2024 PNCC MANAGEMENT RISKS

	DESCRIPTION OF RISK	SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
OFFICE OF THE PRESIDENT								
1	Continuity of Business of Plan	Change in leadership and policy making bodies	New directives, no action on existing plans	**Moderate**	**P3**	Implement GCG directive	Office of the President	Taking risk in order to pursue an opportunity, action will be done upon occurrence of risk
2			Loss of potential income, loss business opportunity			Absorb the risk		
3	Adjustment / compliance with policies	New legislation	• Inability to comply in a timely manner, fines and penalties for non-compliances • Revisions on QMS, business plan • Loss of potential income • Loss business opportunity	**High**	**P1**	Absorb the risk	Concerned Department / Department Head	Taking risk in order to pursue an opportunity
4	Good relation with Tollway Investors	Joint Venture Agreement (Tollways)	Commitment to tollway project	**Moderate**	**P4**	Due diligence on prospective partner / Investor Selection and Evaluation Procedure	Legal Department / TWG	To be noted, no action is needed
5	Bad relation with regulatory agencies	Submission of Contracts (OP/TRB)	Denial of contract	**Low**	**P4**	Absorb the risk	Top Management	To be noted, no action is needed
6	Bad media views on PNCC	News article, media reviews	Investors veer away in doing business with the company	**Moderate**	**P4**	Competent Corporate Information Officer (MIS)	MIS / Top Management	To be noted, no action is needed
TREASURY DEPARTMENT								
1	Defalcation and shortages without insurance and bonds	Loose observation of check and balance	Loss of money without coverage / insurance	**High**	**P2**	Updated insurance & fidelity bond Observe check & balance	Treasury Department	Avoiding risk by continuance of fidelity bond
2	Decrease earnings from investment or loss from investment due to low interest rates negotiated	Disregard of economic factors and feedback from financial managers	Opportunity loss due to error in business decision	**Moderate**	**P3**	Constant monitoring and data analysis of market changes	Treasury Department	Taking risk in order to pursue an opportunity
3	Lost or irregular receipts and unclear nature of the expense	Misinformation on the legitimacy / acceptability of receipts	• Regulatory criticism (COA AOM) • Delay in replenishments / reimbursement will defeat expediency in the release of funds	**High**	**P2**	Strict requirement of acceptable Official Receipts	Treasury Department	Avoiding risk through strict implementation of internal controls
4	Overlapping cash advances	• Non-monitoring of cash advances • Non-observation of check and balance	• Regulatory criticism (COA AOM) • Delay in replenishments / reimbursement will defeat expediency in the release of funds	**High**	**P2**	• Strict requirement of acceptable OR • Observe notice of outstanding CA in the Petty Cash Voucher	Treasury Department	Avoiding risk through strict implementation of internal controls
5	Overdue surrender of excess cash advance			**High**	**P2**			
6	Delay in depositing collection	• Oversight – none or incomplete information received for the collection • None or incomplete information received for the collection	• No outright recognition of assets as Cash in Bank • Differences in the details of collection against the accounting records	**High**	**P2**	• Reviews of dates reflected in the OR against the deposit slip • Requirement of supplemental documents such as billing statements for validation & clarity • Verbal & Non-verbal reminder of collection dates	Treasury Department	Avoiding risk through strict implementation of internal controls
7	Non-issuance / unclear details of the OR			**High**	**P2**			

	DESCRIPTION OF RISK	SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
8	No disposition of maturing placements *(Time Deposits)*	• Limitation of offered rates • Monitoring & coordination with depository bank not in place • The instrument & the entries is not given importance • Accuracy of details not checked	• Earnings from interest income not maximized • A possible loss of earning from a higher rate for the skipped days • Proof of investment is doubtful in case of claim • Putting the company in a disadvantageous position for the inaccuracy	**High**	**P2**	• Comparing rates with other depository bank & haggling for above board rates • A week before monitoring of maturities • Securing immediately passbook / certificate after every placement / renewal • Review of amount in passbook/certificates with manual computation	Treasury Department	Avoiding risk through strict implementation of internal controls
9	No passbook/ certificates as proof of placement			**High**	**P2**			
10	Incomplete TD document (such as No entry in the passbook/certificates for rollovers, Inconsistency / incomplete details of the TD instruction as to principal, term & rate)			**High**	**P2**			
11	Overdrafts	• Certifying funds from inaccurate balance • Delays unjustified	Putting the financial capability of company under doubt	**Extreme High**	**P1**	• Monitoring of sufficiency of balances thru online • Observe the less than 8hrs turn- around-time of	Treasury Department	Avoiding risk through strict implementation of internal controls
12	Complaints for possible delays in check processing			**Extreme High**	**P1**			
13	Inconsistency of check details	No review of details	• Client's complaint due to denied check transaction • Error results to rework and delays • Absence of proof of purchase would result to regulatory criticism	**Extreme High**	**P1**	• Strict checking of details • Awareness of the Disbursing Clerk of his responsibility of check releasing and OR submission • Monitoring thru Treasury's bank reconciliation of outstanding checks • Submission of Bank Advice for confirmation of daily disbursements		
14	Sales Invoices / Official Receipts no required from Supplier	Leniency due to familiarity to Supplier representative		**Extreme High**	**P1**			
15	Releasing check to unauthorized person			**Extreme High**	**P1**			
16	Not monitored outstanding check of 6 months	Reporting and monitoring not implemented		**Extreme High**	**P1**			
17	Deviation from signing authority	No updates of signing authority	Proper level of authority not informed	**Extreme High**	**P1**	• Latest board approved authority on file • Update of Bank Records		
LEGAL DEPARTMENT								
1	Delay in rendering contract review	Novelty or complexity of the Legal Question and Workload of OGCC	Not meeting target objectives	**Moderate**	**P3**	Timelines for follow-up	Legal Department	Eliminate and avoid the risk source by: • Institutionalize regular face to face meeting • Improve relationship • Identify the area where PNCC to be able to provide assistance in facilitating the requested opinion
2	Changes in the policy and implementation of policies	• Amendment in the policies of the government • Landmark decisions of the Supreme Court	• Alter business prospects • Restrict the company from doing business with prospective joint venture partner	**Moderate**	**P3**	Monitoring and updates of current policies and Supreme Court cases	Legal Department	Retaining the risk by informed decision through communicating clearly and quickly to all relevant employees
3	Delay in the rendering legal action and opinion	Novelty or complexity of the Legal Question and Workload of OGCC	Not meeting target objectives	**Moderate**	**P3**	Timelines for follow-up	Legal Department	Eliminate or reduce the risk source by: • Institutionalize regular face to face meeting • Improve relationship • Identify the area where PNCC to be able to provide assistance in facilitating the requested opinion

	DESCRIPTION OF RISK	SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
4	Delay in filling in government agency required compliance (Filling of penalties, motion, appeal or manifestation, labor and management disputes complaint, claims)	• Novelty or complexity of Legal Question and Workload of GOCC • Excessive workload • Inconsistent policies • Lack of resource/budget constraints/lack of staff member • Lack of awareness • Lack of planning • Service disruption	• Litigations • Loss of credibility / lost of trust • Inconsistencies • Financial cost	**Moderate**		Timelines for follow-up	Legal Department	Eliminate or reduce the risk source by: • Institutionalize regular face to face meeting • Improve relationship • Identify the area where PNCC to be able to provide assistance in facilitation of any opinion requested
CONTROLLERSHIP DEPARTMENT								
1	Lack of literacy in computer software application	Failure to adapt to IT technology / new business tools / application	Not up-to-date information / not readily available when needed	**Moderate**	**P4**	• Use of legacy system • Data disintegration	Controllership Department	Take risk to pursue an opportunity by acquiring appropriate accounting software
2	Accounting automation	Lack of appropriate accounting software		**Moderate**	**P4**	• Data storage on various file types and media • Required consolidation to generate needed reports		Eliminate risk source by training employees to new business tools / application
MANAGEMENT INFORMATION SYSTEM DEPARTMENT								
1	Use of unlicensed application software	Installation and usage of unlicensed / pirated application software	• Legal cases • Imposition of fines and penalties	**Low**	**P4**	Strict implementation of Guidelines in Software Installation	MIS Department	To be noted, no action needed
2	Outage or disruption of internet connection	Connection / signal issue of (ISP)	• Disrupted operation • Inefficient web transactions	**Low**	**P4**	Direct coordination with ISP		To be noted, no action needed
3	System hacking	• Bragging rights • Curiosity • Revenge • Boredom • Challenge • Theft for financial gain • Sabotage • Vandalism • Corporate espionage • Blackmail • extortion	• identity theft • disruption of services • harmed reputation • spread of malware • loss of trust • loss of data integrity	**Low**	**P4**	Maximize use of Firewall and Anti-Virus		To be noted, no action needed
4	Hardware and software failure	• Power loss or data corruption • Presence of malicious software / viral infection	• Loss of integrity of data (operation)	**Low**		MIS Guidelines	MIS Department	To be noted, no action needed
HUMAN RESOURCES DEPARTMENT								
1	• No qualified applicant for certain position • No applicants • Disinterested applicants when invited for examination and interview	• High demand of certain position internationally • Not competitive compensation and benefit package • Perception of company reputation or stability • Emergence of virtual job opportunities	• Delay in rendering services needed • Cannot meet the requirement of stakeholders • Increase in recruitment cost	**Moderate**	**P4**	• Posting on online platforms • Recommendations from previous and current employees • Flexible evaluation of qualification to encourage more applicants • Offer more competitive compensation and benefit package	HR Department	To be noted, no action needed

	DESCRIPTION OF RISK	SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
2	Qualified but did not deliver the required output/services (newly-hired employees)	Incompetent / inefficient employee	• Increase workload of other employees due to his/her inefficiency • Possible delay in delivering department outputs / services • Demoralization of existing employees	**Low**	**P4**	Transfer risk to Department Heads for performance evaluation during the probationary period	HR Department	To be noted, no action needed
3	Qualified but did not deliver the required output/services (regular employees)	Character flaws and work attitude	• Possible delay in delivering department outputs/services • Demoralization of existing employees	**Low**	**P3**	Share risk to Department Heads for performance evaluation (PAR), CCED	HR Department – Personnel Services, Department Heads	Issuance of Performance Appraisal Report twice a year Issuance of Disciplinary actions, if warranted
4	Deterioration of records	• Age and environmental factors • No manpower and resources for the records inventory	• Inaccessible records • Unusable or unreadable records • Difficulty in record safekeeping	**Moderate**	**P3**	Periodic checking of records condition, proper storage of documents	HR Department – Personnel Services	Share the risk with MMD by upgrading the storage facilities and bins
GENERAL SERVICE SECTION								
1	Physical damage to property	• Furniture breaks • Paint gets scratched • Exteriors wear down overtime	Investment on General liability insurance	**Moderate**	**P4**	• Mitigate the risk by periodic inspection of property, keeping of records for comparison to whether high risk areas are worsening over time or in case needed for insurance claim • Transfer risk to third party (insurer)	HR Department – General Services	To be noted, no action needed
2	Resources adequacy	Lack of manpower to direct work	• Unaccomplished planned / work task • Nonconformities to processes	**Moderate**	**P4**	Close coordination with MMD for immediate acquisition of required materials		
3	Mistakes in workmanship / faulty workmanship	• Non-utilization of skilled building maintenance staff • Use of substandard materials	• Increased operational cost • Rework of job orders	**Moderate**	**P4**	Quality inspection on job orders		
4	Nonconforming deliveries from external provider	• Miscommunication • Error on part of supplier	Disruption of operation due to resources inadequacy	**Moderate**	**P4**	Strict implementation of Procurement Procedure, Supplies Control Procedure and PPE Inventory Control Guidleines		
5	Use of equipment not maximize	• Lack of preventive maintenance • Improper use of equipment	• Early retirement of equipment • Equipment investment	**Moderate**	**P4**	Strict implementation of Equipment Control Procedure		
REALTY DEPARTMENT								
1	Lessee tends to depart from the stipulations of the lease contract (i.e. illegal / unauthorized construction on the leased premises, subleasing to other parties, etc.)	Deviation of lessee from contract provisions	Legal issues	**Moderate**	**P3**	Conduct periodic monitoring of tenant's / lessee's adherence with the lease contract in coordination with Security Officer / Property Administration Procedure	Realty Department	Sharing the risk with Legal Department for appropriate legal action
2	Pretermination of contract of lease by the lessee	Market condition / bankruptcy of lessee	Forecast revenue not realized	**Moderate**	**P2**	Invoke the provision of Contract		Take the risk to pursue an opportunity to find another lessee
3	Property title not yet transferred to PNCC's name	Incomplete transfer documents	• Unable to sell the property • Questionable Proof of Ownership	**Moderate**	**P3**	Complete documentary requirements needed for transfer of the title		Sharing the risk with Legal Department on Actions to be undertaken to resolve

								legal issues of the subject property

	DESCRIPTION OF RISK	SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
TECHNICAL WORKING GROUP FOR TOLLWAY DEVELOPMENT PROJECT								
1	Failed tollway project due to new administration	• New administration with different development directions • Change in leadership in the government agencies related to the project	• Loss of potential income • Loss business opportunity	**Moderate**	**P3**	• Due diligence on selection and evaluation of investor and project proposal • Submission of the proposed project to the current administration for its	TWG	Taking risk to pursue an opportunity by resubmitting the proposed tollway project
2	Delayed tollway operation	Delayed in construction and implementation due to: • Competency of contractors • Financial capacity of investor / contractor • Difficulty in the right of way acquisition • Viability of feasibility study and economic analysis • Revisions and modification on design and specifications • Rework due to errors and quality control during implementation and construction • Delayed procurement of equipment and materials • Delayed payment of contractors, subcontractors, suppliers, equipment, lessor, etc. Unforeseen utilities affected during construction	Expected start of revenue collection will be hampered / delayed (loss revenue)	**Moderate**	**P4**	Approved procedure on selection of prospective investor • Due diligence on prospective investor • Thorough evaluation /selection of the right investor • Submission of investor of accomplishment report at agreed timing		To be noted, no action needed
SECURITY OFFICE								
1	Illegal settlers / squatters and unauthorized occupants	• Lapses in security measures • Lack of security personnel	Tenuous legal actions against illegal settlers and unauthorized occupants	**Moderate**	**P3**	• Strict implementation of security measures (fencing, periodic and random inspection) • Deployment of additional security personnel	Security Office, Top Management	Taking risk to pursue an opportunity by: • Enhanced security measures (fencing, security barrier) including budget provision • Need of additional security personnel
2	Unaccountable visitors		Criminality (robbery, burglary, pilferage, internal theft, alcohol and drug abuse)	**Moderate**	**P3**			
3	Office theft – Employee personal effects	Unattended personal belongings / employee negligence	• Increase tension and mistrust among workforce • Unsafe and unsecure workplace • Termination of employment contract	**Moderate**	**P4**	• Strict implementation of CCED • Installation of CCTV • Increase the frequency and process for stock and equipment checking inventory management, or restricting access to limited, authorized personnel • For intangible assets, reviewing security permissions for access to sensitive information, data of records		To be noted, no action needed
4	Office theft – Company property	Lapses in security measures		**Moderate**	**P4**			

DESCRIPTION OF RISK		SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
			•			• Stringent password protocol for company accounts or system	Security Office	
5	Mobile Device security	Use of employee's personal devices in the office	• Additional expenses on electricity • Allowing the use of personal devices in the office	**Moderate**	**P4**	• Strict implementation of security measures • Security measures awareness		Taking risk to pursue an opportunity by: • Enhance security measures (fencing, security barrier) including budget provision • Need of additional security personnel
6	Damage to property and loss of lives	Location (Philippines is located along the Ring of Fire)	• Huge capital requirements for rehabilitation • Access to properties is impeded	**Low**	**P4**	• Procedure for contacting local police and fire departments • Assessment of damage taken to properties for documentation and requisition of requirements to rehabilitate security devices and equipment		Taking risk to pursue an opportunity by coordinating constant liaisoning with concerned agencies
7		Terrorism / civil disturbance (sabotage, labor violence and bomb threats)	• Losses in investment • Suspension of work resulting to delay in rendering services	**Moderate**	**P3**			
SAFETY, HEALTH AND ENVIRONMENT								
1	Work related accident and sickness	Inadequate implementation of safety compliance	• Disruption of operation • Bad company reputation • Hiring of personnel due to death or permanent disability of incumbent personnel	**Moderate**	**P3**	Information dissemination on SHE	Safety Officer, Company Nurse, Company Doctor	Avoid the risk by strict implementation and compliance with the guidelines on Safety, Health and Environment
2	Increased severity of extreme weather events such as typhoon and floods and other calamities (e.g. earthquake and fire)	Effects of Climate change	• Disruption of work due to negative impacts on workforce (e.g. health, safety, absenteeism) • Early retirement of existing assets and increase capital costs (e.g. damage to properties and facilities – office buildings, warehouse, equipment, etc.)	**Moderate**	**P3**	Vigilant on present weather condition and prepare measures to undertake in case of occurrence of risk	Safety Officer, Company Nurse, Company Doctor, Top Management	Avoid the risk to pursue an opportunity by allocating budget for Calamity preparedness Measures to mitigate effects of physical risks
MATERIALS MANAGEMENT DEPARTMENT								
1	Untimely delivery or non-delivery of requested item	Item requisitioned generally generic or non-specific	• Most likely mismatched items/no quality items selected • Non-achievement of target to deliver service	**Low**	**P4**	Direct coordination with end-user and supplier	MMD Department	Take the risk by: • Verifying reason with the supplier • Issue warning of not justified • Cancel order if necessary / if called for
2		Items rarely available in the market due to obsolescence of items		**Low**	**P4**	Advise requisitioner / end-user of non-availability due to obsolescence		Take the risk by: • Advising requisitioner / end-user of non-availability due to obsolescence
3	No prospective bidders for required goods / services	No interested bidder for the requested goods / services	Not meeting the deadline to deliver the goods / services that may affect other process/es	**Low**	**P4**	Rec-check specification / Terms of Reference		Advise requisitioner / end-user of the development

DESCRIPTION OF RISK		SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	RISK RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
4	Mismatched list of assets for disposal vis-à-vis physical inventory	• Transfer of assets to other location not properly documented • Assets not properly identified or labelled	Incomplete list of assets for disposal (bidding), loss of potential income	**Moderate Risk**	**P4**	Asset Disposal Procedure		Conduct actual inventory of items for disposal
5	Exposure to hazardous/dangerous equipment/other materials	Not enough knowledge in proper disposal of hazardous materials	Fines and penalties imposed by regulatory agencies, health and safety issues	**Moderate Risk**	**P4**	SHE Manual		Comply with environmental laws, local or national

***Approved during ISO QMS Planning on March 14, 2024**

2024 PNCC MANAGEMENT OPPORTUNITIES

DESCRIPTION OF OPPORTUNITY	SOURCE / CAUSE	CONSEQUENCE OR IMPACT TO THE INTENDED MANAGEMENT SYSTEM OUTCOMES	OPPORTUNITY RATING (Consequence x Likelihood)	ACTION PRIORITY	CURRENT CONTROL / EXISTING SITUATION	RESPONSIBLE OFFICE	ACTION PLAN
Office of the President							
Good relation with Tollway Investors	Joint Venture Agreement (Tollways)	New project, increase job opportunities, additional income	**Moderate**	**P3**	Due diligence on prospective partner / Investor Selection and Evaluation Procedure	Legal Department / TWG	Build partnership with the proponent thru constant communication
Controllership Department							
Accounting automation	Lack of appropriate accounting software	Not up-to-date information / not readily available when needed	**Moderate**	**P3**	• Data stored in various file types and media • Required consolidation to generate needed reports	Controllership Department	Acquire appropriate accounting software
Management Information System Department							
Purchase of up-to-date hardware	New technology in market	• Take advantage of new features of the hardware • Reduce cost • More efficiency	**Moderate**	**P4**	Evaluation of enabling technology in replacement of obsolete	MIS Department	To be noted, no action needed
Purchase of up-to-date software		• Take advantage of new features of the software • Reduce cost • More efficiency	**Low**	**P4**	Evaluation of enabling technology in replacement of obsolete resources		
Use of licensed application software	New technology in market	• Legal compliance • Maximize the use of software with full features	**Low**	**P4**			
Subscription of new ISP	Poor performance of existing ISP	• Improve internet connection • Cost efficient	**Low**	**P4**	Evaluation of other ISP within the area		
Realty Department							
Pre-termination of contract of lease by the lessee	New business opportunity	Increase in Revenue due to better Terms and Conditions of contract	**Moderate**	**P3**	Align new terms and condition with the current trend	Realty Department	Adopting new practices by improving the management of property
Untimely delivery or non-delivery of requested item	Items rarely available in the market due to obsolescence of items	Most likely mismatched items/no quality items selected Non-achievement of target to deliver service	**Low**		Direct coordination with end-user and supplier	MMD Department	Use the new version of an item using new technology and other desirable and viable possibilities to address the organization's or customers' need
Failure of one or both parties to perform what is incumbent upon them	Breach of Contract	Financial issues or project is superseded by events, natural or otherwise	**Low**		Schedule another meeting or issue bid bulletin	MM Department	Meeting with supplier / contractor service provider
MATERIALS MANAGEMENT DEPARTMENT							
Use of new version of an item (non-ICT resources)	• New invention available in market • Improvement of old items	• Increase efficiency • Reduce cost • Availability of advanced features of an item • Increase innovation	**Low**	**P4**	Direct coordination with end-user and supplier	MMD	Advice the requisitioner / end-user of the new innovation, improvement of the items requested