

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

JHMC

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

**AUDIT COMMITTEE
REPORT**

CY 2022

I. JHMC Board Audit Committee

The Audit Committee has five (5) members, to wit:

Chairperson: Ms. Gloria F. Peralta, CPA
Ms. Charito R. Dulay (*ended on February 14, 2022*)

Members: Alejandro F. Fernandez, M.D.
Atty. Rudolph Steve E. Jularbal
Atty. Christian Paul L. Ulpindo

Ms. Dulay was appointed as the Chairperson of the Audit Committee on January 18, 2022 but resigned as a Member of the Audit Committee on February 14, 2022.

Ms. Peralta was appointed as the Member of the Audit Committee on February 14, 2022 and replaced Ms. Dulay as the Chairperson of the Audit Committee on February 14, 2022.

II. Committee Members' Qualifications

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

Chairperson Peralta is a Certified Public Accountant having an audit, accounting, and finance education and work background.

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, engaging and providing oversight of the GOCC's internal and external auditors, and coordinating 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 areas, significant adjustments 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.
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. Approving the appointment and removal of the JHMC's internal auditor, and evaluating the performance of the Head of the Internal Audit Office.

IV. Accomplishments

1. Reviewed the Revised JHMC Internal Audit Manual and endorsed it to the Board for approval.
2. Reviewed and approved the Internal Audit Office's Annual Work Plan for CY 2022.
3. Reviewed and approved the Internal Audit Office's Office Performance Commitment Review for CY 2022.
4. Reviewed the JHMC Financial Statements for CY 2021 and endorsed it to the Board for approval.
5. Reviewed the Audit Report on the Land and Asset Management Division and endorsed the audit recommendations to the Board for approval.
6. Reviewed the Audit Report on Information and Communication Technology Division and endorsed the audit recommendations to the Board for approval.
7. Reviewed the Audit Report on the Corporate Planning Unit and approved to endorse the audit recommendations to the Board for approval.
8. Reviewed the Financial Statements of JHMC for the First Quarter of CY 2022 and endorsed it to the Board.

V. Overall Assessment

The Audit Committee continued its work in overseeing, monitoring and evaluating the Internal Control, Management Control, and Compliance Control of John Hay Management Corporation. The Committee helps JHMC strengthen these controls by endorsing recommendations for improvement emanating from the result of Audit activities to the JHMC Board of Directors.

The Audit Committee conducted regular committee meetings to review and discuss the result of audit activities from the Internal Audit Office. The structure and reporting line of the Internal Audit Office to the Audit Committee ensured independence and objectivity in its reporting.

Based on the result of audit activities and actions of the Management on the recommendations, the Audit Committee assessed the Internal Control System of John Hay Management Corporation as strong, sound and effective for the year 2022.

VI. Meetings

A total of seven (7) meetings were conducted by the Audit Committee in 2022.

| No. | Date of Meetings |
|-----|---|
| 1. | January 26, 2022 |
| 2. | March 14, 2022 (joint meeting with the Finance Committee) |
| 3. | April 18, 2022 |
| 4. | May 11, 2022 |
| 5. | May 11, 2022 (joint meeting with the Finance Committee) |
| 6. | November 14, 2022 |
| 7. | December 19, 2022 |

VII. Attendance Record of the Members

| Members | Date of Meetings | | | | | | |
|---------------------------|------------------|-----------|-----------|-----------|------------|-----------|-----------|
| | 26-Jan-22 | 14-Mar-22 | 18-Apr-22 | 11-May-22 | 11-May-22* | 14-Nov-22 | 19-Dec-22 |
| Gloria F. Peralta | P | P | P | A | A | P | P |
| Alejandro F. Fernandez | P | P | P | P | P | P | P |
| Rudolph Steve E. Jularbal | P | P | P | P | P | P | P |
| Christian Paul L. Ulpindo | P | P | P | P | P | P | P |
| Charito R. Dulay | P | NA | NA | NA | NA | NA | NA |

Legend:

P - present

A - absent

NA - not applicable (the Director is no longer a Member of the Committee)

Note:

** joint meeting with the Finance Committee*