

Agency: NATIONAL TOBACCO ADMINISTRATION  
 Document Title: RISKS AND OPPORTUNITIES IDENTIFICATION  
 Document Number: RMP - 03 Revision: 0  
 Date: July 2, 2018

CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
A-1	Natural Event	Earthquake	NTA Central Office and Branch Office buildings are not retrofitted to withstand strong earthquake	Multiple fatalities or permanent damage to multiple people.	Opportunity to: - review structural integrity / safety provisions in the workplace; - upgrade facilities, as necessary; - conduct risk preparedness activities for all employees	- Structural integrity of CO Bldg to be conducted by 3rd party; - In case of unfavorable findings, immediate transfer of employees to other facilities / venue; - Request DBM for funding of construction of new building	Top Management	- Structural integrity output by 3rd party submitted to DPWH for review and approval; - Request for funding the construction of new building in the pipeline; - Affected CO personnel transfer to spaces outside CO bldg on-going.
B-5	Internal Threats	Fraud / Malversation of funds	Undeposited collections by cashiers and other authorized collecting officers; Collections deposited but not complete and inaccurate documentation	Unremitted collections will result to losses/possible non-recovery of cash, will decrease Asset account; impact on Agency reputation	Opportunity to: - monitor officers with money accountability; - strengthen current controls for cash handling; - conduct periodic cash counts; - train accountable personnel on cash management and accountability, values orientation, etc.	- Conduct of cash counts; - Coordination and scheduling by ASD for accountability trainings of accountable officers	Finance Manager; Branch Manager Administrative Manager	- Trainings of cashiers by schedule and prioritization by ASD
C-2	Information Technology Failure	Unreliable databases	Constant changes in the profile of farmers, including area, and failure to update the same	Unreliable information yield unreliable reports upon which decision-making will be based	Opportunity to: - upgrade and / or update database	- Updating by MISD of farmers database, in coordination with Branch Offices	MISD Chief Branch Managers	- Updating and continuous registration on-going; -Data entry by BO for new farmers



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
C-3	Information Technology Failure	Corruption of data / absence of off-site back-up system	Outdated IT infrastructure due to limited budget	Loss of vital information necessary for decision-making resulting to disruption of service; damage to corporate reputation	Opportunity to: - Update file maintenance systems by Department - Update central data maintenance system at MISD	- Departments and units concerned to implement individual back-up of files	Department Managers All personnel	For reiteration
D-1	Physical Damage	Fire	NTA Central/Branch Office buildings and other facilities exposed to fire hazards; presence of combustible materials in office premises; staff/personnel not prepared or trained on fire prevention	Fire occurring during office hours may result to fatalities and injuries, and loss of records/documents; fire at night, Saturday/Sunday will result to loss of data, records and documents	Opportunity to: - train personnel on risk reduction and mitigation; and disaster preparedness - monitor facilities and surroundings for presence of fire hazards - train and designate personnel responsible for proper maintenance and/or disposal of chemicals and other combustible materials	- Assess and evaluate storage system for chemicals and other combustible materials; - Implement NTA Disaster Plan for Fire, identification of documents/ records and other properties for prioritization in evacuation	Administrative Dept Manager Department Managers Building Foreman	For reiteration and implementation of the NTA Disaster Preparedness Plan
			Tobacco flue-curing barns susceptible to fire; tobacco farmers lack of awareness on proper curing procedures	Fire during tobacco curing process will result to partial damage or total loss of flue-cured tobacco	Opportunity to: - train farmers on proper curing procedures - train farmers on risk and disaster preparedness	- Include in Farmers' Orientation seminars proper curing procedures; - Include in module mitigation measures	DA for Operations FTSD Manager Branch Managers	For implementation



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
			Susceptibility to pile-burn of tobacco dust product	Fire caused by pile-burn of tobacco dust products will result to total or partial loss of raw materials and finished products, will result to stoppage of plant operations, and commitment to distributors will not be met, hence lost market opportunity.	Opportunity to: - maintain a stockpiling system and procedure; - monitor dates of stockpiles for re-piling - upgrade and/or maintain fire-fighting equipment	- Implementation of periodic re-piling of finished products to prevent pile burn	TDPP Project Manager Administrative Manager	For reiteration
E-4	External Threats/ Stakeholders	Shift to other crops	Lack of information and dissemination campaign for tobacco production.	Reduced tobacco area will result to reduced volume, therefore lower R&R fees; will also impact on the relevance of the NTA as a GOCC	Opportunity to: - coordinate with LGU for info dissemination efforts focusing on LGU share from RA7171 funds - improve and expand coverage and assistance to retain tobacco farmers	- Study possibility of providing more assistance to tobacco farmers; - Research studies on reducing cost of production	DA for Operations FTSD Manager IRD Manager Branch Managers	- Continuing RD - continuing technology updating
E-10	External Threats/ Stakeholders	Non-harmonized tobacco grading system	Incompatibility of NTA and private sector/buyers' grading system	Confusion in grading system will result to farmers' dissatisfaction, which may invite interest of concerned political figures, that may impact on NTA image	Opportunity to: - review and adopt a more acceptable and relevant grading system; - coordinate with private sector for a more unified grading system	- Coordinate with the concerned buyer sector for continuing review of grading system; - Train NTA graders on new grading to be implemented	DA for Operations IRD Manager RD Manager	Grading system on-going harmonization; Tobacco graders on-going training



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
A-2	Natural Event	Flood / La Nina / Typhoon/ Freak rains	Lack / absence of monitoring of weather/climatic forecasts	Typhoon or strong prolonged rain will result to flooding of farm areas, leading to crop damage, low yield, low income for farmers, therefore low or non-payment of production assistance.	Opportunity to: - conduct regular weather monitoring; - undertake periodic weather updating announcements	- Coordinate and/or monitor PAGASA announcements - Broadcast via OMT impending weather disturbances that may affect farming activities - Undertake risk and disaster preparedness and mitigation trainings to farmers - Designate disaster/risk focal person per Branch	FTSD Manager Branch Managers	For reiteration and /or strengthening of current controls
A-3	Natural Event	Drought / El Nino / extreme hot condition	Lack / absence of monitoring of weather/climatic forecasts	Tobacco: Stunted growth to crops resulting to low yield and/ or poor quality of tobacco, hence low income for tobacco farmers; Rice: Delayed/no planting in rain-fed areas will affect collection efficiency	Opportunity to: - conduct regular weather monitoring; - undertake periodic weather updating announcements	- Coordinate and/or monitor PAGASA announcements - Broadcast via OMT impending weather disturbances that may affect farming activities - Undertake risk and disaster preparedness and mitigation trainings to farmers - Designate disaster/risk focal person per Branch	FTSD Manager Branch Managers	For reiteration and /or strengthening of current controls
B-2	Internal Threats	Plant machinery & equipment bog-down	Repair and maintenance plan/s not implemented	Disruption in operations resulting to production targets not met; Lost market opportunities; low sales, therefore low income will impact on relevance as a GOCC	Opportunity to: - conduct regular maintenance checks for all machineries and equipment;	- Regular check-up of plant machinery and equipment; - Maintain equipment maintenance plan	TDPPPProject Manager AgriPinoy Project Manager	Continuing checks implemented
B-4	Internal Threats	Payroll fund theft	Payroll fund withdrawals / deliveries' exposure to road hazards	Possible damage to assets / risk to life of cashiers; delay in payment of salaries of employees resulting to unmet basic needs and dissatisfaction	Opportunity to: - use available technology for payroll system (ATM)	- Coordinate with government banks for possible servicing of NTA payroll system	Finance Manager	On-going exploratory talks with government banks for CO ATM service



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
B-8	Internal Threats	Disclosure	Unauthorized release of vital information and data; Release of unvalidated / erroneous reports/data to oversight bodies	Unvalidated / erroneous reports/information leaked/submitted to outside parties will damage corporate reputation.	Opportunity to: - review and strengthen controls on information / reports dissemination procedures	- Designate clearing house for reports issuances per Department/Branch; - Implement centralized approval mechanisms	Department Managers PR Officer	- On-going implementation of FOI provisions
C-1	Information Technology Failure	Network failure / slow or no internet connection / system downtime	Power failure / improper shutdowns / unexpected disconnection	Unexpected shutdown of connection will result to delays in submission of vital reports, may delay decision-making and efficient delivery of	Opportunity to: - Upgrade present internet connectivity	- Review present internet capability and coverage and upgrade, as necessary; - maintain back-up connectivity (mobile internet gadgets per Department)	Corplan Manager MISD - ITO IV	On-going review by MISD
C-4	Information Technology Failure	Tampering / Unauthorized access to vital information systems	Information systems not full-proof secured	Alterations/revisions to database/information as a result of unauthorized access will yield inaccurate and unvalidated reports, decision-making not based on validated information, damage to corporate reputation	Opportunity to: - review and strengthen access protocols	- Implement regular password changes	Corplan Manager MISD Chief IS administrators	On-going review by MISD
D-2	Physical Damage	Motor vehicle accidents	Motor vehicles not road-worthy	Reversible injuries or moderate irreversible damage or impairment to one or more persons; loss of life; suspension of mobility and delivery of service.	Opportunity to: - evaluate and assess roadworthiness of vehicles and undertake repairs and maintenance, as necessary	- Review Vehicle Maintenance Plan - Undertake vehicle maintenance, as necessary - Implement periodic maintenance checks - Instruct Drivers to report immediately all incidents involving motor vehicles, for appropriate action	Administrative Dept Manager GSPD	For review of Vehicle Maintenance Plan and continuing implementation



CURRENT RISKS					OPPORTUNITIES				
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status	
E-1	External Threats/ Stakeholders	Inputs inavailability/ inaccessibility due to high cost	Lack/Absence of forward estimates on inputs availability and price forecasting	Use of low quality/non-recommended inputs will expose crop to pests and diseases, resulting to poor crop stand, low yield and low income, resulting to low collection efficiency	Opportunity to: - review system and procedures on inputs provision; - research for alternative inputs that are acceptable for tobacco production; - strengthen R&D for low input - high yield tobacco varieties - coordinate with private sector for other sources of inputs	- conduct regular market review for availability of inputs in the market - early forecast and study of inputs sources	FTSD Manager Branch Managers	Continuing market sensing being implemented	
E-3	External Threats/ Stakeholders	Deteriorating values of farmer-cooperators	Absence of recruitment screening guidelines and policies; lack of monitoring of project implementation	Non-attainment of project objectives; Reputational issues like lack of regular monitoring of farmers and education and info campaign on project implementation	Opportunity to: - evaluate FC performance - recruit potential / new farmers	- Conduct of orientation seminars prior to tobacco planting season, to include information on FC responsibilities; - Regular monitoring of FC activities and performance - Identification of poor performing farmers (re production assistance payments, adherence to production technology, compliance to trading rules, etc) for non-inclusion/ blacklisting in future projects	FTSD Manager Branch Managers	Orientation seminars regularly being conducted, prior to planting and trading seasons	



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
E-6	External Threats/ Stakeholders	Enforcement of total log ban	Lack of coordination with LGU and/or DENR; lack of information on national/local policies, rules and regulations	If project areas become affected by log ban ordinances during project implementation, trees grown will not be cut/fell-down, resulting to non-payment by FC of production assistance, resulting to low collection efficiency. Non-collection will result to depletion of KPP funds	Opportunity to: - Coordinate with LGUs and / or DENR for project implementation;	- Identification of areas not covered by municipal resolutions; - Coordinate with concerned Agencies for smooth project implementation;	FTSD Manager Branch Managers	On-going review of KPP Project
E-7	External Threats/ Stakeholders	Non-compliance to tobacco trading rules and regulations	Unmonitored incidents of down-grading and/or buying below the set floor prices	Unsettled disputes on grading and pricing will result to farmers' dissatisfaction, which may invite interest of concerned political figures, that may impact on NTA image	Opportunity to: - conduct more frequent monitoring of trading operations; - conduct dialogues with FCs on trading issues	- Regular monitoring of national and provincial trading teams; - outright / immediate actions taken on complaints and other trading concerns	Regulation Department Manager Branch Managers	Continuing implementation
E-8	External Threats/ Stakeholders	Unauthorized / unprecedented stoppage of buying operations for locally-grown tobacco	Unauthorized stop-buying of tobacco by trading centers/ buyers before/during trading season	Will result to lower buying prices of tobacco leaf, resulting to lower income, inability to pay production assistance, low collection efficiency of NTA	Opportunity to: - study possibility of NTA buying tobacco produce of farmers; - coordinate with private sector / buyers for future tobacco volume requirements	- Coordinate with private sector / buyers for early determination of actual volume requirements	Regulation Department Manager Branch Managers	For discussion with top management



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
E-9	External Threats/ Stakeholders	Proliferation of informal/ unregistered traders/buyers	Inability to monitor tobacco buying by unlicensed buyers of tobacco	Dissatisfaction of licensed tobacco buyers; impact of NTA image on inability to monitor trading operations	Opportunity to: - update buyers list/ registry; - improve registration system and procedures	- Coordinate with Branch Offices for possible presence of unregistered traders; - Identification of and imposition of sanctions, as necessary; - Close monitoring of trading operations	Regulation Department Manager Branch Managers	For implementation
B-3	Internal Threats	Theft / Unauthorized entry	Security measures faltering	Loss of property and/or endangerment of personnel	Opportunity to: - review security system in NTA premises and facilities; - evaluate performance of out-sourced security provider	- Review security provisions and access (entry-egress) procedures in all NTA facilities; - Require security personnel to submit regular reports to Management; - Provision of CCTV as necessary - Strict implementation of security measures	Administrative Manager Branch Managers	For review of security provider performance
B-6	Internal Threats	Sabotage / deliberate destruction of vital files/documents	Unaddressed employee dissatisfaction / grievances	Loss of documents vital to the efficient delivery of service will result to unattainment of objectives, disruption of service.	Opportunity to: - Review and improve file management systems - Address personnel concerns	- Instruct all concerned to review and improve file management systems; - Maintenance of off-site back-up files; - Conduct of regular employee wellness activities to address dissatisfaction, if any; - Constant supervisor-staff meetings/discussions, to address both professional and personal concerns affecting performance	Administrative Manager Department Managers Branch Managers HRMOs	For implementation
B-7	Internal Threats	Absenteeism / AWOL / Behavioral	Lack of / absence of a regular/ periodic monitoring of personnel work satisfaction / motivation level	Employees dissatisfied or not challenged at present job may lead to absenteeism, which will result to disrupted delivery of service and unattained objectives	Opportunity to: - Evaluate employee performance and address issues affecting performance of duties	- Conduct of regular employee wellness activities to address dissatisfaction, if any; - Constant supervisor-staff meetings/discussions, to address both professional and personal concerns affecting performance; - Close monitoring of staff performance	Administrative Manager Department Managers Branch Managers HRMOs	For implementation



CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
E-5	External Threats/ Stakeholders	Contested land ownership of project area	Lack of / Non-validation of project areas, including ownership, by branch implementers	If project areas are contested as to ownership, trees grown will not be cut/fell-down, resulting to non-payment by FC of production assistance, resulting to low collection efficiency. Non-collection will result to depletion of KPP funds	Opportunity to: - review project implementation guidelines - coordinate with concerned Agencies for smooth project implementation	- Identification of FC-beneficiaries with land ownership issues; - Preparation of separate MOA/MOU with land owners of project areas - Review Project guidelines	FTSD Manager Branch Managers	For implementation
E-11	External Threats/ Stakeholders	Unpredictable demand for tobacco, both in the local and global markets	Lack of / absence of information on international and local tobacco market profile, demand and supply forecasts	Changes in international and local demands for tobacco will significantly impact on tobacco production requirements, supply, price. Stakeholder requirements not met and marketing issues not addressed will result to reputational and image issues.	Opportunity to: - Strengthen coordination with private sector for demand forecasting	- Conduct market studies on tobacco and tobacco products demand / trends; - Prepare market analysis and forecasts; - Coordinate with private sector for information-sharing on tobacco market demands, etc	FTSD Manager IRD Manager Regulation Manager Branch Managers	For continuing review and implementation
B-1	Internal Threats	Facility / Equipment Damage	Repair and maintenance plan/s not implemented	Disruption / Delay in delivery of service	Opportunity to: - evaluate / assess facility and equipment usage and maintenance; - upgrade present resources, as necessary	- Evaluate present equipment and facilities capability / useful life, etc - Prepare and implement Equipment / Facility Maintenance Plan; - Dispose unusable equipment and upgrade, as necessary	Administrative Dept Manager GSPD Branch Managers	For continuing review and implementation

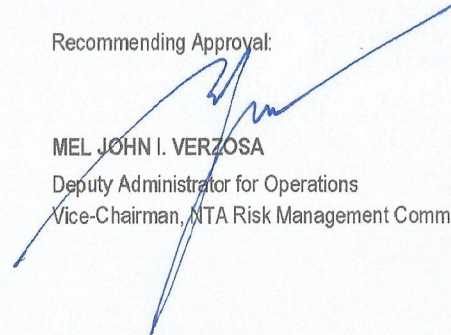


CURRENT RISKS					OPPORTUNITIES			
Risk ID	Hazard type	Hazard Sub-type	Vulnerability	Impact Description	Opportunities created by the Risk	Action Plan	Responsible Person/s	Status
E-2	External Threats/ Stakeholders	Death/incapacity of farmer-cooperator during project implementation	Lack of monitoring of project implementation	Non-replacement of incapacitated farmer beneficiary will decrease tobacco production volume will result to lower R&R fees	Opportunity to: - review Project guidelines to address the same	- Maintenance of list of potential areas and recruits for possible replacements	FTSD Manager Branch Managers	For continuing review and implementation
E-12	External Threats/ Stakeholders	Contractor delay/ abandonment of infrastructure projects and/or service contracts	Lack of / absence of rigid screening of contractors/ suppliers/ service providers	Inefficiency of contractor may cause work delay/stoppage of infrastructure projects, will result to additional expenses/costs, delay in delivery of service and/or unattainment of objectives	Opportunity to: - review suppliers' / contractors' / outsourced service providers' performance; - change service providers, as necessary	- closely monitor supplier performance and review track records; - maintenance of supplier profiling and rating system, as basis for future actions	BAC Administrative Department Supply Officer	For implementation

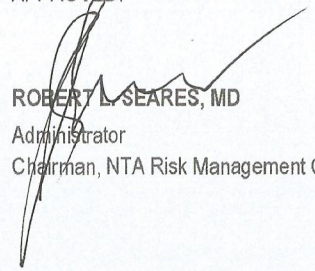
Prepared by:

  
**DINAH E. PICHAY**  
 Department Manager III  
 Internal Audit Service

Recommending Approval:

  
**MEL JOHN I. VERZOSA**  
 Deputy Administrator for Operations  
 Vice-Chairman, NTA Risk Management Committee

APPROVED:

  
**ROBERT L. SEARES, MD**  
 Administrator  
 Chairman, NTA Risk Management Committee