No. 2012-07

⁹ Section 16.2.4 of the GCG Memorandum Circular No. 2012-07

- 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.

5. *Risk Management Committee*¹⁰

- 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.

6. *Special Committee on Coconut Farmers and Industry Development Plan (CFIDP)*¹¹

- a) Functions as a clearing house, reviewing and ensuring that policy recommendations and program implementations in relation to RA 11524 are deemed necessary for Board presentation and approval.
- b) Review and endorse for approval allocations delegated by the TFMC other than the actual appropriations under the CFIDP.
- c) Request for the conduct of special audits/investigations as needed.
- d) Evaluate existing policies.
- e) Submit policy recommendations to the PCA Board and obtain approval for policy changes.
- f) Perform other relevant actions delegated by the PCA Board.

¹⁰ Section 16.2.5 of the GCG Memorandum Circular No. 2012-07

¹¹ Newly Created Board Committee – Bd. Res. No. 033-2024

VI. BOARD COMMITTEE MEETINGS

The Executive and Governance Committee conducted two (2) meetings during the first and third quarter of the year, while the Audit and Risk Management Committee conducted its meeting once early of the fourth quarter. After the reconstitution of the various Board Committees, the Risk Management Committee, Governance Committee, and the Audit Committee conducted its meeting once during the last quarter of the year.

Board Committee Meetings		
Board Committees	Date of Meetings	Total No. of Meetings
A. Executive and Governance Committee	February 5, 2024	2
	August 8, 2024	
B. Audit and Risk Management Committee	October 7, 2024	1
A. Risk Management Committee	November 13, 2024	1
B. Governance Committee	November 13, 2024	1
C. Audit Committee	November 28, 2024	1

VII. BOARD COMMITTEES ACCOMPLISHMENT

A. Executive and Governance Committee:

In 2024, the Executive and Governance Committee had a series of productive meetings, steering the organization's strategic direction and operational efficiency. The committee made significant strides in the following areas:

- 1. **Strategic Plan Approval:**
 - The committee approved the PCA's Strategic Plan for 2024-2028, which focuses on productivity enhancement, farmers' empowerment, market development, and sustainable organizational systems.
- 2. **Regional Realignment:**
 - Deliberations on the realignment of PCA Regions were conducted to streamline operations and improve regional management.
- 3. **CFIDP Amendments:**
 - The committee endorsed amendments to the Coconut Farmers and Industry Development Plan (CFIDP), integrating a health and medical program for farmers and expanding the scholarship program to include additional courses.

4. **PCA Board Structure:**

- The committee proposed the inclusion of PALM OIL representatives to ensure comprehensive stakeholder involvement and improve governance.

5. **Performance Evaluation Scorecard:**

- Harmonized the strategic plan with the performance evaluation scorecard, aligning the PCA's mission, vision, and core values with inclusivity and sustainability principles.

B. Audit and Risk Management Committee:

Throughout the year, the Audit and Risk Management Committee, focused on enhancing the PCA's risk management and internal audit functions. Key accomplishments include:

1. **Risk Management Plan:**

- Developed and revised the PCA Risk Management Plan for 2024, including risk identification, assessment, and mitigation strategies.

2. **Internal Audit Workshop:**

- Conducted the Internal Audit Annual Performance Monitoring and Evaluation and Planning Workshop to assess the department's performance and plan for the 2025 audit.

3. **Compliance Audit:**

- Ensured compliance with the Quality Assurance and Review Form for Climate Change Expenditure Tagging, emphasizing accurate reporting of climate-related expenditures.

4. **Audit Reports:**

- Identified issues in the PCA Fees audit and recommended the establishment of a digital monitoring system and updated IT infrastructure.

5. **Strategic and Annual Audit Plan:**

- Aligned audit areas with PCA's strategies and enhanced internal controls, including audits of the National Coconut Farmers Registry System.

C. Governance Committee:

The Governance Committee dedicated its efforts to refining the PCA's governance practices and strategic planning. Notable achievements include:

1. **Performance Evaluation Scorecard:**

- Presented and enhanced the 2025 Performance Evaluation Scorecard, ensuring alignment with the PCA's mission, vision, and core values.

2. **Health and Medical Program:**

- Emphasized the need for finalized implementing guidelines for the health and medical program for farmers.

3. **Governance Practices:**

- Revised the Manual of Corporate Governance to align with operational demands, focusing on transparency and accountability.

D. Risk Management Committee:

The Risk Management Committee played a vital role in refining the PCA's risk management strategies. Key accomplishments include:

1. Risk Management Framework:

- o Developed an enhanced risk management framework with a two-dimensional matrix for risk evaluation and proposed actions for risk avoidance, transfer, mitigation, and acceptance.

2. Disaster Support Mechanisms:

- o Proposed additional support mechanisms for disaster-affected farmers, including funding for relief and livelihood projects.

3. Stakeholder Communication:


- o Improved communication strategies to stakeholders regarding enforcement and policy rationale.

In conclusion, the PCA Board Committees demonstrated a strong commitment to improving the organization's strategic planning, risk management, internal audit functions, governance, and support for coconut farmers and the industry. These efforts have laid a solid foundation for the PCA's continued growth and success in 2024 and beyond.

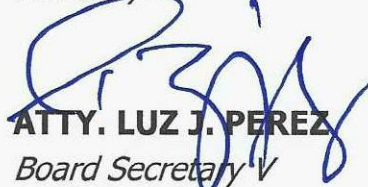
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Technical Staff


ATTY. RONINA J. TABABA-VENTURANZA
Board Secretary IV

Noted by:


ATTY. LUZ J. PEREZ
Board Secretary V