

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

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**JHMC**

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

**AUDIT COMMITTEE  
REPORT**

**CY 2016**

## **I. JHMC Board Audit Committee**

The Audit Committee has three members, to wit:

Chairperson: Ms. Gloria F. Peralta, CPA

Members: Atty. Reynaldo U. Agranzamendez  
Atty. Teddy Esteban F. Rigoroso

## **II. Committee Members' Qualification and Responsibilities:**

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

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.

### **III. Accomplishments for the year 2016:**

1. Approval of the Internal Audit Charter for CY 2016-2019.
2. Review and approval of the Annual Work Plan of the Internal Audit Office for the Year 2016.
3. Review and approval of Audit Report on the Bids and Awards Committee.
4. Review and approval of Audit Report on the Security and Safety Department.
5. Review and approval of Audit Report on the Human Resource Division.
6. Review and approval of Audit Report on the Information and Communication Technology Division.
7. Review and approval of the Writing-Off of Account Receivables.
8. Review and approval of the JHMC Levels of Signing Authority.
9. Approval of the Letter of Agreement between JHMC and the Office of the Government Corporate Counsel (OGCC).
10. Review of the Action Plan for Audit Observation Memoranda and Notices of Disallowance issued by the Commission on Audit (COA).
11. Review of the COA's Annual Audit Report on JHMC for year ended December 31, 2015.

### **IV. Meetings for the year 2016:**

A total of eight (8) meetings were conducted by the Audit Committee in 2016.

<b>No.</b>	<b>Date of Meetings</b>
1.	January 11, 2016
2.	February 09, 2016
3.	April 19, 2016
4.	May 23, 2016 (joint meeting with Risk Management Committee)
5.	June 27, 2016 (joint meeting with Finance Committee)
6.	August 09, 2016
7.	September 26, 2016

<b>No.</b>	<b>Date of Meetings</b>
8.	October 14, 2016 (joint meeting with Governance Committee; Risk management Committee; and Special Committee on CJHDevCo Concerns and 19 Conditionalities)