

MATERIAL RISKS AND MEASURES UNDERTAKEN TO MANAGE RISKS IN THE FINANCIAL AND OPERATIONAL MATTERS OF SRA

Financial risks of the Sugar Regulatory Administration (SRA) involves delayed remittances of collections by SRA collecting officers and the sugar mills and delayed liquidation of cash advances by SRA personnel and NGOs. Such risks were managed by requiring the sugar mills that all fees and liens should be in the form of checks and can be deposited directly to the SRA account with the Landbank of the Philippines and penalties and sanctions were imposed to SRA collecting officers who did not remit the collection or did not enforce the collection within a specified period of time. Likewise, delinquent sugar mills cannot renew their licenses to operate or their sugar quedans will not be signed by SRA regulation officers, thus, rendering it non-marketable resulting to opportunity lost in marketing their sugar and delinquent NGOs will be least priority on any future financial assistance from SRA.

Operational risks are centered on the delivery of right policies for the sugarcane industry and accurate statistical updates to the stakeholders, lack of manpower to deliver regulatory and extension services and delayed or inefficient implementation of programs and services, and inaccurate crop estimation which is used by the governing board in its policy decisions. Risks on the delivery of right policies to the stakeholders were addressed through consultations with the stakeholders of major industry policies prior to promulgation and approval by the Sugar Board so that the opinions of all concerned were taken into account and all provisions of the policies were clearly understood and smoothly implemented by the stakeholders and enforced by SRA. Risks on the delivery of right statistical updates were managed through weekly uploading of such updates in the SRA website and the sugar monitoring systems were automated to ensure timely delivery of industry data in a more accurate manner.

The risks on the lack of manpower for the delivery of extension services to the farmers were addressed by SRA through the hiring of 100 additional agriculturists in all sugar milling districts nationwide through job orders to assist the SRA Mill District Officers (MDOs) in extending services to the sugarcane farmers, in organizing, validating, profiling and rendering technical assistance to sugarcane block farms and surveying sugarcane farms and farmers to complete the digitized mapping of all sugarcane fields. Inaccurate crop estimation was addressed through the digitization of sugarcane fields and hiring of field surveyors and GIS specialists to do the farm surveys and digitization of maps, in addition to the 100 hired agriculturists. The digitized maps will be populated by the results of the farm surveys and will be updated and ground validated every crop year to obtain a reliable crop estimation data that will be submitted to the Sugar Board as basis for sugar

production allocation policies and sugar supply assessments from time to time. Likewise, manpower for the monitoring of sugar shipments, whether coastwise, imports or exports and surveillance for the entry of smuggled sugar were implemented through the hiring of additional monitoring officers on a job order basis and linking its activities with the Bureau of Customs and the private sector arm who is also doing surveillance work on illegal entries of sugar into the country.

Efficient and effective implementation of SRA programs and projects were managed through close monitoring of implemented projects either by SRA units or through people's organizations by the SRA project monitoring and evaluation team which is a separate department from the operating units and projects were assessed as to their success and effectiveness through the Internal Audit unit of SRA.