

**AUDIT AND COMPLIANCE COMMITTEE
ACCOMPLISHMENT REPORT
FOR THE FIRST SEMESTER 2023**

I. HIGHLIGHTS OF MEETINGS

A. Major Initiatives and Proposals Approved/Endorsed by the AC Com

1.	2023 IAG Plans and Programs	January
2.	Proposed Changes in Audit Approach and Reporting re: Integrated Audit of Field Legal Services Department, Area Legal Units, and Field Legal Services	January
3.	Audit Policy and Procedures for the Witnessing of Forced Opening of Safety Deposit Boxes	February
4.	CMG 2023 Plans and Programs	February
5.	AML CTPF Compliance Testing Plan 2023	February
6.	RCD Compliance Testing Plan 2023	February
7.	Amendment in the Policy for the Selection of Next Type of Audit for Exemplary Units	March
8.	Policies and Procedures in the Handling of Confirmation of Loan Balances and Other Credit Accommodations	March
9.	Audit Procedures on E-Banking Channels and Mobile Banking Application	March
10.	Additions/Enhancements/Revisions to AML/CTPF Compliance Testing Program	March
11.	Guidelines in Handling of Significant Errors and Omissions in the Final Audit Report	April
12.	Audit Procedure Template for Information Technology General Controls	May
13.	Audit Policy and Procedures on E-Banking Channels – iAccess and Mobile Banking Application	June
14.	Heat Map for High Risk Activities for Focused Audit	June
15.	Proposed Audit Rating for Related Party Transactions (RPT)	June

B. Presentation of Action Plans of Units That Failed the Risk-Based Internal Audit (RBIA) in 2023

1.	Mandaue Branch	January
2.	Oriental Mindoro Lending Center	March
3.	Davao (Recto) Branch	April
4.	Tandag Branch	April
5.	Parang Branch	May
6.	Antipolo Circumferential Road Branch	May
7.	Malita Branch	June
8.	Jolo Branch	June
9.	Southern Isabela Lending Center	June

C. Regular Reports of Internal Audit Group and Compliance Management Group

Internal Audit Group		
	IAG's Report on Outstanding Major Findings as of:	
1.	• 4 th Quarter 2022	March
2.	• 1 st Quarter 2023	June
	IAG's Report on Long Outstanding Audit Findings as of:	
3.	• 4 th Quarter 2022	March
4.	• 1 st Quarter 2023	June
	IAG's Report on Outstanding Audit Issues as of:	
5.	• 4 th Quarter 2022	March
6.	• 1 st Quarter 2023	June
	Status of Recommendations on Special Audit Engagements as of:	
7.	• 4 th Quarter 2022	March
8.	• 1 st Quarter 2023	June
	Report on the Validation of Freeze Orders for the month of:	
9.	• November 2022	January
10.	• December 2022	February
11.	• January 2023	March
12.	• February 2023	April
13.	• March 2023	May
	FOAD's Report on the Validation of Deposit Accounts subject of SEC Advisories Negative Media Reports (NMRs) for the month of:	
14.	• November 2022	January
15.	• December 2022	February
16.	• January 2023	March
17.	• February 2023	April
18.	• March 2023	May
19.	Report on Validated Accounts with Freeze Order, SEC Advisories and Negative Media Report for April 2023	June
	Status Report on the Validation of Alerts generated by the Enterprise Fraud Management System (EFMS) as of:	
20.	• November 2022	January
21.	• December 2022	February
22.	• January 2023	March
23.	• February 2023	April
24.	• March 2023	May
25.	• April 2023	June
	Monthly Report on Major Findings:	
26.	• November 2022	January
27.	• December 2022	February
28.	• January 2023	March
29.	• February 2023	April
30.	• March 2023	May
31.	• April 2023	June

32.	Report on Long Outstanding Findings for OFBank as of 4 th Quarter 2022	March
33.	Report on Common and Recurring Findings for 2022	March
34.	Results of 2022 Performance Evaluation Rating by AC Com Members	January
35.	AC Com Attendance Report for 2022	January
36.	Confirmation of IAG's 2023 Declaration of Organizational Independence	January
37.	IAG Accomplishment Report for 2 nd Semester 2022	February
38.	AC Com Accomplishment Report for 2 nd Semester 2022	February
39.	AAC Accomplishment Report for 2 nd Semester 2022	February
	Revised Tentative Schedule of AC Com meetings from February to December 2023	February
	Presentation of the 2 nd Semester 2022 Accomplishment Report and 2023 Plans and Programs of:	
40.	<ul style="list-style-type: none"> LBP Leasing and Finance Corporation – Internal Audit and Compliance 	March
41.	<ul style="list-style-type: none"> UCBP Leasing and Finance Corporation – Internal Audit 	March
42.	<ul style="list-style-type: none"> UCPB Savings – Internal Audit 	March
43.	Results of Independent Validation of the 2022 Internal Capital Adequacy Assessment Process and Recovery Plan as of October 15, 2022	March
44.	Results of the 2023 External Quality Assessment Review (EQAR) of the Internal Audit Group	April
45.	Employee Relations Department (ERD) 2022 Report on Whistleblowing	April
	Presentation of the 2022 Internal Control-Related Initiatives of:	
46.	<ul style="list-style-type: none"> OP and BOD 	April
47.	<ul style="list-style-type: none"> Treasury and Investment Banking Sector 	April
48.	<ul style="list-style-type: none"> Branch Banking Sector 	April
49.	Results of Confirmation of Salary Loan Balances as of June 30, 2023	April
50.	Approved 2023 IAG Budget	April

Compliance Management Group

	Results of Independent Compliance Testing on various Regulatory Reports conducted in:	
51.	<ul style="list-style-type: none"> October to December 2022 	February
52.	<ul style="list-style-type: none"> January to March 2022 	March
	Results of Independent Compliance Testing of Business Units:	
53.	<ul style="list-style-type: none"> for 4th Quarter 2022 	February
54.	<ul style="list-style-type: none"> for 1st Quarter 2023 	May
	Results of Independent Compliance Testing and Review of Internal Policies against Applicable Regulations:	
55.	<ul style="list-style-type: none"> for 4th Quarter 2022 	February
56.	<ul style="list-style-type: none"> for 1st Quarter 2023 	May
	Results of Periodic Compliance Testing:	
57.	<ul style="list-style-type: none"> for 4th Quarter 2022 	February

58.	• for 1 st Quarter 2023	May
59.	Reports on Fines and Penalties:	
	• for 4 th Quarter 2022	February
	• for 1 st Quarter 2023	May
	Reports on Crimes and Losses:	
60.	• for 4 th Quarter 2022	February
61.	• for 1 st Quarter 2023	May
	Regulations Issued and Results of Pre-Testing:	
62.	• October 2022	January
63.	• November 2022	February
64.	• December 2022	March
65.	• January 2023	March
66.	• February 2023	May
67.	• March 2023	May
68.	• April 2023	June
	Monitoring of Action Plan and Status of Implementation on COA AAR for CY 2021 and Prior Years Audit Recommendations as of: December 31, 2022	
69.	• December 31, 2022	February
70.	• March 31, 2023	May
71.	CMG 2022 Accomplishment Report	February
72.	Monitoring Report on Casinos, Offshore Gaming Operations (OGO), OGO-Service Providers, and Online Gaming Businesses.	March
73.	Updates on Compliance with Freeze Orders – Identification and Freezing of Materially-Linked Accounts (CA-GR AMLC Case No. 00328)	
74.	Monitoring Report on Money Service Businesses as of December 31, 2022	
75.	LBP Response to BSP Report of Examination (ROE) as of March 31, 2023	
76.	Approved 2023 CMG Budget	May
77.	Updates on Compliance with Freeze Orders – Identification and Freezing of Materially-Linked Accounts – Batch 2 (CA-GR AMLC Case No. 00328)	June
78.	Negative Media Report for the month of May	June

D. Other Reports and Updates presented to the AC Com

1.	Reassignments in IAG Departments	January
2.	CorSec Memo dated March 8, 2023 re: Updates on Membership of the LBP Board-Level Committee	March
3.	CorSec Memo dated March 28, 2023 re: AC Com Directive on AC Com Composition and UCPB Savings Bank.	April
4.	LBP Board Resolution No. 23-235 re: Updated Memberships in the Bank's Audit and Compliance Committee	May
5.	Outstanding Matters Arising as of April 12, 2023	May
6.	HOSTAD Compliance Memo dated May 2, 2023 re: AC	May

	Com Directive on Information Switching Technology System (IST) Issue	
7.	IBG Presentation on Government guaranteed loans, UCPB Minority Shareholders, and LANDBANK-DBP Merger FAQs	May
8.	EMBG Compliance Memo dated April 26, 2023 re: AC Com Directive on Concerns on IPCR Rating, Cases filed and Collection efforts on the Irregular Salary Loan Releases at Davao-Recto Branch	May
9.	LSD and BBSD Compliance Memoranda re: AC Com Directive on List of Money Changers with Loans with LANDBANK	May
10.	Outstanding Matters Arising as of May 10, 2023	June
11.	LD Compliance Memo dated May 24, 2023 re: ACCRA Investments Corporation	June
12.	CAG Compliance Memo dated June 5, 2023 re: Initiatives to inform the public about LANDBANK's accomplishments on agriculture lending and its value chain sector	June
13.	HRMG Compliance Memo dated May 30, 2023 re: Retirement Plan in Anticipation of the LBP-DBP merger	June
14.	FLSD, ALD and LD Compliance Memo dated May 29, 2023 re: Processes for Administrative/Criminal/Civil Cases against LBP Employees	June
15.	ERD Compliance Memo dated May 31, 2023 re: Gender and Development (GAD) Updates	June
16.	EPMD Compliance Memo dated May 31, 2023 re: Due diligence in the granting of loans	June
	Accountability Assessment Committee (AAC) Minutes of Meetings:	
17.	• November 24, 2022	January
18.	• December 15, 2022	February
19.	• January 12, 2023	March
20.	• February 9, 2023	March
21.	• February 23, 2023	April
22.	• March 9, 2023	May
23.	• April 13, 2023	May
24.	• April 27, 2023	June
25.	• May 11, 2023	June
	Anti-Money Laundering (AML) Committee Minutes of Meetings:	
26.	• October 24, 2022	January
27.	• December 16, 2022	February
28.	• January 27, 2023	March
29.	• February 23, 2023	April
30.	• March 29, 2023	June

II. ATTENDANCE OF AUDIT AND COMPLIANCE COMMITTEE MEMBERS

Date of Meetings	Dir. Atty. Jaime L. Miralles	Dir. Virgilio DV. Robes
January 4, 2023	Present	Present
February 8, 2023	Present	Present
Number of Times Present	2	2
Average Attendance per Director	100%	100%
Date of Meetings	Dir. Atty. David D. Erro	Dir. Virginia N. Orogo
March 22, 2023	Present	Present
April 12, 2023	Present	Present
May 10, 2023	Present	Present
June 19, 2023	Present	Present
Number of Times Present	4	4
Average Attendance per Director	100%	100%
Total Number of Meetings	6	6
Grand Total	100%	

Prepared by:


JOLINA CELESTE Y. DELOS SANTOS
 AC Com Secretariat/MAA-ASEU

Reviewed by:


RYAN P. CARBONELL
 AC Com Secretariat/SMAO-ASEU

Noted by:

 06-28-2023
MARIA EDELWINA D. CARREON
 AC Com Secretariat/FVP – IAG

**AUDIT AND COMPLIANCE COMMITTEE
ACCOMPLISHMENT REPORT
FOR THE SECOND SEMESTER 2023**

I. HIGHLIGHTS OF MEETINGS

A. Major Initiatives and Proposals Approved/Endorsed by the AC Com

1.	Revised 2023 Internal Audit Group Charter	July
2.	Revised 2023 Information Systems Audit Department (ISAD) Audit Plan	July
3.	Revised Audit Procedures on Anti-Money Laundering	July
4.	Revised 2023 Head Office Audit Department (HOAD) Audit Plan	August
5.	Revised Field Operations Audit Department (FOAD) II Audit Plan	August
6.	Revised 2023 FOAD I Audit Plan	September
7.	Revised 2023 Assurance and Special Engagements Unit (ASEU) Audit Plan	September
8.	Updated Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual	September
9.	Recommended Action Plans to address noted areas for improvement re: Results of 2023 Money Laundering/Terrorist Financing/Proliferation Financing Institutional Risk Assessment	September
10.	Exchange in Schedule of Risk Com with AC Com	September
11.	Proposed Risk Scoring System of Loan Operations Management Department (LOMD) and Loan Operations Field Units (LOFUs)	October
12.	2023 Review of AC Com Charter	October
13.	Proposed Replacement of Audit of Quality and Innovation Management Department by Back-up Site Testing	November
14.	Proposed Risk Scoring and Audit Rating Systems for Risk Models and Frameworks	November
15.	Revised Audit Procedures on Financial Consumer Protection	November
16.	Addendum to the 2023 AML/CTPF Compliance Testing Plan	November
17.	LBP Compliance Manual updated as of September 30, 2023	November
18.	Trust Compliance Manual updated as of September 30, 2023	November
19.	Changes in the Audit Plan of FOAD II for CY 2023	December

B. Presentation of Action Plans of Units That Failed the Risk-Based Internal Audit (RBIA) in 2023

1. San Fernando (Pampanga) Branch	November
2. Velez Branch	November
3. Urdaneta Branch	November
4. Oriental Mindoro Lending Center	December

C. Regular Reports of Internal Audit Group and Compliance Management Group

Internal Audit Group		
	IAG's Report on Outstanding Major Findings as of:	
1.	• 2 nd Quarter 2023	September
2.	• 3 rd Quarter 2023	December
	IAG's Report on Outstanding Audit Issues as of:	
3.	• 2 nd Quarter 2023	September
4.	• 3 rd Quarter 2023	December
	IAG's Report on Long Outstanding Audit Findings as of:	
5.	• 2 nd Quarter 2023	September
6.	• 3 rd Quarter 2023	December
	ASEU's Report on Long Outstanding Findings, Outstanding Major Findings, Outstanding Audit Issues and Special Audit Recommendations on OFBank as of:	
7.	• 1 st Quarter 2023	September
8.	• 2 nd Quarter 2023	September
9.	• 3 rd Quarter 2023	December
	ISAD's Report on Long Outstanding Findings, Outstanding Major Findings, Outstanding Audit Issues and Special Audit Recommendations on OFBank as of:	
10.	• 1 st Quarter 2023	September
11.	• 2 nd Quarter 2023	September
12.	• 3 rd Quarter 2023	December
	Status of Recommendations on Special Audit Engagements as of:	
13.	• 2 nd Quarter 2023	September
14.	• 3 rd Quarter 2023	December
	Report on Validated Accounts with Freeze Order, SEC Advisories and Negative Media Report	
15.	• May 2023	July
16.	• June 2023	July
17.	• July 2023	September
18.	• August 2023	October
19.	• September 2023	October
20.	• October 2023	November
21.	• November 2023	December
	Status Report on the Validation of Alerts generated by the Enterprise Fraud Management System (EFMS) as of:	
22.	• May 2023	July

23.	• June 2023	July
24.	• July 2023	September
25.	• August 2023	October
26.	• September 2023	October
27.	• October 2023	November
28.	• November 2023	December
	Monthly Report on Major Findings:	
29.	• May 2023	July
30.	• June 2023	July
31.	• July 2023	September
32.	• August 2023	October
33.	• September 2023	October
34.	• October 2023	November
35.	• November 2023	December
	Report on Audit Observations related to Turn Around Time	
36.	• September 2023	November
37.	• October 2023	December
	ASEU's Report on Long Outstanding Findings for OFBank as of:	
38.	• 1 st Quarter 2023	September
39.	• 2 nd Quarter 2023	September
	ISAD's Report on Long Outstanding Findings for OFBank as of:	
40.	• 1 st Quarter 2023	September
41.	• 2 nd Quarter 2023	September
42.	IAG Accomplishment Report for 1 st Semester 2023	July
43.	AC Com Accomplishment Report for 1 st Semester 2023	July
44.	Revised Service Level Agreement of Internal Audit Group	July
45.	Results of 2022 Audit Client Satisfaction Survey	August
46.	Results of Confirmation of Loan Balances as of April 2023	September
47.	AAC Accomplishment Report for 1 st Semester 2023	September
	Presentation of the 1 st Semester 2023 Accomplishment Report of:	
48.	• LBP Leasing and Finance Corporation – Internal Audit and Compliance	September
49.	• UCBP Leasing and Finance Corporation – Internal Audit	September
50.	• UCPB Savings – Internal Audit	September
	Presentation of the 2022 Internal Control-Related Initiatives of:	
51.	• Operations Sector	October
52.	• Digital Banking Sector	October
53.	2022 Overall Internal Audit Opinion	November
54.	LBP Financial Reporting Framework	December
55.	2022 Internal Quality Assessment Review	December
56.	2024 Tentative Schedule of AC Com Meetings	December

	Results of Independent Compliance Testing on various Regulatory Reports conducted in:	
57.	• 2 nd Quarter 2023	August
58.	• 3 rd Quarter 2023	November
	Results of Independent Compliance Testing of Business Units:	
59.	• for 2 nd Quarter 2023	August
60.	• for 3 rd Quarter 2023	October
	Results of Review of Internal Policies against Applicable Regulations:	
61.	• for 2 nd Quarter 2023	August
62.	• for 3 rd Quarter 2023	October
	Results of Periodic Compliance Testing:	
63.	• for 2 nd Quarter 2023	July
64.	• for 3 rd Quarter 2023	October
	Reports on Fines and Penalties:	
65.	• for 2 nd Quarter 2023	August
66.	• for 3 rd Quarter 2023	November
	Reports on Crimes and Losses:	
67.	• for 2 nd Quarter 2023	August
68.	• for 3 rd Quarter 2023	October
	Regulations Issued and Results of Pre-Testing:	
69.	• May 2023	July
70.	• June 2023	September
71.	• July 2023	September
72.	• August 2023	October
73.	• September 2023	October
	LBP Response to BSP Report of Examination (ROE) as of:	
74.	• June 2023	September
75.	• September 2023	November
	Monitoring of Action Plan and Status of Implementation on Commission on Audit (COA) Annual Audit Report for CY 2021 and Prior Years Audit Recommendations as of:	
76.	• June 2023	August
77.	• September 2023	November
78.	Monitoring Reports on Money Service Businesses and Casinos, Offshore Gaming Operators, OGO-Service Providers, and Online Gaming Businesses.	July
79.	Results of 2023 Money Laundering/Terrorist Financing/Proliferation Financing Institutional Risk Assessment	September
80.	CMG 1 st Semester 2023 Accomplishment Report	September
81.	Updates on Compliance with Regular Freeze Order – Identification and Freezing of Materially-Linked Accounts (CA-GR AMLA Case No. 00346)	October
82.	Negative Media Report for November 2023	December
83.	BSP Comments and Observations on Thematic Review of Terms and Conditions of Product and Service Agreements and Bank’s Responses	December

D. Other Reports and Updates presented to the AC Com

1.	Employee Relations Department (ERD) compliance memo re: AC Com Directive on Gender and Development data and budget allocation	July
2.	Environment Program & Management Department (EPMD) compliance memo re: AC Com Directive on Additions to Checklist on Due Diligence in the Granting of Loans	July
3.	Jolo Branch compliance memo re: Hazard Pay and Branch Security	July
4.	EPMD compliance memo re: Updates on Environmental and Social Data Checklist for all Bank-financed Projects	September
5.	Systems and Methods Department (SMD) compliance memo re: AC Com Directive on EO 26, Series of 2023 re: Revised Guidelines on Outsourcing Arrangement	September
6.	Personnel Administration Department (PAD) compliance memo re: Hazard Pay for Jolo Branch	September
7.	Human Resource Management Group (HRMG) and Property Valuation and Field Operations Group (PVFOG) compliance memo re: AC Com Directive on Reorganizational Changes in then-Agrarian Support Group	September
8.	2022 Management Representation Letter to the COA	September
9.	West Mindanao Branches Group (WMBG) compliance memo re: AC Com Directive on Hazard Pay for Jolo Branch	October
10.	Lending Program Management Group (LPMG) compliance memo re: AC Com Directive on Status Report on Status Report on Agrarian Reform Beneficiaries (ARBs).	October
11.	SMD compliance memo re: AC Com Directive on the Status and Timeline of Pending Internal Policies and Guidelines	November
12.	PVFOG compliance memo re: AC Com Directive on Malacañang EO No. 04, s. 2022; R.A. No. 11953, Malacañang EO No. 40, s. 2023	November
13.	SMD compliance memo re: Updated Report on the Status and Timeline of Pending Internal Policies and Guidelines	December
14.	Branch Banking Support Department (BBSD) and National Development Lending Sector (NDLS) updates, query and presentation re: Data on the Bank's Financial Consumers	December
15.	Office of the PCEO memo on Audit Reports	December
	Accountability Assessment Committee (AAC) Minutes of Meetings:	
16.	• May 25, 2023	July
17.	• June 16, 2023	August
18.	• August 10, 2023	October
19.	• September 14, 2023	October
20.	• October 12, 2023	November
21.	• November 13, 2023	December
	Anti-Money Laundering (AML) Committee Minutes of Meetings:	
22.	• May 16, 2023	July
23.	• June 5, 2023	July
24.	• June 21, 2023	September
25.	• August 4, 2023	September

26.	• September 11, 2023	December
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E. Briefing/Orientation on

1.	Sanctions Screening	September
2.	Key Factors to Success	September
3.	Cybersecurity Risks	September
4.	Strategic Transformation of Internal Audit Practices	September
5.	IAG, RMG, and CMG Structure and Functions	September
6.	LBP Financial Reporting Framework	December

II. ATTENDANCE OF AUDIT AND COMPLIANCE COMMITTEE MEMBERS

Date of Meetings	Dir. Atty. David D. Erro	Dir. Virginia N. Orogo
July 21, 2023	Present	Present
August 7, 2023	Present	Present
September 21, 2023	Present	Present
October 25, 2023	Present	Present
November 23, 2023	Present	Present
December 18, 2023	Present	Present
Total Number of Meetings	6	6
Number of Times Present	6	6
Average Attendance	100%	100%
	100%	

Prepared by:


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 01-12-2024
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