

## **BOARD AUDIT AND COMPLIANCE COMMITTEE**

### **Major Initiatives and Accomplishments for 2019**

The Board Audit and Compliance Committee convened seven (7) meetings in 2019. Its major initiative and accomplishments for the year are as follows:

#### **INTERNAL AUDIT GROUP**

- A. Discussed and endorsed the following for approval and/or for consideration:
1. Results of Audit on Pondo sa Pagbabago at Pag-Asenso (P3) Program – 6<sup>th</sup> report (19 Partner-MFIs as managed by South Luzon Group)
  2. Results of Financial Statements Review as of 30 June 2018
  3. Audit Plan for CY 2019
  4. Results of Follow-through audit of Financial Statements as of 31 December 2018
  5. Results of Audit on the loan Implementation Process as managed by the South Luzon Group
  6. Results of Accounts Validation in Cagayan and Kalinga Provinces
  7. Results of Account Validation in Bicol Region – South Luzon Group
  8. Results of Branch Audit on North Luzon Group
    - Loan Implementation
    - Collateral Custodianship
    - Loan Collection
    - High Risk Account Management
  9. Consolidated Audit Report on the P3 Program Sub-loan Validation – 2<sup>nd</sup> round
    - Results of Audit on Pondo sa Pagbabago at Pag-Asenso (P3) Program – VG (2<sup>nd</sup> round) (15 partner-MFIs as managed by Visayas Group)
    - Results of Audit on Pondo sa Pagbabago at Pag-Asenso (P3) Program – MG (2<sup>nd</sup> round) (9 partner-MFIs as managed by Mindanao Group)
    - Results of Audit on Pondo sa Pagbabago at Pag-Asenso (P3) Program – NLG (2<sup>nd</sup> round) (12 partner-MFIs as managed by North Luzon Group)
  10. Results of Validation on the Integrity of the Data Processed under PDMS
  11. Results of Financial Statement review as of 31 July 2019
  12. Results of Audit on Cash Management Process
  13. Results of Utilization of P3 Mobilization Fund Review
- B. Discussed the following for information and notation:
1. Annual Report on Internal Audit Activities for CY 2018
  2. Summary of Internal Audit Effectiveness Survey Results for CY 204-2018
  3. Status of Accomplishment of 2019 Audit Plan
  4. Internal Audit Tracking Report
    - As of 13 June 2019
    - As of 22 November 2019

## **OFFICE OF THE CHIEF COMPLIANCE OFFICER**

1. Compliance to Good Governance Conditions, common support to operations (STO) and general administration and support services (GASS)
2. BSP's Comments/Feedback to SBC's Response to the 2017-2018 ROEs
3. Results of Compliance Testing on AMLA-Reported Covered Transactions for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2018
4. Summary of the AMLA-Reported covered transactions and results of the compliance testing on AMLA-Reported Loan Release for the 1<sup>st</sup> quarter of 2019
5. Documentation of the Validation Process of AMLA Reports
6. AMLA Training for SBC Personnel
7. Money Laundering and Terrorism Financing Prevention Program
8. Evaluation of the 2017 Corporate Governance Scorecard (CGS) by the GCG
9. SB Corp Consumer Protection Program
10. Status of Sb Corp's Compliance on 2019 PBB Requirements