



ENCORE LEASING & FINANCE CORP.
Km. 114 Maharlika Highway Dicarma,
Cabanatuan City 3100

Ref. No.: **ACDIOM2022:0001**

Date: 10 March 2022

TO : ALL PARTNERS

FROM : AUDIT AND COMPLIANCE DEPARTMENT

SUBJECT: **REVISED GUIDELINES ON THE CREATION OF NEW POLICIES AND PROCEDURES**

I. Severity Value of Risk and Assigned Demerit Points

Impact (I)	Likelihood (L)	Severity Value (I x L)
3	1	3

II. Policy

- a. The Company maintains a standard guideline on the creation of new policies and procedures

III. Procedure

- a. Newly created Policies and Procedures shall always contain Five (5) sections: the EXISTING POLICY, the POLICY, the PROCEDURE, JUSTIFICATION and SEVERITY VALUE OF RISK.
- The author/s shall indicate under the EXISTING POLICY/PROCEDURE section the title of any existing policy and procedure which will be superseded by the newly created one. In the absence of such, the author/s shall indicate the word: "None."
 - Under the POLICY section, the author/s shall write the main body and its provisions in NARRATIVE form.
 - Under the PROCEDURE section, the author/s shall provide the steps or process flow of the procedure in bulleted, NARRATIVE FORM. The author/s shall also specify herein, if any, the respective persons responsible for handling a particular step or process.
 - The JUSTIFICATION section shall contain the objective and purpose as to why the Policy and Procedure was created and, if any, the reason for its supersedure of the existing one.
 - The SEVERITY VALUE OF RISK shall be assessed based on the following scale description to determine the impact, likelihood and severity values:

Likelihood	Scale Description
3 Always	Evidence are available that risk will happen very soon probably once a month or more often
2 Likely	Has happened almost regular in industry probably quarterly or once a year
1 Unlikely	Has not occurred in industry or seldomly occured probably once every 3 years

Impact	Scale Description
3 Severe	The risk will cause the objective not to be achieved, causing damage to the organization's reputation.
2 Moderate	The risk will cause some elements of the objective to be delayed or not be achieved, causing potential damage to the organization's reputation.
1 Low	The risk will not substantively impede the achievement of the objective, causing minimal damage to the organization's reputation.

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*Severity Value		Scale Description	New	Recurring
9	High	Violation/deviations to policies and procedures resulted to actual financial loss or even if amount of loss cannot be established but violation/deviation could expose the interest of the company to undue risk or loss.	5	15
8	High	Violation/deviations to policies and procedures resulted to actual financial loss or even if amount of loss cannot be established but violation/deviation could expose the interest of the company to undue risk or loss.	5	15
7	High	Violation/deviations to policies and procedures resulted to actual financial loss or even if amount of loss cannot be established but violation/deviation could expose the interest of the company to undue risk or loss.	5	15
6	Moderate	Violation/deviations to policies and procedures not resulted to actual financial loss but could expose the interest of the company to undue risk or loss, could create opportunities for the commission of fraud or could subject the company to unnecessary expenses and/or losses.	3	9
5	Moderate	Violation/deviations to policies and procedures not resulted to actual financial loss but could expose the interest of the company to undue risk or loss, could create opportunities for the commission of fraud or could subject the company to unnecessary expenses and/or losses.	3	9
4	Moderate	Violation/deviations to policies and procedures not resulted to actual financial loss but could expose the interest of the company to undue risk or loss, could create opportunities for the commission of fraud or could subject the company to unnecessary expenses and/or losses.	3	9
3	Low	Violations/deviations involving marginal departure from prescribed policies and procedures which will not result to financial loss or do not at all expose the company to undue risk of loss	1	3
2	Low	Violations/deviations involving marginal departure from prescribed policies and procedures which will not result to financial loss or do not at all expose the company to undue risk of loss	1	3
1	Low	Violations/deviations involving marginal departure from prescribed policies and procedures which will not result to financial loss or do not at all expose the company to undue risk of loss	1	3

- b. In cases when the created Policy can stand alone without the need for the step-by-step narration of the process flow, E.g., Policy on Office Uniforms, the Existing Policy section, Policy section and the Justification section shall suffice.
- c. The author/s shall submit a complete copy of the Policy and Procedure to the Assistant General Manager for review and approval, after shall recommend the same to the General manager
- d. The General Manager, after review and approval of the Policy and Procedure, shall recommend the same to the advisory Council for final approval.
- e. The Advisory Council shall approve or deny the Policy and Procedure.
- f. The approved or denied Policy and Procedure will then be reverted to the author/s for reference and action.
- g. Once initially approved by Advisory Council Jose I. Cadiz Jr. ("JIC"), the Policy and Procedure shall be returned to the author/proponent;
- h. The author/proponent shall then refer the same to the HR and Admin Department ("HRAD");
- i. HRAD shall scan a copy of the Policy and Procedure;
- j. HRAD shall send a scanned copy to Assistant General Manager via Email;
- k. The Assistant General Manager shall, in turn, Email the scanned copy to Director Parma and shall CC: JIC;
- l. Upon approval of Director Parma, the AGM shall, in turn, email back to HRAD; and
- m. HRAD then forward the approved or denied recommendation to the author/proponent.
- n. If the Policy and Procedure was approved, the author/s shall issue a general memorandum (refer to ANNEX B Template) regarding the new Policy and Procedure, upload the same and the approved hardcopy recommendation be forwarded to HRAD for safekeeping.
- o. In issuing a memorandum on the new Policy and Procedure and uploading the same, the author/s or proponent/s shall use the following codes assigned to their respective departments as their Reference Number:

- | | | |
|------------------------|---|------------------|
| i. Sales and Marketing | - | SMDIOM2021-0001 |
| ii. CI & Collection | - | CICDIOM2021-0001 |
| iii. Loan Operations | - | LODIOM2021-0001 |
| iv. HRAD | - | HRADIOM2021-0001 |
| v. Data Center | - | DCDIOM2021-0001 |
| vi. Finance | - | FDIOM2021-0001 |

for

- | | | |
|----------------------------|---|-----------------|
| vii. Executive Offices | - | EODIOM2021-0001 |
| viii. Audit and Compliance | - | ACDIOM2021-0001 |

p. Reference Numbers should be reset to zero every change of year

Note: This procedure shall be APPLICABLE ONLY to NEWLY CREATED policies and procedures.

ANNEX A - Template for approval

ANNEX B - Existing template of Policy and Procedure for uploading to DMS.

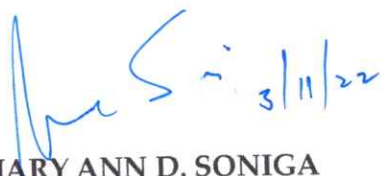
Note: This rescinds HRDIOM2021:0373 – Guideline on the creation of new policies and procedures

For everyone's information and guidance.


SM. ALBERT V. DELA FUENTE
Audit and Compliance Head

Signed:


SM. MARIA ANJELI S. CADIZ-BAENA
Assistant General Manager


SM. MARY ANN D. SONIGA
General Manager

LEASING AND FINANCE CORPORATION

Km. 114 Maharlika Highway, Brgy. Dicarma,
Cabanatuan City 3100

FOR : THE ADVISORY COUNCIL
FROM :
DATE :
SUBJECT :
DEPARTMENT :

In order to properly guide prospective authors, the template for the creation of new policies and procedures is provided below for their reference.

I. Existing Policy/Procedure

HRADDIOM2019:279 or None

II. Policy

Main Content of the policy in NARRATIVE FORM.

1. Subsection (Provisions)

1.1 Subsubsection

1.2 Subsubsection

III. Procedure

- Steps or process flow of the procedure in bulleted, NARRATIVE FORM.
- The author/s shall also specify herein, if any, the respective persons responsible for handling a particular step or process.

IV. Severity Value of Risk and Assigned Demerit Points

Impact (I)	Likelihood (L)	Severity Value (I x L)

V. Justification

- Objective and purpose as to why the Policy and Procedure was created; and
- If any, the reason for its supersedure of the existing one.

Prepared by:

(Author/Proponent)

Recommended by:

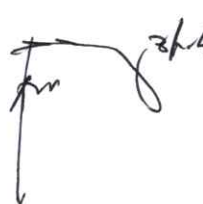
SM – Maria Anjeli S. Cadiz-Baena
Assistant General Manager

SM - Mary Ann D. Soniga
General Manager

Approved by:

Mr. Jose I. Cadiz Jr.
Advisory Council

Mr. Leo Daniel G. Parma
Advisory Council





ENCORE LEASING & FINANCE CORP.
Km. 114 Maharlika Highway Dicarma,
Cabanatuan City 3100

Ref. No. : LODIOM2021:0001	Date: 03 March 2022
TO : ALL PARTNERS	
FROM : LOAN OPERATIONS DEPARTMENT	
SUBJECT :	

I. Severity Value of Risk and Assigned Demerit Points

Impact (I)	Likelihood (L)	Severity Value (I x L)

II. Policy/ Procedure:

For everyone’s information and guidance.

NAME OF PROPONENT
Position

Signed:

SM. MARIA ANJELI S. CADIZ-BAENA
Assistant General Manager

SM. MARY ANN D. SONIGA
General Manager