



NATIONAL POWER CORPORATION

2023 NATIONAL POWER BOARD AUDIT COMMITTEE REPORT

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

Chairman - Department of Budget and Management (DBM)

Leo Angelo M. Larcia
Ryan S. Lita
Elena Regina S. Brillantes

Vice Chairman - National Economic and Development Authority (NEDA)

Joseph J. Capuno
Roderick M. Planta
Jonathan L. Uy

Member - Department of Finance (DOF)

Catherine L. Fong
Danielle Marie S. Rieza-Culangen
Raphael C. Diaz

Member - Department of Environment and Natural Resources (DENR)

Ignatius A. Rodriguez
Analiza Rebuelta-Teh

Member - Department of Interior and Local Government (DILG)

Lord A. Villanueva

Member - Department of Trade and Industry (DTI)

Ceferino S. Rodolfo
Maria Veronica F. Magsino
Ma. Corazon Halili-Dichosa

Member - Department of Agriculture (DA)

Domingo F. Panganiban
Arnel V. De Mesa

The NPBAC met five (5) times in CY 2023. The Committee held three (3) regular meetings and two (2) special meetings during the year. The highlights of the meetings are summarized below:

REGULAR MEETINGS

Meeting 1. 23 May 2023

Members in Attendance:

Ryan S. Lita	Chairman, DBM
Roderick M. Planta	Vice Chairman, NEDA
Raphael C. Diaz	Member, DOF
Maria Veronica F. Magsino	Member, DTI
Arnel V. De Mesa	Member, DA

Matters Discussed:

Results of IAD Audit Projects/Activities. The NPBAC issued directives for Management and functional groups concerned to address the audit observations, based on the discussion of the IAD reports on the following projects:

- *Audit of Fixed Asset Accounting System*
- *Audit of Cash Receipts, Disbursements, and Temporary Investments*
- *Audit of Processing of Contractors' Claims – Head Office*
- *Audit of Warehouse Operations – Major Repair and Maintenance Department*

Meeting 2. 30 June 2023

Members in Attendance:

Ryan S. Lita	Chairman, DBM
Raphael C. Diaz	Member, DOF
Maria Veronica F. Magsino	Member, DTI
Lord A. Villanueva	Member, DILG

Matters Discussed:

1. Results of IAD Audit Projects. The NPBAC issued directives for Management and functional groups concerned to address the audit observations, based on the discussion of the IAD reports on the following projects:
 - *Audit of Contractors' Claims – Small Power Utilities Group - Luzon*
 - *Audit of Management of Land Titling and Custodianship of Land Titles*
 - *Monitoring/Status Report on Management Actions on Management Audit Division's Final Audit Reports*
2. Filling-up of IAD Vacant Positions. After deliberations, the Committee directed HR and IAD to submit the assessment results to the NP Board Nomination and Remuneration Committee for consideration.

Meeting 3. 5 September 2023

Members in Attendance:

Ryan S. Lita	Chairman, DBM
Roderick M. Planta	Vice Chairman, NEDA
Raphael C. Diaz	Member, DOF
Maria Veronica F. Magsino	Member, DTI
Lord A. Villanueva	Member, DILG
Arnel V. De Mesa	Member, DA
Irene Cristina M. Gono	Representative, DENR

Matters Discussed:

Results of IAD Audit Projects/Activities. The NPBAC issued directives for Management and functional groups concerned to address the audit observations, based on the discussion of the IAD reports on the following projects:

- *Audit of Power Supply Agreements*
- *Audit of Procurement System: Decentralized Bids and Awards Committee*
- *Audit of Constructors' Performance Evaluation System*

- *Audit of Cash Accountabilities – SPUG and Mindanao Generation Group*

SPECIAL MEETINGS

Special Meeting 1. 8 February 2023

Members in Attendance:

Ryan S. Lita	Chairman, DBM
Roderick M. Planta	Vice Chairman, NEDA
Danielle Marie S. Rieza-Culangen	Member, DOF
Maria Veronica F. Magsino	Member, DTI
Lord A. Villanueva	Member, DILG
Arnel V. De Mesa	Member, DA

Matters Discussed:

1. NPC 2022 Financial Statements. The NPBAC reviewed and approved the financial statements for presentation to the National Power Board.
2. Revisions in the IAD 2023 Work Plan. Subject to a few modifications, the Committee approved the proposed revisions to the IAD 2023 Work Plan.
3. Filling up of IAD Vacancies. Based on the deliberations, the NPBAC approved the endorsement of the assessment results to the NP Board Nomination and Remuneration Committee for consideration.

Special Meeting 2. 23 October 2023

Members in Attendance:

Ryan S. Lita	Chairman, DBM
Roderick M. Planta	Vice Chairman, NEDA
Raphael C. Diaz	Member, DOF
Maria Veronica F. Magsino	Member, DTI
Arnel V. De Mesa	Member, DA
Irene Cristina M. Gono	Representative, DENR
Jojo A. Tarun	Representative, DILG

Matters Discussed:

Management Actions on the COA Annual Audit Report on NPC Financial Statements for the Years Ended 31 December 2022 and 2021. After detailed discussion, the NPBAC directed NPC Management to establish policies for the improvement of the corporate governance and processes, and make a similar but more concise presentation for the NP Board.

Submitted by:


VEDALISA N. AREVALO
 Senior Department Manager
 Internal Audit Department