

**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 2023**

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

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

Chairperson: Gloria F. Peralta, CPA

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

Atty. Quadra was appointed as a Member of the Audit Committee on 24 October 2023.

Dr. Fernandez' membership in the Audit Committee ended on 01 October 2023.

## **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 and approved the Audit Committee Annual Report for CY 2022.
2. Reviewed the Pending Matters before the Audit Committee for CY 2022.
3. Reviewed and approved the Result of the Internal Audit Office's Office Performance Commitment Review for CY 2022.
4. Reviewed and approved the Annual Work Plan of the Internal Audit Office for CY 2023.
5. Reviewed and approved the Audit Report on the General Services Division and endorsed the audit recommendations to the Board for approval.
6. Reviewed and approved the Audit Report on the Community Relations Office and endorsed the audit recommendations to the Board for approval.
7. Reviewed and approved the Audit Report on the Special Economic Zone Administration Department and endorsed the audit recommendations to the Board for approval.
8. Reviewed and approved the Audit Report on the Business Development Department and endorsed the audit recommendations to the Board for approval.
9. Reviewed the Action Plan and Timeline for the Audit Recommendations for the Corporate Planning Unit and endorsed them to the Board for approval.
10. Reviewed the Action Plan on the Audit Recommendations for the General Services Division and endorsed it to the Board for approval.
11. Reviewed the Action Plan on the Audit Recommendations for the Community Relations Office and endorsed it to the Board for approval.
12. Reviewed the Action Plan on the Audit Recommendations for the Special Economic Zone Administration Department and endorsed it to the Board for approval.

13. Reviewed the JHMC Financial Statements for CY 2022 and endorsed them to the Board for approval.
14. Discussed the Commission on Audit's Annual Audit Report on JHMC for CY 2022, and reviewed the JHMC Agency Action Plan and Status of Implementation (AAPSI) to Resolve COA Audit Observations and Recommendations for CY 2022 and endorsed the AAPSI to the Board for approval.
15. Reviewed the quarterly JHMC Financial Statements for CY 2023 and endorsed them to the Board.
16. Reviewed the quarterly Budget Monitoring Reports for CY 2023.
17. Reviewed the Request for Budget Realignment for CY 2023 and endorsed it to the Board for approval.
18. Reviewed the Proposed Gender and Development Plan and Budget for CY 2024 and endorsed them to the Board for approval.
19. Reviewed the Answers to the Internal Audit Questionnaire.
20. Reviewed the Revised JHMC Financial Management System Handbook and endorsed it to the Board for approval.
21. Approved the hiring of a fixed-term employee for the Internal Audit Office to be endorsed to the Board for approval.

## **V. Overall Assessment**

The Audit Committee plays an important role in providing oversight to the John Hay Management Corporation's Governance and Internal Control System. The Audit Committee continuously oversees, monitor and evaluates the Internal Control, Management Control, and Compliance Control of JHMC. It helps strengthen these controls by assessing and evaluating through the reliable information from the audit activities.

The Audit Committee conducted a total of twelve (12) meetings in 2023. These meetings include the discussion, assessment, and evaluation of information and reports provided by the Internal Audit Office and Management which were approved by the Board of Directors.

Based on the result of the assessment and evaluation, the Audit Committee assessed the Internal Control System of the John Hay Management Corporation as strong, sound and effective for the year 2023.

## VI. Meetings

A total of twelve (12) meetings were conducted by the Audit Committee in 2023.

No.	Date of Meetings
1.	30 January 2023
2.	27 March 2023
3.	08 May 2023 (joint meeting with the Finance Committee)
4.	22 May 2023
5.	07 July 2023 (joint meeting with the Finance Committee)
6.	14 August 2023
7.	14 August 2023 (joint meeting with the Finance Committee)
8.	25 September 2023
9.	25 September 2023 (joint meeting with the Finance Committee)
10.	09 October 2023 (joint meeting with the Finance Committee)
11.	23 October 2023 (joint meeting with the Finance Committee)
12.	15 December 2023

## VII. Attendance Record of the Members

The Attendance Record of the Members of the Audit Committee for CY 2023 is as follows:

Members	Date of Meetings					
	30-Jan	27-Mar	8-May*	22-May	7-July*	14-Aug
Gloria F. Peralta	P	P	P	P	P	P
Alejandro F. Fernandez	P	P	P	P	P	P
Rudolph Steve E. Jularbal	P	P	P	P	P	P
Marlo Ignacio V. Quadra	NA	NA	NA	NA	NA	NA
Christian Paul L. Ulpindo	P	P	P	P	P	P

Members	Date of Meetings					
	14-Aug*	25-Sep	25-Sep*	9-Oct*	23-Oct*	15-Dec
Gloria F. Peralta	P	P	P	P	P	P
Alejandro F. Fernandez	P	P	P	NA	NA	NA
Rudolph Steve E. Jularbal	P	P	P	P	P	P
Marlo Ignacio V. Quadra	NA	NA	NA	NA	NA	P
Christian Paul L. Ulpindo	P	P	P	P	P	P

*Legend:*

*P - present*

*A - absent*

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

*\* joint meeting with the Finance Committee*