

**Republic of the Philippines
Office of the President**

JHMC

JOHN HAY MANAGEMENT CORPORATION
a member of **The BCDA Group**

AUDIT COMMITTEE

REPORT

CY 2019

I. JHMC Board Audit Committee

The Audit Committee has four (4) members, to wit:

Chairperson: Ms. Gloria F. Peralta, CPA

Members: Ms. Charito R. Dulay
Alejandro F. Fernandez, M.D.
Atty. Christian Paul L. Ulpindo

II. Committee Members' Qualification

The Committee shall consist of at least three (3) Directors, whose Chairman should have audit, accounting or finance background.

Chairperson Peralta is a Certified Public Accountant.

III. Committee Members' Responsibilities

The Committee shall be responsible for the following:

1. Overseeing, monitoring and evaluating the adequacy and effectiveness of the GOCC's internal control system, engage and provide oversight of the GOCC's internal and external auditors, and coordinate with the Commission on Audit (COA);
2. Reviewing and approving audit scope and frequency, the annual audit plan, quarterly, semi-annual and annual Financial Statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental area, significant adjustment resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;
3. 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;
4. Ensuring that the internal auditors have free and full access to all the GOCCs 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 communicating its results; and

5. Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the GOCC through a Procedures and Policies Handbook that will be used by the entire organization;
6. Recommending the hiring and removal of Internal Auditors, as recommended by Management, to the Chairman of the Board for approval.

IV. Accomplishments

1. Reviewed and recommended the Board Audit Committee Charter for the Board's approval.
2. Reviewed and recommended the Amended JHMC Internal Audit Charter for the Board's approval.
3. Reviewed and recommended the JHMC Risk Profile for the Board's approval.
4. Reviewed the Audit Report on the Human Resource (HR) Division and endorsed the audit recommendations for the Board's approval.
5. Reviewed the Audit Report on the Corporate Planning Unit and endorsed the audit recommendations for the Board's approval.
6. Reviewed the Audit Report on the Special Economic Zone Administration Department and endorsed the audit recommendations for the Board's approval.
7. Reviewed and recommended the Action Plan on the Audit Observations on the HR Division for the Board's approval.
8. Reviewed and recommended the Action Plan on the Audit Recommendations on Supplies Management for the Board's approval.
9. Reviewed and approved the Three-Year Strategic Planning of the Internal Audit Office.
10. Approved the Internal Audit Office's Annual Work Plan for CY 2019.
11. Assessed the performance of the Internal Audit Office in CY 2018.

V. Meetings

A total of eight (8) meetings were conducted by the Audit Committee in 2019.

No.	Date of Meetings
1.	January 14, 2019
2.	February 11, 2019
3.	February 26, 2019
4.	May 20, 2019
5.	June 03, 2019
6.	September 09, 2019
7.	September 23, 2019
8.	December 09, 2019

VI. Attendance Record of the Members

Members	Date of Meetings							
	01/14/ 2019	02/11/ 2019	02/26/ 2019	05/20/ 2019	06/03/ 2019	09/09/ 2019	09/23/ 2019	12/09/ 2019
Gloria F. Peralta	P	P	P	P	P	P	P	P
Charito R. Dulay	P	P	P	P	P	P	P	P
Alejandro F. Fernandez	P	P	P	P	P	P	P	P
Christian Paul L. Ulpindo	P	P	P	P	P	P	P	P

P - present
A - absent