

**LAND BANK OF THE PHILIPPINES**  
**ANNUAL RISK AND CONTROL SELF-ASSESSMENT (RCSA) FOR BUSINESS PROCESSES**

**LBP RESOURCES & DEVELOPMENT CORPORATION**

(Name of Department/Office)

For the Year 2014

Mega Process		Resource Management																	
Major Process		Operations Support - Other Banking Operations Support																	
Sub-Process																			
A. RISK IDENTIFICATION						B. RISK ASSESSMENT													
RISK REFERENCE	RISK	RISK DRIVER (Causes of Risk)	BASEL II RISK EVENT CATEGORIES			RISK ASSESSMENT OF INHERENT LOSS				ASSESSMENT OF CONTROL						RISK MEASUREMENT			
			LEVEL I	LEVEL II	LEVEL III	INHERENT LOSS (Absolute Amount in Peso)	BASIS OF COMPUTATION (e.g., actual loss, penalties/sanctions, cost of recovery, overtime pay/additional manhours, opportunity loss, etc.)	IMPACT		EXISTING CONTROLS	CONTROL ADEQUACY		HISTORICAL FREQUENCY		PROBABILITY (Control Score x Historical Frequency Score)		RISK SCORE (Impact Score x Probability Level)	RISK WEIGHT	POTENTIAL LOSS (Inherent Loss X Risk Weight)
								Level	Score		Description	Score	Frequency of Occurrence	Score	Score	Level			
<b>Activity 1. Brokering and Property Management Services</b>																			
	Business Continuity Planning	Conivance with third-party service provider (overcharging, short delivery, etc.)	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Other task misperformance	1,000,000.00	net commission target for	Very Low	1	Approved manual on brokering transactions/operations implemented strictly	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	Client Relationship Management	Unprofessional manner of delivering services to clients	Clients Products and Business Practice	Improper Business or Market Practices	Improper trade or market practice	100,000.00	opportunity loss - salary of	Very Low	1		Moderate Control in Place	3	0 Event in a Year	1	3	2	2	0%	-
	Contract	Falsification of documents (fake/fraudulent documentary requirements)	Internal Fraud	Unauthorized Activity	Transaction type unauthorized_with monetary loss	500,000.00	cost of recovery - legal docu	Very Low	1	Contracts are reviewed by the Legal Counsel before finalized and signed by the authorized officers	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	Fraud	Acceptance of bribe or extortion	External Fraud	Fraud and Theft	Bribes or kickbacks_external	100,000.00	cost of recovery - legal docu	Very Low	1	"No Gift Policy" strictly implemented	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	Employee Communication	Lost/stolen Bank's documents in transit (e.g. TCT, CCT, etc)	Employment Practices and Workplace Safety	Employee Relations	Compensation benefit termination issues	100,000.00	cost of recovery and manhr	Very Low	1	Strict implementation of company policy on communication	Completely Under Control	1	0 Event in a Year	1	1	1	1	0%	-
	Marketing	No clear policy on escalation process on unauthorized transactions	Execution Delivery and Process Management	Trade Counterparties	Nonclient counterparty misperformance	1,000,000.00	opportunity loss, manhours	Very Low	1	Marketing offers/pricing for review by the President and approval by the Board	Completely Under Control	1	0 Event in a Year	1	1	1	1	0%	-
<b>Activity 2. Housekeeping, Sanitation, Manpower and Maintenance Services</b>																			
	Competition	Conivance with third-party service provider (overcharging, short delivery, etc.)	External Fraud	Fraud and Theft	Forgery_external	1,000,000.00	cost of legal process/invest	Very Low	1	Strict compliance with DOLE 18-A and other government rules and regulations	Moderate Control in Place	3	0 Event in a Year	1	3	2	2	0%	-
	Contract	Falsification of documents (fake/fraudulent documentary requirements)	Internal Fraud	Unauthorized Activity	Transactions not reported_intentional	100,000.00	cost of legal process/ invest	Very Low	1	Contracts are reviewed by the Legal Counsel before finalized and signed by the authorized officers	Completely Under Control	1	0 Event in a Year	1	1	1	1	0%	-
	Ethics	Abuse of authority	Employment Practices and Workplace Safety	Employee Relations	Organized labor activities	100,000.00		Very Low	1	Code of Conduct strictly implemented	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	Employee Communication	Criminal modus operandi by an impostor (e.g. "Salisi")	Execution Delivery and Process Management	Transaction Capture Execution and Maintenance	Miscommunication	100,000.00		Very Low	1	Strict implementation of company policy on communication	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	Marketing	No clear policy on escalation process on unauthorized transactions	Clients Products and Business Practice	Improper Business or Market Practices	Improper trade or market practice	100,000.00	opportunity loss, manhours	Very Low	1	Strict implementation of company policy on communication	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	Organizational Structure	Abuse of authority	Employment Practices and Workplace Safety	Employee Relations	Compensation benefit termination issues	100,000.00		Very Low	1	Regular review of the existing organizational structure.	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
	People Development & Performance	Negligence of Bank employees in performing their duties and responsibilities (non-remittance/non-recording of loan payment, non-remittance of government collections)	Employment Practices and Workplace Safety	Employee Relations	Organized labor activities	100,000.00		Very Low	1	Performance Worksheet and Accomplishment Report (PWAR) and Officers Performance and Accomplishment Report (OPAR) being conducted semestral and annual, respectively	Tight Control in Place	2	0 Event in a Year	1	2	2	2	0%	-
<b>Activity 3.</b>																			
<b>Activity 4.</b>																			

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								Level	Score		Description	Score	Frequency of Occurrence	Score	Score	Level			
Activity 5.																			
Activity 6.																			
Activity 7.																			
Activity 8.																			
Activity 9.																			
Activity 10.																			

<b>SUMMARY</b>	
Total Inherent Loss	Php4,400,000.00
Total Potential Loss	Php0.00
Overall Risk Level for Process Risk	Very Low

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 Reviewed by: \_\_\_\_\_