



## NATIONAL POWER CORPORATION

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### 2017 National Power Board Audit Committee Report

The National Power Board Audit Committee (NPBAC) was composed of the following duly-designated members:

Chairman	Lorenzo C. Drapete	Department of Budget and Management (DBM)
Co-Chairman	Bayani H. Agabin	Department of Finance (DOF)
Members	<i>January 2017 – September 2017</i>	Department of Energy (DOE)
	Petronilo L. Ilagan	
	Ma. Paz G. Luna	Department of Environment and Natural Resources (DENR)
	Rolando D. Tungpalan Roderick M. Planta ( <i>Alternate</i> )	National Economic and Development Authority (NEDA)
	John R. Castriciones	Department of the Interior and Local Government (DILG)
	Raul V. Angeles	Department of Trade and Industry (DTI)

By virtue of NP Board Resolution Number 2017-42 dated 26 September 2017, the NPBAC was reconstituted to be composed of the following:

Chairman	Lorenzo C. Drapete	DBM
Vice Chairman	Rolando D. Tungpalan Roderick M. Planta ( <i>Alternate</i> )	NEDA
Members	Bayani H. Agabin	DOF
	Ma. Paz G. Luna	DENR
	John R. Castriciones Paolo J.T. Quazon ( <i>Alternate</i> )	DILG
	Raul V. Angeles	DTI
	Ariel T. Cayanan	Department of Agriculture (DA)

The NPBAC held four meetings in 2017. The highlights of the meetings are summarized below:

**Meeting 1 23 March 2017**

Members in Attendance:

Lorenzo C. Drapete  
Roderick M. Planta  
Bayani H. Agabin  
Maria Paz G. Luna  
Paolo J.T. Quazon  
Petronilo L. Ilagan

Matters Discussed:

1. Proposed 2017 Internal Audit Department (IAD) Work Plan. The NPBAC approved the proposed projects of IAD's two divisions, and directed the addition of the audit of the Universal Charge on Missionary Electrification in the Work Plan.
2. Results of Internal Audit Department (IAD) Audit Projects. The NPBAC enjoined the IAD to monitor and report the actions of Management to address the audit observations on the Audit of Construction Work-in-Progress and Audit of Fuel System – Small Power Utilities Group (SPUG) Luzon Operations (Mindoro Area). It also directed Management to:
  - regularly provide updates on the status of Power Engineering Services projects to the NP Board;
  - review and improve the terms and policies on projects; and
  - finish the updating of the NPC Work Order Manual.

**Meeting 2 28 July 2017**

Members in Attendance:

Lorenzo C. Drapete  
Roderick M. Planta  
Danielle Marie S. Rieza-Culangen (duly authorized representative of DOF)  
Petronilo L. Ilagan  
Raul V. Angeles  
Paolo J.T. Quazon

Matters Discussed:

1. Results of IAD Audit Projects. The NPBAC discussed the results of the Operations Review of selected Luzon plants, namely Rizal Diesel Power Plant, San Vicente Diesel Power Plant, and Culion Diesel Power Plant, as well as the Visayas Operations. It directed Management to:
  - provide the NP Board timely updates on plant operations performance;
  - update the NPC Work Order Manual; and

- review the staffing of SPUG Palawan.
- 2. Updates on the instructions from the NPBAC. The Committee considered the actions taken by Management and reiterated its directive for the latter to standardize the plant positions.
- 3. Status of IAD's 2017 Annual Work Plan. The NPBAC considered the adjustments in the IAD Work Plan.

### **Meeting 3    18 October 2017**

Members in Attendance:

Lorenzo C. Drapete  
Christine G. Danao (duly authorized representative of NEDA)  
Leo P. Caneda (duly authorized representative of DA)  
Raul V. Angeles

Matters Discussed:

1. Results of IAD Audit Projects. The NPBAC deliberated on the results of the audits on the Cash Management System and the Procurement System of SPUG – Visayas Operations. The Committee emphasized the need for further training/seminar for all Bids and Awards Committee and Technical Working Group members.
2. Status of Audit Findings. The NPBAC required the IAD to submit a summary of all the audit findings in 2017 and the status of actions taken by Management. It also directed IAD to present its 2018 calendar of activities in the next Committee meeting.
3. IAD Vacant Positions. The Committee instructed IAD to:
  - prompt the Human Resource Department to immediately process the filling-up of the vacancies; and
  - request the Corporate Secretary to convene the NP Board Nomination and Remunerations Committee after HR and IAD finish their evaluation of the applicants.

### **Meeting 4    19 December 2017**

Members in Attendance:

Lorenzo C. Drapete  
Christine G. Danao (duly authorized representative of NEDA)  
Leo P. Caneda (duly authorized representative of DA)  
Raul V. Angeles

Matters Discussed:

1. Proposed IAD 2018 Work Plan. The NPBAC approved the proposal after discussion of the coverage of the projects.
2. IAD Monitoring Report. The NPBAC noted the updates on the results of the audits on Construction Work-in-Progress, Fuel System – SPUG Luzon (Mindoro Area), and Cash Management and Procurement System – SPUG, Visayas Operations.