



**KASAGANA-KA Mutual Benefit Association, Inc.**  
**(Audit Committee Meeting)**  
**PRESENTATION OF Q1 AUDIT RESULTS AND INTERNAL AUDIT CHARTER**  
**5 Matimpiin St. Pinyahan, Quezon City**  
**Via ZOOM**  
**August 4, 2022 10:00 am**

**Attendees:**

Board of Trustees:

- |                           |   |
|---------------------------|---|
| 1. Philip Arnold P. Tuaño | -Committee Chairman, Independent Board Member |
| 2. Atty. Gettie Sandoval  | -Committee Member, Independent Board Member   |
| 3. Emelda Castro          | -Committee Member                             |

Management and Staff

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| 4. Randy E. Laresma | -Internal Audit Manager |
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Topic	Discussion			
<b>Call to order</b>	The meeting started at 10:00 am			
<b>Presentation of the Internal Audit Report of the 1<sup>st</sup> and 2<sup>nd</sup> Qtr. IA Activities</b>	I. IAM Randy presented the internal audit report to the Committee of areas assigned and planned for the first and second quarter of 2022.			
	<b>IA Activities</b>	<b>Audit Findings/Observations</b>	<b>Recommendation</b>	<b>Status of Management Action</b>
	a. Spot Audit on KMBA Funds	a. The management quickly addressed and took corrective actions on the previous audit findings.  b. All funds were intact and properly managed. Good Practices observed:  <input checked="" type="checkbox"/> All PCF Accounts were properly recorded/ reflected on the Financial Statements. <input checked="" type="checkbox"/> Regular cash count by the Finance Manager is practiced. <input checked="" type="checkbox"/> Regular monitoring of fund balances thru the logbook. <input checked="" type="checkbox"/> Separate pouch is used for each of the funds. <input checked="" type="checkbox"/> Funds were properly safekeep inside the vault. <input checked="" type="checkbox"/> All replenishments were properly documented.	IAS recommends to maintain the good practices in managing KMBA funds.	Resolved by KMBA Management.
	b. Election Process Audit	1. The conduct of the election adheres to its election guidelines	IAS recommends to maintain the good process in the conduct of the election.	Resolved by KMBA Management.



		and policy and also observed health and safety protocols. 2. The election results were accurate based on the validation made. 3. Thus, IAS report reflects the <u>integrity</u> of the whole election process.		
	c. KMBA KOINS Systems Audit on Membership counts	1. <b>No logs for Systems Errors.</b> According to KMBA IT, there were errors encountered during data transfer between the systems but no logs were found that can serve as monitoring/ tracking of system errors. However, those errors were corrected promptly. 2. <b>Wrong Coding of Membership categorization.</b> a. In KMBA KOINS, all GK members, regardless of their status (resigned or active), were accounted as Active GK. b. Transferred or cleared member accounts status in K-Coop due to splitting and transfer of SatO members were tagged as Active Pending in KMBA KOINS.	The Audit recommends that all identified errors in the KMBA KOINS in terms of membership count and categorization shall be corrected. Moreover, a monitoring log for system errors is recommended and be maintained for tracking and evaluation purposes of the system.	Management responses and management actions were documented. <i>All errors found were corrected and adjusted by the MIS on KMBA KOINS and placed corresponding controls in the system</i>
	d. Payroll Management	a. Incomplete information in the DTR	The IAS recommends to observe Segregation of Duties in the payroll cycle for better control (DTR production, preparation and review, payroll computation, approval, payout and reporting).	Resolved by KMBA Management.
	The Committee accepted the audit report on the IA activities of the 1 <sup>st</sup> and 2 <sup>nd</sup> Quarter of the year.			
<b>Audit Engagements for the 2<sup>nd</sup> Quarter 2022</b>	IAM Randy next presented the audit engagement for the 3 <sup>rd</sup> Quarter of the year.  Audit Activities/ Areas 1. Compliance Audit on AML and CTF 2. Audit on Claims  The Committee consented and agreed to the engagements.			
<b>Adjournment</b>	There being no other matters to discuss, the meeting ended at 11:00 am.			