

PAGCOR RISK REGISTER

As of December 31, 2015

Risk Assessment Reference No.	Risk Owner	INHERENT RISKS				Existing Controls	Control Effectiveness	Residual Risk	Risk Response	Action Plan
		Identified Risk	Consequence Score	Likelihood Score	Significance					
SLOT MACHINE DEPT (SMD)	SMD/GSED	External Power Shutdown/Fluctuations /Transients which may result to loss of income	3	3	9	Strict coordination with Power supply provider regarding schedule of power	Working	UPS failure due to inadequate preventive maintenance	TREAT	There are 22 PAGCOR operated sites. Fourteen (14) or 64% of the total sites are now UPS equipped with 5 sites to undergo repair (Pavillion, Binondo, Davao, Ronquillo & Madison) Parkmall & Bacolod resumed UPS normal operation, 100% machine coverage, early this year. Of the remaining 36% or 8 sites, 5 have determined their UPS budget (Tag, Citystate, Mac, Tagum & Iligan) but are still waiting for Board approval. Angeles UPS installation is ongoing while Mimosa and Isla are still for evaluation.
						Immediately operate back-up generator	Working			
						Installation of back-up generators & AVRs; Periodic machine memory battery check	Working			
GAMING DEPT (GD)	Branch Management	Error in the cancellation of Playing cards since cutting/cancellation of cards are done manually which may lead to wastage	3	3	9	Board approved guidelines/procedures in the cancellation of playing cards are in place.			Procedural deviations are meted with corresponding sanctions	The Automation of the playing card inventory system is currently being planned by GD, ITD and Symbol Science (outsourced company)
						A designated gaming personnel is in-charge to carry out card-related transactions in the branch/SOG			Constant monitoring of playing cards inventory as reflected in GD-required regular reports and spot checking	
PROCUREMENT & PROPERTY DEPT (PPD)	Asst. Vice President, PPD/SPPOs	Insufficient suppliers - not enough suppliers are registered in the pool which may hamper supply and delivery of goods	3	2	6	Implement centralization of suppliers' registry	working	Despite existing controls to increase potential suppliers, their participation in PAGCOR's procurement projects may be dependent on the ff. factors: (1) Availability of items in the market; (2) Import rules & regulations; (3) Documents required by RA9184 that cannot be eliminated by PAGCOR.	TREAT	Enhance the Suppliers Monitoring System to include categorization of suppliers' based on their product/services offered, 30-day automatic notification to suppliers prior to expiration of documents. Invite prospective suppliers utilizing Philippine Government Electronic Procurement System (PhilGEPS) registry. Devise new checklist of requirements based on AD and IAD memorandum dated Jan 14, 2016 re: document requirements on specific disbursement for processing of payment that would aid in the expeditious processing of Request for Payment (RFP), checklist from AD/IAD, PPD performs the following.
						Expand suppliers' pool and implement confidence-building measures for existing registry of suppliers	working			
						Streamlined the documentary requirements for inclusion in the PAGCOR registry of suppliers	working			
						Improve/expedite processing of payment to suppliers	working			

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SLOT MACHINE DEPT (SMD)	SMD/ITD/GSED/Service Provider	Systems Server Failure due to power supply related issue which may interrupt operations	2	2	4	Regular back-up of data from server	Working	Breakdown of both main server and back-up server	TREAT	Service Level Agreement between PAGCOR and GAMA already approved last August 2015 and being implemented. Maintain the SMCRS as a contingency measure.
						Request for a back-up server that can be assessed by PAGCOR IT personnel	Working			
						Preparation of Disaster Management Plan that the branches can follow in the event of a systems breakdown	Working			
						Maintain the SMCRS as a contingency measure	Working			
SECURITY DEPT (SD)	AVP	Pullout of PSA Guards/None availability of external security manpower	2	2	4	The BOD in its meeting held on Oct 22, 2013 directed that all procurement activities for renewal of contracts must be initiated at least one year prior to expiration of existing contracts. This is also to ensure compliance with RA9184 and all other government procurement laws by Dec 31, 2012	Working	In the event that the existing PSA contract expires and the public bidding resulted to failure of Bidding , and if the host or branch concerned needs financial requirements or more than 5M the consequence score remains.	TREAT	Dedicate time to complete the bidding process before the service contract expires/end. Proper planning. Strict compliance to RA 9184.
GENERAL SERVICES & ENGINEERING DEPT (GSED)	SGSO, SM, BAU, AVP	Serious fire incident at PAGCOR House, and/or occurrence of high intensity earthquake, resulting in destruction of property, injury or loss of life	3	1	3	PAGCOR has all-risk insurance coverage which covers fire, and renewed yearly with GSIS	Working	Should a fire occur in an adjacent building, there is a possibility that it would cross over to PAGCOR House	AVOID	Status quo on the proposed GSIS Movable Comprehensive Insurance coverage because of cost implications as discussed during the last ARMC meeting. GSED to continue updating the insurance coverage whenever major assets, which are considered fast moving, e.g. slot machines, CCTV, computers, are moved/transferred from one location to another. Memo circular was issued to the branches/SOGs reiterating previous advice/s to report immediately to the Property Unit (now under PPD) any substantial change in the inventory of assets and consumables so that necessary adjustment/s on insurance coverage may be affected.
						<ul style="list-style-type: none"> * A reaction Team has been created to respond to emergency situation that maybe brought about by fire/earthquake. *The Disaster Risk Reduction Management Committee (DRRMC) has been created to formulate contingency plans to help mitigate disaster consequences. *Yearly fire and earthquake drills are conducted by Security Dept to educate the employees on the proper evacuation scheme in case of fire/earthquake. 	Working			
						Fire safety equipment are in place, e.g. fire extinguishers, fire hose cabinets, smoke detectors and stand pipes in both locations. The stand pipes are being tested regularly.	Working			

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BINGO DEPARTMENT (BD)	BD	Insufficient bingo supplies (bingo cards & other paraphernalia) which may impede bingo operations	3	1	3	Centralization of procurement of bingo supplies and other paraphernalia. Branches are required to submit monthly report on inventory of bingo supplies and other paraphernalia.	Working	Lack of enough number of suppliers may lead to failure of procurement process	ACCEPT	Ensure provision of sufficient inventory of bingo supplies and other paraphernalia to CF branches through efficient inventory management procedures.
GENERAL SERVICES & ENGINEERING DEPT (GSED)	SM, FRWU; AVP	Failure to meet delivery schedule of fabricated gaming furniture could result to loss of income of PAGCOR	2	1	2	Avoid occurrences of risk for voluminous items; Coordinate early and closely with end-users and PPD.	Working		AVOID	Branches/satellites are made aware of the lead time necessary for fabrication of gaming furniture; FRWU has spare gaming furniture for immediate refurbishing and issuance; GSED to maintain enough raw materials needed for immediate fabrication.