



Republic of the Philippines  
**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM**  
Katipunan Road, Balara, Quezon City 1105, Philippines

Excerpts from the Minutes of the Fifth (5<sup>th</sup>) Regular Board Meeting held on 8 March 2018:

**Resolution No. 2018-043-CO**

(In re: Harmonization of different Board Committees  
under MWSS Manual of Corporate Governance as adopted  
pursuant to GCG MC No. 2012-07 and MWSS By-Laws)

**WHEREAS**, pursuant to Section 16 of GCG Memorandum No. 2012-07 adopted in July 2012, as reiterated and implemented under Section 18 of the MWSS Manual of Corporate Governance dated 3 July 2014, the Board approved, under Resolution No. 2017-007-CO dated 24 February 2017, the reconstitution of different Board Committees, as follows: (a) Executive and Governance Committee (EGC), (b) Concession Monitoring Committee (CMC), (c) Audit and Risk Management Committee (ARMC), and (d) Human Resource Committee (HRC);

**WHEREAS**, these Committees were subsequently reconstituted under Resolution No. 2017-035-CO dated 5 April 2017, Resolution No. 2017-058-CO dated 25 May 2017, and the last was under Resolution No. 2017-075-CO dated 13 July 2017;

**WHEREAS**, the Board observed that Section 7 of the MWSS By-Laws mandates the creation of the following Board Committees: (a) Committee on Business and Finance; (b) Committee on Engineering; (c) Committee on Administration and (d) Committee on Health and Sanitation;

**WHEREAS**, on 8 March 2018 Board meeting, the Board agreed to harmonize the aforementioned Board Committees and their functions as follows:

- (a) the Committee on Health and Sanitation will now be merged/combined with Concession Monitoring Committee (CMC);
- (b) the Committee on Business and Finance and Committee on Engineering will now be merged/combined with Audit and Risk Management Committee (ARMC);
- (c) Committee on Administration will now be merged/combined with Human Resource Committee (HRC);



**WHEREFORE**, for the proper conduct of the business of the System, as favorably endorsed by the Audit and Risk Management Committee (ARMC), on motion made and duly seconded, **RESOLVE**, as it is hereby resolved, to **APPROVE** the harmonized Board Committees and their functions as follows:

**1. Executive and Governance Committee (EGC)–** shall be responsible for the following:

- a) Overseeing the periodic performance evaluation of the Board and its committees and Management and also conducting an annual self-evaluation of their performance;
- b) Deciding whether or not a Trustee is able to and has been adequately carrying out his/her duties as Trustee bearing in mind the Trustee'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 Trustees serve on multiple Boards;
- c) Recommending to the Board regarding the continuing education of the Trustees, assignment to Board committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance;
- d) Recommending the manner by which the Board's performance may be evaluated and proposing an objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder value; and
- e) Act on matters within the competence of the Board as may from time to time be delegated to it.

**2. Concession Monitoring & Health and Sanitation Committee (CMHSC)**  
–shall have the following functions :

- a) Provide overall strategies and direction with regard to proper monitoring, supervision and implementation of the activities and projects of the Concessionaires, in such manner as to ensure that contractual obligations within the framework of the CA are diligently met with utmost consideration for the benefit and welfare of customers;
- b) Provide recommendations to the Board on how to improve regulatory functions of MWSS over its Concessionaires; and
- c) Acts on matters involving water purification, maintenance of sanitary standards, and proper operation of the sewerage system.



**3. Audit & Risk Management, Engineering, Business and Finance Committee (ARMEBFC) - shall be responsible for the following:**

- a) Overseeing, monitoring and evaluating the adequacy and effectiveness of MWSS' internal control system, having oversight function over the latter's internal and external auditors;
- b) Reviewing and approving audit scope and frequency of the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the Executive Committee, cognizant of 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 records, properties and personnel of MWSS 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 communicating its results;
- e) Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the MWSS through a handbook of procedures and policies that will be used by the entire organization;
- f) Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the MWSS, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
- g) Developing the Risk Management Policy of the MWSS, ensuring compliance with the same and that the risk management process and compliance are embedded throughout the operations of the MWSS, especially at the Board and Management levels;
- h) Providing quarterly reports and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals;
- i) Acts on matters requiring technical and engineering knowledge such as project studies or extension of existing works, the acquisition of engineering materials, mechanical, electrical and chemical equipment, and the letting of construction contracts; and



- j) Acts on matters involving rates, receipt and disbursements or expenditures of funds, the incurring of obligations and indebtedness by the System, purchase of supplies and equipment as well as inventory control and sale or encumbrance of property.

4. **Human Resources & Administration Committee (HRAC)** - shall have the following functions:


- (a) Approve all human resources processes, such as, but not limited to:
  - a.1 Recruitment – attracting qualified people to man the various positions at MWSS;
  - a.2 Hiring and Selection – choosing the right candidate for a certain position at MWSS who will add value to the System;
  - a.3 Promotion – establishing the mechanism for elevating to a higher vacant position a deserving employee;
  - a.4 Succession Planning – establishing a plan for a smooth transition of responsibilities in case of retirement of employees ensuring a minimal disruption in operations;
  - a.5 Employee Orientation – providing new employees with the right set of skills and motivation to perform their jobs effectively;
  - a.6 Employee Development – training of employees aimed at improving personal, group or organizational effectiveness;
  - a.7 Performance Assessment and Evaluation – assessing and evaluating employee's performance over a period of time;
- (b) Provide oversight function over matters on human resources covering the processes in Section 19.2.4.
- (c) Develop the Human Resources policies of the System in accordance with the aforementioned human resources functions
- (d) Require the submission of appropriate reports from management regarding Human Resources updates on the System
- (e) Install and maintain 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;
- (f) Review and evaluate the qualifications of all persons nominated to positions in the MWSS which require appointment by the Board;



- (g) Evaluate and recommend to the Board, as the need arises, the hiring of consultants or staff /Contract of Service and the like possessing highly specialized and/or technical skills not available in the current organic manpower complement of MWSS;
- (h) Develops recommendations to the GCG for updating the CPCS and ensuring that the same continues to be consistent with MWSS' culture, strategy, control environment, as well as the pertinent laws, rules and regulations; and
- (i) Acts on matters involving personnel administration, including the design of a personnel program to cover job analysis, the recruitment, placement and training of employees, evaluation of work performance, transfer, promotion, demotion, separation of personnel, wage and salary administration, employee benefits and services and grievance.

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I, the undersigned, hereby certify that the foregoing is a true copy of the resolution adopted by the Board of Trustees of Metropolitan Waterworks and Sewerage System, and spread in the Minutes of a duly constituted meeting of said Board held on 8 March 2018 and confirmed on 12 April 2018.

  
**MA. LOURDES R. NAZ**  
Board Secretary VI