

# **NATIONAL FOOD AUTHORITY**

Philippine Sugar Center Bldg., North Avenue, Diliman, Quezon City  
Tel. No. (02) 981-3800 to 30  
Website: <http://www.nfa.gov.ph>

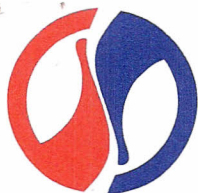
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## **OFFICE OF THE COUNCIL SECRETARIAT**

### **TERMS OF REFERENCE Executive Committee of the NFA Council**

The creation of the Executive Committee will allow the NFA Council to effectively utilize the expertise of its Members. Through the Executive Committee, the proper understanding and resolution of issues, and the proper handling of all other concerns affecting the National Food Authority, will be ensured. An active and working Executive Committee will enable the Council Members to efficiently manage their time.

1. The Chairperson of the Council and the NFA Administrator shall be the permanent officers of the Executive Committee. Three other members shall be called upon by the Chairperson depending on the agenda where their line of interest and expertise are required.
2. The Executive Committee shall report to the entire Council as a collegial body.
3. The Executive Committee shall at least once every calendar year and as the need arises. The minutes of the meeting shall be circulated to all Council Members.
4. The Executive Committee shall review and/or recommend matters that the Council wanted to be validated further before they are taken up for decision by the NFA Council such as:
  - (a) Filing of vacancies on the Council or in the Executive Committee.
  - (b) Proposed amendments or repeal of the NFA Charter or the adoption of new policies.
  - (c) Amendment or repeal of any resolution of the Council which by its express terms cannot be amended or subject to repeal; and
  - (d) Exercise of powers delegated by the Council exclusively to other committees.
5. The existence of the Executive Committee shall not excuse the Council of its collective responsibility for all matters that are within the primary responsibility and accountability of the Council.



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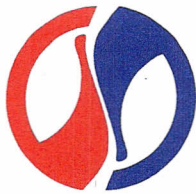
### **TERMS OF REFERENCE Audit and Risk Management Committee**

The creation of the Audit and Risk Management Committee will allow the NFA Council to effectively utilize the expertise of its Members. Through the Audit and Risk Management Committee, the proper understanding and resolution of issues, and the proper handling of all other concerns affecting the National Food Authority, will be ensured. An active and working Audit and Risk Management Committee will enable the Council Members to efficiently manage their time.

1. The Chairperson of the Audit and Risk Management Committee should have audit, accounting or finance background.
2. The Audit and Risk Management Committee shall report to the entire Council as a collegial body.
3. The regular meetings of the Audit and Risk Management Committee will be scheduled on the third Tuesday of the end of every quarter (third Tuesday of March, third Tuesday of June, third Tuesday of September and third Tuesday of December) and as the need arises. The minutes of the meeting shall be circulated to all Council Members.
4. The Committee shall be responsible for the following audit responsibilities:
  - (a) Overseeing, monitoring and evaluating the adequacy and effectiveness of NFA's internal control system, engage and provide oversight of NFA's internal and external auditors, and coordinate with the Commission on Audit (COA);
  - (b) Reviewing and approving audit scope and frequency, the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the NFA Council, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;



- (c) Receiving and reviewing reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
  - (d) Ensuring that internal auditors have free and full access to all of NFA's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communication its results; and
  - (e) Developing a transparent financial management system that will ensure the integrity of internal control activities throughout NFA through a procedures and policies handbook that will be used by the entire organization.
5. The Committee shall be responsible for the following risk management responsibilities:
- (a) Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of NFA, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
  - (b) Developing the Risk Management Policy of NFA, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of NFA, especially at the Council and Management level; and
  - (c) Providing quarterly reporting and updating the Council on key risk management issues as well as ad hoc operating and evaluation on investment proposals.
6. The existence of the Audit and Risk Management Committee shall not excuse the Council of its collective responsibility for all matters that are within the primary responsibility and accountability of the Council.



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## **OFFICE OF THE COUNCIL SECRETARIAT**

### **TERMS OF REFERENCE**

#### **Governance, Nominations and Remunerations Committee**

The creation of the Governance, Nominations and Remunerations Committee will allow the NFA Council to effectively utilize the expertise of its Members. Through the Governance, Nominations and Remunerations Committee, the proper understanding and resolution of issues, and the proper handling of all other concerns affecting the National Food Authority, will be ensured. An active and working Governance, Nominations and Remunerations Committee will enable the Council Members to efficiently manage their time.

1. The Governance, Nominations and Remunerations Committee shall report to the entire Council as a collegial body.
2. The regular meetings of the Governance, Nominations and Remunerations Committee will be scheduled on the third Tuesday of the end of every semester (third Tuesday of June and third Tuesday of December) and as the need arises. The minutes of the meeting shall be circulated to all Council Members.
3. The Committee shall assist the NFA Council Members in fulfilling its corporate governance responsibilities:
  - (a) Overseeing the periodic performance evaluation of the NFA Council and its committees and Management; and also conducting an annual self-evaluation of their performance;
  - (b) Deciding whether or not a Council Member is able to and has been adequately carrying the duties as Council Member bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards;
  - (c) Recommending to the Council regarding the continuing education of Council Members, assignment to Council Committees, succession plan for the Executive Officers and their remuneration commensurate with corporate and individual performance; and

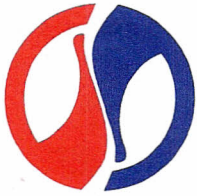


- (d) Recommending the manner by which the Council's performance may be evaluated and proposing an objective performance criteria to be approved by the Council. Such performance indicators shall address how the Council will enhance long-term shareholder value.

4. The Committee shall also be responsible for the following:

- (a) Installing and maintaining a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;
- (b) Reviewing and evaluating the qualifications of all persons nominated to positions in NFA which require appointment by the Council;
- (c) Recommending to the Governance Commission for GOCCs (GCG) nominees for the shortlist in line with NFA's and its subsidiaries' Board or Council composition and succession plan; and
- (d) Developing recommendations to the Governance Commission for GOCCs (GCG) for updating the Compensation Position Classification System (CPCS) and ensuring that the same continues to be consistent with NFA's culture, strategy, control environment, as well as the pertinent laws, rules and regulations.

5. The existence of the Governance, Nominations and Remunerations Committee shall not excuse the Council of its collective responsibility for all matters that are within the primary responsibility and accountability of the Council.



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## **OFFICE OF THE COUNCIL SECRETARIAT**

### **TERMS OF REFERENCE Imports Committee**

The creation of the Imports Committee will allow the NFA Council to effectively utilize the expertise of its Members. Through the Imports Committee, the proper understanding and resolution of issues, and the proper handling of all other concerns affecting the National Food Authority, will be ensured. An active and working Imports Committee will enable the Council Members to efficiently manage their time.

1. The Imports Committee shall report to the entire Council as a collegial body.
2. The meetings of the Imports Committee will be scheduled as the need arises. The minutes of the meeting shall be circulated to all Council Members.
3. The Committee shall serve as a clearing house on matters affecting NFA operations particularly the importation of rice.
4. The existence of the Imports Committee shall not excuse the Council of its collective responsibility for all matters that are within the primary responsibility and accountability of the Council.